

ARCHDIOCESE OF ATLANTA

---

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS  
AND ADDITIONAL INFORMATION

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YEAR ENDED JUNE 30, 1968

TOUCHE, ROSS, BAILEY & SMART

ARCHDIOCESE OF ATLANTA  
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AND ADDITIONAL INFORMATION  
YEAR ENDED JUNE 30, 1968

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# TOUCHE, ROSS, BAILEY & SMART

FIRST NATIONAL BANK BUILDING  
ATLANTA, GEORGIA 30303

August 16, 1968.

His Excellency,  
The Most Reverend Thomas A. Donnellan,  
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, 1968, 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, 1968, 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*  
Certified Public Accountants

ARCHDIOCESE OF ATLANTABALANCE SHEET (NOTE A)

<u>ASSETS</u>	June 30,	
	<u>1968</u>	<u>1967</u>
CASH	\$ 182,217	\$ 169,904
RECEIVABLES:		
Construction and operational advances and assessments to parishes, including interest	\$ 4,399,014	\$ 3,151,685
Less allowance for possible adjustment of accounts	-	41,779
	<u>\$ 4,399,014</u>	<u>\$ 3,109,906</u>
Pledges receivable - Expansion Campaign	\$ 421,151	\$ 820,838
Less allowance for cancellation and other losses	403,587	546,000
	<u>\$ 17,564</u>	<u>\$ 274,838</u>
Other receivables	\$ 1,350	\$ -
Amounts collectible in future periods:		
Raskob Foundation	105,000	140,000
Seminary Fund	66,617	53,946
Total Receivables	<u>\$ 4,589,545</u>	<u>\$ 3,578,690</u>
INVESTMENTS, at quoted market value	515,383	664,149
PROPERTY AND EQUIPMENT (Note B):		
At appraised values:		
Land	\$ 1,624,525	\$ 1,638,025
Buildings	2,222,000	2,262,000
Furnishings and equipment	351,200	352,700
At cost:		
Land	678,597	668,359
Buildings	1,592,447	1,514,180
Furnishings and equipment	213,814	162,317
Automobiles	2,754	7,012
Construction in progress	10,502	48,144
Total Property and Equipment	<u>\$ 6,695,839</u>	<u>\$ 6,652,737</u>
OTHER ASSETS	<u>5,451</u>	<u>6,310</u>
	<u>\$11,988,435</u>	<u>\$11,071,790</u>

See notes to financial statements.

<u>LIABILITIES AND FUND BALANCES</u>	<u>June 30,</u>	
	<u>1968</u>	<u>1967</u>
NOTES PAYABLE TO BANKS AND OTHERS (Note C)	\$ 2,364,941	\$ 3,109,935
ACCOUNTS PAYABLE	5,812	75,781
ACCRUED INTEREST PAYABLE	4,491	6,648
CURRENT PORTION OF LONG-TERM DEBT (Note D)	137,476	98,346
LONG-TERM DEBT, less current portion (Note D):		
Serial notes	\$ 2,269,000	\$ 1,103,000
Notes payable to others	<u>121,291</u>	<u>172,767</u>
Total Long-Term Debt	<u>\$ 2,390,291</u>	<u>\$ 1,275,767</u>
Total Liabilities	\$ 4,903,011	\$ 4,566,477
FUND BALANCES:		
Expansion Campaign Fund	\$ 1,631,129	\$ 1,647,237
Restricted Funds (Note E)	907,096	890,782
General Fund	<u>4,547,199</u>	<u>3,967,294</u>
Total Fund Balances	\$ 7,085,424	\$ 6,505,313
	<u>\$11,988,435</u>	<u>\$11,071,790</u>

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - EXPANSION CAMPAIGN FUND (NOTE A)

	<u>Year Ended June 30,</u>	
	<u>1968</u>	<u>1967</u>
<b>ADDITIONS:</b>		
Campaign pledges and special gifts	\$ 7,106	\$ 90,462
Rental income	8,791	5,116
Interest and investments income	<u>3,538</u>	<u>718</u>
Total Additions	<u>\$ 19,435</u>	<u>\$ 96,296</u>
<b>DEDUCTIONS:</b>		
Office expenses	\$ 3,276	\$ 6,455
Interest expense	25,256	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	7,011	3,082
Newman Center	<u>-</u>	<u>508</u>
	<u>\$ 35,543</u>	<u>\$ 30,055</u>
INCREASE/(DECREASE) BEFORE OTHER DEDUCTIONS	\$ (16,108)	\$ 66,241
<b>OTHER DEDUCTIONS:</b>		
Provision for losses	-	(18,866)
Decrease in market value of investments	<u>-</u>	<u>(1,368)</u>
NET INCREASE/(DECREASE)	\$ (16,108)	\$ 46,007
FUND BALANCE, beginning of period	<u>1,647,237</u>	<u>1,920,330</u>
	\$1,631,129	\$1,966,337
PRIOR PERIOD ADJUSTMENT - allowance for possible losses on pledges received in prior years	<u>-</u>	<u>(319,100)</u>
FUND BALANCE, end of period	<u>\$1,631,129</u>	<u>\$1,647,237</u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - RESTRICTED FUNDS (NOTE A)

	<u>Year Ended June 30,</u>	
	<u>1968</u>	<u>1967</u>
ADDITIONS:		
Contributions	\$ 47,140	\$ 56,131
Archdiocesan collections	64,633	64,168
Investment income	14,845	8,868
Interest income	1,795	2,914
Miscellaneous	472	1,663
Total Additions	<u>\$128,885</u>	<u>\$133,744</u>
DEDUCTIONS:		
Operational expenses - Village of St. Joseph	\$100,386	\$ 49,628
Tuition and expenses of seminarians	45,104	45,138
Other	7,100	-
Total Deductions	<u>\$152,590</u>	<u>\$ 94,766</u>
INCREASE/(DECREASE) BEFORE OTHER ADDITIONS/(DEDUCTIONS)	\$ (23,705)	\$ 38,978
OTHER ADDITIONS/(DEDUCTIONS):		
Increase/(decrease) in market value of investments	20,999	(947)
Transfer to General Fund for payment on Drexel High School note	<u>(35,000)</u>	<u>(35,000)</u>
INCREASE/(DECREASE) BEFORE EXTRAORDINARY ITEM	\$ (37,706)	\$ 3,031
EXTRAORDINARY ITEM - Received from estate of Frances M. Kenny	<u>54,020</u>	<u>-</u>
NET INCREASE	\$ 16,314	\$ 3,031
FUND BALANCES, beginning of period	<u>890,782</u>	<u>887,751</u>
FUND BALANCES, end of period	<u>\$907,096</u>	<u>\$890,782</u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTASTATEMENT OF FUND TRANSACTIONS - GENERAL FUND (NOTE A)

	<u>Year Ended June 30,</u>	
	<u>1968</u>	<u>1967</u>
ADDITIONS:		
Assessments and collections	\$ 474,660	\$ 335,185
Contributions	100,305	97,731
Interest income	7,971	26,057
Investment income	6,342	5,543
Miscellaneous	<u>55,191</u>	<u>6,643</u>
Total Additions	<u>\$ 644,469</u>	<u>\$ 471,159</u>
DEDUCTIONS:		
School operations	\$ 191,807	\$ 168,694
Subsidies and donations	140,404	78,080
Interest expense	37,169	42,821
Archdiocesan mission support	37,328	26,000
Salaries	50,734	46,945
Archbishop's residence and other related expenses	6,946	8,996
Chancery office	21,671	22,701
Miscellaneous	(11,123)	20,915
Travel	8,036	8,722
Taxes	1,345	5,447
Carl Satzky annuity	970	-
Loss on disposal of property and equipment	<u>-</u>	<u>9,503</u>
Total Deductions	<u>\$ 485,287</u>	<u>\$ 438,824</u>
INCREASE BEFORE OTHER ADDITIONS/(DEDUCTIONS)	\$ 159,182	\$ 32,335
OTHER ADDITIONS/(DEDUCTIONS):		
Provision for losses	(16,223)	(39,053)
Increase/(decrease) in market value of investments	20,884	(11,650)
Transfer from Raskob Fund for payment on Drexel High School note	<u>35,000</u>	<u>35,000</u>
INCREASE BEFORE EXTRAORDINARY ITEM	\$ 198,843	\$ 16,632
EXTRAORDINARY ITEM - Received from estate of John J. Satzky	<u>381,062</u>	<u>-</u>
NET INCREASE	\$ 579,905	\$ 16,632
FUND BALANCE, beginning of period	<u>3,967,294</u>	<u>3,950,662</u>
FUND BALANCE, end of period	<u>\$4,547,199</u>	<u>\$3,967,294</u>

See notes to financial statements.



ARCHDIOCESE OF ATLANTANOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1968

## 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-six 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. NOTES PAYABLE TO BANKS AND OTHERS:

Notes payable to banks aggregating \$665,500 are unsecured. The remaining notes payable to banks and others aggregating \$859,604 and \$839,837, respectively, are secured by property and equipment of certain parishes. The book value of this property and equipment is not readily determinable.

## D. 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 1968 through 1971	\$ 51,000	\$ 126,000
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
5 3/8%, due in 1968	35,000	-
5 5/8%, due in 1969	-	38,000
5 3/4%, due in 1970	-	49,000
5 7/8%, due in 1971	-	52,000
6%, due in average annual installments of \$82,000 from 1972 through 1978, with remaining balance of \$637,000 due on July 5, 1979	-	1,129,000
Other notes:		
Non-interest bearing, due in annual installments of \$16,000 from 1968 through 1973	16,000	80,000
Miscellaneous notes with various interest rates (principally 6%), due in varying amounts from 1968 through 1971	35,476	41,291
	<u>\$ 137,476</u>	<u>\$2,390,291</u>

ARCHDIOCESE OF ATLANTA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1968

(continued)

D. LONG-TERM DEBT (continued):

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.

E. RESTRICTED FUNDS:

Assets of funds which are restricted as to their use are included in the accompanying balance sheet. These assets aggregated \$907,096 at June 30, 1968.

