

ARCHDIOCESE OF ATLANTA

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEAR ENDED JUNE 30, 1967

TOUCHE, ROSS, BAILEY & SMART

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TOUCHE, ROSS, BAILEY & SMART

FIRST NATIONAL BANK BUILDING
ATLANTA, GEORGIA 30303

September 1, 1967.

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

We have examined the accompanying balance sheet (see Note A as to basis of preparation of the financial statements) of the Archdiocese of Atlanta as of June 30, 1967, 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.

In our opinion, the financial statements referred to above present fairly the financial position of the funds referred to in Note A to the financial statements of the Archdiocese of Atlanta at June 30, 1967, 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 preceding year.

Touche, Ross, Bailey & Smart

ARCHDIOCESE OF ATLANTABALANCE SHEET (NOTE A)JUNE 30, 1967ASSETS

CASH		\$ 169,904
RECEIVABLES:		
Construction and operational advances and assessments to parishes, including interest	\$3,151,685	
Less allowance for possible adjustment of accounts	<u>41,779</u>	\$ 3,109,906
Pledges receivable - Expansion Campaign	\$ 820,838	
Less allowance for cancellations and other losses	<u>546,000</u>	274,838
Amounts collectible in future periods:		
Raskob Foundation	\$ 140,000	
Seminary Fund	<u>53,946</u>	<u>193,946</u>
Total receivables		\$ 3,578,690
INVESTMENTS - stated at quoted market value at June 30, 1967, except for certain stocks carried at a cost of \$5,022:		
U. S. Government bonds		\$ 9,424
Corporation bonds		348,760
Common and preferred stocks		260,016
Interest-bearing notes		41,491
Principal cash in trust funds		<u>4,458</u>
Total investments		\$ 664,149
PROPERTY AND EQUIPMENT (Note B):		
At appraised values:		
Land		\$ 1,638,025
Buildings		2,262,000
Furnishings and equipment		<u>352,700</u>
At cost:		
Land		668,359
Buildings		1,514,180
Furnishings and equipment		162,317
Automobiles		7,012
Construction in progress		<u>48,144</u>
Total property and equipment		\$ 6,652,737
OTHER ASSETS		<u>6,310</u>
		<u>\$11,071,790</u>

See notes to financial statements.

LIABILITIES AND FUND BALANCES

NOTES PAYABLE TO BANKS - unsecured		\$ 3,109,935
ACCOUNTS PAYABLE		75,781
ACCRUED INTEREST PAYABLE		6,648
CURRENT PORTION OF LONG-TERM DEBT (Note C)		98,346
LONG-TERM DEBT (Note C):		
Serial notes	\$1,152,000	
Less current portion	<u>49,000</u>	\$1,103,000
Notes payable to others	\$ 222,113	
Less current portion	<u>49,346</u>	<u>172,767</u>
Total long-term debt due beyond one year		<u>\$ 1,275,767</u>
Total liabilities		\$ 4,566,477
FUND BALANCES:		
Expansion Campaign Fund		\$ 1,647,237
Restricted Funds (Note D)		890,782
General Fund		<u>3,967,294</u>
Total fund balances		\$ 6,505,313

\$11,071,790

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - EXPANSION CAMPAIGN FUND (NOTE A)YEAR ENDED JUNE 30, 1967

ADDITIONS:

Campaign pledges and special gifts	\$	90,462
Rental income		5,116
Interest and dividend income		<u>718</u>

	\$	<u>96,296</u>
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DEDUCTIONS:

Office expenses	\$	6,455
Interest expense		16,284
Decrease in market value of securities liquidated from market value at date of donation		2,658
Project expenses:		
Village of St. Joseph		1,068
Catholic Center		3,082
Newman Canter		<u>508</u>
		<u>30,055</u>

INCREASE BEFORE OTHER DEDUCTIONS	\$	66,241
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OTHER DEDUCTIONS:

Provision for losses	\$18,866	
Decrease in market value of investments	<u>1,368</u>	<u>20,234</u>

NET INCREASE	\$	46,007
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FUND BALANCE, beginning of period	<u>1,920,330</u>
	\$1,966,337

PRIOR PERIOD ADJUSTMENT - Allowance for possible losses on pledges received in prior years	<u>319,100</u>
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FUND BALANCE, end of period	<u><u>\$1,647,237</u></u>
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See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - RESTRICTED FUNDS (NOTE A)YEAR ENDED JUNE 30, 1967

ADDITIONS:

Contributions		\$ 56,131
Archdiocesan collections		64,168
Investment income		8,868
Interest income		2,914
Miscellaneous		<u>1,663</u>
		\$133,744

DEDUCTIONS:

Operational expenses - Village of St. Joseph	\$49,628	
Tuition and expenses of seminarians	<u>45,138</u>	<u>94,766</u>

INCREASE BEFORE OTHER DEDUCTIONS		\$ 38,978
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OTHER DEDUCTIONS:

Decrease in market value of investments	\$ 947	
Transfer to General Fund for payment on Drexel High School note	<u>35,000</u>	<u>35,947</u>

NET INCREASE		\$ 3,031
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FUND BALANCES, beginning of period		<u>887,751</u>
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FUND BALANCES, end of period		<u><u>\$890,782</u></u>
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See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - GENERAL FUND (NOTE A)YEAR ENDED JUNE 30, 1967

ADDITIONS:

Assessments and collections		\$ 335,185
Contributions		97,731
Interest income		26,057
Investment income		5,543
Miscellaneous		<u>6,643</u>
		\$ 471,159

DEDUCTIONS:

School operations	\$168,694	
Subsidies and donations	78,080	
Interest expense	42,821	
Archdiocesan mission support	26,000	
Salaries:		
Lay personnel	31,920	
Clergy	15,025	
Archbishop's residence and other related expenses	8,996	
Chancery office	22,701	
Miscellaneous	20,915	
Travel	8,722	
Taxes	5,447	
Loss on disposal of property and equipment	<u>9,503</u>	<u>438,824</u>

INCREASE BEFORE OTHER DEDUCTIONS (ADDITIONS) \$ 32,335

OTHER DEDUCTIONS (ADDITIONS):

Provision for losses	\$ 39,053	
Decrease in market value of investments	11,650	
Transfer from Raskob Fund for payment on Drexel High School note	<u>(35,000)</u>	<u>15,703</u>

NET INCREASE \$ 16,632

FUND BALANCE, beginning of period 3,950,662

FUND BALANCE, end of period \$3,967,294

See notes to financial statements.

ARCHDIOCESE OF ATLANTANOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1967

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 fifty three parish and mission properties or their liabilities. This information is, however, included as additional information.

B. 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 for depreciation has been provided.

C. LONG-TERM DEBT:

Long-term debt consists of the following:

	<u>Current</u> <u>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 \$73,250 from 1972 through 1975, with remaining balance of \$582,000 due on December 1, 1976		875,000
Other notes:		
Non-interest bearing, due in annual installments of \$16,000 from 1967 through 1973	16,000	96,000
Miscellaneous notes with various interest rates (principally 6%), due in varying amounts from 1967 through 1971	<u>33,346</u>	<u>76,767</u>
	<u>\$ 98,346</u>	<u>\$1,275,767</u>

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

Notes payable to others are secured by properties with a book value of \$383,286.

ARCHDIOCESE OF ATLANTA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1967

(Continued)

C. LONG-TERM DEBT (continued):

On July 5, 1967, the Archdiocese obtained a loan of \$1,303,000 from Coughlin and Company, Inc., investment bankers. This loan is in the form of promissory notes with coupons attached which mature in varying amounts beginning with \$35,000 on July 5, 1968, and increasing to \$86,000 on July 5, 1978, with a final payment of \$637,000 on July 5, 1979. The rate of interest increases from 5 3/8% on the first \$35,000 to 6% on the final \$1,129,000 borrowed under the loan indenture. These notes are secured by all properties of the Archdiocese, and the loan indenture contains the same restrictions as those contained in the indenture covering the serial notes.

D. RESTRICTED FUNDS:

Assets of funds which are restricted as to their use are included in the accompanying balance sheet. These assets aggregated \$890,782 at June 30, 1967.

