

ARCHDIOCESE OF ATLANTA

REPORT ON EXAMINATION OF FINANCIAL STATEMENTS
AND ADDITIONAL INFORMATION

YEAR ENDED JUNE 30, 1969

TOUCHE ROSS & CO.



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TOUCHE ROSS & CO.

FIRST NATIONAL BANK TOWER
ATLANTA, GEORGIA 30303

August 1, 1969.

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, 1969, 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, 1969, 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 & Co.

Certified Public Accountants.

ARCHDIOCESE OF ATLANTABALANCE SHEET (NOTE A)

<u>ASSETS</u>	<u>June 30,</u>	
	<u>1969</u>	<u>1968</u>
CASH	\$ 120,195	\$ 182,217
MARKETABLE SECURITIES, at cost (approximately market)	<u>300,000</u>	
RECEIVABLES:		
Construction and operational advances and assessments to parishes, including interest	4,494,469	4,399,014
Pledges receivable - Expansion Campaign		421,151
Less allowance for cancellation and other losses		<u>403,587</u>
Other receivables	1,760	<u>17,564</u>
Amounts collectible in future periods:		1,350
Raskob Foundation		105,000
Seminary Fund	82,124	<u>66,617</u>
TOTAL RECEIVABLES	<u>4,578,353</u>	<u>4,589,545</u>
INVESTMENTS, at quoted market value	<u>522,787</u>	<u>515,383</u>
PROPERTY AND EQUIPMENT (Note B):		
At appraised values:		
Land	1,624,525	1,624,525
Buildings	2,222,000	2,222,000
Furnishings and equipment	351,200	351,200
At cost:		
Land	681,397	678,597
Buildings	1,593,902	1,592,447
Furnishings and equipment	214,972	213,814
Automobiles	12,371	2,754
Construction in progress	<u>4,500</u>	<u>10,502</u>
TOTAL PROPERTY AND EQUIPMENT	<u>6,704,867</u>	<u>6,695,839</u>
OTHER ASSETS	<u>4,632</u>	<u>5,451</u>
	<u>\$12,230,834</u>	<u>\$11,988,435</u>

See notes to financial statements.

<u>LIABILITIES AND FUND BALANCES</u>	<u>June 30,</u>	
	<u>1969</u>	<u>1968</u>
NOTES PAYABLE TO BANKS AND OTHERS (Note C)	\$ 2,593,831	\$ 2,364,941
ACCOUNTS PAYABLE	35,331	5,812
ACCRUED INTEREST PAYABLE	3,305	4,491
CURRENT PORTION OF LONG-TERM DEBT (Note D)	140,216	137,476
LONG-TERM DEBT, less current portion (Note D):		
Serial notes	2,129,000	2,269,000
Notes payable to others	<u>74,076</u>	<u>121,291</u>
TOTAL LONG-TERM DEBT	<u>2,203,076</u>	<u>2,390,291</u>
TOTAL LIABILITIES	<u>4,975,759</u>	<u>4,903,011</u>
FUND BALANCES:		
Expansion Campaign Fund		1,631,129
Restricted Funds	763,220	907,096
General Fund	<u>6,491,855</u>	<u>4,547,199</u>
TOTAL FUND BALANCES	7,255,075	7,085,424
	<u>\$12,230,834</u>	<u>\$11,988,435</u>

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

	<u>Year Ended June 30,</u>	
	<u>1969</u>	<u>1968</u>
ADDITIONS:		
Campaign pledges and special gifts	\$ 450	\$ 7,106
Rental income	1,800	8,791
Excess of allowance for cancellation and other losses over uncollected pledges receivable at end of campaign	14,787	
Interest and investment income	<u>50</u>	<u>3,538</u>
TOTAL ADDITIONS	<u>17,087</u>	<u>19,435</u>
DEDUCTIONS:		
Office expenses	2,288	3,276
Interest expense		25,256
Project expenses - Catholic Center	<u>4,961</u>	<u>7,011</u>
TOTAL DEDUCTIONS	<u>7,249</u>	<u>35,543</u>
NET INCREASE/(DECREASE)	9,838	(16,108)
FUND BALANCE, beginning of period	1,631,129	1,647,237
FUND CLOSED INTO GENERAL FUND	<u>(1,640,967)</u>	<u> </u>
FUND BALANCE, end of period	<u>\$ -</u>	<u>\$1,631,129</u>

See notes to financial statements.

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

	<u>Year Ended</u> <u>June 30,</u>	
	<u>1969</u>	<u>1968</u>
ADDITIONS:		
Contributions and Archdiocesan collections	\$ 99,795	\$111,773
Investment income	10,237	14,845
Interest income	1,714	1,795
Miscellaneous	<u>135</u>	<u>472</u>
TOTAL ADDITIONS	<u>111,881</u>	<u>128,885</u>
DEDUCTIONS:		
Operational expenses - Village of St. Joseph	93,512	100,386
Tuition and expenses of seminarians	54,965	45,104
Other	<u>835</u>	<u>7,100</u>
TOTAL DEDUCTIONS	<u>149,312</u>	<u>152,590</u>
DECREASE BEFORE OTHER ADDITIONS/(DEDUCTIONS)	(37,431)	(23,705)
OTHER ADDITIONS/(DEDUCTIONS):		
Increase/(decrease) in market value of investments	2,544	20,999
Transfer to General Fund for payment on Drexel High School note	<u>(35,000)</u>	<u>(35,000)</u>
DECREASE BEFORE EXTRAORDINARY ITEM	(69,887)	(37,706)
EXTRAORDINARY ITEM - received from Estate of Frances M. Kenny	<u> </u>	<u>54,020</u>
NET INCREASE/(DECREASE)	(69,887)	16,314
FUND BALANCES, beginning of period	907,096	890,782
FUND CLOSED INTO GENERAL FUND	(3,989)	
CLOSE-OUT OF RECEIVABLE FROM RASKOB FOUNDATION	<u>(70,000)</u>	<u> </u>
FUND BALANCES, end of period	<u>\$763,220</u>	<u>\$907,096</u>

See notes to financial statements.

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

	<u>Year Ended June 30,</u>	
	<u>1969</u>	<u>1968</u>
ADDITIONS:		
Assessments and collections	\$ 384,103	\$ 474,660
Archdiocese Charity and Development Fund receipts	261,003	
Contributions	91,877	100,305
Interest income	11,900	7,971
Investment income	5,088	6,342
Miscellaneous	<u>78,607</u>	<u>55,191</u>
TOTAL ADDITIONS	<u>832,578</u>	<u>644,469</u>
DEDUCTIONS:		
School operations	216,626	191,807
Subsidies and donations	143,778	140,404
Interest expense	29,957	37,169
Archdiocesan Mission support	12,493	37,328
Salaries	51,619	50,734
Archbishop's residence and other related expenses	4,936	6,946
Chancery office	27,903	21,671
Miscellaneous	54,497	(11,123)
Travel	7,749	8,036
Taxes	1,823	1,345
Carl Satzky annuity	3,879	970
Expenses of Archdiocese Charity and Development Fund	<u>5,386</u>	
TOTAL DEDUCTIONS	<u>560,646</u>	<u>485,287</u>
INCREASE BEFORE OTHER ADDITIONS/(DEDUCTIONS)	271,932	159,182
OTHER ADDITIONS/(DEDUCTIONS):		
Provision for losses		(16,223)
Increase/(decrease) in market value of investments	(7,232)	20,884
Transfer from Raskob Fund for payment on Drexel High School Note	<u>35,000</u>	<u>35,000</u>
INCREASE BEFORE EXTRAORDINARY ITEM	299,700	198,843
EXTRAORDINARY ITEM - Received from Estate of John J. Satzky		<u>381,062</u>
NET INCREASE	299,700	579,905
FUND BALANCE, beginning of period	4,547,199	3,967,294
FUNDS CLOSED INTO GENERAL FUND	<u>1,644,956</u>	
FUND BALANCE, end of period	<u>\$6,491,855</u>	<u>\$4,547,199</u>

See notes to financial statements.

ARCHDIOCESE OF ATLANTANOTES TO FINANCIAL STATEMENTSYEAR ENDED JUNE 30, 1969A. 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-seven 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 \$791,500 are unsecured. The remaining notes payable to banks and others aggregating \$959,116 and \$843,215, 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 \$59,000 from 1969 through 1971	\$ 55,000	\$ 122,000
6 3/8%; due in average annual installments of \$50,000 from 1972 through 1975, with remaining balance of \$577,000 due on December 1, 1976		777,000
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 1969 through 1973	16,000	64,000
Miscellaneous notes with various interest rates (principally 6%), due in varying amounts from 1969 through 1971	<u>31,216</u>	<u>10,076</u>
	<u>\$ 140,216</u>	<u>\$2,203,076</u>

ARCHDIOCESE OF ATLANTA

NOTES TO FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 1969

(Continued)

D. Long-Term Debt (Continued):

The serial notes are collateralized 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 collateralized 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 \$763,220 at June 30, 1969.

F. Lease Agreement:

In April, 1969, the Archbishop entered into a four year lease agreement which provides for annual rental payments of \$52,080 and which contains a renewal option for an additional five year term at an annual rental of \$55,800. In addition, the lease provides that the Archdiocese may purchase the lessor's leasehold interest in the premises at any time during the third year of the lease in exchange for other property to be selected by the lessor which will not exceed a value of approximately \$287,000. Taxes, utilities, and maintenance expenses on the leased property will be paid by the lessor.

