THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS

Audits of Consolidated Financial Statements

June 30, 2023 and 2022

LAPORTE
CPAs & BUSINESS ADVISORS

Contents

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Independent Auditor's Report

Very Reverend Simon Peter Engurait
Diocesan Administrator of the Diocese of Houma-Thibodaux
The Central Administrative Offices of the Roman Catholic Church
of the Diocese of Houma-Thibodaux, Offices and Institutions

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (the Diocese), which comprise the consolidated statements of financial position as of June 30, 2023 and 2022, the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements (collectively, the financial statements).

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocese as of June 30, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Diocese and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Diocese's ability to continue as a going concern within one year after the date that the financial statements are issued.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain-internal control related matters that we identified during the audit.

Supplementary Information
Our audits were conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedules 1 to 5 as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2024 on our consideration of the Diocese's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Diocese's internal control over financial reporting and compliance.

LaPorte

A Professional Accounting Corporation

Covington, LA
January 20, 2024

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Current Assets		
Cash and Cash Equivalents	**$ 9,634,147**	$ 20,309,531
Accounts Receivable	**747,482**	347,164
Annual Bishop's Appeal Receivable	**133,648**	112,024
Accrued Interest and Mineral Royalties Receivable	**453,242**	317,710
Prepaid Expenses	**1,217,460**	474,308
Current Maturities of Parish and School Loans	**87,000**	137,000
Investments in Marketable Debt Securities Expected to be Sold or to Mature to Fund Current Expected Deposit Withdrawals	**21,400,000**	16,900,000
Total Current Assets	**33,672,979**	38,597,737
Investments, Net of Current Expected Sales and Maturities	**59,706,687**	65,281,135
Parish and School Loans Receivable	**1,721,237**	1,723,991
Less: Current Maturities	**(87,000)**	(137,000)
Total Loans Less Current Maturities	**1,634,237**	1,586,991
Property and Equipment, at Cost	**21,209,169**	20,782,192
Less: Accumulated Depreciation	**(11,634,215)**	(11,208,907)
Total Property and Equipment, Net	**9,574,954**	9,573,285
Other Assets	**2,707,475**	2,694,241
Total Assets	**$ 107,296,332**	$ 117,733,389

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statements of Financial Position (Continued)
June 30, 2023 and 2022

	2023	2022
Liabilities And Net Assets		
Current Liabilities		
Deposits in Central Finance, Current Expected Withdrawals	$ 22,943,000	$ 18,244,000
Accounts Payable, Undistributed Funds, and Other Accruals	3,437,142	11,222,912
Deferred Grant Revenues	134,243	439,323
Total Current Liabilities	26,514,385	29,906,235
Deposits and Endowments of Parishes, Schools, and Institutions, Net of Current Expected Withdrawals	36,684,725	37,163,249
Insurance Program Liabilities	329,254	469,811
Accrued Other Postretirement Benefits	10,215,872	11,894,614
Total Liabilities	73,744,236	79,433,909
Net Assets		
Without Donor Restrictions		
Designated by the Bishop	36,222,024	42,282,617
Operating Deficit	(12,619,678)	(16,461,973)
With Donor Restrictions		
Restricted for Specified Purpose	4,661,933	7,150,736
Restricted in Perpetuity	5,287,817	5,328,100
Total Net Assets	33,552,096	38,299,480
Total Liabilities and Net Assets	$ 107,296,332	$ 117,733,389

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statements of Activities
For the Years Ended June 30, 2023 and 2022

	2023	2022
Changes in Net Assets Without Donor Restrictions		
Revenues and Other Support		
Cathedraticum	**$ 2,509,656**	$ 2,194,236
Donations and Special Collections	**2,732,641**	1,459,579
Grants	**3,208,445**	4,420,844
Investment Income, Net		
Central Finance	**2,513,835**	(4,757,733)
Other Investment Income	**54,340**	154,323
Oil and Gas Royalties	**475,606**	326,490
Program Service and Other Income	**13,097,918**	13,866,830
Insurance Proceeds	**-**	49,227,339
Net Assets Released from Restrictions	**2,680,410**	138,187
Total Revenues and Other Support	**27,272,851**	67,030,095
Operating Expenses		
Program Services		
Formation Ministries	**1,833,753**	1,732,809
Social Ministries	**4,748,609**	2,968,073
Clergy and Religious	**2,340,043**	2,130,061
Administration Ministries	**21,870,233**	34,566,226
Total Program Services	**30,792,638**	41,397,169
Supporting Services		
General and Administrative Expenses	**1,511,172**	1,434,736
Stewardship Expenses	**380,079**	365,293
Total Supporting Services	**1,891,251**	1,800,029
Total Operating Expenses	**32,683,889**	43,197,198
Changes in Net Assets from Operations	**(5,411,038)**	23,832,897

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statements of Activities (Continued)
For the Years Ended June 30, 2023 and 2022

	2023	2022
Non-Operating Activities		
Net Loss from Discontinued Operations	**-**	(1,245,559)
Pension and Postemployment Benefit Related Changes Other than Net Periodic Pension and Benefit Cost	**3,192,740**	2,402,701
Changes in Net Assets Without Donor Restrictions	**(2,218,298)**	24,990,039
Changes in Net Assets With Donor Restrictions		
Contributions	**122,172**	5,497,041
Investment Return, Net	**29,152**	(114,744)
Less: Net Assets Released from Restrictions	**(2,680,410)**	(138,187)
Changes in Net Assets With Donor Restrictions	**(2,529,086)**	5,244,110
Changes in Net Assets	**(4,747,384)**	30,234,149
Net Assets, Beginning of Year	**38,299,480**	8,065,331
Net Assets, End of Year	**$ 33,552,096**	$ 38,299,480

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2023

	Program Services					Supporting Services			
	Formation Ministries	Social Ministries	Clergy and Religious	Administration Ministries	Total Program Services	General and Administrative Expenses	Stewardship Expenses	Total Supporting Services	Total Operating Expenses
Salaries - Lay Personnel	$ 809,837	$ 953,865	$ 226,843	$ 1,089,679	$ 3,080,224	$ 435,833	$ 18,003	$ 453,836	$ 3,534,060
Salaries - Religious	133,266	34,963	78,551	24,150	270,930	3,829	-	3,829	274,759
Payroll Taxes	58,644	69,353	16,349	76,106	220,452	31,582	1,149	32,731	253,183
Group Insurance	201,754	231,769	113,617	175,013	722,153	67,021	1,031	68,052	790,205
Group Insurance - Retired Priests	-	-	941,524	-	941,524	-	-	-	941,524
Pension and Benefits	46,764	46,009	10,892	52,604	156,269	18,959	709	19,668	175,937
Business Allowance/ Reimbursement	40,038	39,878	46,861	17,558	144,335	5,971	244	6,215	150,550
Conference and Travel	90,601	48,287	37,540	15,514	191,942	10,810	-	10,810	202,752
Program Expenses	96,114	167,308	461,337	19,592,004	20,316,763	345	309,200	309,545	20,626,308
Supplies	9,980	52,338	61,217	31,133	154,668	23,081	-	23,081	177,749
Maintenance and Repair	18,129	81,247	55,759	64,410	219,545	150,946	-	150,946	370,491
Insurance	-	56,150	22,889	-	79,039	-	-	-	79,039
Occupancy Expenses	-	161,466	66,212	35,155	262,833	80,244	-	80,244	343,077
Other Operating Expenses	71,523	162,035	101,078	78,021	412,657	300,978	11,743	312,721	725,378
Copying and Printing	102,097	16,535	4,785	202	123,619	203	-	203	123,822
Papal Quota and Catholic Conference	-	-	-	-	-	74,717	-	74,717	74,717
Contributions and Grants	134,061	125,061	11,000	101,380	371,502	66,795	38,000	104,795	476,297
Depreciation	20,945	95,643	78,638	14,198	209,424	230,184	-	230,184	439,608
Central Finance Interest Expense	-	-	-	497,021	497,021	-	-	-	497,021
Emergency Assistance and Disaster Relief	-	2,374,498	-	-	2,374,498	-	-	-	2,374,498
Telephone	-	32,204	4,951	6,085	43,240	9,674	-	9,674	52,914
Total Expenses	$ 1,833,753	$ 4,748,609	$ 2,340,043	$ 21,870,233	$ 30,792,638	$ 1,511,172	$ 380,079	$ 1,891,251	$ 32,683,889

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statement of Functional Expenses
For the Year Ended June 30, 2022

	Program Services					Supporting Services			
	Formation Ministries	Social Ministries	Clergy and Religious	Administration Ministries	Total Program Services	General and Administrative Expenses	Stewardship Expenses	Total Supporting Services	Total Operating Expenses
Salaries - Lay Personnel	$ 858,443	$ 921,696	$ 111,191	$ 1,004,032	$ 2,895,362	$ 396,699	$ 14,532	$ 411,231	$ 3,306,593
Salaries - Religious	118,845	31,369	26,280	24,150	200,644	3,976	-	3,976	204,620
Payroll Taxes	60986	62,850	7,090	70,668	201,594	28,540	1,063	29,603	231,197
Group Insurance	193,384	173,814	84,114	175,967	627,279	65,167	817	65,984	693,263
Group Insurance - Retired Priests	-	-	1,229,064	-	1,229,064	-	-	-	1,229,064
Pension and Benefits	42,465	43,021	(97,779)	49,740	37,447	17,287	571	17,858	55,305
Business Allowance/ Reimbursement	37,444	35,236	19,170	16,214	108,064	6,005	-	6,005	114,069
Conference and Travel	17,036	25,978	44,420	7,436	94,870	7,318	2,165	9,483	104,353
Program Expenses	100,810	156,631	410,740	32,461,992	33,130,173	96	281,500	281,596	33,411,769
Supplies	2,248	43,846	51,494	76,655	174,243	21,868	43	21,911	196,154
Maintenance and Repair	22,231	146,256	27,524	28,067	224,078	173,430	-	173,430	397,508
Insurance	-	50,320	23,607	-	73,927	-	-	-	73,927
Occupancy Expenses	-	116,961	39,753	33,693	190,407	64,991	-	64,991	255,398
Other Operating Expenses	45,040	133,888	66,050	88,533	333,511	224,680	10,525	235,205	568,716
Copying and Printing	80,012	1,043	-	-	81,055	107	-	107	81,162
Papal Quota and Catholic Conference	-	-	-	-	-	74,712	-	74,712	74,712
Contributions and Grants	117,745	229,861	2,000	-	349,606	119,419	54,077	173,496	523,102
Depreciation	36,120	86,341	78,784	1,665	202,910	219,437	-	219,437	422,347
Central Finance Interest Expense	-	-	-	509,569	509,569	-	-	-	509,569
Emergency Assistance and Disaster Relief	-	678,553	578	17,460	696,591	-	-	-	696,591
Telephone	-	30,409	5,981	385	36,775	11,004	-	11,004	47,779
Total Expenses	$ 1,732,809	$ 2,968,073	$ 2,130,061	$ 34,566,226	$ 41,397,169	$ 1,434,736	$ 365,293	$ 1,800,029	$ 43,197,198

The accompanying notes are an integral part of these consolidated financial statements.

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Consolidated Statements of Cash Flows
For the Years Ended June 30, 2023 and 2022

	2023	2022
Cash Flows from Operating Activities		
Changes in Net Assets	**$ (4,747,384)**	$ 30,234,149
Adjustments to Reconcile Changes in Net Assets to Net Cash Flows		
(Used in) Provided by Operating Activities		
Unrealized Losses on Investments, Net	**988,520**	7,534,013
Realized Gains on Investments	**(477,451)**	(2,335,245)
Contributions Restricted for Long-Term Investment	**(151,324)**	(37,646)
Depreciation Expense	**439,608**	422,347
Loss on Disposal of Assets	**245,538**	1,248,712
PPP Loan Forgiveness	**-**	(794,000)
Changes in:		
Accounts Receivable	**(400,318)**	(127,313)
Annual Bishop's Appeal Receivable	**(21,624)**	(14,275)
Accrued Interest and Mineral Royalties Receivable	**(135,532)**	(54,378)
Prepaid Expenses and Other Assets	**(756,386)**	(357,836)
Accrued Other Postretirement Benefits	**(1,678,742)**	(1,005,474)
Accounts Payable, Undistributed Funds, and Other Accruals	**(7,926,327)**	8,833,580
Deferred Grant Revenues	**(305,080)**	(7,876)
Net Cash (Used in) Provided by Operating Activities	**(14,926,502)**	43,538,758
Cash Flows from Investing Activities		
Purchases of Property and Equipment	**(686,815)**	(531,213)
Purchases of Investments	**(45,204,089)**	(57,526,195)
Proceeds from Sale of Investments	**45,767,468**	31,742,340
Changes in Loans to Parishes and Institutions, Net	**2,754**	(41,466)
Net Cash Used in Investing Activities	**(120,682)**	(26,356,534)
Cash Flows from Financing Activities		
Proceeds from Contributions Restricted for:		
Contributions to Seminary Burses	**15,200**	5,725
Contributions to Endowment Funds	**71,133**	26,250
Perpetual Care of Cemetery Crypts	**64,991**	10,112
Other Financing Activities		
Changes in Central Finance Deposits and Endowments	**4,220,476**	(3,162,569)
Net Cash Provided by (Used in) Financing Activities	**4,371,800**	(3,120,482)
Net (Decrease) Increase in Cash and Cash Equivalents	**(10,675,384)**	14,061,742
Cash and Cash Equivalents, Beginning of Year	**20,309,531**	6,247,789
Cash and Cash Equivalents, End of Year	**$ 9,634,147**	$ 20,309,531
Supplemental Disclosure of Cash Flow Information		
Cash Paid for Interest During the Year on Central Finance Deposits	**$ 496,762**	$ 509,569

The accompanying notes are an integral part of these consolidated financial statements.

Note 1. Nature of Organization and Summary of Significant Accounting Policies

Nature of Organization

The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (the Diocese), a not-for-profit corporation established under the laws of the State of Louisiana, operates as a religious organization. The Diocese is dedicated to acting as a centralized ministry that coordinates several ministerial, outreach, and administrative programs and functions for church parishes and other Diocesan-related operations located within the Diocese's boundaries encompassing the civil parishes of Terrebonne, Lafourche, parts of St. Mary, St. Martin, and Iberia, and Grand Isle, Louisiana.

The Diocese derives support for its administrative operations primarily through Cathedraticum paid by Diocesan parishes to the Diocese. Cathedraticum is an assessment on parish ordinary income and certain extraordinary income. The Cathedraticum amount is set each year by the Diocese based on the prior years reported income. Support for other Diocesan operations is provided by several sources including, but not limited to: grants from other non-profit entities; special Diocesan-wide collections; individual contributors; governmental grants; and Diocesan subsidies, transfers, grants and interest, dividends, and net capital gains or losses earned and recognized on investments.

The accompanying consolidated financial statements include the programs and operations maintained by and directly under the administration of The Central Administrative Offices of the Diocese of Houma-Thibodaux, Central Finance Services, H-T Publishing Company (The Bayou Catholic), St. Joseph Cemetery, and the programs of Catholic Charities of the Diocese of Houma-Thibodaux, and also include certain assets which are owned by the Diocese and used in the operations of certain affiliates. These statements exclude the financial position and transactions of the parishes and missions, schools, cemeteries, and other organizations which maintain separate accounts and carry on their own services and programs. These operations, which may or may not be separate corporations under civil law, are directly managed and controlled by their pastors or other responsible parties. Only those operations and offices that are directly controlled, managed, administered, and financed through the Diocese Central Administrative Offices are included in these consolidated financial statements.

Internal transactions and balances, except for interest paid on funds deposited with Central Finance Services, have been eliminated in consolidation.

Basis of Accounting

The Diocese prepares its consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP), involving the application of accrual accounting, consequently, revenues and gains are recognized when earned, and expenses and losses are recognized when incurred.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Basis of Presentation

The accompanying consolidated financial statements of the Diocese are presented in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958, *Not-for-Profit Entities*. Accordingly, the Diocese is required to report information regarding its financial position and activities according to two classes of net assets.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for use in general operations and not subject to donor restrictions. The Bishop has designated, from net assets without donor restrictions, net assets for specific purposes and programs. Investment income appropriated for expenditure in accordance with the Diocese's endowment policy are included in net assets without donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or that can be fulfilled or removed by actions of the Diocese pursuant to those stipulations. Other donor-imposed restrictions are perpetual in nature (also referred to as an endowment fund), where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. As restrictions are met or until released in accordance with the Diocese's spending policy, assets are reclassified to net assets without donor restrictions.

The Diocese reports gifts of cash and other assets as support with donor restrictions if they are received with donor-imposed restrictions or requirements that limit the use of the donation. A donor restriction ends when a time restriction is met or a purpose restriction is accomplished.

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the consolidated statements of financial position. Unrealized gains and losses are included in the change in net assets. For investments other than marketable securities with readily determinable fair values, the carrying value is either cost or fair value at the date of donation.

Investments in marketable debt and equity securities are diversified among high-credit quality securities in accordance with the investment policy of the Diocese. Investments are not insured by the trustee, Federal Deposit Insurance Corporation (FDIC), or any other government agency.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Revenue and Revenue Recognition

Contributions are recognized when cash, securities, or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Contributions which are conditional are recognized when the conditions are substantially met.

The Diocese accounts for a contract with a customer when it has written approval, the contract is committed, the rights of the parties, including payment terms, are identified, the contract has commercial substance and consideration is probable of collection. Revenue is recognized when, or as, control of a promised service transfers to a customer, in an amount that reflects the consideration to which the Diocese expects to be entitled in exchange for transferring those services.

The Diocese earns revenues from customers for exchange transactions for services provided by various programs such as daycare, retreats, advertising, and sales of cemetery mausoleums and tombs.

Contracts typically require the completion of a defined service and billing for completed services are based on actual amounts. The Diocese satisfies the performance obligation and recognizes revenue at a point in time. Revenues obtained through such arrangements are typically billed and recognized when the service has been delivered. This results in revenue recognition that corresponds with the value to the client of the services transferred to date. The Diocese historically collects revenues before or at the time when the transaction is entered into. Revenues received in advance of providing the services are deferred and recognized as revenue as the services are provided.

Property and Equipment

Property and equipment are recorded at cost or, when donated, at fair value. Additions and improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Depreciation expense is computed principally by the straight-line method over the useful lives of the depreciable assets.

Functional Allocation of Expenses

The costs of providing various programs and other activities of the Diocese have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Cash and Cash Equivalents

For the purpose of the consolidated statements of cash flows, cash equivalents consist of cash in banks and highly liquid short-term investments with an original maturity of three months or less. Concentrations of credit risk with respect to cash and cash equivalents are considered limited due to the combination of federally insured deposits and financial strength of the institutions that hold Diocese's deposits. The Diocese held bank deposits in excess of FDIC insurance in the amounts of $8,853,056 and $21,411,052 for the years ended June 30, 2023 and 2022, respectively.

Note 1. Nature of Organization and Summary of Significant Accounting Policies (Continued)

Leases
In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842),* to increase transparency and comparability among organizations related to their leasing arrangements. The update requires lessees to recognize most leases on their statement of financial position as a right-of-use (ROU) asset representing the right to use an underlying asset and a lease liability representing the obligation to make lease payments over the lease term, measured on a discounted basis. Topic 842 also requires additional disclosure of key quantitative and qualitative information for leasing arrangements. Similar to the previous lease guidance, the update retains a distinction between finance leases (similar to capital leases in Topic 840, Leases) and operating leases, with classification affecting the pattern of expense recognition in the statement of activities and changes in net assets. The Diocese adopted Topic 842 on July 1, 2022. The adoption of the new lease standard did not materially impact change in net assets or cash flows and did not result in a cumulated-effect adjustment o the opening balance of net assets.

Income Taxes
The Diocese is exempt from income taxes under the provisions of Internal Revenue Code Section 501(c)(3).

Accounting standards require an entity to disclose and recognize the financial statement impact of uncertain tax positions when it is more likely than not that the position will not be sustained on examination. Management of the Diocese believes it has appropriate support for any tax positions taken, and therefore, does not have any uncertain income tax positions that are material to the consolidated financial statements.

Use of Estimates
The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Reclassification
Certain amounts in the prior year financial statements have been reclassified in order to be comparable with the current year presentation. These reclassifications had no impact on previously reported changes in net assets.

Note 2. Liquidity and Availability

The Diocese receives significant financial resources from parishes, schools, and institutions within the Diocese in the form of deposits into its Central Finance program as described in more detail in Note 3. The Diocese also receives contributions to establish endowment funds that will exist in perpetuity.

Note 2. Liquidity and Availability (Continued)

The Diocese manages its investments in order to generate income to pay interest on Central Finance deposits, provide liquidity for expected withdrawals by parishes, schools, and institutions, and support other programs of the Diocese.

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the consolidated statement of financial position date comprise the following:

	Year ended June 30, 2023	2022
Financial Assets		
Cash and Cash Equivalents	**$ 9,634,147**	$ 20,309,531
Accounts Receivable	**747,482**	347,164
Annual Bishop's Appeal Receivable	**133,648**	112,024
Investments	**81,106,687**	82,181,135
Financial Assets at Year End	**91,621,964**	102,949,854
Less: Those Unavailable for General Expenditure Within One Year Due to:		
Current Expected Withdrawals of Central Finance Deposits	**(21,400,000)**	(16,900,000)
Endowments Held for Others	**(17,181,601)**	(17,735,560)
Investments Held for Endowments	**(5,287,817)**	(5,328,100)
Financial Assets at Year-End Available to Meet Cash Needs for General Expenditures Within One Year	**$ 47,752,546**	$ 62,986,194

Note 3. Central Finance Program

Under the Diocesan Central Finance Program (Central Finance Program) policies, the parishes, schools, and institutions within the Diocese are required to deposit all funds not immediately needed for current operations into Central Finance. Balances on deposit earned interest at a rate of .5% per annum through June 30, 2023. Endowment funds may also be established by parishes, schools, and institutions within the Diocese.

The establishment of endowment funds is governed by the Diocesan policy on endowments, and must be deposited with Central Finance. The deposits must be of a permanent nature and have restrictions as to the withdrawal of principal. Endowment funds earned interest at 1.5% per annum through June 30, 2023.

Certain Diocesan programs also receive interest on surplus funds held by Central Finance at the same rates earned by parishes, schools, and institutions. The interest received by these programs is reported as revenue in the consolidated statements of activities.

Loans are available through the Central Finance Program. Parishes, schools, and institutions pay 5% interest on outstanding loan balances to the Central Finance Program. Any surplus funds deposited into Central Finance by a parish, school, or institution with an outstanding loan balance are applied as principal payments on the loan balance until the loan is paid in full.

Note 3. Central Finance Program (Continued)

Interest rates on Central Finance Program loans and deposits are set by management and are based on the expected rate of return on Diocesan investments, net of investment fees and expenses. Net investment income in excess of interest paid on funds on deposit may be paid to the parishes, schools, and institutions as additional interest at the end of the year at the discretion of the Bishop. The amount of additional interest paid to each parish, school, or institution is based on the weighted average deposit balance of the parish, school, or institution during the year and is called “profit sharing.” Endowment funds are not eligible for profit-sharing distributions. There were no profit-sharing distributions for the years ended June 30, 2023 and 2022. The consolidated statements of activities and the schedule below present investment return as interest and dividends earned and capital gains recognized, net of fees.

A summary of net investment income and interest expense incurred by the Central Finance Program during the years ended June 30, 2023 and 2022 is reflected below and is included on the consolidated statements of activities.

	2023	2022
Interest Income		
Parish and School Loans	$ -	$ 9,487
Investments and Cash Reserves	885,273	604,370
Dividend Income	1,248,470	45,051
Realized (Losses) Gains on Investments, Net	(477,451)	2,335,245
Change in Unrealized Gains and Losses on Investments, Net	988,520	(7,534,013)
External Money Management and Bank Fees	(130,977)	(217,873)
Total Central Finance Investment Income (Loss)	2,513,835	(4,757,733)
Other Income - Catholic Extension Grants	12,949	13,065
Total Central Finance Income (Loss)	2,526,784	(4,744,668)
Interest Expense		
Parish Deposits	52,595	47,005
Cemetery Deposits	31,996	31,040
Parish and School Endowments	264,981	265,914
Diocesan Endowments and Programs	49,506	63,896
School and Institution Deposits	97,684	101,714
Other Expenses	259	1,152
Total Central Finance Expenses and Subsidies	497,021	510,721
Changes in Net Assets - Central Finance	$ 2,029,763	$ (5,255,389)

Note 4. Pledges Receivable - Annual Bishop's Appeal (ABA)

The ABA receivable represents commitments or unconditional promises to give from individuals as a result of the ABA. Management considers the commitments to be fully collectible. All ABA receivables are due to be collected within one year of the consolidated statements of financial position date.

Note 5. Investments

Investments are summarized as follows:

Carrying Value at June 30	**2023**	2022
Temporary Cash Investments		
Money Market Mutual Funds and Commercial Paper	**$ 30,552,106**	$ 43,483,506
Marketable Equity Securities		
Common Stocks and REITS	**4,873,467**	4,066,077
Mutual Funds	**714,876**	173,532
Marketable Debt Securities		
Corporate Bonds	**19,945,734**	10,012,977
U.S. Treasury Securities	**16,055,722**	15,392,590
U.S. Government Agency Bonds	**571,273**	824,299
Mortgage-Backed Securities	**3,848,155**	4,130,306
Other Investments		
Mission Diocese Investment Pool	**4,450,463**	4,002,957
Real Estate and Other Miscellaneous Investments	**94,891**	94,891
Total Investments	**81,106,687**	82,181,135
Less: Investments in Marketable Debt Securities Expected to be Sold to Fund Current Expected Deposit Withdrawals	**(21,400,000)**	(16,900,000)
Investments, Net of Current Expected Withdrawals	**$ 59,706,687**	$ 65,281,135

Total net investment return includes the components of Central Finance Program income reported in Note 3, plus interest earned on investments held outside the Central Finance Program, as follows for the years ended June 30, 2023 and 2022:

	2023	2022
Central Finance Investments	**$ 2,513,835**	$ (4,757,733)
Other Investment Return	**83,492**	39,579
Total Investment Return, Net	**$ 2,597,327**	$ (4,718,154)

Note 6. Property and Equipment

The following is a summary of property and equipment at June 30, 2023 and 2022:

	2023	2022
Depreciable Property		
Buildings and Improvements	**$ 15,529,398**	$ 15,041,334
Equipment	**1,952,006**	1,883,000
Vehicles	**433,595**	474,649
Total Depreciable Property	**17,914,999**	17,398,983
Less: Accumulated Depreciation	**(11,634,215)**	(11,208,907)
Net Depreciable Property	**6,280,784**	6,190,076
Non-Depreciable Property		
Archives Art Collection	**238,000**	238,000
Construction in Progress	**-**	79,039
Land	**2,837,570**	2,847,570
Land - Future Parish Sites	**218,600**	218,600
Net Property and Equipment	**$ 9,574,954**	$ 9,573,285

For the years ended June 30, 2023 and 2022, depreciation expense was reported in the consolidated statements of activities by functional category as follows:

	2023	2022
Depreciation Expense by Function		
Program Services	**$ 209,424**	$ 202,910
Supporting Services	**230,184**	219,437
Total	**$ 439,608**	$ 422,347

Note 7. Other Assets

Other assets are comprised of the following at June 30, 2023 and 2022:

	2023	2022
Perpetual Care Deposits in Cemeteries Trust	$ 2,688,145	$ 2,652,931
Mausoleum Inventory	19,330	41,310
Total	**$ 2,707,475**	$ 2,694,241

Note 8. Note Payable

On March 27, 2020, Congress enacted the Coronavirus Aid, Relief, and Economic Security (CARES) Act which established the Paycheck Protection Program (PPP). The PPP was created to assist small businesses in paying their employees and certain other expenses during the coronavirus (COVID-19) crisis. On April 5, 2020, the Diocese applied for a loan under the PPP and received a loan in the amount of $794,000 in proceeds from a bank. The loan has an interest rate of 1% and was scheduled to mature on April 5, 2022. The loan was forgiven in full on February 15, 2022. The loan forgiveness amount is reported as a component of other income in the consolidated statements of activities for the year ended June 30, 2022.

Note 9. Insurance and Risk Management

The Diocese operates several self-insurance programs in which the Diocese, its parishes, schools, and apostolates participate. Following is a description of each:

Severance Pay Plan (SPP) - The Diocese has established a Severance Pay Plan covering all eligible employees of the Diocese, its parishes, schools, and apostolates. Under the plan, eligible employees include all full-time or regular part-time employees with more than one year of service. Severance benefits are paid upon the termination of employment of an eligible employee by reason of lack of funds, lack of work, or the restructuring of or closing of a parish, school, department, or institutions. Under the plan, benefits range from two weeks' pay to six weeks' pay based on the employee's years of service. Premiums in excess of claims collected from the parishes, schools, and institutions are reported as a liability.

Note 9. Insurance and Risk Management (Continued)

Louisiana Catholic Workers' Compensation Pool (LCWCP) - The Diocese participates in a cost-sharing, risk pool with three other Dioceses to cover claims resulting from employment-related accidents and injuries. Premiums are paid to the pool by the Dioceses based on total payroll costs for covered workers. The pool has entered into a stop-loss agreement with an insurance company to limit its losses to $1,150,000 per occurrence and $4,600,930 per policy year. After all outstanding claims are settled for a policy year, any excess of premiums collected over claims and other costs are refunded to the participating Dioceses in proportion to premiums paid to the pool for that policy year.

Mausoleum Insurance Program - This plan covers repairs and damage caused by fire or natural disasters to mausoleums at cemeteries operated by the parishes of the Diocese. The Diocesan Property and Casualty Insurance Program covers damage caused by vandalism. The reserve is funded through premiums paid through the Diocesan Property and Casualty Insurance Program. At the end of the year, reserve adequacy is assessed. If reserves are adequate, the premiums credited to the reserve during the year are charged against the reserve and the balance is credited as a source of revenue to the Cemeteries Office.

Property and Casualty Insurance Program - This plan covers repairs and damage caused by fire, natural disasters, or other casualties to buildings and property owned by the Diocese and all parishes, schools, and institutions within the Diocese. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to $25,000 on individual claims and $200,000 in the aggregate for the fiscal year ended June 30, 2023. The Diocesan Property and Casualty Insurance Program is reported as a funded operation and the ending balance is included in net assets without donor restrictions.

Hospitalization Insurance Plan - Hospitalization insurance premiums are paid into the program by the Diocese, its parishes, and institutions to provide coverage for employees, retirees, and their families. The Diocese has entered into a stop-loss agreement with an insurance company to limit its losses to $225,000 on individual claims. From time to time during the year, the Diocese remits funds to the third-party administrator to pay claims. The estimated liability for known and incurred but not reported claims was $540,000 and $462,064 for the years ended June 30, 2023 and 2022, respectively, and is included in accrued liabilities on the consolidated statements of financial position. The hospitalization insurance program is reported under administration ministries in the consolidated statements of activities and the ending balance is included in net assets without donor restrictions.

Note 10. Net Assets With Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Subject to Expenditure for Specified Purpose		
Disaster Relief Fund	$ 3,161,042	$ 5,754,390
CCHT Fund	357,808	302,716
Msgr. Amedee Seminarian Education Fund	314,565	302,984
Perpetual Care Maintenance Fund	300,648	265,256
Lafourche Charities Fund	283,060	283,060
Future Parish Sites	218,600	218,600
Anne Marie Ardoin Seminarian Education Fund	15,981	13,501
Norma Liner Diaconate Fund	10,229	10,229
Total Subject to Expenditure for Specified Purpose	4,661,933	7,150,736
Endowment Funds Restricted in Perpetuity for the Following Purposes		
Perpetual Care of Cemeteries and Mausoleums	2,687,041	2,652,391
Seminary Burse Funds	1,785,318	1,774,303
Catholic Social Services Endowments	538,333	624,281
Priest Retirement Endowment	277,125	277,125
Total Endowment Funds Restricted in Perpetuity	5,287,817	5,328,100
Total Net Assets With Donor Restrictions	$ 9,949,750	$ 12,478,836

Note 11. Designated Net Assets

The Bishop of the Diocese has designated net assets without donor restrictions for the following purposes as of June 30, 2023 and 2022:

	2023	2022
Property and Casualty Insurance Program	$ 23,401,728	$ 29,373,919
Employee Health Benefit Plan	6,868,446	6,685,000
Food Banks	1,621,494	1,605,956
St. Joseph Cemetery	1,381,635	1,393,305
Priest Pension Fund	888,224	888,224
Other Programs	2,060,497	2,336,213
Total	$ 36,222,024	$ 42,282,617

Note 12. Pension and Other Postretirement Benefit Plans

The Diocese maintains several plans providing pension and other postretirement benefits to employees as follows:

Defined Contribution Plans
The Diocese sponsors two defined contribution plans as follows:

401(a) Plan - The Diocese established a defined contribution 401(a) plan to accept rollover contributions from the participants in the Defined Benefit Plan that was terminated in 1997. No further employee or employer contributions will be made to this plan.

403(b) Plan - For all eligible employees, the Diocese will contribute 2% of salary to the plan and an additional 2% of salary to the plan if the employee agrees to participate at the minimum level of 2% of salary. The Diocesan contribution to the plan increases, based on length of service, to a maximum of 5% for employees with 20 or more years of service. Diocesan contributions to the plan were $175,937 and $159,804 for the years ended June 30, 2023 and 2022, respectively.

Priests' Pension Fund
The Diocese provides pension benefits to the retired priests of the Diocese under a plan that is not a qualified plan under the Internal Revenue Code and is not required to comply with the Employee Retirement Income Security Act of 1974.

Summary of Principal Plan Provisions
All incardinated priests of the Diocese of Houma-Thibodaux are eligible for participation in the plan. The normal retirement eligibility requirement is attainment of age 65 for priests ordained before January 1, 2021, and age 68 for priests ordained on or after January 1, 2021. Under normal retirement, the participant is paid for life at a rate of $62.63 per month times the participant's years of service up to 25 years. If the participant remains in service beyond normal retirement age, an additional accrued benefit of $77.25 per month will be accrued for each year of continued service, not to exceed 10 years. The monthly benefit paid to retirees and the monthly accrued benefits for active participants are generally adjusted every other year. Early retirement requires attainment of age 55, and up to 5 years of service. The benefit for early retirement is calculated in the same manner as that of normal retirement but reduced by 5% for each year early retirement precedes normal retirement. Participants are 100% vested in their accrued benefits after 5 years of service.

On October 12, 2007, the Diocese established the Priest Retirement Trust to hold plan assets. The proceeds of the 2007 Series bonds and investments previously designated for the payment of priest retirement benefits were deposited into the trust.

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Pension Fund (Continued)

Summary of Principal Plan Provisions (Continued)

Current plan benefits are funded by periodic employer contributions in conformance with minimum funding recommendations and maximum suggested limitations and earnings on plan assets. Additional funding is also provided by voluntary contributions by the Diocese from excess reserves, proceeds of life insurance policies on priests, and private donations.

Information regarding the plan's change in benefit obligation, change in plan assets, and the funded status of the plan for the years ended June 30, 2023 and 2022 follow:

	2023	2022
Change in Benefit Obligation		
Accumulated Benefit Obligation, Beginning of Year	**$ 7,438,618**	$ 9,205,134
Service Cost	**142,210**	229,362
Interest Cost	**327,779**	235,233
Actuarial Gain	**(497,618)**	(1,913,627)
Benefits Paid	**(312,713)**	(317,484)
Accumulated Benefit Obligation, End of Year	**7,098,276**	7,438,618
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	**7,876,170**	9,167,423
Actual Return on Assets	**728,904**	(973,769)
Benefits Paid	**(312,713)**	(317,484)
Fair Value of Plan Assets, End of Year	**8,292,361**	7,876,170
Funded Status	**$ 1,194,085**	$ 437,552

The actuarial present value of the accumulated benefit obligation was computed using discount rates of 4.9% and 4.5% for the years ended June 30, 2023 and 2022, respectively. The net periodic pension cost was computed using discount rates of 4.5% and 2.6% for the years ended June 30, 2023 and 2022, respectively. Benefit payments are based on years of service rather than compensation levels and, therefore, no expected annual compensation increases are included in the valuation.

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Pension Fund (Continued)

Summary of Principal Plan Provisions (Continued)

Net periodic pension costs for the years ended June 30, 2023 and 2022 included the following components:

	2023	2022
Service Cost	**$ 142,210**	$ 229,362
Interest Cost	**327,779**	235,233
Expected Return on Plan Assets	**(540,572)**	(630,796)
Amortization of Transition Obligation	**62,705**	62,706
Total	**$ (7,878)**	$ (103,495)

Pension changes other than net periodic pension costs are reported in the consolidated statements of activities as a change in net assets without donor restrictions for the years ended June 30, 2023 and 2022 were as follows:

	2023	2022
Net Actuarial Gain	**$ 685,950**	$ 309,062
Amortization of Transition Obligation	**62,705**	62,706
Increase in Net Assets	**$ 748,655**	$ 371,768

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years are as follows:

Year Ending June 30,	Amount
2024	$ 387,000
2025	428,000
2026	420,000
2027	463,000
2028	464,000
2029 - 2033	2,362,000

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Pension Fund (Continued)

Plan Assets

The assets of the plan are invested primarily in a diversified mix of equities and fixed income securities. The assets are managed by independent investment managers in accordance with stated investment policies. The investment objective of the pension fund is to equal or exceed a benchmark rate of return comprised of appropriate marked indices and to achieve above-median ranking in a universe of balanced funds with similar investment policies over reasonable measurement periods.

The following tables summarize the plan assets within the fair value hierarchy (see Note 13), at June 30, 2023 and 2022:

June 30, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Cash Equivalents	**$ 378,249**	**$ -**	**$ -**	**$ 378,249**
U.S. Government Securities	**503,003**	**-**	**-**	**503,003**
Common Stocks	**2,569,430**	**-**	**-**	**2,569,430**
Institutional Mutual Funds				
Equity Funds and REITS	**2,428,973**	**-**	**-**	**2,428,973**
Fixed Income Funds	**2,164,214**	**-**	**-**	**2,164,214**
Asset-Backed Securities	**-**	**248,492**	**-**	**248,492**
Total Investments	**$ 8,043,869**	**$ 248,492**	**$ -**	**$ 8,292,361**

June 30, 2022	Level 1	Level 2	Level 3	Total
Cash Equivalents	$ 160,315	$ -	$ -	$ 160,315
U.S. Government Securities	532,029	-	-	532,029
Common Stocks	2,613,382	-	-	2,613,382
Institutional Mutual Funds				
Equity Funds and REITS	2,145,420	-	-	2,145,420
Fixed Income Funds	2,172,491	-	-	2,172,491
Asset-Backed Securities	-	252,533	-	252,533
Total Investments	$ 7,623,637	$ 252,533	$ -	$ 7,876,170

The actual asset allocations and the target allocation ranges by asset category for pension plan assets were as follows for the year ended June 30, 2023:

	Actual	**Target Allocation Range**
Cash and Cash Equivalents	5%	0% - 10%
Equity Securities	65%	50% - 65%
Fixed Income Securities	30%	30% - 50%

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Pension Fund (Continued)

Plan Assets (Continued)

The expected long-term rate of return assumption of 7.0% is selected by management as a reasonable expectation based on historical performance of both the pension fund and the investment markets in general. The selection of the rate is periodically evaluated by the Diocese as the administrator of the pension plan.

Priests' Other Postretirement Benefits

The Diocese provides health insurance, long-term care benefits, and long-term disability benefits for its retired priests. The benefits provided are coordinated with Medicare and/or are supplemented with other insurance policies provided by the Diocese. The benefits are funded on a pay-as-you-go basis.

Information regarding the plan's change in benefit obligation, change in plan assets, and the funded status of the plan for the years ended June 30, 2023 and 2022 was as follows:

	2023	2022
Change in Benefit Obligation		
Accumulated Benefit Obligation, Beginning of Year	**$ 11,895,536**	$ 12,862,377
Service Cost	**339,170**	492,974
Interest Cost	**457,166**	391,257
Actuarial Gain	**(2,220,658)**	(1,618,875)
Benefits Paid	**(255,342)**	(233,119)
Accumulated Benefit Obligation, End of Year	**10,215,872**	11,894,614
Change in Plan Assets		
Fair Value of Plan Assets, Beginning of Year	**-**	-
Employer Contributions	**255,342**	233,119
Benefits Paid	**(255,342)**	(233,119)
Fair Value of Plan Assets, End of Year	**-**	-
Funded Status Deficit	**$ (10,215,872)**	$ (11,894,614)

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Other Postretirement Benefits (Continued)

Components of the benefit obligation other than net periodic benefit costs are reported as net assets without donor restrictions in the consolidated statements of financial position for the years ended June 30, 2023 and 2022 follow:

	2023	2022
Transition Obligation	$ 4,129,808	$ 4,542,789
Net Actuarial Gain	(4,283,564)	(2,252,461)
Total	$ (153,756)	$ 2,290,328

The actuarial present value of the accumulated benefit obligation and the net benefit cost was computed using discount rates of 4.92% and 4.48% for the years ended June 30, 2023 and 2022, respectively.

Net periodic benefit cost for the years ended June 30, 2023 and 2022 included the following components:

	2023	2022
Service Cost	$ 339,170	$ 492,974
Interest Cost	457,166	391,257
Amortization of Unrecognized Gain	(189,555)	-
Amortization of Transition Obligation	412,981	412,981
Total	$ 1,019,762	$ 1,297,212

Benefit obligation changes other than net periodic benefit costs are reported in the consolidated statements of activities as a change in net assets without donor restrictions as follows:

	2023	2022
Change in Net Actuarial Gain	$ 2,220,658	$ 1,917,953
Amortization of Transition Obligation	412,981	412,981
Increase in Net Assets	$ 2,633,639	$ 2,330,934

Note 12. Pension and Other Postretirement Benefit Plans (Continued)

Priests' Other Postretirement Benefits (Continued)

The initial annual healthcare cost trend rate is 8.0%, decreasing annually by 0.75% to an ultimate rate of 5.0% per year. A one-percentage-point change in the assumed health care cost trend rates would have the following effects as of June 30, 2023:

	Increase of 1%	Current Rate	Decrease of 1%
Service Cost	$ 397,494	$ 339,170	$ 242,499
Interest Cost	550,073	457,166	416,840
Accumulated Benefit Obligation	11,868,417	10,215,872	8,877,170

Future benefit payments expected to be paid in each of the next five fiscal years and in the aggregate for the following five years are as follows:

Year Ending June 30,	Amount
2024	$ 272,000
2025	285,000
2026	363,000
2027	377,000
2028	390,000
2029 - 2033	2,387,000

Note 13. Fair Value Measurements

The Diocese follows the provisions of the *Fair Value Measurement* Topic of the FASB ASC. Accordingly, fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The *Fair Value Measurement* Topic of the FASB ASC establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring the most observable inputs to be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

Note 13. Fair Value Measurements (Continued)

The inputs in the three levels of this hierarchy are described as follows:

Level 1 Quoted prices in active markets for identical assets or liabilities. An active market is one in which transactions occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2 Observable inputs other than Level 1 prices. This would include quoted prices for similar assets or liabilities, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data.

Level 3 Unobservable inputs, to the extent that observable inputs are unavailable. This allows for situations in which there is little or no market activity for the asset or liability at the measurement date.

In some instances, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such instances, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

During the years ended June 30, 2023 and 2022, there were no changes to the Diocese's valuation techniques that had, or are expected to have, a material impact on its consolidated financial position or changes in net assets.

The following is a description of the valuation methodologies used for instruments measured at fair value:

Temporary Cash Investments - Temporary cash investments consist of money market mutual funds. The fair value of these investments is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Marketable Equity Securities - The fair value of equity securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

Note 13. Fair Value Measurements (Continued)

Marketable Debt Securities - The fair value of debt securities included in Level 1 is the market value based on quoted market prices. Debt securities included in Level 2 are valued by a third party who uses a discounted cash flow model to determine the value and the values are reviewed by the Diocese's management. Management challenges the reasonableness of the assumptions used and reviews the methodology to ensure the estimated fair value complies with accounting standards generally accepted in the United States. The key inputs to the discounted cash flow model are the coupon, yield, and expected maturity date. Appropriate market yields are determined based on credit, structure, and related Wall Street trades, quotes, and issuances.

Recurring Fair Value Measurements

The following tables set forth by level, within the fair value hierarchy, the Diocese's assets at fair value as of June 30, 2023 and 2022:

June 30, 2023	**Total**	**Level 1**	**Level 2**	**Level 3**
Investment Securities				
Temporary Cash Investments	**$ 30,552,106**	**$ 30,552,106**	**$ -**	**$ -**
Marketable Debt Securities	**40,420,884**	**25,836,784**	**14,584,100**	**-**
Marketable Equity Securities	**5,588,343**	**5,588,343**	**-**	**-**
Pooled Investment Fund at NAV [(a)]	**4,450,463**	**-**	**-**	**-**
Land and Other Investments, at Cost [(b)]	**94,891**	**-**	**-**	**-**
Total Investments Reported at Fair Value	**$ 81,106,687**	**$ 61,977,233**	**$ 14,584,100**	**$ -**

June 30, 2022	Total	Level 1	Level 2	Level 3
Investment Securities				
Temporary Cash Investments	$ 43,483,506	$ 43,483,506	$ -	$ -
Marketable Debt Securities	30,360,172	25,405,567	4,954,605	-
Marketable Equity Securities	4,239,609	4,239,609	-	-
Pooled Investment Fund at NAV [(a)]	4,002,957	-	-	-
Land and Other Investments, at Cost [(b)]	94,891	-	-	-
Total Investments Reported at Fair Value	$ 82,181,135	$ 73,128,682	$ 4,954,605	$ -

(a) Certain investments measured at fair value using the net asset value (NAV) per share (or its equivalent) practical expedient have not been categorized in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

(b) Land and other investments without readily determinable fair values have not been categorized in the fair value hierarchy. The amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the amounts presented in the consolidated statements of financial position.

Note 13. Fair Value Measurements (Continued)

Investments in Certain Entities that are Measured at Net Asset Value Per Share as a Practical Expedient

The FASB issued a standards update pertaining to *Fair Value Measurements and Disclosures for Investments in Certain Entities that Calculate Net Asset Value per Share.* Fair values of certain investments are determined by the use of calculated net asset value per ownership share.

The Diocese's investments at June 30, 2023 and 2022 that feature net asset value per share include membership interests in a pooled investment fund that is open only to certain Catholic dioceses and related entities as defined by the fund manager. The fund's investment objective is to preserve the capital and purchasing power of its members, anticipating a real return of 5% over the rate of inflation over the long term through a diversified asset allocation strategy. Redemptions or withdrawals can be made quarterly with 75 days prior notice. There are no unfunded commitments related to this investment.

Note 14. Endowments

Endowment funds consist of net assets held in perpetuity pursuant to donor-imposed restrictions for the purposes of priest retirement costs, seminary tuition, and other expenses related to the education of candidates for the priesthood, perpetual care of mausoleums, Catholic Charities programs operating expenses of Lumen Christi Retreat Center, and unrestricted net assets designated for priest retirement costs by management. The endowment funds are held in pooled investment accounts, along with other Diocese's funds and funds held for affiliates.

Interpretation of Relevant Law

The Diocese accounts for donor-restricted funds consistent with the provisions of Uniform Prudent Management of Institutional Funds Act (UPMIFA) as adopted by the state of Louisiana. The Diocese seeks to preserve the fair value of the original gift as of the gift date of the donor restricted endowment funds absent explicit donor stipulations to the contrary. Accordingly, the Diocese retains in perpetuity (a) the original value of initial and subsequent gift amounts (including promises to give net of discount and allowance for doubtful accounts) donated to the Endowment, and (b) any accumulations to the endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added. Donor-restricted amounts not retained in perpetuity are subject to appropriation for expenditures by the Diocese in a manner consistent with the standard of prudence prescribed by UPMIFA.

Note 14. Endowments (Continued)

Interpretation of Relevant Law (Continued)

In accordance with UPMIFA, the Diocese considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1) The duration and preservation of the fund,
2) The purposes of the Diocese and the donor-restricted endowment fund,
3) General economic conditions,
4) The possible effect of inflation and deflation,
5) The expected total return from income and the appreciation of investments,
6) Other resources of the Diocese, and
7) The investment policies of the Diocese.

Investment and Spending Policies

The Diocese invests its funds in companies and opportunities whose operational philosophy and management activities are consistent with the overall mission and objectives of the Diocese. The primary objective is the long-term growth of the fund's assets. It is recognized that short-term fluctuations may result in the loss of capital earned on occasion. However, in the absence of contributions and withdrawals, the asset value of the funds should grow in the long run and earn rates of return greater than those of an appropriate market index, while avoiding excess risk. The next objective is the preservation of purchasing power. Asset growth, exclusive of contributions and withdrawals, should exceed the rate of inflation as measured by the Consumer Price Index. The final objective is to preserve the value of the assets by earning a positive return over the investment time horizon. The Diocese’s spending policy is targeted at 1.5% in accordance with the Central Finance Program policies as described in Note 3.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate of return objectives, the Diocese relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Diocese targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

Note 14. Endowments (Continued)

Strategies Employed for Achieving Objectives (Continued)
Changes in endowment fund net assets for the years ended June 30, 2023 and 2022 were as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Net Assets, June 30, 2021	$ 888,224	$ 5,387,876	$ 6,276,100
Contributions	-	54,200	54,200
Appropriation for Expenditure	-	(113,976)	(113,976)
Net Assets, June 30, 2022	888,224	5,328,100	6,216,324
Contributions	-	46,781	46,781
Appropriation for Expenditure	-	(87,064)	(87,064)
Net Assets, June 30, 2023	$ 888,224	$ 5,287,817	$ 6,176,041

Note 15. Contingencies

The Diocese is named as defendant in various lawsuits arising from its operations. While the outcome of these lawsuits and threatened litigation cannot be predicted with certainty, management does not expect these matters to have a material adverse effect on the financial condition of the Diocese.

There is no loss accrual provision associated with litigation or threatened litigation contained in the consolidated financial statements as management cannot reasonably estimate the range of possible loss, if any.

Note 16. Stewardship and Development

The Diocese has three stewardship and development programs. The first is the Annual Bishop’s Appeal, the second is the Stewardship Program for the benefit of parishes within the Diocese, and the third is the Catholic School Development Program. The Annual Bishop’s Appeal is a program to raise funds for discretionary use by the Diocese in support of various diocesan, school, and parish programs. The Stewardship Program is coordinated by the Diocesan Stewardship Office to assist parishes of the Diocese in implementing a sacrificial giving program for the benefit of the parishes. The Catholic School Development Program is coordinated by the Diocesan Office of Catholic Schools to assist the schools of the Diocese in their development efforts.

Note 17. Program Expenses

Program expenses are grouped by the Diocesan Departments of the Curia as reported in the Diocesan Catholic Directory as follows:

Formation Ministries are focused on catechesis and evangelization. The ministries and offices included in the Department of Formation Ministries provide support to the parishes and schools throughout the Diocese for the formation of the people of God into vibrant, Eucharistic communities.

Social Ministries provide compassionate service to people in need, promote Catholic social teaching, advocate for those whose voice is not heard, organize people who feel powerless to improve their lives, and call the entire church and all people of good will to establish a more just society.

The Department of Clergy and Religious provides for the continuing education of the clergy, permanent diaconate, men and women religious, and seminarians.

Administration Ministries provide administrative support and assistance to parishes, schools, institutions, and other departments within the Diocese.

Note 18. Discontinued Operations Assets Held for Disposition

On January 18, 2022, the Diocese donated all of the assets of Lumen Christi Retreat Center to a nonprofit corporation formed by the Diocese to operate the retreat center. The new corporation is not consolidated with the Diocese at years ended June 30, 2023 and 2022. During the year ended June 30, 2022, the Diocese reported net loss from discontinued operations of $1,245,559. There was no discontinued operations activity for the year ended June 30, 2023.

Note 19. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, January 20, 2024 and determined that other than the following, no event occurred that requires disclosure. No subsequent events occurring after January 20, 2024 have been evaluated for inclusion in these consolidated financial statements.

On July 21, 2023, the Diocese entered into an agreement with a bank for a bond of up to $32,000,000. The loan will bear interest at an annual rate of 4.25% and is set to mature in six years on August 1, 2029. No principal or interest payments will be due for the first three years. Interest will be payable semi-annually commencing on February 1, 2024. Principal payments will be made annually commencing on August 1, 2026. The proceeds are to be used to finance the costs of debris removal and facility repairs related to damages caused by Hurricane Ida.

SUPPLEMENTARY INFORMATION AND REPORTS

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS **Schedule 1**

Schedule of Revenues and Expenses - Formation Ministries

For the Year Ended June 30, 2023

	Pilgrimage to March For Life	Worship	Catholic Schools	Parish Support	Evangelization	Communications	Bayou Catholic	Total
Revenues								
Donations and Special Collections	$ 25,901	$ -	$ 56,445	$ 225	$ 4,269	$ 5,864	$ 30,995	$ 123,699
Grants	4,000	-	162,527	37,878	132,910	11,250	$ 7,000	355,565
Program Service and Other Income	24,700	-	130,842	500	1,123	-	155,559	312,724
Total Revenues	54,601	-	349,814	38,603	138,302	17,114	193,554	791,988
Expenses								
Salaries - Lay Personnel	-	19,162	199,854	216,626	19,181	238,659	116,355	809,837
Salaries - Religious	-	24,040	-	10,820	98,406	-	-	133,266
Payroll Taxes	-	1,395	14,439	16,502	1,468	16,616	8,224	58,644
Group Insurance	-	21,105	27,763	38,657	48,990	46,273	18,966	201,754
Pension and Benefits	-	1,903	10,323	7,633	9,723	9,351	7,831	46,764
Business Allowance/ Reimbursement	-	8,610	3,001	6,902	20,444	829	252	40,038
Conference and Travel	56,385	2,808	23,886	1,802	5,720	-	-	90,601
Program Expenses	6,492	9,430	5,339	23,198	3,625	48,000	30	96,114
Supplies	3,222	97	105	2,476	3,044	259	777	9,980
Maintenance and Repair	-	260	882	50	81	8,306	8,550	18,129
Other Operating Expenses	1,535	2,764	7,134	817	2,842	18,378	38,053	71,523
Copying and Printing	-	-	115	-	-	115	101,867	102,097
Contributions and Grants	-	1,500	128,561	-	4,000	-	-	134,061
Depreciation	-	-	-	872	-	20,073	-	20,945
Total Expenses	67,634	93,074	421,402	326,355	217,524	406,859	300,905	1,833,753
Deficiency of Revenues Over Expenses	$ (13,033)	$ (93,074)	$ (71,588)	$ (287,752)	$ (79,222)	$ (389,745)	$ (107,351)	$ (1,041,765)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS

Schedule 2

Schedule of Revenues and Expenses - Social Ministries
For the Year Ended June 30, 2023

	Hospital Chaplain	Assisi Bridge House	St. Lucy Child Care Center	Disaster Services	Catholic Housing	Micro Enterprise	Foster Grandparent	Food Banks	Catholic Social Services	Total
Revenues										
Donations and Special Collections	$ 2,009	$ 15,676	$ 3,439	$ 44,483	$ 500	$ -	$ -	$ 314,143	$ 373,753	$ 754,003
Grants	-	83,308	57,708	81,500	20,353	-	209,899	90,001	43,500	586,269
Investment Income, Net	-	-	-	-	1,479	647	-	6,502	12,085	20,713
Program Service and Other Income	-	280,637	284,288	(61,427)	-	-	-	32,370	53,929	589,797
Total Revenues	2,009	379,621	345,435	64,556	22,332	647	209,899	443,016	483,267	1,950,782
Expenses										
Salaries - Lay Personnel	-	206,964	222,956	168,605	26,698	22,252	45,726	57,313	203,351	953,865
Salaries - Religious	34,963	-	-	-	-	-	-	-	-	34,963
Payroll Taxes	-	15,705	16,315	12,111	1,773	1,433	2,857	3,926	15,233	69,353
Group Insurance	35,889	36,774	48,597	37,546	5,152	5,153	10,290	10,305	42,063	231,769
Pension and Benefits	9,348	6,603	7,990	5,988	1,557	1,558	3,190	1,248	8,527	46,009
Business Allowance/ Reimbursement	18,116	103	-	13,618	-	-	2,119	1,397	4,525	39,878
Conference and Travel	-	134	2,754	8,957	1,381	-	28,350	-	6,711	48,287
Program Expenses	-	45	49,977	165	-	-	111,509	40	5,572	167,308
Supplies	28	11,636	10,533	4,260	82	-	425	13,353	12,021	52,338
Maintenance and Repair	-	8,410	28,620	602	-	-	188	21,828	21,599	81,247
Insurance	-	9,375	16,338	4,060	-	-	-	15,377	11,000	56,150
Occupancy Expenses	-	33,450	19,550	-	-	-	836	98,861	8,769	161,466
Other Operating Expenses	507	76,624	3,655	7,115	974	-	3,666	7,000	62,494	162,035
Copying and Printing	-	-	387	526	506	-	65	-	15,051	16,535
Contributions and Grants	-	-	-	125,061	-	-	-	-	-	125,061
Depreciation	-	15,453	4,969	29,573	-	-	-	35,612	10,036	95,643
Emergency Assistance and Disaster Relief	-	4,460	-	2,048,100	4,000	-	-	187,379	130,559	2,374,498
Telephone	-	5,072	4,860	4,158	681	-	681	9,453	7,299	32,204
Total Expenses	98,851	430,808	437,501	2,470,445	42,804	30,396	209,902	463,092	564,810	4,748,609
Deficiency of Revenues Over Expenses	$ (96,842)	$ (51,187)	$ (92,066)	$ (2,405,889)	$ (20,472)	$ (29,749)	$ (3)	$ (20,076)	$ (81,543)	$ (2,797,827)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS

Schedule 3

Schedule of Revenues and Expenses - Clergy and Religious
For the Year Ended June 30, 2023

	Seminarian Formation	Vocations	Permanent Diaconate	Priest Office/ House of Formation	Bishop's Office	Bishop Emeritus	Mary's Manor	Retirement and Other Clergy Benefits	Total
Revenues									
Donations and Special Collections	$ 532,773	$ 11,682	$ -	$ 11,230	$ 25,237	$ -	$ 25,000	$ -	$ 605,922
Grants	-	-	-	61,000	5,000	-	50,000	-	116,000
Investment Income, Net	26,793	-	51	-	-	-	-	-	26,844
Program Service and Other Income	-	-	-	15,400	(3,995)	-	-	-	11,405
Total Revenues	559,566	11,682	51	87,630	26,242	-	75,000	-	760,171
Expenses									
Salaries - Lay Personnel	3,168	33,944	-	56,373	98,955	1,133	33,270	-	226,843
Salaries - Religious	2,904	3,266	-	2,992	69,389	-	-	-	78,551
Payroll Taxes	-	3,621	-	2,104	8,106	64	2,454	-	16,349
Group Insurance	33,529	9,511	-	24,763	34,857	339	10,618	-	113,617
Group Insurance - Retired Priests	-	-	-	-	-	-	-	941,524	941,524
Pension and Benefits	485	1,529	-	2,654	5,219	35	970	-	10,892
Business Allowance/ Reimbursement	3,112	1,488	-	14,891	19,270	8,100	-	-	46,861
Conference and Travel	9,646	43	2,382	4,728	20,188	-	-	553	37,540
Program Expenses	238,369	4,922	-	107,241	110,805	-	-	-	461,337
Supplies	348	2,121	-	26,316	26,228	3,902	2,302	-	61,217
Maintenance and Repair	-	10	-	8,983	38,857	3,756	4,153	-	55,759
Insurance	635	-	-	6,306	-	-	15,948	-	22,889
Occupancy Expenses	-	-	-	9,533	43,598	4,578	8,503	-	66,212
Other Operating Expenses	20,283	14,731	720	44,097	20,914	-	-	333	101,078
Copying and Printing	402	1,277	-	996	2,110	-	-	-	4,785
Contributions and Grants	-	-	-	-	11,000	-	-	-	11,000
Depreciation	-	-	-	17,972	34,990	10,005	15,671	-	78,638
Telephone	-	1,706	-	1,420	521	350	954	-	4,951
Total Expenses	312,881	78,169	3,102	331,369	545,007	32,262	94,843	942,410	2,340,043
Excess (Deficiency) of Revenues Over Expenses	$ 246,685	$ (66,487)	$ (3,051)	$ (243,739)	$ (518,765)	$ (32,262)	$ (19,843)	$ (942,410)	$ (1,579,872)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS

Schedule 4

Schedule of Revenues and Expenses - Administration Ministries
For the Year Ended June 30, 2023

	Technology Services	Construction	Archives	Tribunal	St. Joseph Cemetery	Cemeteries Trust	Cemeteries Office	Central Finance	Property and Casualty Insurance	HR and Employee Benefits	Total
Revenues											
Donations and Special Collections	$ 5,223	$ -	$ 2,731	$ 200	$ -	$ -	$ -	$ -	$ -	$ -	$ 8,154
Grants	56,000	-	106,750	-	-	-	-	12,949	1,853,576	-	2,029,275
Investment Income, Net	-	-	-	-	6,816	-	-	2,513,835	(33)	-	2,520,618
Program Service and Other Income	123,934	-	(1,406)	14,750	272,515	40,532	383,181	-	3,759,503	7,527,167	12,120,176
Total Revenues	185,157	-	108,075	14,950	279,331	40,532	383,181	2,526,784	5,613,046	7,527,167	16,678,223
Expenses											
Salaries - Lay Personnel	171,347	53,741	59,957	35,265	-	25,502	307,176	-	190,982	245,709	1,089,679
Salaries - Religious	-	-	-	-	-	-	-	-	24,150	-	24,150
Payroll Taxes	12,311	4,046	3,974	2,572	-	1,682	21,559	-	13,536	16,426	76,106
Group Insurance	17,550	6,076	17,245	10,306	-	3,092	59,509	-	24,601	36,634	175,013
Pension and Benefits	7,719	3,623	2,456	2,457	-	1,184	13,043	-	9,470	12,652	52,604
Business Allowance/ Reimbursement	3,495	1,779	234	-	-	211	7,620	-	1,604	2,615	17,558
Conference and Travel	475	93	5,021	2,315	304	-	-	-	3,819	3,487	15,514
Program Expenses	19,202	-	400	16,209	234,555	-	9,896	-	12,300,686	7,011,056	19,592,004
Supplies	10,637	265	2,227	686	13,972	-	2,704	-	106	536	31,133
Maintenance and Repair	447	68	45,476	1,495	13,496	-	357	-	-	3,071	64,410
Occupancy Expenses	-	-	13,387	-	21,555	-	213	-	-	-	35,155
Other Operating Expenses	2,356	182	21,314	6,698	2,670	8,861	373	-	24,033	11,534	78,021
Copying and Printing	-	87	115	-	-	-	-	-	-	-	202
Contributions and Grants	-	-	-	-	-	-	-	-	101,380	-	101,380
Depreciation	-	-	14,198	-	-	-	-	-	-	-	14,198
Central Finance Interest Expense	-	-	-	-	-	-	-	497,021	-	-	497,021
Telephone	-	-	1,138	-	4,449	-	498	-	-	-	6,085
Total Expenses	245,539	69,960	187,142	78,003	291,001	40,532	422,948	497,021	12,694,367	7,343,720	21,870,233
Excess (Deficiency) of Revenues Over Expenses	$ (60,382)	$ (69,960)	$ (79,067)	$ (63,053)	$ (11,670)	$ -	$ (39,767)	$ 2,029,763	$ (7,081,321)	$ 183,447	$ (5,192,010)

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
Schedule of Compensation, Benefits, and Other Payments to Agency Head or Chief Executive Officer
June 30, 2023

Agency Head Name

Rev. Patrick J. Madden - Administrator of the Diocese of Houma-Thibodaux

No compensation, benefits, or other payments were made to Rev. Madden from public funds received by the Diocese.

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Very Reverend Simon Peter Engurait
Diocesan Administrator of the Diocese of Houma-Thibodaux
The Central Administrative Offices of the Roman Catholic Church
of the Diocese of Houma-Thibodaux, Offices and Institutions

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the consolidated financial statements of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions (the Diocese), which comprise the consolidated statements of financial position as of June 30, 2023, the related consolidated statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the consolidated financial statements, and have issued our report thereon dated January 20, 2024.

Report on Internal Control Over Financial Reporting
In planning and performing our audit of the consolidated financial statements, we considered the Diocese's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Diocese's internal control. Accordingly, we do not express an opinion on the effectiveness of the Diocese's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters
As part of obtaining reasonable assurance about whether the Diocese's consolidated financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the consolidated financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and is described in the accompanying schedule of findings and responses as finding 2023-001.

Diocese's Response to Finding
Government Auditing Standards requires the auditor to perform limited procedures on the Diocese's response to the finding identified in our audit and described in the accompanying schedule of findings and responses. The Diocese's response was not subjected to the other auditing procedures applied in the audit of the consolidated financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report
The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Diocese's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Diocese's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

LaPorte

A Professional Accounting Corporation

Covington, LA
January 20, 2024

Part I. Summary of Auditor's Results

Financial Statements

1) Type of auditor's report	Unmodified
2) Internal control over financial reporting and compliance and other matters:	
a) Material weaknesses identified?	No
b) Significant deficiencies identified?	None reported
c) Noncompliance material to the financial statements noted?	Yes

Federal Awards

Not applicable.

Part II. Findings Related to the Financial Statements

2023-001 Late Submission of Audit Report to the Legislative Auditor

Criteria: Louisiana Revised Statute 24:513 requires that local auditees submit annual audits to the Louisiana Legislative Auditor no later than six months after the close of the local auditee's fiscal year end.

Condition: The Diocese's annual financial statements were not submitted to the Louisiana Legislative Auditor within six months of the Diocese's fiscal year end.

Cause: The Diocese requested an extension on December 26, 2023 until March 31, 2024 as they were unable to meet the December 31, 2023.

Effect: The Diocese was not in compliance with Louisiana Revised Statute 24:513.

Recommendation: The Diocese should ensure that future annual financial statements are submitted within the six-month period as required by Louisiana Revised Statute 24:513.

Management's Response: Management concurred with the recommendation. The Diocese anticipates meeting the submission deadline for the fiscal year ended June 30, 2024.

Part III. Federal Award Findings

Not applicable.

Schedule of Prior Audit Findings
For the Year Ended June 30, 2023

Part I. Internal Control and Compliance Material to the Financial Statements

2022-001 Late Submission of Audit Report to the Legislative Auditor

This finding has not been resolved. See 2023-001.

Part II. Internal Control and Compliance Material to Federal Awards

Not applicable.