

THE CATHOLIC ARCHDIOCESE OF ATLANTA

**REPORT ON REVIEW OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION**

YEAR ENDED DECEMBER 31, 1965

TOUCHE, ROSS, BAILEY & SMART



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911 FIRST NATIONAL BANK BUILDING
ATLANTA, GEORGIA 30303

March 10, 1966.

His Excellency,
The Most Reverend Paul J. Hallinan,
Archbishop of Atlanta,
Atlanta, Georgia

Your Excellency:

We have examined the accompanying combined fund balance sheet (see Note A as to basis of preparation of the financial statements) of the Archdiocese of Atlanta as of December 31, 1965, and the related statements of fund transactions for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. This was our initial examination of the accounts of the Archdiocese, and the scope of our examination was not sufficient to enable us to express an opinion as to the consistency in application of accounting principles with that of the preceding year.

In our opinion, the financial statements referred to above present fairly the combined financial position of the funds referred to in Note A to the financial statements of the Archdiocese of Atlanta at December 31, 1965 and the fund transactions for the year then ended, in conformity with generally accepted accounting principles.

Touche, Ross, Bailey & Smart

ARCHDIOCESE OF ATLANTA
COMBINED FUNDS BALANCE SHEET
 (Note A)

DECEMBER 31, 1965

ASSETS

CASH		\$ 360,828.00
RECEIVABLES:		
Construction and operational advances to parishes, including accrued interest	\$ 396,867.06	
Less allowance for possible adjustments of accounts	<u>87,000.00</u>	\$ 309,867.06
Due from parishes for high school operations assessments		71,830.00
Other		2,218.16
Funds collectible in future periods:		
Raskob Foundation		210,000.00
Seminary Fund		52,070.00
Pledges receivable - Expansion Campaign (Note D)	\$1,463,219.76	
Less allowance for cancellations and other losses	<u>250,000.00</u>	<u>1,213,219.76</u>
		\$1,859,204.98
INVESTMENTS - stated at quoted market value at December 31, 1965, except for certain stocks carried at cost of \$1,556.25:		
U. S. Government bonds		\$ 19,530.00
Corporation bonds		105,797.75
Common and preferred stocks		350,582.44
Interest - bearing notes		44,840.63
Cash in savings and investment accounts		<u>15,234.24</u>
		\$ 535,985.06
REAL ESTATE AND IMPROVEMENTS (Note B):		
Realty and operating properties		\$4,726,265.29
Construction in progress		<u>54,731.05</u>
		<u>\$4,780,996.34</u>
		<u>\$7,537,014.38</u>

LIABILITIES AND FUND BALANCES

NOTES PAYABLE (Note C) - <i>Edpa</i>		\$ 644,264.81
ACCOUNTS PAYABLE: <i>Substantia etc</i>		
Accounts payable		34,274.10
Accrued salaries and payroll taxes payable		1,446.26
Accrued interest payable on notes		<u>3,326.55</u>
		\$ 683,311.72

FUND BALANCES:

Expansion Fund	\$1,856,040.11
Restricted funds	924,054.32
General Fund	<u>4,073,608.23</u>

6,853,702.66

Charlotteville
Satyng
Bessidy

\$7,537,014.38

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - EXPANSION CAMPAIGNYEAR ENDED DECEMBER 31, 1965

ADDITIONS:		
Campaign pledges		\$2,180,641.83
Interest		<u>511.97</u>
		\$2,181,153.80
DEDUCTIONS:		
Campaign management fee	\$24,000.00	
Office expenses	30,604.94	
Project expenses:		
Village of St. Joseph	10,963.04	
Catholic Center	<u>9,545.71</u>	<u>75,113.69</u>
NET INCREASE, before special item		\$2,106,040.11
Provision for losses		<u>250,000.00</u>
NET INCREASE, after special item		\$1,856,040.11
FUND BALANCE, beginning of period		<u>-0-</u>
FUND BALANCE, end of period		<u>\$1,856,040.11</u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTA

STATEMENT OF FUND TRANSACTIONS - RESTRICTED FUNDS

YEAR ENDED DECEMBER 31, 1965

*Rascal. 264
Bkly. Rev.*

ADDITIONS

Donations	\$349,309.65
Investment income	6,345.11
Interest income	<u>2,541.19</u>

\$358,195.95

DEDUCTIONS:

Donations and grants	\$ 73,740.44
Distribution of principal <i>Sum 27,000, 42 D. Child</i> <i>Old Bond acc</i> <i>Bkly. D. F.</i>	<u>402.71</u>

\$ 74,143.15

NET INCREASE

\$284,052.80

FUND BALANCE, beginning of period

\$640,001.52

FUND BALANCE, end of period

\$924,054.32

4600 Sum.
1700 D. Child

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - GENERAL FUNDYEAR ENDED DECEMBER 31, 1965

ADDITIONS:		
Assessments and collections		\$ 394,917.78
Contributions		117,659.43
Interest		22,569.26
Other		13,755.42
		<u>\$ 548,901.89</u>
DEDUCTIONS:		
School operations		\$ 136,782.11
Disbursements with respect to special collections		51,421.88
Chancery Office		35,706.87
Interest expense - primarily associated with diocesan high schools		33,329.53
Archdiocese missions		19,395.33
Other		19,228.72
Archbishop's residence and other related costs		17,447.12
X Student accident insurance		16,376.92
Vatican Council		10,051.63
Tribunal Office		6,333.40
Subsidies and donations:		
Georgia Bulletin		44,695.66
Retired personnel		28,007.93
Other		12,200.00
		<u>\$ 430,977.10</u>
NET INCREASE, before special items:		\$ 117,924.79
To reflect increase in appraised value of property accounts		88,475.00
To establish an allowance for doubtful accounts		(87,000.00)
To reflect change in market value of investments		(6,659.36)
Provision for losses		<u>(6,231.88)</u>
NET INCREASE, after special items		\$ 106,508.55
FUND BALANCE, beginning of period		<u>3,967,099.68</u>
FUND BALANCE, end of period		<u>\$4,073,608.23</u>

Catholic education } 95,000
2/20 m
Dis
236
Bank Interest
Banker's Note
17,000

Wasser, Info
Novy Accts

Office -

Bank Note
Banker's Note

Bank Note
Wasser, Info

Bank P. 230
return
10,000 to Wlan
9,200 gift

See notes to financial statements

ARCHDIOCESE OF ATLANTA
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 1965

A - BASIS OF STATEMENTS:

The financial statements include only the funds and properties which are administered by The Catholic Archdiocese of Atlanta through the Chancery Office. Accordingly no recognition has been given to 51 parish and mission properties or their liabilities. These are, however, included as additional information.

B - REAL ESTATE AND IMPROVEMENTS:

Properties aggregating \$458,090 are at cost. The remainder, acquired prior to January 1, 1965, are carried at valuations derived from insurance and real estate appraisals on file. No allowance has been made for depreciation of buildings and improvements.

C - NOTES PAYABLE:

Details of notes payable at December 31, 1965:

	<u>Amount</u>	<u>Rate of Interest</u>	<u>Maturities</u>
Commercial:			
Banks	\$493,000.00	5-1/2%	Demand
Other:			
Non-interest bearing	144,000.00	-	1974
Interest bearing	<u>7,264.81</u>	4-1/2% <i>Student center</i>	1972
	<u>\$644,264.81</u>		

Annual installments due on these notes aggregate \$17,037.83.

D - EXPANSION CAMPAIGN FUND:

Construction to be financed from this fund is to begin in 1966 with the following projected construction costs:

Village of St. Joseph (orphans' home)	\$1,122,500.00
Newman Center (University of Georgia at Athens)	<u>282,700.00</u>
	<u>\$1,405,200.00</u>

EXPLANATION OF PAGE 4 OF ARCHDIOCESAN AUDIT

ADDITIONS:

DONATIONS:

Seminary	\$ 20,000.23		
Clarkeville	3,309.97		
Clergy - Seminary	54,370.00		
Raskob Foundation	210,000.00		
Dependent Children	<u>61,629.45</u>	\$ 349,309.65	

INVESTMENT INCOME:

Seminary	4,640.44		
Dependent Children	<u>1,704.67</u>	6,345.11	

INTEREST INCOME (SAVINGS):

Seminary	164.29		
Monsignor Cassidy Fund	276.81		
Student Atkins	156.09		
Dependent Children	<u>1,944.00</u>	<u>2,541.19</u>	\$ 358,195.95

DEDUCTIONS:

DONATIONS AND GRANTS:

Seminary	27,594.84		
Dependent Children	41,867.48		
Satzky Fund (change in market value)	<u>4,278.12</u>	73,740.44	

DISTRIBUTION OF PRINCIPAL:

Old Bank Account		<u>402.71</u>	<u>74,143.15</u>
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NET INCREASE

\$ 284,052.80

EXPLANATION OF PAGE 5 OF ARCHDIOCESAN AUDIT

ADDITIONS:

ASSESSMENTS AND COLLECTIONS:

Cathedraticum	\$ 53,567.29	
High School -- Receivable	71,800.00	
High School -- Received	164,260.00	
Georgia Missions	38,087.53	
Extra-Diocesan Collections (Tax)	5,700.18	
Special Fund Collections	35,339.53	
Georgia Bulletin	17,503.00	
Infirm Priests'	8,660.25	
		\$ 394,917.78

CONTRIBUTIONS:

Raskob Foundation	35,000.00	
American Board of Catholic Missions	45,000.00	
Student Accident Insurance	16,329.40	
Infirm Priests' - Archbishop	2,433.11	
Mission Fund - Philadelphia	1,990.81	
Georgia Bulletin Laymen's Association - C & S Bank	3,000.73	
Village Expenses	7,936.38	
Dispensations	1,419.00	
Masses	4,550.00	
		117,659.43

INTEREST:

Banks and Parishes	18,558.38	
Savings Accounts	4,010.88	
		22,569.26

OTHER:

Funds, Estates	11,910.07	
N. C. W. C. (Liturgy Commission)	1,845.35	
		13,755.42

TOTAL	\$ 548,901.89
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EXPLANATION OF PAGE 5 OF ARCHDIOCESAN AUDIT (CONTINUED)

DEDUCTIONS:

School Operations	\$ 136,782.11	
Disbursements - Special Collections	51,421.88	
Chancery Office (including Salaries, Office Upkeep, Property Taxes)	35,706.87	
Interest Expenses (Pius X, Drexel, Satsky Fund)	33,329.53	
Missions (including monthly allotments, cars, debts forgiven)	19,395.33	
Other (Catholic Social Services, Newman Clubs)	19,228.72	
Archbishop's Residence and other related costs	17,447.12	
Student Accident Insurance	16,376.92	
Vatican Council	10,051.63	
Tribunal Office	6,333.40	
Subsidies and donations:		
Georgia Bulletin	44,695.66	
Retired Personnel (including Infirm Priests', retirement)	28,007.93	
Other (Gift to Marist Fathers, other)	12,200.00	
		\$ 430,977.10

