

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

*Financial Statements
and Supplementary Information*

June 30, 2013

(With Independent Auditor's Report Thereon)

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

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Lanaux & Felger

— CERTIFIED PUBLIC ACCOUNTANTS —
A PROFESSIONAL CORPORATION

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INDEPENDENT AUDITOR'S REPORT

His Excellency
Most Reverend Shelton Fabre, D.D.
Bishop of the Diocese of Houma-Thibodaux

Report on the Financial Statements

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, as of June 30, 2013, which comprise the consolidated statement of financial position and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting principles used and the reasonableness of significant estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

Basis for Qualified Opinion

The Diocese's consolidated financial statements do not contain certain provisions and/or disclosures required to conform to accounting principles generally accepted in the United States of America as follows:

- As explained in Note 2, the Diocese's consolidated financial statements do not contain a provision for depreciation expense.

- As explained in note 11, the Diocese did not obtain an actuarial valuation of its priest pension liability as of year-end, and was not able to develop certain pension information as of year-end for inclusion and disclosure in the consolidated financial statements.
- As explained in note 13, the Diocese did not obtain an actuarial valuation of its liability for postretirement health care benefits for priests, and was not able to develop certain information as of year-end for inclusion and disclosure in the consolidated financial statements.

Qualified Opinion

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly the financial position of The Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux and Institutions as of June 30, 2013, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Prior Period Adjustment - Restatement of Beginning Net Assets

As discussed in Note 16 to the financial statements, the Diocese has restated beginning net assets to correct errors in reporting the hospitalization insurance plan and deferred grant revenues. Our opinion is not modified with respect to that matter.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2013 on our consideration of Diocese's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information included in Schedules 1 to 13, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Diocese. Such information, except for Schedule 13, which is marked "unaudited," was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That 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, except for the effects on Schedules 1 to 5 of the qualified opinion on the financial statements as described above, the information is fairly stated in all material respects in relation to the basis financial statements as a whole. The Schedule of Operations of Parishes and Institutions on page 32 (Schedule 13) marked "unaudited" has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

We also have previously audited, in accordance with 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 statement of financial position of the Central Administrative Offices of the Roman Catholic Church of the Diocese of Houma-Thibodaux, Offices and Institutions as of June 30, 2012, and the related statements of activities and changes in net assets and cash flows for the year then ended (none of which is presented herein) on which we expressed a qualified opinion for not providing for depreciation

expense, not including the operations of high schools owned by the Diocese, for not obtaining actuarial valuations of the priest pension and postretirement benefit liabilities and for not disclosing certain information relating to the priest pension and postretirement benefit liabilities as required by accounting principles generally accepted in the United States of America. That audit was conducted for the purpose of forming an opinion on the basic financial statements as a whole. The supplementary information presented for 2012 included in Schedules 7 to 12 is presented for purposes of additional analysis and is not a required part of the 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 2012 financial statements. The information has been subjected to the auditing procedures applied in the audit of those 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 supplementary information for 2012 presented in Schedules 7 to 12 is fairly stated in all material respects in relation to the basic financial statements from which it was derived.

Houma, Louisiana
December 16, 2013

A handwritten signature in black ink, appearing to read "Lanoux & Felger". The signature is written in a cursive, flowing style with a long horizontal stroke at the end.

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

Consolidated Statement of Financial Position

June 30, 2013

ASSETS

Current assets:

Cash and cash equivalents	\$ 2,577,029	
Accounts receivable	205,846	
ABA receivable	142,383	
Accrued interest and mineral royalties receivable	374,077	
Prepaid expenses	135,056	
Current maturities of parish and school loans	633,000	
Investments in marketable debt securities expected to be sold or to mature to fund current expected deposit withdrawals	<u>22,875,000</u>	
Total current assets		\$ 26,942,391

Investments, net of current expected sales and maturities 35,270,509

Parish and school loans receivable	3,202,873	
Less current maturities	<u>(633,000)</u>	
Total loans less current maturities		2,569,873

Property and equipment:

Buildings and equipment	17,382,573	
Operating high school properties	4,205,625	
Future parish sites	<u>283,411</u>	
Total property and equipment		21,871,609

Other assets 6,193,167

Total assets \$ 92,847,549

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU, OFFICES AND INSTITUTIONS**
Consolidated Statement of Financial Position, continued
June 30, 2013

LIABILITIES AND NET ASSETS**Current liabilities:**

Deposits in central finance, current expected withdrawals:		
Parishes	\$ 5,900,200	
Cemetery operating deposits	761,500	
Institutional deposits, principally prepaid tuition	22,875,000	
Accounts payable, undistributed funds and other accruals	2,651,105	
Deferred grant revenues	238,226	
Current maturities of long-term debt	<u>540,000</u>	
Total current liabilities		\$ 32,966,031

Deposits of parishes, schools and institutions, net of current expected withdrawals	8,896,814
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Bonds payable, net of current maturities	17,905,000
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Third-party endowments	17,893,714
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Insurance program reserves	606,518
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Accrued other postretirement benefits	<u>325,010</u>
Total liabilities	78,593,087

Net assets:**Restricted by donors:**

Temporarily restricted net assets	1,441,132
Permanently restricted net assets	4,348,716

Unrestricted:

Designated	7,438,152
Undesignated	<u>1,026,462</u>
Total unrestricted net assets	<u>8,464,614</u>

Total net assets	<u>14,254,462</u>
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Total liabilities and net assets	<u><u>\$ 92,847,549</u></u>
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**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS**

Consolidated Statement of Activities

Year Ended June 30, 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues and other support:				
Cathedraticum	\$ 2,347,204	\$ -	\$ -	\$ 2,347,204
Donations and special collections	2,188,948	-	288,766	2,477,714
Grants	1,137,227	-	-	1,137,227
Investment income:				
Central finance	704,211	-	-	704,211
Other investment income	313,792	-	-	313,792
Oil and gas royalties	1,428,401	-	-	1,428,401
Program service and other income	12,484,547	6,126	-	12,490,673
Net assets released from restrictions	3,817	(3,817)	-	-
	<u>20,608,147</u>	<u>2,309</u>	<u>288,766</u>	<u>20,899,222</u>
Expenses:				
Program expenses:				
Formation ministries	2,742,746	-	-	2,742,746
Social ministries	1,846,038	-	-	1,846,038
Clergy and religious	844,725	-	-	844,725
Administration ministries	13,392,511	-	-	13,392,511
General and administrative expenses	2,283,602	-	-	2,283,602
Stewardship expenses	246,756	-	-	246,756
	<u>21,356,378</u>	<u>-</u>	<u>-</u>	<u>21,356,378</u>
Change in net assets	(748,231)	2,309	288,766	(457,156)
Net assets at beginning of year, as restated	<u>9,212,845</u>	<u>1,438,823</u>	<u>4,059,950</u>	<u>14,711,618</u>
Net assets at end of year	<u>\$ 8,464,614</u>	<u>\$ 1,441,132</u>	<u>\$ 4,348,716</u>	<u>\$ 14,254,462</u>

See notes to financial statements.

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

*Consolidated Statement of Cash Flows
Year Ended June 30, 2013*

Cash flows from operating activities:

Change in net assets	\$ (457,156)
Adjustments to reconcile change in net assets to net cash flows from operating activities:	
Unrealized (gains) losses on investments, net change	964,900
Realized (gains) losses on investments	(606,696)
Contributions restricted for long-term investment	(288,766)
Amortization of bond issuance cost	61,712
Changes in:	
Accounts receivable	244,369
ABA receivable	(4,536)
Accrued interest and mineral royalties receivable	39,852
Prepaid expenses and other assets	(122,139)
Accounts payable and other liabilities	(245,082)
Insurance program reserves	(12,046)
Net cash provided by (used in) operating activities	<u>(425,588)</u>

Cash flows from investing activities:

Purchases of property and equipment	(223,898)
Purchases of investments	(110,406,065)
Proceeds from sale of investments	108,821,394
Decrease in loans to parishes and institutions, net	766,182
Net cash provided by (used in) investing activities	<u>(1,042,387)</u>

Cash flows from financing activities:

Proceeds from contributions restricted for:	
Contributions to Seminary Burses	60,781
Contributions to endowment funds	44,850
Perpetual care of cemetery crypts	183,135
	<u>288,766</u>
Other financing activities:	
Redemption of bonds payable	(515,000)
Decrease in school, parish, and institution funds on deposit with the Diocese	2,012,795
Increase in endowments held for third parties	766,870
	<u>2,264,665</u>
Net cash provided by (used in) financing activities	<u>2,553,431</u>

Net (decrease) in cash and cash equivalents

1,085,456

Cash and cash equivalents at beginning of year

1,491,573

Cash and cash equivalents at end of year\$ 2,577,029**Supplemental disclosure of cash flow information:**

Cash paid for interest during the year on deposit accounts in central finance	\$ 646,349
Cash paid for interest on long-term debt	\$ 1,311,345

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

Notes to Consolidated Financial Statements

1) Nature of Organization

The Diocese of Houma-Thibodaux (hereinafter "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 Cathedralium paid by Diocesan parishes to the Diocese. Cathedralium is an assessment on parish ordinary income and certain extraordinary income. The Cathedralium 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 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, H-T Publishing Company (The Bayou Catholic), Lumen Christi Retreat Center, 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 organizations, 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 financial statements.

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

2) Summary of Significant Accounting Policies Used:

- a) Basis of Accounting. The accompanying financial statements of the Diocese have been prepared on the accrual basis of accounting.
- b) Basis of Presentation. The Diocese reports information regarding its financial position and activities according to three classes of net assets:
 1. Unrestricted Net Assets – net assets which are not restricted by donors.
 2. Temporarily Restricted Net Assets – net assets for which the use by the Diocese are restricted by the donors (a) to later periods of time or after specified dates or (b) to specific purposes.
 3. Permanently Restricted Net Assets – net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements. Income earned on these investments may be restricted for specific purposes.
- c) Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement 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.

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

Notes to Consolidated Financial Statements, continued

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 or any other government agency.

- d) Contributions and Pledges Receivable. The Diocese recognizes all contributions as income in the period received. Contributions are reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the contribution. However, if a restriction is fulfilled in the same time period in which the contribution is received, the Diocese reports the support as unrestricted. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of donor-imposed stipulations regarding how long the contributed assets must be used, the contributions are recorded as unrestricted support. Contributed services are recognized at fair value, except for the work of volunteers for which no monetary value has been assigned.

Unconditional promises to give are recognized as revenue and as assets in the period in which the promise is made, and are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Allowances for uncollectible promises to give, if any, are based on management's evaluation of the collectability of such amounts.

- e) 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. No provision for depreciation has been made in the financial statements. The Finance Council and management of the Diocese do not believe the benefits derived from the calculation of depreciation expense are commensurate with the effort and costs required to develop this information.
- f) Functional Expenses. The costs of providing various programs and other activities of the Diocese have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.
- g) Cash and Cash Equivalents. For the purpose of the Statement 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 Diocesan deposits. At June 30, 2013, the Diocese held \$965,711 in excess of FDIC insurance.
- h) 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 financial statements.

- i) Use of Estimates. The preparation of financial statements in conformity with generally accepted accounting principles 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 financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

Notes to Consolidated Financial Statements, continued

3) Central Finance

Under Diocesan Central Finance policies, the Parishes, Schools and Institutions within the Diocese are required to remit to the Diocese all funds not immediately needed by the Parishes, Schools and Institutions for current operations. For those with surplus funds, these balances earned interest at a rate of 1.0% per annum through June 30, 2013. For those that have outstanding loans with the Central Finance Program, the funds received are applied as payments on the loans. Parishes, Schools and Institutions with loans payable to Central Finance pay 6% interest to the Central Finance Program.

Certain Diocesan programs and funded operations also receive interest on surplus funds held by the Central Finance Program at the same rates earned by Parishes, Schools and Institutions. The interest received by funded operations is reported as revenue of other funded operations in the Statement of Activities.

Interest earned on invested funds, net of investment fees, 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 interest earned by the Parish, School or Institution during the year and is called "profit sharing." There was no profit sharing distribution for the year ended June 30, 2013. The statement of activities and schedule below present investment return as interest and dividends earned and capital gains recognized. The full amount of interest expense incurred during the year is reflected below and is included on the statement of activities.

Central finance income was earned as follows:

Interest income:

Parish and school loans	\$ 120,569	
Investments and cash reserves	883,644	
Dividend income	58,202	
Realized gains (losses) on investments, net	606,696	
Change in unrealized gains and losses on investments, net	(964,900)	
Total central finance income	<u>704,211</u>	\$ 704,211

Central finance expense and subsidies were incurred as follows:

Interest expense:

Parish deposits	63,925	
Cemetery deposits	42,143	
Parish and school endowments	354,455	
Diocesan endowments and programs	58,957	
School and institution deposits	126,869	
External money management and bank fees	149,149	
Total central finance expenses and subsidies	<u>795,498</u>	
Change in net assets - Central Finance		<u>\$ (91,287)</u>

Endowment funds may also be established by Parishes, Schools and Institutions within the Diocese. The funds must be deposited with Central Finance. The establishment of endowment funds is governed by the Diocesan policy on endowments. The deposits must be of a permanent nature and have restrictions as to the withdrawal of principal. Interest is paid at 2.0% through June 30, 2013. Endowment funds do not share in the "Profit Sharing" discussed in the preceding paragraph. For the year ended June 30, 2013, interest was paid on endowment funds at the minimum rates described above.

The cemetery operating deposits are to be used by each cemetery for upkeep, construction, acquisitions or any other operating expenses of the cemetery.

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

Notes to Consolidated Financial Statements, continued

4) Funded Operations

The Diocese maintains several operations (some of which are separately incorporated) that are funded through separate collections and revenues. These collections and revenues are segregated in separate accounts in the Diocesan accounting system. The revenues and expenses incurred by the operations are kept separate for internal Diocesan reporting. The Diocese has adopted the policy to internally subsidize these operations when applicable. Funded operations having revenues in excess of expenditures are carried on the Diocese's balance sheet as unrestricted – designated net assets to be used in future operations of the particular funded operation.

5) Pledges Receivable – Annual Bishop's Appeal (ABA)

The ABA receivable represents commitments or unconditional promises to give from individuals as a result of the Annual Bishop's Appeal. Management considers the commitments to be fully collectible and accordingly, no allowance for uncollectible commitments is deemed necessary. All ABA receivables are due to be collected within one year of the balance sheet date.

6) Investments

Investments at June 30, 2013, are summarized as follows:

	Carrying Value
<u>Temporary cash investments:</u>	
Money market mutual funds	\$ 12,965,965
<u>Marketable equity securities:</u>	
Common stocks	3,498,782
<u>Marketable debt securities:</u>	
U.S. government securities	41,589,071
<u>Other investments:</u>	
Real estate	91,691
Total investments	58,145,509
Less investments in marketable debt securities expected to be sold to fund current expected deposit withdrawals	(22,875,000)
Investments, net of current expected withdrawals	\$ 35,270,509

Total investment return, which is reported as unrestricted income in the statement of activities, is \$1,016,003 which includes the components of Central Finance income reported in Note 2 plus \$313,792 interest earned on investments held outside the Central Finance program.

7) Other Assets

Other assets are comprised of the following:

Perpetual care deposits in Cemeteries Trust	\$ 2,226,118
Series 2006 bond issuance costs, net of accumulated amortization	1,053,347
Series 2007 bond issuance costs, net of accumulated amortization	181,347
Prepaid pension costs	2,482,589
Mausoleum inventory	249,766
	\$ 6,193,167

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

Notes to Consolidated Financial Statements, continued

8) Self-Insurance Programs

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 - The Diocese has established a Severance Pay Plan (SPP) 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 apostolate. 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 apostolates are reported as a liability.

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 \$550,000 per occurrence and \$3,105,312 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 Funded Operation- 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, 2013. The Diocesan property and casualty insurance program is reported as a funded operation and the ending balance is included in unrestricted net assets.

Hospitalization Insurance Plan. Hospitalization insurance premiums are paid into the program by the Diocese, its parishes and institutions via a third-party administrator 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 \$160,000 on individual claims. From time to time during the year, the Diocese remits funds from this reserve to the third-party administrator to pay claims. When the third-party administrator accumulates excess funds, the funds are remitted to the Diocese for deposit into the reserve. The estimated liability for known and incurred but not reported claims was \$1,063,563 and is included in accrued liabilities on the statement of financial position. The hospitalization insurance program is reported as a funded operation and the ending balance is included in unrestricted net assets.

9) Restrictions on Net Assets

Temporarily restricted net assets are the net assets of the Diocese that are restricted by donors for: (a) support of a particular operating activity, (b) investment for a specified term, (c) use in a specified future period, or (d) acquisition of long-lived assets.

Permanently restricted net assets represent the net assets of the Diocese restricted by donors for holdings of (a) assets, such as land or works of art, donated with stipulations that they be used for a specified purpose,

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be preserved, and not be sold, or (b) assets donated with the stipulation that they be invested to provide a permanent source of income.

Temporarily restricted net assets are available for the following purposes or periods:

Perpetual Care Maintenance Reserve	\$ 32,144
Disaster Relief Fund	493,401
Future Parish Sites	218,600
Lafourche Charities Fund	282,700
Norma Liner Diaconate Fund	14,287
Use restriction through June 30, 2041:	
Bishop's Residence	400,000
	\$ 1,441,132

Permanently restricted net assets are restricted for:

Seminary Burse Funds	\$ 1,401,623
Perpetual Care Deposit - Cemeteries Trust	2,226,118
Priest Retirement Endowment	227,125
Lumen Christi Endowment	94,421
Catholic Social Services Endowments	399,429
	\$ 4,348,716

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by donors for disaster relief in the amount of \$3,817.

10) Designated Net Assets

Designated net assets represent net assets that have no donor-imposed restrictions but have been designated by management for the following:

Priest Pension Fund	\$ 759,624
Evangelization Fund	78,440
Bishop's Grant Fund	2,975
Bishop's Conference Fund	24,188
Vehicle Replacement Fund	86,763
	951,990
Net assets of Funded Operations	6,486,162
	\$ 7,438,152

11) Retirement Plans

A) 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

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maximum of 5% for employees with 20 or more years of service. For the year ended June 30, 2013, Diocesan contributions to the plan were \$148,360.

B) 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. Under normal retirement, the participant is paid for life at a rate of \$52 per month times the participant's years of service up to 25 years. If the participant remains in service beyond age 65, an additional accrued benefit of \$75 per month will be accrued for each year of continued service. 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. 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 proceeds 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. 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.

The Diocese has not obtained an actuarial valuation of its priest pension liability as of its fiscal year end, and has not developed the disclosure information required by accounting standards generally accepted in the United States of America. Amounts reported in the balance sheet are based on a measurement of the benefit obligation as of June 30, 2000, which is the latest valuation available.

The funded status of the plan is as follows:

	2013
Pension benefit obligation at June 30, included in liabilities on the statement of financial position (measured on June 30, 2000)	\$ (4,675,635)
Fair value of plan assets transferred to the Trust	7,158,224
Excess of plan assets over pension benefit obligation (prepaid pension costs)	\$ 2,482,589

12) Long-Term Debt

On November 1, 2006, the Louisiana Public Facilities Authority (the Issuer) issued \$17,700,000 Louisiana Public Facilities Authority Variable Rate Demand Revenue Bonds (Diocese of Houma-Thibodaux Project), Series 2006 (the Series 2006 Bonds) pursuant to the terms and conditions of an Indenture of Trust between the Issuer and Regions Bank (the Trustee).

The bonds are issued pursuant to the terms and provisions of an Indenture of Trust (the Indenture). The proceeds of the Series 2006 Bonds are for the purpose of (i) financing the reconstruction, rehabilitation, restoration, construction, furnishing, improving and equipping of school buildings and other facilities owned and operated by the Diocese and (ii) paying costs of issuing the Bonds.

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The Series 2006 Bonds will bear interest at a variable (market) rate of interest payable on the first business day of each month, commencing the first business day of January 2007, due through December 1, 2036. The interest rate is repriced weekly.

On July 1, 2007, the Roman Catholic Church of the Diocese of Houma-Thibodaux (the Issuer) issued \$6,480,000 The Roman Catholic Church of the Diocese of Houma-Thibodaux Variable Rate Demand Bonds Series 2007 (the Series 2007 Bonds) pursuant to the terms and provisions of an Indenture of Trust between the Issuer and Regions Bank (the Trustee).

The Series 2007 Bonds are issued pursuant to the terms and provisions of an Indenture of Trust (the Indenture). The proceeds of the Series 2007 Bonds are for the payment of (i) a portion of the Issuer's unfunded pension liabilities, and (ii) the costs of issuing the Series 2007 Bonds.

The Series 2007 Bonds will bear interest at a variable (market) rate of interest payable on the first business day of each month, commencing on November 1, 2007, due through December 1, 2037. The interest rate is repriced weekly.

On January 2, 2011, Capital One Public Funding, LLC (COPF) purchased all of the Series 2006 and Series 2007 bonds and the Indentures were amended. Under the amended Indentures, the interest rates were modified to equal 65% of LIBOR, plus 1.95% on the Series 2006 bonds and LIBOR plus 3.0% on the Series 2007 bonds. The amended Indentures also include "Put Provisions" allowing COPF to tender the bonds in 2015, 2020, 2025 and 2030 at a purchase price equal to the principal amount plus accrued interest on the Put Date, provided that COPF has given written notice not less than twelve (12) months prior to the proposed Put Date. The amended Indentures also eliminate the letters of credit securing the bonds and include provisions for optional redemptions at the option of the Issuer. The annual mandatory redemption schedules in the Original Indentures were not modified.

Long-term debt consists of the following at June 30, 2013:

\$17,700,000 demand revenue bonds dated November 1, 2006; due at various intervals through December 1, 2036; initial rate of 3.91%	\$ 12,190,000
\$6,480,000 demand bonds dated November 1, 2007; due at various intervals through December 1, 2037; initial rate of 5.19%	<u>6,255,000</u>
Total long-term debt	18,445,000
Less current maturities	(540,000)
Long-term debt, net of current maturities	<u><u>\$ 17,905,000</u></u>

Pursuant to the Reimbursement Agreement, the Bonds mature as follows:

Year Ending June 30,	Total Principal Amount	Series 2006 Principal Amount	Series 2007 Principal Amount
2014	\$ 540,000	\$ 415,000	\$ 125,000
2015	560,000	430,000	130,000
2016	585,000	450,000	135,000
2017	610,000	465,000	145,000
2018	640,000	485,000	155,000
2019 and thereafter	15,510,000	9,945,000	5,565,000
	<u>\$ 18,445,000</u>	<u>\$ 12,190,000</u>	<u>\$ 6,255,000</u>

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Interest Rate Swap Agreement

Objective of the interest rate swap: In order to hedge exposure to interest rate fluctuations on the Bonds, the Diocese entered into an interest rate swap agreement with Allied Irish Banks, p.l.c (the "Provider") as more fully described in the Master Agreement, Schedule to the Master Agreement and Confirmation dated November 28, 2006 (the "Swap Documents"). The Diocese is liable to the Provider to make swap payments and bond payments pursuant to the terms of the bond documents. Capitalized terms used herein but not defined shall have the meaning set forth in the Swap Documents.

Terms: Under the terms of the Swap, the Diocese pays a fixed rate of 3.91% on the Series 2006 bonds and 5.19% on the Series 2007 bonds, and the Provider pays a variable rate equal to 75% of the 1-month USD-LIBOR rate, as more fully described in the Swap Documents.

Fair Value: The fair value of the swap agreements as of June 30, 2013, which is not reported in the financial statements, was \$3,740,426 in favor of the Provider.

Credit Risk: Credit risk is the risk that the counterparty will not fulfill its obligations. At June 30, 2013, the Diocese is not exposed to credit risk because the swap has a negative fair value. However, should interest rates change and the fair value of the swap becomes positive, the Diocese would be exposed to credit risk in the amount of the swap's fair value.

Basis Risk: Basis risk is the risk that arises when variable interest rates on a swap and the associated debt are based on different indexes. The interest rates for both the swap and the bonds are based on LIBOR; therefore, the Diocese is not subject to basis risk.

Termination Risk: The Diocese or the counterparty may terminate the swap if the other party fails to perform under the terms of the contract. The swap agreement may be terminated if either party fails to make payment, when due, under the swap agreement; breaches the agreement; made or repeated or deemed to have made or repeated a misrepresentation; bankrupts; or merges without assumption or commits an illegality. If the swap is terminated, the variable-rate bond would no longer carry a synthetic interest rate. Also, if at the time of termination the swap has a negative fair value, the Diocese would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk: Rollover risk is the risk that the swap does not extend to the maturity of the associated debt. The Diocese is not exposed to rollover risk because the swap terminates in conjunction with the maturity of the associated bonds.

Interest Rate Risk: Interest rate risk is the risk that the interest rate will change over some interval while the bonds are outstanding. The Diocese has entered into this fixed rate swap agreement to mitigate interest risk associated with the underlying variable rate bonds.

13) Post-Retirement Benefits Other Than Pensions

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. At June 30, 2013, the accrued liability for postretirement benefits other than pensions was \$325,010.

The Diocese has not obtained an actuarial valuation of its postretirement health care benefit liability within three months of its fiscal year-end, and has not developed certain information for inclusion and disclosure in the financial statements. The postretirement benefit obligation reported in the balance sheet is an estimate by management.

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14) Fair Value Measurements

Fair value is defined as the exchange price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Although the exchange price concept is not new, the new definition focuses on the exit price as opposed to the entry price that would be paid to acquire an asset or received to assume a liability. The standard also emphasizes that fair value is a market-based measurement and not an entity-specific measurement and establishes a hierarchy to prioritize the inputs that can be used in the fair value measurement process. 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.

The Diocese measures temporary cash investments and investments in marketable debt and marketable equity securities at fair value on a recurring basis and are summarized below:

(in thousands)	Carrying Value	June 30, 2013		
		Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investment securities:				
Temporary cash investments	\$ 12,966	\$ -	\$ 12,966	\$ -
Marketable debt securities	41,589	-	41,589	-
Marketable equity securities	3,499	3,499	-	-
Total investments reported at fair value	58,054	<u>\$ 3,499</u>	<u>\$ 54,555</u>	<u>\$ -</u>
Other investments carried at cost	92			
Total investments	<u>\$ 58,146</u>			

15) 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, and 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 Diocesan funds and funds held for affiliates. Interest is paid on Diocesan endowment funds in accordance with Central Finance policies as explained in Note 3.

The Diocese has interpreted state law as requiring the preservation of original corpus of the permanent endowment funds unless explicit donor stipulations specify how net appreciation must be used. The long-term objective of the Diocese's investment policy is to preserve the purchasing power of the net assets and maintain an average annual total return at or above the level of spending and fees. Adequate liquidity shall be maintained to provide distributions as stipulated in the endowment agreement.

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Changes in endowment fund net assets for the year ended June 30, 2013 are as follows:

	Unrestricted	Permanently Restricted	Total
Net assets, July 1, 2012	\$ 759,624	\$ 4,059,950	\$ 4,819,574
Contributions	-	288,766	288,766
Net assets, June 30, 2013	\$ 759,624	\$ 4,348,716	\$ 5,108,340

16) Restatement of Beginning Net Assets

Net assets at the beginning of the fiscal year have been adjusted to correct errors as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Beginning net assets, as previously reported	\$ 12,499,328	\$ 1,875,975	\$ 4,059,950	\$ 18,435,253
Prior period adjustment:				
Inclusion of the Hospitalization Plan in the consolidated financial statements	(3,286,483)	-	-	(3,286,483)
Reclassification of deferred grant revenues previously reported as temporarily restricted net assets	-	(437,152)	-	(437,152)
Beginning net assets, as restated	\$ 9,212,845	\$ 1,438,823	\$ 4,059,950	\$ 14,711,618

17) Commitments

The Diocese has contractual obligations and commitments outstanding at June 30, 2013 for renovations or additions to Diocesan parishes, schools and institutions properties for approximately \$6,992,843. Of the total contract obligations, approximately \$3,031,402 had been paid as of June 30, 2013 and \$3,961,441 remains to be advanced to the parishes and institutions by way of Central Finance deposit withdrawals or loans.

18) Contingencies

The Diocese is named as defendant in various lawsuits and threatened litigation 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 financial statements as management cannot reasonably estimate the range of possible loss, if any.

19) 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

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coordinated by the Diocesan Office of Catholic Schools to assist the schools of the Diocese in their development efforts.

20) 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.

21) Subsequent Events

Management evaluates events subsequent to the date of the financial statements in determining the accounting for and disclosure of transactions and events that affect the financial statements. Subsequent events have been evaluated through December 16, 2013, the date the financial statements were available for issuance.

On November 1, 2013, the Diocese redeemed the Series 2006 bonds in the amount of \$12,190,000, and paid \$2,075,000 to the counterparty to terminate the interest rate swap agreement. As a result of the redemption, unamortized bond issuance costs in the amount of \$1,035,270 were charged to expense.

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*Schedule of Functional Expenses
Year Ended June 30, 2013*

	Program expenses					General and Administrative	Stewardship	Total
	Formation Ministries	Social Ministries	Clergy and Religious	Administration Ministries	Total Program			
Salaries - lay personnel	\$ 926,879	\$ 641,935	\$ 36,040	\$ 786,227	\$ 2,391,081	\$ 332,558	\$ 78,055	\$ 2,801,694
Salaries - religious	70,390	34,260	5,412	11,195	121,257	25,940	-	147,197
Payroll taxes	66,477	43,531	2,704	52,625	165,337	22,521	6,024	193,882
Group insurance - lay personnel	156,996	123,713	17,606	8,387,068	8,685,383	65,929	8,079	8,759,391
Group insurance - religious	17,458	19,078	182,250	10,210	228,996	10,157	-	239,153
Pension and benefits	49,633	31,101	1,089	32,532	114,355	19,600	3,767	137,722
Business allowance/reimbursement	93,635	35,903	3,739	33,260	166,537	23,886	7,695	198,118
Conference and travel	35,140	39,946	6,072	21,405	102,563	8,184	2,730	113,477
Program expenses, workshops and meetings	650,541	297,909	493,606	254,909	1,696,965	63,901	94,337	1,855,203
Supplies	52,779	48,444	10,751	74,036	186,010	20,576	-	206,586
Maintenance and repair	6,199	81,398	54,530	109,488	251,615	73,414	-	325,029
Insurance	-	33,029	-	2,707,111	2,740,140	-	-	2,740,140
Occupancy expenses	105,490	72,826	7,356	77,379	263,051	46,677	-	309,728
Legal fees/professional services	62,741	31,006	-	18,813	112,560	20,141	44,163	176,864
Copying and printing	219,160	734	-	-	219,894	20,322	237	240,453
Papal quota and Catholic Conference	-	-	-	-	-	73,902	-	73,902
Audit and accounting fees	400	-	-	11,972	12,372	41,585	-	53,957
Books and pamphlets	50,830	102	8,250	107	59,289	544	45	59,878
Communications and public relations	19,066	6,673	6,809	2,711	35,259	7,991	60	43,310
Contributions and grants	140,362	-	-	-	140,362	9,002	-	149,364
Dues and subscriptions	12,430	7,484	2,802	4,777	27,493	1,996	1,564	31,053
Central finance interest expense	-	-	-	646,349	646,349	-	-	646,349
Investment fees and bank charges	6,140	202	-	149,149	155,491	47,831	-	203,322
Emergency assistance and disaster relief	-	273,833	-	-	273,833	-	-	273,833
Telephone	-	22,931	5,709	1,188	29,828	16,039	-	45,867
Bond interest and amortization of issuance costs	-	-	-	-	-	1,330,906	-	1,330,906
	<u>\$ 2,742,746</u>	<u>\$ 1,846,038</u>	<u>\$ 844,725</u>	<u>\$ 13,392,511</u>	<u>\$ 18,826,020</u>	<u>\$ 2,283,602</u>	<u>\$ 246,756</u>	<u>\$ 21,356,378</u>

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Schedule of Expenses - Formation Ministries
Year Ended June 30, 2013

	Formation	Family Ministries	Worship	Catholic Schools	Religious Education	Pastoral Staffing	Conference Office
Salaries - lay personnel	\$ 20,921	\$ 122,356	\$ 27,731	\$ 116,092	\$ 88,115	\$ 73,148	\$ 84,054
Salaries - religious	-	-	9,200	-	-	-	-
Payroll taxes	1,484	8,039	2,052	9,033	6,651	5,327	5,945
Group insurance - lay personnel	1,409	29,220	12,117	13,267	14,600	13,756	18,303
Group insurance - religious	-	-	-	-	-	-	-
Pension and benefits	1,462	6,950	1,837	4,869	4,111	4,000	2,741
Business allowance/reimbursement	1,539	8,342	4,920	9,730	8,100	1,867	-
Conference and travel	1,445	898	460	2,169	4,084	3,228	12,461
Program expenses, workshops and meetings	17,340	17,669	5,903	125,708	16,643	150	196,612
Supplies	-	121	790	495	308	470	28,387
Maintenance and repair	-	105	-	2,153	-	702	-
Insurance	-	-	-	-	-	-	-
Occupancy expenses	-	-	-	-	-	-	72,329
Legal fees/professional services	-	-	-	3,662	-	-	38,221
Copying and printing	-	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-	-
Books and pamphlets	-	133	5,064	182	12	-	44,791
Communications and public relations	138	143	60	1,985	60	60	10,104
Contributions and grants	-	-	-	-	-	-	-
Dues and subscriptions	-	482	1,491	816	590	183	119
Central finance interest expense	-	-	-	-	-	-	-
Investment fees and bank charges	-	-	-	-	-	-	6,140
Emergency assistance and disaster relief	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	-
Bond interest and amortization of issuance costs	-	-	-	-	-	-	-
	<u>\$ 45,738</u>	<u>\$ 194,458</u>	<u>\$ 71,625</u>	<u>\$ 290,161</u>	<u>\$ 143,274</u>	<u>\$ 102,891</u>	<u>\$ 520,207</u>

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Schedule of Expenses - Formation Ministries
Year Ended June 30, 2013

	Evangelization	Youth Ministries	ABA Grant Program	Communications	Bayou Catholic	Total
Salaries - lay personnel	\$ 10,696	\$ 98,065	\$ -	\$ 52,895	\$ 232,806	\$ 926,879
Salaries - religious	61,190	-	-	-	-	70,390
Payroll taxes	805	7,233	-	3,861	16,047	66,477
Group insurance - lay personnel	2,374	18,304	-	3,544	30,102	156,996
Group insurance - religious	17,458	-	-	-	-	17,458
Pension and benefits	2,812	4,368	-	2,473	14,010	49,633
Business allowance/reimbursement	27,240	8,882	-	2,087	20,928	93,635
Conference and travel	3,856	5,803	-	-	736	35,140
Program expenses, workshops and meetings	66,095	79,370	-	94,020	31,031	650,541
Supplies	3,709	11,429	-	-	7,070	52,779
Maintenance and repair	814	2,425	-	-	-	6,199
Insurance	-	-	-	-	-	-
Occupancy expenses	7,012	26,149	-	-	-	105,490
Legal fees/professional services	-	20,427	-	-	431	62,741
Copying and printing	-	-	-	-	219,160	219,160
Papal quota and Catholic Conference	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	400	400
Books and pamphlets	-	648	-	-	-	50,830
Communications and public relations	1,232	1,177	-	1,459	2,648	19,066
Contributions and grants	-	-	140,362	-	-	140,362
Dues and subscriptions	-	795	-	949	7,005	12,430
Central finance interest expense	-	-	-	-	-	-
Investment fees and bank charges	-	-	-	-	-	6,140
Emergency assistance and disaster relief	-	-	-	-	-	-
Telephone	-	-	-	-	-	-
Bond interest and amortization of issuance costs	-	-	-	-	-	-
	<u>\$ 205,293</u>	<u>\$ 285,075</u>	<u>\$ 140,362</u>	<u>\$ 161,288</u>	<u>\$ 582,374</u>	<u>\$ 2,742,746</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Expenses - Social Ministries
Year Ended June 30, 2013*

	Hospital Chaplain	Assisi Bridge House	ABH Phase IV	St. Lucy Child Care Center	Disaster Services	Catholic Housing	Micro Enterprise	Foster Grandparent	Catholic Social Services	Total
Salaries - lay personnel	\$ -	\$ 126,416	\$ 11,900	\$ 140,717	\$ 7,878	\$ 61,425	\$ 37,793	\$ 51,347	\$ 204,459	\$ 641,935
Salaries - religious	34,260	-	-	-	-	-	-	-	-	34,260
Payroll taxes	-	9,341	-	10,140	-	4,193	2,869	3,282	13,706	43,531
Group insurance - lay personnel	-	30,668	-	45,369	2,292	9,705	2,408	7,339	25,932	123,713
Group insurance - religious	19,078	-	-	-	-	-	-	-	-	19,078
Pension and benefits	2,234	7,337	-	4,828	125	3,405	818	2,072	10,282	31,101
Business allowance/reimbursement	19,680	1,620	-	-	-	533	174	1,338	12,558	35,903
Conference and travel	900	9,654	-	843	-	589	-	27,272	688	39,946
Program expenses, workshops and meetings	360	405	-	49,426	-	585	-	200,644	46,489	297,909
Supplies	-	2,501	-	11,457	179	2,475	1,582	1,257	28,993	48,444
Maintenance and repair	-	25,401	1,435	25,288	1,528	-	-	1,204	26,542	81,398
Insurance	-	12,600	300	-	-	-	-	-	20,129	33,029
Occupancy expenses	-	9,218	11,919	10,059	-	3,500	1,440	4,251	32,439	72,826
Legal fees/professional services	-	19,235	600	52	-	1,254	-	-	9,865	31,006
Copying and printing	-	-	-	90	-	-	-	373	271	734
Papal quota and Catholic Conference	-	-	-	-	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-	-	-	-	-
Books and pamphlets	-	-	-	-	-	-	-	-	102	102
Communications and public relations	-	224	-	3,690	5	-	554	-	2,200	6,673
Contributions and grants	-	-	-	-	-	-	-	-	-	-
Dues and subscriptions	-	1,588	-	-	-	200	-	120	5,576	7,484
Central finance interest expense	-	-	-	-	-	-	-	-	-	-
Investment fees and bank charges	-	-	-	-	-	-	-	202	-	202
Emergency assistance and disaster relief	-	3,528	-	-	156,892	5,000	-	-	108,413	273,833
Telephone	-	3,902	240	2,350	525	1,625	1,625	1,987	10,677	22,931
Bond interest and amortization of issuance costs	-	-	-	-	-	-	-	-	-	-
	<u>\$ 76,512</u>	<u>\$ 263,638</u>	<u>\$ 26,394</u>	<u>\$ 304,309</u>	<u>\$ 169,424</u>	<u>\$ 94,489</u>	<u>\$ 49,263</u>	<u>\$ 302,688</u>	<u>\$ 559,321</u>	<u>\$ 1,846,038</u>

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Expenses - Clergy and Religious
Year Ended June 30, 2013

	Seminarian Formation	Vocations	Permanent Diaconate	Continuing Education	Retired Priests Benefits	Total
Salaries - lay personnel	\$ -	\$ 36,040	\$ -	\$ -	\$ -	\$ 36,040
Salaries - religious	5,412	-	-	-	-	5,412
Payroll taxes	-	2,704	-	-	-	2,704
Group insurance - lay personnel	10,309	7,297	-	-	-	17,606
Group insurance - religious	1,681	-	-	-	180,569	182,250
Pension and benefits	-	1,089	-	-	-	1,089
Business allowance/reimbursement	2,952	787	-	-	-	3,739
Conference and travel	4,600	1,440	-	32	-	6,072
Program expenses, workshops and meetings	405,771	61,068	8,702	18,065	-	493,606
Supplies	10,446	195	110	-	-	10,751
Maintenance and repair	54,530	-	-	-	-	54,530
Insurance	-	-	-	-	-	-
Occupancy expenses	7,356	-	-	-	-	7,356
Legal fees/professional services	-	-	-	-	-	-
Copying and printing	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-
Books and pamphlets	5,438	2,812	-	-	-	8,250
Communications and public relations	-	6,709	100	-	-	6,809
Contributions and grants	-	-	-	-	-	-
Dues and subscriptions	-	850	1,952	-	-	2,802
Central finance interest expense	-	-	-	-	-	-
Investment fees and bank charges	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-
Telephone	5,709	-	-	-	-	5,709
Bond interest and amortization of issuance costs	-	-	-	-	-	-
	<u>\$ 514,204</u>	<u>\$ 120,991</u>	<u>\$ 10,864</u>	<u>\$ 18,097</u>	<u>\$ 180,569</u>	<u>\$ 844,725</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
Schedule of Expenses - Administration Ministries
Year Ended June 30, 2013

	Computer and Technology Support	Bishop's Residence	Construction	Archives	Tribunal	Safe Environment	Cemeteries Trust
Salaries - lay personnel	\$ 90,958	\$ 19,649	\$ 41,454	\$ 33,765	\$ 46,115	\$ -	\$ 13,228
Salaries - religious	-	-	-	-	-	-	-
Payroll taxes	6,006	1,361	3,235	2,497	3,479	-	930
Group insurance - lay personnel	14,096	8,169	4,553	7,896	7,297	-	2,679
Group insurance - religious	-	-	-	-	-	-	-
Pension and benefits	5,204	1,334	2,534	599	2,217	-	648
Business allowance/reimbursement	7,942	-	4,806	-	-	-	810
Conference and travel	270	-	-	-	1,551	14,088	-
Program expenses, workshops and meetings	53,423	-	-	-	1,800	7,182	-
Supplies	13,735	5,615	40	1,519	242	221	-
Maintenance and repair	-	5,091	-	3,132	811	-	-
Insurance	-	-	-	-	-	-	-
Occupancy expenses	-	5,877	-	9,899	-	-	-
Legal fees/professional services	-	-	-	-	3,000	2,605	-
Copying and printing	-	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	5,500	1,072	5,400
Books and pamphlets	-	-	-	-	-	-	-
Communications and public relations	102	-	60	310	60	60	-
Contributions and grants	-	-	-	-	-	-	-
Dues and subscriptions	24	(12)	70	30	200	-	-
Central finance interest expense	-	-	-	-	-	-	-
Investment fees and bank charges	-	-	-	-	-	-	-
Emergency assistance and disaster relief	-	-	-	-	-	-	-
Telephone	-	1,188	-	-	-	-	-
Bond interest and amortization of issuance costs	-	-	-	-	-	-	-
	<u>\$ 191,760</u>	<u>\$ 48,272</u>	<u>\$ 56,752</u>	<u>\$ 59,647</u>	<u>\$ 72,272</u>	<u>\$ 25,228</u>	<u>\$ 23,695</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
Schedule of Expenses - Administration Ministries
Year Ended June 30, 2013

	Cemeteries Office	St. Joseph Cemetery	Property and Casualty Insurance	Central Finance	Lumen Christi	HR and Employee Benefits	Total
Salaries - lay personnel	\$ 63,620	\$ 195,889	\$ 23,211	\$ -	\$ 157,285	\$ 101,053	\$ 786,227
Salaries - religious	-	-	-	-	11,195	-	11,195
Payroll taxes	4,455	11,476	1,597	-	11,456	6,133	52,625
Group insurance - lay personnel	10,959	32,541	2,467	-	37,686	8,258,725	8,387,068
Group insurance - religious	-	-	-	-	10,210	-	10,210
Pension and benefits	3,794	10,150	1,226	-	-	4,826	32,532
Business allowance/reimbursement	5,873	-	2,835	-	-	10,994	33,260
Conference and travel	350	-	877	-	1,876	2,393	21,405
Program expenses, workshops and meetings	-	123,711	14,600	-	54,193	-	254,909
Supplies	554	30,849	137	-	17,283	3,841	74,036
Maintenance and repair	-	29,142	-	-	71,312	-	109,488
Insurance	-	-	2,707,111	-	-	-	2,707,111
Occupancy expenses	-	15,678	-	-	45,925	-	77,379
Legal fees/professional services	-	396	-	-	-	12,812	18,813
Copying and printing	-	-	-	-	-	-	-
Papal quota and Catholic Conference	-	-	-	-	-	-	-
Audit and accounting fees	-	-	-	-	-	-	11,972
Books and pamphlets	-	-	-	-	107	-	107
Communications and public relations	951	-	60	-	981	127	2,711
Contributions and grants	-	-	-	-	-	-	-
Dues and subscriptions	240	3,182	-	-	171	872	4,777
Central finance interest expense	-	-	-	646,349	-	-	646,349
Investment fees and bank charges	-	-	-	149,149	-	-	149,149
Emergency assistance and disaster relief	-	-	-	-	-	-	-
Telephone	-	-	-	-	-	-	1,188
Bond interest and amortization of issuance costs	-	-	-	-	-	-	-
	<u>\$ 90,796</u>	<u>\$ 453,014</u>	<u>\$ 2,754,121</u>	<u>\$ 795,498</u>	<u>\$ 419,680</u>	<u>\$ 8,401,776</u>	<u>\$ 13,392,511</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAU**
*Schedule of Other Undistributed Funds
Year Ended June 30, 2013*

	Other Undistributed Funds			
	Beginning Balance	Receipts	Distributions & Transfers	Ending Balance (included in Accounts Payable - other)
<u>Diocesan and National Collections:</u>				
Campaign for Human Development	\$ 5	\$ 33,916	\$ 33,151	\$ 770
Bishop's Welfare Fund	1,737	40,937	40,854	1,820
Holy Land	119	35,177	31,722	3,574
Peter's Pence collection	27,115	18,292	33,804	11,603
Latin American Church	100	32,401	32,501	-
Communications	10,673	29,453	26,319	13,807
Rice Bowl	13,997	31,010	39,073	5,934
Catholic University collection	(420)	25,453	25,033	-
Catholic Home mission	1,653	34,834	2,087	34,400
Special Diocesan Collection	126,710	134,540	1,800	259,450
Black and Indian missions	100	33,714	31,250	2,564
Total Undistributed Funds - Other	\$ 181,789	\$ 449,727	\$ 297,594	\$ 333,922

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Seminary Burse Funds
June 30, 2013 and 2012

The following is a listing of burse funds that have been received by the Diocese since the burse program was instituted by the Diocese. These funds are permanently restricted and the principal amount is to remain intact with only the income being used for the purpose of educating seminarians.

	<u>2013</u>		<u>2012</u>
Harry Booker	\$ 19,138	\$	19,138
Judge & Mrs. L. P. Caillouet	15,000		15,000
Harvey Peltier	460,487		460,487
Endowment fund	119,137		119,137
Fr. Kasimir Chmielewski	4,839		4,839
Mr. George Fakier, Sr.	7,000		6,700
Fr. Peter Nies	5,810		5,540
Mr. & Mrs. John Marmande	700		700
Mr. Eledier Broussard	12,900		11,800
Msgr. Joseph Wester	15,000		15,000
Mr. & Mrs. Caliste Duplantis	50,000		50,000
Rev. Charles Menard	15,000		15,000
Rev. Kermit Trahan	15,000		15,000
H. Clay Duplantis, Sr. and Evelida Daspit Duplantis	25,000		25,000
Msgr. Raphael C. Labit	25,840		25,720
Dr. & Mrs. H. P. St. Martin	20,000		20,000
C. Remie Duplantis	25,000		25,000
Rev. Clemens Schneider	1,000		1,000
St. Jude	3,000		3,000
Mrs. Marie E. Duplantis	25,000		25,000
Maude and Edith Daspit	25,000		25,000
Rev. Henry Naquin	4,160		3,809
Rev. Anthony Russo	850		800
Rev. Adrian J. Caillouet	15,000		15,000
Rev. William M. Fleming	5,000		5,000
Bishop Warren L. Boudreaux	46,000		46,000
Msgr. George A. Landry	10,000		10,000
Diocesan K of C	17,895		17,895
Fr. Victor Toth	7,000		7,000
Catholic Daughters	3,680		3,230
Claude Bergeron	250		200
Anawim Community	2,300		1,900
J.R. Occhipinti	3,400		3,400
St. Joseph Italian Society	1,000		1,000
Mr. & Mrs. Arthur Naquin, Sr.	150		150
Mr. & Mrs. Galip Jacobs	3,060		3,060
Robert Wright, Jr.	15,000		15,000
Warren J. Harang, Jr.	16,100		15,900
Bishop L. Abel Caillouet	15,000		15,000
Monsignor Lucien J. Caillouet	15,000		15,000
Father James Louis Caillouet	15,000		15,000
Vincent Cannata, Sr.	15,000		15,000
Rev. Peter H Brewerton	2,600		2,600
Rev. Msgr. John L. Newfield	1,200		1,200
Orleans & Louelle Pitre	15,000		15,000

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Seminary Burse Funds
June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Minor Sr. and Lou Ella Cheramie	15,000	15,000
Mr. & Mrs. Anthony Cannata	500	500
Kelly Curole Frazier	3,491	3,491
Msgr. Stanislaus Manikowski	1,525	1,525
Mrs. Ayres A. Champagne	2,000	2,000
Harold & Gloria Callais Family	15,000	15,000
Joseph "Jay" Fertitta	3,395	3,145
Rev. Msgr. William Koninkx	4,000	3,700
Deacon Edward J. Blanchard	700	660
James J. Buquet Jr.	1,650	650
Msgr. John G. Keller	1,000	1,000
Msgr. Emile J. Fossier	1,545	1,545
Rev. H.C. Paul Daigle	1,900	1,900
Richard Peltier	15,300	15,300
Brides of the Most Blessed Trinity	5,935	5,935
Deacon Robert Dusse'	950	450
Deacon Willie Orgeron	800	800
Donald Peltier	49,000	37,100
St. Bernadette Men's Club	12,000	8,100
Peter W. Callais	15,000	15,000
Rev. Robert J. Sevigny	1,600	1,400
Msgr. Francis J. Legendre	16,645	16,645
Mr./Mrs. Love W. Pellegrin	5,000	5,000
Sidney J. & Lydie C. Duplantis	10,800	10,800
Deacon Raymond Lebouef	550	550
Paul Abdon Callais	15,000	15,000
Deacon Roland Dufrene	750	750
Rev. Gerard Hayes	4,386	3,886
Deacon Harold Kurtz	300	300
Abdon J. & Ada B. Callais	15,000	15,000
Dr. William Barletta	1,525	1,525
Mr./Mrs. C. Thomas Bienvenu	15,000	15,000
Rev. Guy Zeringue	1,200	1,150
Rev. Hubert C. Broussard	50	50
Mr./Mrs. Elie Klingman	8,020	4,780
Deacon Eldon Frazier	50	-
Deacon Nick Messina	50	-
The Peltier Foundation	30,000	-
Rev. Msgr. James B. Songy	2,075	-
Mrs. Shirley Conrad	1,000	-
Jacob Marcello	200	-
Ronnie Haydel	235	-
Willie & Emelda St. Pierre	2,000	-
	<u>\$ 1,401,623</u>	<u>\$ 1,340,842</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**

*Schedule of Parish Deposits
June 30, 2013 and 2012*

		<u>2013</u>	<u>2012</u>
01	Amelia, St. Andrew	\$ 121,778	\$ 84,188
02	Chacahoula, St. Lawrence	43,685	43,674
03	Chackbay, Our Lady of Prompt Succor	40,717	27,905
05	St. Charles Community, St. Charles Borromeo	427,017	416,389
06	Morgan City, Holy Cross	226,754	130,462
07	Morgan City, Sacred Heart	657,322	639,024
08	Schriever, St. Bridget	53,528	59,631
09	Thibodaux, St. Genevieve	81,469	-
10	Thibodaux, St. John	49,419	35,910
11	Thibodaux, St. Joseph	676,297	703,459
12	Kraemer, St. Lawrence the Martyr	8,489	27,364
14	Mathews, St. Hilary of Poitiers	469,478	489,390
16	Larose, Our Lady of the Rosary	152,681	92,257
17	Cut Off, Sacred Heart	113,506	124,808
18	Galliano, St. Joseph	419,235	457,454
19	Golden Meadow, Our Lady of Prompt Succor	636,133	519,117
20	Grand Isle, Our Lady of the Isle	293,796	286,663
21	Bayou Black, St. Anthony	245,498	291,168
22	Bayou Blue, St. Louis	27,101	21,871
23	Bourg, St. Ann	2,033,526	1,313,030
24	Chauvin, St. Joseph	16,732	101,136
25	Houma, Holy Family	663,819	262,386
26	Houma, Annunziata	47,136	42,009
27	Houma, Holy Rosary	-	81,531
28	Houma, Maria Immacolata	42,017	-
30	Houma, St. Francis de Sales	201,331	135,506
31	Houma, St. Gregory	32,487	54,720
32	Montegut, Sacred Heart	39,027	21,604
33	Pointe-aux-Chenes, St. Charles	32,678	-
34	Theriot, St. Eloi	198,279	189,178
35	Thibodaux, St. Thomas	42,158	54,514
37	Choctaw, St. James Mission	48,990	49,852
38	Thibodaux, St. Luke	43,967	-
39	Amelia, Thanh Gia (Holy Family)	425,119	430,286
40	Stephensville, St. Rosalie Mission	56,790	58,969
41	Gheens, The Community of St. Anthony	70,165	69,452
42	Thibodaux, Christ the Redeemer	282,144	251,231
43	Houma, St. Lucy	159,119	138,026
		<u>\$ 9,179,387</u>	<u>\$ 7,704,164</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
*Schedule of Parish and School Loans Receivable
June 30, 2013 and 2012*

		<u>2013</u>	<u>2012</u>
09	Thibodaux, St. Genevieve	\$ -	\$ 89,114
13	Raceland, St. Mary	1,418,589	1,449,000
15	Lockport, Holy Savior	89,887	67,077
27	Houma, Holy Rosary	7,362	-
28	Houma, Maria Immacolata	-	129,876
29	Houma, St. Bernadette Soubirous	398,497	438,596
33	Pointe-aux-Chenes, St. Charles	-	3,814
38	Thibodaux, St. Luke	-	4,244
152	Houma, Vanderbilt Catholic High School	-	115,000
153	Thibodaux, Edward Douglas White High School	<u>1,288,538</u>	<u>1,672,334</u>
		<u>\$ 3,202,873</u>	<u>\$ 3,969,055</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX**
*Schedule of Institutional Deposits
June 30, 2013 and 2012*

	<u>2013</u>	<u>2012</u>
06 Morgan City, Holy Cross	\$ 784,472	\$ 778,499
09 Thibodaux, St. Genevieve	2,183,279	1,987,246
11 Thibodaux, St. Joseph	3,106,015	2,793,905
13 Raceland, St. Mary's Nativity	365,977	516,774
15 Lockport, Holy Savior	702,413	596,214
16 Larose, Our Lady of the Rosary	737,027	718,960
28 Houma, Maria Immacolata	646,414	522,293
29 Houma, St. Bernadette Soubirous	1,190,814	1,130,263
30 Houma, St. Francis de Sales	2,885,343	2,774,933
31 Houma, St. Gregory	486,172	522,449
151 Central Catholic High School	469,419	472,646
152 Vandebilt Catholic High School	4,860,948	4,558,862
153 Edward Douglas White High School	5,309,820	5,098,770
151 Morgan City, Holy Cross Capital Campaign	33,090	409,073
430 St. Francis Prepaid Tuition	23,636	32,673
453 Edward Douglas White Foundation	271,643	253,004
	<u>\$ 24,056,482</u>	<u>\$ 23,166,564</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**
*Schedule of Cemetery Operating Deposits
June 30, 2013 and 2012*

		<u>2013</u>	<u>2012</u>
01	Amelia, St. Andrew	\$ 50,041	\$ 39,706
02	Chacahoula, St. Lawrence	10,250	8,708
03	Chackbay, Our Lady of Prompt Succor	279,659	289,253
04	Gibson, St. Patrick	8,121	8,041
05	St. Charles Community, St. Charles Borromeo	116,767	109,888
08	Schriever, St. Bridget	93,264	87,972
10	Thibodaux, St. John the Evangelist	78,761	68,968
11	Thibodaux, St. Joseph	506,155	729,548
12	Kraemer, St. Lawrence the Martyr	44,938	46,427
13	Raceland, St. Mary's Nativity	613,039	628,893
14	Mathews, St. Hilary of Poitiers	329,618	320,664
15	Lockport, Holy Savior	153,675	121,909
16	Larose, Our Lady of the Rosary	260,027	280,338
17	Cut Off, Sacred Heart	316,279	278,416
18	Galliano, St. Joseph	100,845	97,684
19	Golden Meadow, Our Lady of Prompt Succor	37,352	32,204
22	Bayou Blue, St. Louis	225,297	216,636
23	Bourg, St. Ann	132,849	244,569
24	Chauvin, St. Joseph	1,076,187	1,052,508
25	Grand Caillou, Holy Family	77,354	87,434
27	Houma, Our Lady of the Most Holy Rosary	424,976	635,370
30	Houma, St. Francis de Sales	91,690	174,223
32	Montegut, Sacred Heart	171,110	180,729
33	Pointe-Aux-Chenes, St. Charles Borromeo	117,543	122,528
34	Theriot, St. Eloi	274,451	300,627
37	Choctaw, St. James Mission	80,384	84,761
41	Gheens, St. Anthony	28,852	27,220
		<u>\$ 5,699,484</u>	<u>\$ 6,275,224</u>

THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX
Schedule of Parish and School Endowment Funds
June 30, 2013 and 2012

		<u>2013</u>	<u>2012</u>
Parish Endowments:			
06	Morgan City, Holy Cross	\$ 180,000	\$ 180,000
08	Schriever, St. Bridget	145,000	145,000
09	Thibodaux, St. Genevieve	500,000	500,000
11	Thibodaux, St. Joseph	3,917,987	3,177,281
14	Matthews, St. Hilary	129,435	126,879
15	Lockport, Holy Savior	50,000	50,000
18	Galliano, St. Joseph	480,000	480,000
24	Chauvin, St. Joseph	2,366,179	2,366,179
27	Houma, Holy Rosary	25,841	25,841
30	Houma, St. Francis de Sales	550,030	545,030
		<hr/>	<hr/>
Total Parish Endowments		<u>\$ 8,344,472</u>	<u>\$ 7,596,210</u>
School Endowments:			
06	Morgan City, Holy Cross	\$ 1,210,000	\$ 1,210,000
09	Thibodaux, St. Genevieve	114,100	114,100
11	Thibodaux, St. Joseph	3,006,550	3,006,550
13	Raceland, St. Mary	17,044	17,044
15	Lockport, Holy Savior	100,000	100,000
16	Larose, Our Lady of the Rosary	334,767	334,517
29	Houma, St. Bernadette	210,515	209,664
30	Houma, St. Francis de Sales	196,748	194,743
151	Central Catholic High School	1,151,000	1,151,000
152	Vandebilt Catholic High School	775,637	766,349
153	Edward Douglas White High School	2,432,881	2,430,983
		<hr/>	<hr/>
Total School Endowments		<u>\$ 9,549,242</u>	<u>\$ 9,534,950</u>

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAux**

*Schedule of Operations of Parishes and Institutions (Unaudited)
Year Ended June 30, 2013*

	Income	Expenditures	Excess (Deficiency) Of Income Over Expenditures
Amelia, Thanh Gia (Holy Family)	\$ 126,695	\$ 81,951	\$ 44,744
Amelia, St. Andrew	203,883	157,942	45,941
Chacahoula, St. Lawrence	111,418	102,705	8,713
Chackbay, Our Lady of Prompt Succor	378,657	369,018	9,639
St. Charles Community, St. Charles Borromeo	275,525	267,341	8,184
Morgan City, Holy Cross	1,924,814	1,819,755	105,059
Stephensville, St. Rosalie Mission	18,894	20,748	(1,854)
Morgan City, Sacred Heart	635,025	612,950	22,075
Schriever, St. Bridget	284,165	304,545	(20,380)
Thibodaux, Christ the Redeemer	451,633	404,118	47,515
Thibodaux, St. Genevieve	2,670,074	2,459,111	210,963
Thibodaux, St. John	290,505	269,680	20,825
Thibodaux, St. Joseph	5,396,866	3,902,937	1,493,929
Kraemer, St. Lawrence	133,106	150,709	(17,603)
Choctaw, St. James Mission	35,958	37,563	(1,605)
Raceland, St. Mary	1,441,010	1,407,140	33,870
Mathews, St. Hilary	478,581	459,304	19,277
Lockport, Holy Savior	1,379,099	1,355,613	23,486
Gheens, St. Anthony	79,254	65,906	13,348
Larose, Our Lady of the Rosary	1,840,502	1,813,177	27,325
Cut Off, Sacred Heart	529,334	534,738	(5,404)
Galliano, St. Joseph	203,134	241,224	(38,090)
Golden Meadow, Our Lady of Prompt Succor	444,180	405,570	38,610
Grand Isle, Our Lady of the Isle	229,103	207,465	21,638
Bayou Black, St. Anthony	439,831	485,406	(45,575)
Bayou Blue, St. Louis	407,424	359,571	47,853
Bourg, St. Ann	1,112,795	315,916	796,879
Chauvin, St. Joseph	390,481	464,528	(74,047)
Grand Caillou, Holy Family	593,004	188,352	404,652
Houma, Annunziata	463,766	457,446	6,320
Houma, Holy Rosary	430,439	462,214	(31,775)
Houma, Maria Immacolata	1,430,144	1,219,209	210,935
Houma, St. Bernadette	2,700,117	2,621,850	78,267
Houma, St. Francis	3,781,202	3,706,679	74,523
Houma, St. Gregory	1,109,020	1,121,529	(12,509)
Montegut, Sacred Heart	156,204	151,889	4,315
Pointe-Aux-Chenes, St. Charles	215,407	152,538	62,869
Theriot, St. Eloi	219,089	129,568	89,521
Thibodaux, St. Thomas	413,488	386,563	26,925
Thibodaux, St. Luke	203,116	151,151	51,965
Houma, St. Lucy	172,340	153,896	18,444
Central Catholic High School	5,924,609	2,272,021	3,652,588
Edward Douglas White High School	6,207,244	5,790,304	416,940
Vandebilt Catholic High School	6,785,513	6,463,416	322,097
Grand Totals	\$ 52,716,648	\$ 44,505,256	\$ 8,211,392

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THOMAS J. LANAUX, CPA
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**INDEPENDENT AUDITOR'S 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**

His Excellency
Most Reverend Sam G. Jacobs, D.D.
Bishop of the Diocese of Houma-Thibodaux

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 (Diocese), which comprise the statement of financial position as of June 30, 2013, and the related statements of activities, and cash flows for the year then ended, and have issued our report thereon dated December 16, 2013, which was qualified as follows:

- As explained in Note 2 to the consolidated financial statements, a provision for depreciation expense has not been provided, and
- As explained in Note 11 to the consolidated financial statements, the Diocese did not obtain an actuarial valuation of its priest pension liability as of year-end and was not able to develop certain pension information as of year-end for inclusion and disclosure in the consolidated financial statements, and
- As explained in Note 13 to the consolidated financial statements, the Diocese did not obtain an actuarial valuation of its liability for postretirement health care benefits as of year-end and was not able to develop certain information as of year-end for inclusion in the consolidated financial statements.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Diocese's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the 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.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of findings and responses, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying schedule of findings and responses as items 2013-1 and 2013-2 to be material weaknesses.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Diocese's financial statements are free of material misstatement, we performed tests of compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 which is described in the accompanying schedule of findings and responses as item 2013-1.

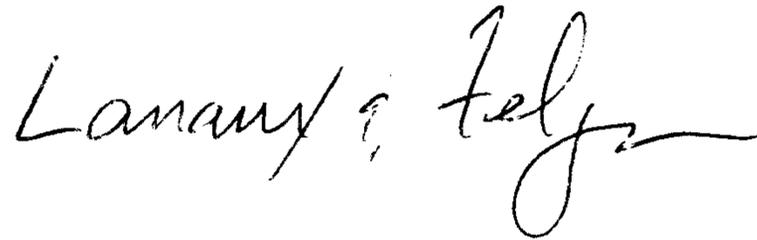
The Diocese's Response to Findings

The Diocese's response to the finding identified in our audit is described in the accompanying Management's Corrective Action Plan. We did not audit the Diocese's response and, accordingly, we express no opinion on it.

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 organization'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 organization's internal control and compliance. This report is intended for the information of the finance council, management, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Houma, Louisiana
December 16, 2013

A handwritten signature in black ink, appearing to read "Lanamy J. Telford". The signature is written in a cursive style with a long, sweeping underline.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS**
SCHEDULE OF FINDINGS AND RESPONSES
Year Ended June 30, 2013

Section I – Summary of Auditor’s Reports

- a. Financial Statements: Auditors’ report expresses a qualified opinion.
- b. Internal Control and Compliance:
 - Internal control over financial reporting:
 - Material weakness(es) identified XX Yes ___ No
 - Significant deficiency(ies) identified ___ Yes XX No
 - Noncompliance material to financial statements noted XX Yes ___ No
- c. Federal Awards – Not Applicable.

Section II – Financial Statement Findings

2013-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors’ report on the financial statements.

Criteria: Louisiana audit laws require quasi-public entities prepare financial statements in accordance with generally accepted accounting principles.

Cause: Management believes the cost of correcting these departures from generally accepted accounting principles exceeds the benefit to the organization.

Effect: The departures result in a qualified opinion on the financial statements.

Recommendation and Response: See Management’s Corrective Action Plan.

2013-2 PRIOR PERIOD ADJUSTMENT - CORRECTION OF ERRORS

Condition: Beginning net assets were restated to correct errors in reporting net assets and activities of the hospitalization insurance plan and to reclassify deferred grant revenues previously reported as temporarily restricted net assets.

Criteria: A correction of an error in previously issued financial statements is considered a material weakness in internal controls over financial reporting.

Cause: Management of the Diocese reevaluated its position on the inclusion or exclusion of certain programs in the consolidated financial statement and determined that activities and net assets of the hospitalization plan should be included in the consolidated financial statements. Management also determined that certain unearned grant revenues had previously been reported as temporarily restricted net assets.

Effect: These errors resulted in a misstatement of beginning net assets.

Recommendation and Response: See Management’s Corrective Action Plan.

Section III – Federal Award Findings and Questioned Costs – Not Applicable.

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS**
SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended June 30, 2013

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2012-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors' report on the financial statements.

Criteria: Louisiana audit laws require quasi-public entities prepare financial statements in accordance with generally accepted accounting principles.

Cause: Management believes the cost of correcting these departures from generally accepted accounting principles exceeds the benefit to the organization.

Effect: The departures result in a qualified opinion on the financial statements.

Current Status: Finding repeated in current year. See Management's Corrective Action Plan.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not Applicable

**THE CENTRAL ADMINISTRATIVE OFFICES OF THE ROMAN CATHOLIC CHURCH
OF THE DIOCESE OF HOUMA-THIBODAUX, OFFICES AND INSTITUTIONS
MANAGEMENT'S CORRECTIVE ACTION PLAN
Year Ended June 30, 2013**

SECTION I INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS

2013-1 DEPARTURES FROM GENERALLY ACCEPTED ACCOUNTING PRINCIPLES

Condition: Several departures from accounting principles generally accepted in the United States of America were noted in the independent auditors' report on the financial statements.

Recommendation: Management should evaluate the costs of correcting the departures from generally accepted accounting principles and assess the effects these departures have on the financial condition and results of operations of the organization.

Management's Response: At this time, management is evaluating the costs of correcting the departures from generally accepted accounting principles noted in the auditors' report. Upon completion of this evaluation, management will present recommendations to the Bishop for corrective action.

2013-2 PRIOR PERIOD ADJUSTMENT – CORRECTION OF ERRORS

Condition: Beginning net assets were restated to correct errors in reporting net assets and activities of the hospitalization insurance plan and to reclassify deferred grant revenues previously reported as temporarily restricted net assets.

Recommendation: The prior period adjustment was the result of management's evaluation of adherence to generally accepted accounting principles in its financial statements. We recommend that management continue to evaluate its financial statement positions in relation to applicable accounting standards.

Management's Response: Management believes the restatement was an isolated instance and considers this matter to be resolved.

SECTION II INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS

Not applicable.