

# **THE ARCHDIOCESE OF ATLANTA**

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## **REPORT ON EXAMINATION OF FINANCIAL STATEMENTS AND ADDITIONAL INFORMATION**

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**YEAR ENDED DECEMBER 31, 1966**

**TOUCHE, ROSS, BAILEY & SMART**



THE ARCHDIOCESE OF ATLANTA  
REPORT ON EXAMINATION OF FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION  
YEAR ENDED DECEMBER 31, 1966

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# TOUCHE, ROSS, BAILEY & SMART

FIRST NATIONAL BANK BUILDING  
ATLANTA, GEORGIA 30303

February 25, 1967.

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, 1966, 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.

As part of our engagement we agreed that it would be impractical to audit all of the Parishes' records; therefore, the data presented which relates to the Parishes are merely a tabulation of their annual financial statements to you.

We have checked intra-archdiocesan transactions to and from Chancery and Parishes statements. We also reconciled beginning and ending net worth of selected Parishes. Such minimal checking indicates that not all financial transactions of the Parishes nor all of their assets are reflected in their annual financial statements.

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, 1966 and the fund transactions for the year then ended, in conformity with generally accepted accounting principles applied on a basis consistent with that of the prior year.

*Touche, Ross, Bailey & Smart*

## ARCHDIOCESE OF ATLANTA

COMPARATIVE COMBINED FUNDS BALANCE SHEET  
(Note A)

DECEMBER 31, 1966 AND 1965

## ASSETS

	December 31,	Increase (decrease)	
	1966	1965	
CASH	\$ 161,026	\$ 360,828	\$ (199,802)
RECEIVABLES:			
Construction and operational advances to parishes, including interest	\$1,330,917	\$ 396,867	\$ 934,050
Less allowance for possible adjustment of accounts	(50,000)	(87,000)	(37,000)
Due from parishes for operational assessments:	\$1,280,917	\$ 309,867	\$ 971,050
High schools	\$ 87,140	\$ 71,830	\$ 15,310
Georgia Bulletin	26,501		26,501
Other	11,590		11,590
Funds collectible in future periods:			
Raskob Foundation	\$ 175,000	\$ 210,000	\$ (35,000)
Seminary Fund	54,746	52,070	2,676
Pledges receivable - Expansion Campaign (Note D)	1,027,302	1,463,220	\$ (435,918)
Less allowance for cancellations and other losses	(300,000)	(250,000)	50,000
Other	\$ 727,302	\$1,213,220	\$ (485,918)
	2,218		(2,218)
Total Receivables	\$2,363,196	\$1,859,205	\$ 503,991
INVESTMENTS - stated at quoted market value at December 31, 1966, except for certain stocks carried at cost of \$5,021.73:			
U. S. Government bonds	\$ 9,916	\$ 19,530	\$ (9,614)
Corporation bonds	96,039	105,798	(9,759)
Common and preferred stocks	249,545	350,582	(101,037)
Interest - bearing notes	41,851	44,841	(2,990)
Principal cash and savings certificates	6,793	15,234	(8,441)
	\$ 404,144	\$ 535,985	\$ (131,841)
PROPERTY, PLANT AND EQUIPMENT:			
At appraised values (Note B):			
Land	\$1,638,025	\$1,649,875	\$ (11,850)
Buildings	2,262,000	2,265,600	(3,600)
Furnishings and equipment	352,700	352,700	
At cost:			
Land	632,990	458,090	174,900
Buildings	1,385,912		1,385,912
Furnishings and equipment	57,903		57,903
Automobiles	4,912		4,912
Construction in progress	10,502	54,731	(44,229)
	\$6,344,944	\$4,780,996	\$1,563,948
	6,750		6,750
OTHER ASSETS	\$9,280,060	\$7,537,014	\$1,743,046

See notes to financial statements.

ARCHDIOCESE OF ATLANTA  
COMPARATIVE COMBINED FUNDS BALANCE SHEET

(Note A)

DECEMBER 31, 1966 AND 1965

LIABILITIES AND FUND BALANCES

	<u>December 31,</u>	<u>Increase</u>
	<u>1966</u>	<u>(decrease)</u>
<b>NOTES PAYABLE:</b>		
Notes payable to banks	\$ 919,500	\$ 493,000
Current portion of long-term debt:		
Serial notes	\$ 49,000	\$ 49,000
Notes payable to others	<u>38,717</u>	<u>17,038</u>
	\$ 87,717	\$ 70,679
	<u>\$1,007,217</u>	<u>\$ 510,038</u>
<b>ACCOUNTS PAYABLE:</b>		
Accounts payable	\$ 165,248	\$ 35,719
Accrued interest payable on notes	<u>13,530</u>	<u>3,327</u>
	\$ 178,778	\$ 39,046
	<u>\$1,185,995</u>	<u>\$ 549,084</u>
Total Current Liabilities		
	<u>\$1,152,000</u>	<u>\$1,152,000</u>
	<u>(49,000)</u>	<u>(49,000)</u>
<b>LONG-TERM DEBT (Note C):</b>		
Serial notes	\$1,103,000	\$1,103,000
Less current portion (as shown above)	<u>207,264</u>	<u>55,999</u>
	\$ 168,547	\$ 34,320
	<u>\$1,271,547</u>	<u>\$1,137,320</u>
Total Long-Term Debt		
	<u>\$2,457,542</u>	<u>\$1,774,231</u>
<b>TOTAL LIABILITIES</b>		
	<u>\$1,828,120</u>	<u>\$ (27,920)</u>
<b>FUND BALANCES:</b>		
Expansion Fund	\$ 938,747	\$ 14,692
Restricted Funds	<u>4,055,651</u>	<u>(17,957)</u>
General Fund	<u>\$6,822,518</u>	<u>\$ (31,185)</u>
	<u>\$9,280,060</u>	<u>\$1,743,046</u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - EXPANSION CAMPAIGNYEAR ENDED DECEMBER 31, 1966

## ADDITIONS:

Campaign pledges		\$ 104,409
Rental income		2,262
Interest and dividends		<u>533</u>
		\$ 107,204

## DEDUCTIONS:

Office expenses	\$4,870	
Interest expense	4,872	
Decrease in market value of securities liquidated from market value at date of donation	5,037	
Project expenses:		
Village of St. Joseph	1,198	
Catholic Center	2,978	
Newman Center	<u>508</u>	<u>19,463</u>
NET INCREASE, before special items		\$ 87,741
Provision for losses		(116,803)
To reflect change in market value of investments		<u>1,142</u>
NET DECREASE, after special item		\$ (27,920)
FUND BALANCE, beginning of period		<u>1,856,040</u>
FUND BALANCE, end of period		<u><u>\$ 1,828,120</u></u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - RESTRICTED FUNDSYEAR ENDED DECEMBER 31, 1966

## ADDITIONS:

Contributions	\$ 59,303
Archdiocesan collections	55,207
Investment income	5,238
Interest income	3,011
Other	2,356
	<u>125,115</u>

\$125,115

## DEDUCTIONS:

Operational expenses (Village of St. Joseph)	\$ 50,492
Tuition and expenses of seminarians	41,358
	<u>91,850</u>

\$ 91,850

NET INCREASE, before special items

\$ 33,265

To reflect change in market value  
of investments(18,573)

NET INCREASE, after special items

\$ 14,692

FUND BALANCE, beginning of period

924,055

FUND BALANCE, end of period

\$938,747

See notes to financial statements.



ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - GENERAL FUNDYEAR ENDED DECEMBER 31, 1966

## ADDITIONS:

Assessments and collections	\$ 346,466
Contributions	122,838
Interest	21,770
Investment income	8,772
Other	2,033
	<u>501,879</u>

## DEDUCTIONS:

School operations	\$ 162,591
Subsidies and donations	85,031
Interest-primarily associated with archdiocesan high schools	45,020
Archdiocesan mission support	25,175
Salaries:	
Lay personnel	23,514
Clergy	11,360
Archbishop's residence and other related expenses	15,544
Chancery office	14,975
Other	11,039
Travel	8,732
Taxes	4,500
Decrease in appraised value of fixed assets reflected by sale of assets	4,390
	<u>411,871</u>

NET INCREASE, before special items:	90,008
Provision for losses	(82,941)
To reflect change in market value of investments	<u>(25,024)</u>

NET DECREASE, after special items \$ (17,957)

FUND BALANCE, beginning of period 4,073,608FUND BALANCE, end of period \$4,055,651

See notes to financial statements.

ARCHDIOCESE OF ATLANTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 1966

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 56 parish and mission properties or their liabilities. These are, however, included as additional information.

B - PLANT, PROPERTY, AND EQUIPMENT:

Properties at appraised values were acquired prior to January 1, 1965, and are carried at valuations derived from insurance and real estate appraisals on file. All capital additions acquired subsequently are carried at cost. No allowance has been made for depreciation of buildings and improvements.

C - LONG-TERM DEBT:

Long-term debt consists of the following:

	<u>Current Maturities</u>	<u>Long-Term</u>
Serial notes (interest payable semi-annually):		
6-1/8%, due in average annual installments of \$55,400 from 1967 through 1971	\$49,000	\$ 228,000
6-3/8%, due in average annual installments of \$75,750 from December 1, 1972 through 1975, with remaining balance of \$582,000 due on December 1, 1976		875,000
Other notes:		
Non-interest bearing, in annual installments \$16,000 from 1967 through 1974	16,000	112,000
Miscellaneous notes with various interest rates (principally 6%), due in varying amounts from 1967 through 1972	<u>22,717</u>	<u>56,547</u>
	<u>\$87,717</u>	<u>\$1,271,547</u>

ARCHDIOCESE OF ATLANTA  
NOTES TO FINANCIAL STATEMENTS  
YEAR ENDED DECEMBER 31, 1966  
 (Continued)

C - LONG-TERM DEBT (continued):

The serial notes are secured by all properties of the Archbishop. Further borrowings are restricted by the terms of the indenture to an aggregate of \$500,000 of property mortgages and an aggregate of general indebtedness not to exceed forty per cent (40%) of the net book value of the assets of the Archbishop as of the date such indebtedness is incurred.

Other notes are secured by properties with a book value of \$351,399.

D - EXPANSION CAMPAIGN FUND:

Construction to be financed from this fund was begun in 1966 on the following projects:

	<u>Projected costs</u>	<u>Actual costs to Dec. 31, 1966</u>
Village of St. Joseph	\$1,222,500	\$ 940,220
Newman Center (University of Georgia at Athens)	<u>282,700</u>	<u>301,561</u>
	<u>\$1,405,200</u>	<u>\$1,241,781</u>

Additional expenditures for furnishings and equipment total \$35,173.59 to date.

