



CERTIFIED PUBLIC  
ACCOUNTANTS

His Excellency  
The Most Reverend  
Eugene A. Marino  
Archbishop of Atlanta  
Atlanta, Georgia

We have examined the balance sheet of the Administrative Offices of the Archdiocese of Atlanta at June 30, 1988, and the related statements of support and revenue, expenses, capital additions and changes in financial position 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 other such auditing procedures as we considered necessary in the circumstances. The financial statements of the Administrative Offices of the Archdiocese of Atlanta for the year ended June 30, 1987, were examined by other auditors whose report, dated September 15, 1987, expressed an unqualified opinion on those statements.

In our opinion, the financial statements referred to above present fairly the financial position of the Administrative Offices of the Archdiocese of Atlanta, at June 30, 1988, and the support and revenue, expenses, capital additions, and changes in fund balances and changes in financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

*Cherry, Bekaert & Holland*

Atlanta, Georgia  
October 12, 1988

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

BALANCE SHEET - FUND BASIS

	ASSETS		
	June 30, 1988		
	Expendable Funds		Designated
	Operating Funds	Deposit and Loan Funds	Investment Funds
Cash	\$ 806,913	\$ 8,309	\$ -
Certificates of deposit and marketable securities (market value \$13,845,025 June 30, 1988 and \$12,485,372 June 30, 1987 (Note A))	500,956	2,483,017	2,666,863
Accounts and accrued interest receivable	623,476		
Notes receivable (Note E)			
Pledges receivable (Note F)			
Due from parishes and agencies (net of allowance for doubtful loans of \$180,000 and \$150,000) (Note D)		20,048,604	
Land, buildings and equipment (Notes A, C and G)			
Other assets			
Due from other funds	<u>1,439,217</u>	<u>1,757,138</u>	
Total assets	<u>3,370,562</u>	<u>24,297,068</u>	<u>2,666,863</u>
LIABILITIES AND FUND BALANCES			
Accounts payable - trade and accrued expenses (Note H)	961,947	23,100	
Accounts payable - parishes			
Deferred support and revenue			
Unrestricted	785,258		
Restricted (Note F)	1,171,803		
Deposits payable (Note D)			
Parishes		6,177,503	
Other		307,788	
Demand note payable (Note C)		156,902	
Notes and mortgages payable (Notes C and D)		17,631,775	
Due to other funds			1,173,176
Total liabilities	<u>2,919,008</u>	<u>24,297,068</u>	<u>1,173,176</u>
Fund balances			
Unrestricted			
Designated investment funds			1,493,687
Undesignated	451,554		
Endowment	451,554	-	1,493,687
Net investment in plant			
Total fund balances	<u>451,554</u>	<u>-</u>	<u>1,493,687</u>
Total liabilities and fund balances	<u>\$ 3,370,562</u>	<u>\$24,297,068</u>	<u>\$ 2,666,863</u>

The accompanying notes are an integral part of this exhibit.

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

BALANCE SHEET - FUND BASIS

ASSETS					June 30, 1987
June 30, 1988					
Total Expendable Funds	Endowment Funds	Plant Funds	Custodian Funds	Total	Total
\$ 815,222	\$ -	\$ -	\$ 1,100	\$ 816,322	\$ 590,716
5,650,836	984,196	6,225,282	350,927	13,211,241	9,856,924
623,476		297,624		623,476	526,982
	2,525	69,524		297,624	660,794
				72,049	416,351
20,048,604				20,048,604	15,258,032
		19,723,828		19,723,828	17,105,971
		117,861		117,861	19,544
<u>3,196,355</u>			<u>64,334</u>	<u>3,260,689</u>	<u>204,911</u>
<u>30,334,493</u>	<u>986,721</u>	<u>26,434,119</u>	<u>416,361</u>	<u>58,171,694</u>	<u>44,640,225</u>
LIABILITIES AND FUND BALANCES					
985,047		199,797	280,895	1,465,739	735,281
		202,972	135,466	338,438	472,268
785,258				785,258	865,684
1,171,803	2,525	2,044,235		3,218,563	2,529,097
6,177,503				6,177,503	4,558,598
307,788				307,788	261,928
156,902				156,902	3,223,466
17,631,775		726,709		18,358,484	9,419,799
<u>1,173,176</u>	<u>19,034</u>	<u>2,068,479</u>		<u>3,260,689</u>	<u>204,911</u>
<u>28,389,252</u>	<u>21,559</u>	<u>5,242,192</u>	<u>416,361</u>	<u>34,069,364</u>	<u>22,271,032</u>
1,493,687				1,493,687	1,275,375
451,554				451,554	519,104
1,945,241	-	-	-	1,945,241	1,794,479
	965,162			965,162	803,055
		21,191,927		21,191,927	19,771,659
<u>1,945,241</u>	<u>965,162</u>	<u>21,191,927</u>	<u>-</u>	<u>24,102,330</u>	<u>22,369,193</u>
\$30,334,493	\$ 986,721	\$ 26,434,119	\$ 416,361	\$58,171,694	\$44,640,225

The accompanying notes are an integral part of this exhibit.

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

STATEMENT OF SUPPORT AND REVENUE, EXPENSES, CAPITAL ADDITIONS AND CHANGES IN FUND BALANCES

	Year ended June 30, 1988		
	Expendable Funds		
	Operating Funds	Deposit and Loan Funds	Designated Investment Funds
Support and revenue			
From parishes and missions			
Contributions			
Charity and development	\$ 1,070,513	\$	\$
Dependent children	266,323		
Seminary	47,807		
Assessments	<u>2,053,237</u>		
	<u>3,437,880</u>		
Other contributions			
Mission boards and commissions	90,000		
Seminary	36,726		
Summer camp program	28,451		
Gifts and bequests	<u>25,000</u>		
	<u>180,177</u>		
Investment income	706,529		1,660
Rental income	124,998		
Regional school	277,250		
Other revenues	<u>70,955</u>		
Total support and revenues	<u>4,797,789</u>		<u>1,660</u>
Expenses			
Archdiocesan administration	1,401,744		
Pastoral	1,111,172		
Education			
Seminary	261,934		
Department of education	904,930		
Social services			
Dependent children	328,332		
Other agencies	393,875		
Communications	<u>94,752</u>		
Total expenses	<u>4,496,739</u>		
Excess of support and revenue before uninsured loss	<u>301,050</u>		<u>1,660</u>
Uninsured loss (Note H)	<u>345,000</u>		
Excess (deficiency) of support and revenue over expenses before capital additions	<u>( 43,950)</u>		<u>1,660</u>
Capital additions			
Contributions and bequests			
Gain on investments			193,052
Investment income			
Gain on disposal of property			
Total capital additions	-	-	<u>193,052</u>
Excess (deficiency) of support and revenue over expenses after capital additions	<u>( 43,950)</u>		<u>194,712</u>
Fund balances at beginning of year	519,104		1,275,375
Transfers	<u>( 23,600)</u>		<u>23,600</u>
Fund balances at end of year	<u>\$ 451,554</u>	<u>\$ -</u>	<u>\$ 1,493,687</u>

The accompanying notes are an integral part of this exhibit.

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

STATEMENT OF SUPPORT AND REVENUE, EXPENSES, CAPITAL ADDITIONS AND CHANGES IN FUND BALANCES

Year ended June 30, 1988				Year ended June 30, 1987
Total Expendable Funds	Endowment Funds	Plant Funds	Total	Total
\$ 1,070,513	\$	\$	\$ 1,070,513	\$ 1,040,574
266,323			266,323	281,104
47,807			47,807	47,856
<u>2,053,237</u>			<u>2,053,237</u>	<u>1,846,562</u>
<u>3,437,880</u>			<u>3,437,880</u>	<u>3,216,096</u>
90,000			90,000	86,000
36,726			36,726	15,765
28,451			28,451	28,898
<u>25,000</u>			<u>25,000</u>	<u>-</u>
<u>180,177</u>			<u>180,177</u>	<u>130,663</u>
708,189			708,189	789,533
124,998			124,998	64,632
277,250			277,250	-
<u>70,955</u>			<u>70,955</u>	<u>80,251</u>
<u>4,799,449</u>			<u>4,799,449</u>	<u>4,281,175</u>
1,401,744			1,401,744	1,509,214
1,111,172			1,111,172	622,803
261,934			261,934	252,877
904,930			904,930	920,605
328,332			328,332	315,044
393,875			393,875	407,561
<u>94,752</u>			<u>94,572</u>	<u>53,750</u>
<u>4,496,739</u>			<u>4,496,739</u>	<u>4,081,854</u>
302,710			302,710	199,321
345,000			345,000	-
( 42,290)			( 42,290)	199,321
193,052	30,214	572,652	602,866	548,361
	126,179	827,372	1,146,603	457,722
	5,714		5,714	103
<u>193,052</u>	<u>162,107</u>	<u>20,244</u>	<u>20,244</u>	<u>316,584</u>
		<u>1,420,268</u>	<u>1,775,427</u>	<u>1,322,770</u>
150,762	162,107	1,420,268	1,733,137	1,522,091
1,794,479	803,055	19,771,659	22,369,193	20,847,102
-	-	-	-	-
<u>\$ 1,945,241</u>	<u>\$ 965,162</u>	<u>\$ 21,191,927</u>	<u>\$24,102,330</u>	<u>\$22,369,193</u>

The accompanying notes are an integral part of this exhibit.

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

STATEMENT OF CHANGES IN FINANCIAL POSITION

	Year ended June 30, 1988		
	Expendable Funds		
	Operating Funds	Deposit and Loan Funds	Designated Investment Funds
<b>Sources of funds</b>			
Revenues collected			
From parishes			
Special collections - Archdiocesan Assessments	\$ 1,384,643	\$	\$
	<u>2,053,237</u>		
	3,437,880		
Contributions and bequests	180,177		
Investment income	706,529		1,660
Other	<u>473,203</u>		<u>193,052</u>
Total revenues collected	4,797,789		194,712
Other sources			
Collections on notes receivable			
Decrease in pledges and accounts receivable			
Increase in deposits payable		1,664,765	
Proceeds of notes payable		10,000,000	
Increase in accounts payable and accrued expenses	764,848		
Increase in deferred revenue	1,171,803		
Other	<u>19,544</u>		
Total sources of funds	<u>6,753,984</u>	<u>11,664,765</u>	<u>194,712</u>
<b>Uses of funds</b>			
Operating expenses	4,496,739		
Uninsured loss	345,000		
Purchase of land, buildings and equipment			
Payments on notes payable		4,272,394	
Parish loans - net increase		4,790,572	
Increase in pledges and accounts receivable	96,494		
Increase in other assets			
Decrease in accounts payable and accrued expenses		6,100	
Decrease in deferred revenue	80,426		
Other			
Total uses of funds	<u>5,018,659</u>	<u>9,069,066</u>	<u>-</u>
Transfers and net changes in interfund accounts	<u>(1,394,178)</u>	<u>(1,662,169)</u>	<u>1,195,912</u>
Increase (decrease) in cash, marketable securities and certificates of deposit	341,147	933,530	1,390,624
Cash, marketable securities and certificates of deposit - beginning of year	<u>966,722</u>	<u>1,557,796</u>	<u>1,276,239</u>
Cash, marketable securities and certificates of deposit - end of year	\$ 1,307,869	\$ 2,491,326	\$ 2,666,863
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The accompanying notes are an integral part of this exhibit.

Administrative Offices of the Archdiocese of Atlanta  
Atlanta, Georgia

STATEMENT OF CHANGES IN FINANCIAL POSITION

Year ended June 30, 1988					Year ended June 30, 1987
Total Expendable Funds	Endowment Funds	Plant Funds	Custodian Funds	Total	Total
\$ 1,384,643	\$	\$	\$	\$ 1,384,643	\$ 1,369,534
<u>2,053,237</u>				<u>2,053,237</u>	<u>1,846,562</u>
3,437,880				3,437,880	3,216,096
180,177	30,214	572,652		783,043	679,024
708,189	5,714			713,903	789,636
<u>666,255</u>	<u>126,179</u>	<u>847,616</u>		<u>1,640,050</u>	<u>1,097,452</u>
4,992,501	162,107	1,420,268		6,574,876	5,782,208
		363,170		363,170	80,964
	2,916	341,386		344,302	674,291
1,664,765				1,664,765	414,626
10,000,000		249,950		10,249,950	5,396,204
764,848			128,220	893,068	410,656
1,171,803				1,171,803	254,072
<u>19,544</u>		<u>153,001</u>		<u>172,545</u>	<u>42,383</u>
<u>18,613,461</u>	<u>165,023</u>	<u>2,527,775</u>	<u>128,220</u>	<u>21,434,479</u>	<u>13,055,404</u>
4,496,739				4,496,739	4,081,854
345,000				345,000	
		2,770,858		2,770,858	2,084,532
4,272,394		105,435		4,377,829	3,176,557
4,790,572				4,790,572	2,713,102
96,494				96,494	
		117,861		117,861	
6,100		290,340		296,440	37,600
80,426	2,916	479,421		562,763	81,833
<u>14,087,725</u>	<u>2,916</u>	<u>3,763,915</u>	<u>-</u>	<u>17,854,556</u>	<u>12,175,478</u>
(1,860,435)	5,497	1,877,969	( 23,031)	-	-
2,665,301	167,604	641,829	105,189	3,579,923	879,926
<u>3,800,757</u>	<u>816,592</u>	<u>5,583,453</u>	<u>246,838</u>	<u>10,447,640</u>	<u>9,567,714</u>
\$ 6,466,058	\$ 984,196	\$ 6,225,282	\$ 352,027	\$14,027,563	\$10,447,640
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The accompanying notes are an integral part of this exhibit.

## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note A - Summary of significant accounting policies:

Basis of reporting - The accompanying financial statements have been prepared in accordance with principles of the fund method of accounting. The statements include only the transactions of the Administrative Offices of the Archdiocese. Subsidies to auxiliary services and programs are included but detailed operations of such subsidized activities are not included in the accounts of the Administrative Offices and, accordingly, are not included in the accompanying financial statements. Moreover, this report does not include the financial statements of the parishes and missions of the Archdiocese of Atlanta.

Title to all property of the Archdiocese vests in the Archbishop and his successors in office while obligations of the Archdiocese, likewise, are those of the Archbishop and his successors in office.

Investments in marketable securities - Investments in marketable securities are valued at cost or if acquired by gift, at fair market value at the date thereof.

Land, buildings and equipment - Land, buildings and equipment acquired on or before June 1, 1963, are stated at amounts derived from insurance values and land appraisals as of that date. Subsequent additions are recorded at cost. A summary of land, buildings and equipment at June 30, 1988, follows:

	Insurance or Appraised Values <u>June 1, 1963</u>	Acquisitions at Cost Subsequent to <u>June 1, 1963</u>	<u>Total</u>
Land	\$ 230,125	\$ 3,864,779	\$ 4,094,904
Buildings	650,000	13,295,016	13,945,016
Furniture, fixtures and equipment	231,000	730,480	961,480
Automobiles	-	38,031	38,031
Construction in progress (Note G)	-	684,397	684,397
	<u>\$ 1,111,125</u>	<u>\$18,612,703</u>	<u>\$19,723,828</u>
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## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note A - Summary of significant accounting policies (continued):

Except for cost of school renovations at our Lady of Lourdes Parish and construction of a school at St. John Neumann Parish, the foregoing does not include properties used by parishes and missions of the Archdiocese.

Additions of furniture, fixtures and equipment are capitalized while replacements are charged to current fund expense.

No allowance for depreciation has been provided in the accounts in accordance with established accounting practices for similar institutions.

Land, buildings and equipment are pledged in part to secure notes and mortgages payable (Note C).

## Note B - Retirement plans:

Clergy retirement plan - On July 1, 1969, the Archdiocese adopted a retirement plan which covers all priests within the Archdiocese. The Archdiocese makes contributions to the plan at such times and in such amounts as required to keep the plan actuarially sound. Pension and administrative cost for the years ended June 30, 1988 and 1987 was \$57,138 and \$102,672, respectively. Pension cost includes normal cost and amortization of past service cost over 20 years. A comparison of vested plan benefits and plan net assets as of June 30, 1986 (most recent valuation) is presented below:

	June 30, <u>1986</u>
Actuarial present value of vested plan benefits	\$ <u>753,404</u>
Net assets available for benefits	<u>\$1,193,403</u>

The rate of return used in determining the actuarial present value of vested plan benefits was 9%.

The parishes reimbursed the Administrative Offices \$37,200 and \$36,400 for pension and administrative costs for the years ended June 30, 1988 and 1987, respectively. Pension expense is included in Archdiocesan administrative expenses and is comprised of the following amounts:

## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

## =====

## Note B - Retirement plans (continued):

	<u>Year ended June 30,</u>	
	<u>1988</u>	<u>1987</u>
Pension and administrative expense	\$ 57,138	\$ 102,672
Reimbursement by parishes	<u>( 37,200)</u>	<u>( 36,400)</u>
	<u>\$ 19,938</u>	<u>\$ 66,272</u>
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Lay employee retirement plan - Effective July 1, 1982, the Archdiocese amended its plan to change from a defined benefit retirement plan to a defined contribution plan for lay employees within the Archdiocese. Contributions to the amended plan are predetermined amounts based on compensation paid to each lay employee. Benefits under the amended plan are computed based on the pension fund assets. In addition to the contributions required under the amended plan, the Archdiocese will continue to make sufficient contributions to the plan to cover employees who at the time of amendment were partially or fully vested in the defined benefit plan.

Pension cost for the years ended June 30, 1988 and 1987 includes accruals of \$532,233 and \$461,057, respectively, made under the defined contribution portion of the plan.

The cost of the defined benefit portion of the plan for the years ended June 30, 1988 and 1987, was \$103,210 and \$51,869, respectively, for pension and administrative costs. Pension cost includes amortization of past service cost over 15 years. The present value of vested benefits exceeded the pension fund assets of the defined benefit portion of the plan as of June 30, 1985 (most recent valuation) by approximately \$380,000.

The parishes reimbursed the Administrative Offices \$512,150 and \$441,634 for pension and administrative costs for the years ended June 30, 1988 and 1987, respectively. Pension cost is included in Archdiocesan administrative expenses and is comprised of the following amounts:

## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

## =====

## Note B - Retirement plans (continued):

	Year ended June 30,	
	1988	1987
Defined contribution cost	\$ 532,233	\$ 461,057
Defined benefit cost	<u>103,210</u>	<u>51,869</u>
	635,443	512,926
Reimbursement by parishes	<u>( 512,150)</u>	<u>( 441,634)</u>
	\$ 123,293	\$ 71,292
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## Note C - Notes and mortgages payable:

The unsecured demand note shown below is subject to a total line of credit of \$5,000,000.

The notes and mortgages payable are secured by properties of the Administrative Offices of the Archdiocese and by real estate of various parishes and missions within the Archdiocese.

	<u>June 30, 1988</u>		<u>June 30, 1987</u>	
	<u>Maturities</u>		<u>Maturities</u>	
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Noncurrent</u>
Unsecured demand note - 9.0% at June 30, 1988	\$ 156,902	\$ -	\$3,223,466	\$ -
3% to 12-1/2% notes and mortgages				
Plant funds	179,805	546,904	64,056	458,138
Deposit and loan funds	<u>1,581,459</u>	<u>16,050,316</u>	<u>1,271,039</u>	<u>7,626,566</u>
	<u>1,761,264</u>	<u>16,597,220</u>	<u>1,335,095</u>	<u>8,084,704</u>
Total demand note and notes and mortgages	\$1,918,166	\$16,597,220	\$4,558,561	\$8,084,704
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## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note C - Notes and mortgages payable (continued):

Maturities of notes and mortgages payable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
1989	\$ 1,761,264
1990	1,983,899
1991	1,835,520
1992	1,115,987
1993	1,085,759
1994 - 2010	<u>10,576,055</u>
	<u>\$18,358,484</u>
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## Note D - Deposit and loan funds:

The amounts due from parishes relate primarily to funds receivable for payment of Archdiocesan notes and mortgages payable. At June 30, 1988 and 1987, the allowance for doubtful loans account, in the amount of \$180,000 and \$150,000, is funded by marketable securities in an amount equal to the allowance. These securities have been designated to provide for estimated losses that may be incurred by the Administrative Offices resulting from uncollectible loans.

The Archdiocese administers a deposit and loan plan for the parishes. Parishes may deposit any excess funds with the Administrative Office. Interest is paid to the parishes at a rate based on the six-month Treasury Bill rate. The Administrative Office uses the funds on deposit to loan to other parishes. The interest rate charged to the borrowers is computed each month based on the cost of the funds to the Administrative Office.

## Note E - Notes receivable:

The notes receivable are for sales of various parish properties and are secured by the property being sold.

	<u>June 30, 1988</u>		<u>June 30, 1987</u>	
	<u>Maturities</u>		<u>Maturities</u>	
	<u>Current</u>	<u>Noncurrent</u>	<u>Current</u>	<u>Noncurrent</u>
Non-interest bearing to 12% notes	<u>\$ 65,342</u>	<u>\$232,282</u>	<u>\$295,865</u>	<u>\$364,929</u>

## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note E - Notes receivable (continued):

Maturities of notes receivable are as follows:

<u>Year ending June 30,</u>	<u>Amount</u>
1989	\$ 65,342
1990	16,925
1991	28,980
1992	32,587
1993	36,643
1994 and later	<u>117,147</u>
	\$ 297,624

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## Note F - Pledges receivable and deferred restricted revenue:

During the year ended June 30, 1983, the Administrative Offices initiated a capital funds drive to provide funds to construct and renovate several elderly care homes and facilities for high school and college students and to establish a scholarship endowment for several Archdiocesan schools. Pledges for contributions to the capital funds drive are recorded as pledges receivable and may be paid at the time of the pledge or by installments over several years. A summary of total pledges, payments and pledges receivable at June 30, 1988 and 1987 is shown below:

	<u>Endowment Funds</u>	<u>Plant Funds</u>	<u>Total</u>
Pledges receivable, June 30, 1986	\$ 62,724	\$ 1,768,903	\$ 1,831,627
Amounts pledged(cancelled)	( 24,423)	119,191	94,768
Payments received	<u>( 28,860)</u>	<u>( 846,184)</u>	<u>( 875,044)</u>
Pledges receivable, June 30, 1987	9,441	1,041,910	1,051,351
Amounts pledged(cancelled)	( 3,245)	87,199	83,954
Payments received	<u>( 2,171)</u>	<u>( 376,085)</u>	<u>( 378,256)</u>
Pledges receivable, June 30, 1988, before deducting allowance for doubtful pledges	\$ 4,025	\$ 753,024	\$ 757,049

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## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note F - Pledges receivable and deferred restricted revenue  
(continued):

Scheduled payments of pledges receivable, before deducting  
allowance for doubtful pledges, are as follows:

Year ending <u>June 30,</u>	Endowment <u>Funds</u>	Plant <u>Funds</u>	<u>Total</u>
1989	\$ 4,025	\$ 691,977	\$ 696,002
1990		12,484	12,484
1991		12,575	12,575
1992		11,044	11,044
1993		10,230	10,230
1994 and later		14,714	14,714
	<u>\$ 4,025</u>	<u>\$ 753,024</u>	<u>\$ 757,049</u>
	=====	=====	=====

Pledges receivable recorded in the accompanying financial  
statements at June 30, 1988, have been reduced by an  
allowance for doubtful pledges as follows:

	Endowment <u>Funds</u>	Plant <u>Funds</u>	<u>Total</u>
Pledges receivable, June 30, 1988 before deducting allowance for doubtful pledges	\$ 4,025	\$ 753,024	\$ 757,049
Allowance for doubtful pledges	<u>( 1,500)</u>	<u>( 683,500)</u>	<u>( 685,000)</u>
Pledges receivable, June 30, 1988	<u>\$ 2,525</u>	<u>\$ 69,524</u>	<u>\$ 72,049</u>
	=====	=====	=====

Income from the capital funds drive is restricted for the  
previously-described purposes and accordingly is reported as  
deferred revenue until funds are expended for the restricted  
purposes. A summary of restricted income, restricted income  
earned, and deferred restricted revenue at June 30, 1988 and  
1987 is presented as follows:

## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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Note F - Pledges receivable and deferred restricted revenue  
(continued):

	Endowment <u>Funds</u>	Plant <u>Funds</u>	<u>Total</u>
Deferred restricted revenue, June 30, 1986	\$ 62,724	\$ 3,163,386	\$ 3,226,110
Additions to restricted income			
Pledges (cancellations)	( 24,423)	119,191	94,768
Allowance for doubtful pledges	( 4,000)	( 631,000)	( 635,000)
Interest income	-	46,843	46,843
Restricted income earned			
Support and revenue	-	( 12,000)	( 12,000)
Capital additions	( 28,860)	( 259,614)	( 288,474)
Deferred restricted revenue, June 30, 1987	5,441	2,426,806	2,432,247
Additions to restricted income			
Pledges (cancellations)	( 3,245)	87,199	83,954
Allowance for doubtful pledges	2,500	( 52,500)	( 50,000)
Interest income	-	94,288	94,288
Restricted income earned			
Support and revenue	-	( 3,492)	( 3,492)
Capital additions	( 2,171)	( 508,066)	( 510,237)
Deferred restricted revenue, June 30, 1988	\$ 2,525	\$ 2,044,235	\$ 2,046,760
	=====	=====	=====

At June 30, 1988, deferred restricted revenue in the operating fund represents the unexpended portion of gifts made to the Archdiocese which must be expended according to restrictions placed by the donor. The funds have been restricted for the following purposes:

Mission support and development	\$ 781,202
Village of St. Joseph	390,601
Total	<u>\$ 1,171,803</u>
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## Administrative Offices of The Archdiocese of Atlanta

## NOTES TO FINANCIAL STATEMENTS

June 30, 1988 and 1987

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## Note G - Construction in progress:

At June 30, 1988, the property and equipment accounts include \$684,397 of construction in progress. The expenditures involve the cost of land and improvements for two personal care homes.

A summary of expenditures through June 30, 1988, remaining amounts due under construction contracts, and approximate total cost is shown below:

<u>Project</u>	<u>Expenditures through June 30, 1988</u>	<u>Remaining amounts under construction contracts</u>	<u>Approximate total cost</u>
Personal Care Homes	\$ 684,397	\$ 456,859	\$1,141,256

## Note H - Uninsured loss:

Two separate personal injury claims have been made against the Archdiocese. The two claimants have requested \$360,000 and \$900,000. The Archdiocese has offered to settle the claims for \$150,000 and \$195,000, respectively. The settlement offers were declined. No formal legal action has been taken against the Archdiocese. At June 30, 1988, the Archdiocese has accrued an uninsured loss of \$345,000 to cover actual losses that may result from settlement of the claims.

## Note I - Commitments:

As of June 30, 1988, the Archdiocese had executed contracts for the purchase of various tracts of land at an aggregate purchase price of \$1,600,000. The purchases were consummated subsequent to June 30, 1988.