

**ADMINISTRATIVE OFFICES  
OF THE  
ARCHDIOCESE OF ATLANTA**

**Financial Statements  
and  
Accompanying Information  
for the years ended  
June 30, 1991 and 1990**

**and**

**Combined Financial Statements of the  
Administrative Offices and Parishes and Missions  
of the Archdiocese of Atlanta  
for the years ended  
June 30, 1991 and 1990**

LANEY  
BOTELER &  
KILLINGER

Certified Public Accountants

**Report of Independent Certified Public Accountants**

His Excellency  
The Most Reverend  
James P. Lyke  
Archbishop of Atlanta  
Atlanta, Georgia

We have audited the accompanying balance sheets of the Administrative Offices of the Archdiocese of Atlanta as of June 30, 1991 and 1990, and the related statements of support and revenue, expenses, capital additions and changes in fund balances and changes in financial position for the years then ended. These financial statements are the responsibility of management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Administrative Offices of the Archdiocese of Atlanta as of June 30, 1991 and 1990, and the support and revenue, expenses, capital additions and changes in fund balances and changes in financial position for the years then ended in conformity with generally accepted accounting principles.

As required by the Financial Accounting Standards Board, in 1991 the Administrative Offices of the Archdiocese of Atlanta began recording depreciation on buildings and equipment. The financial statements for 1990 have been restated to conform to the 1991 presentation, as discussed in Note 8 to the financial statements.

*Laney, Boteler & Killinger*

Atlanta, Georgia  
October 18, 1991

## ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA

## Balance Sheets - Fund Basis

## Assets

|  | June 30, 1991      |                              |                                   |                   |
|--|--------------------|------------------------------|-----------------------------------|-------------------|
|  | Expendable Funds   |                              |                                   | Total             |
|  | Operating<br>Funds | Deposit<br>and Loan<br>Funds | Designated<br>Investment<br>Funds |                   |
| Cash   | \$ 357,448         | \$ -                         | \$ -                              | \$ 357,448        |
| Certificates of deposit and marketable securities (market value \$15,944,193 and \$14,440,835)               | 42,864             | 1,575,000                    | 4,050,112                         | 5,667,976         |
| Accounts and accrued interest receivable (net of allowance for doubtful accounts of \$335,000 and \$250,000) | 927,387            |                              |                                   | 927,387           |
| Notes receivable   |                    |                              |                                   |                   |
| Pledges receivable (net of allowance for doubtful pledges of \$61,093 for 1991)                              | 175,127            |                              |                                   | 175,127           |
| Due from parishes and agencies (net of allowance for doubtful loans of \$217,000)                            |                    | 25,763,419                   |                                   | 25,763,419        |
| Land, buildings and equipment  |                    |                              |                                   |                   |
| Other assets   | 356,553            |                              |                                   | 356,553           |
| Due from other funds   | <u>2,014,126</u>   | <u>426,030</u>               |                                   | <u>2,440,156</u>  |
| Total assets   | <u>3,873,505</u>   | <u>27,764,449</u>            | <u>4,050,112</u>                  | <u>35,688,066</u> |

## Liabilities and Fund Balances

|   |                    |                     |                    |                     |
|---|--------------------|---------------------|--------------------|---------------------|
| Accounts payable - trade and accrued expenses | 1,142,420          |                     |                    | 1,142,420           |
| Accounts payable - parishes                   |                    |                     |                    |                     |
| Deferred support and revenue                  |                    |                     |                    |                     |
| Unrestricted                                  | 1,576,521          |                     |                    | 1,576,521           |
| Restricted                                    | 194,321            |                     |                    | 194,321             |
| Deposits payable                              |                    |                     |                    |                     |
| Parishes                                      |                    | 6,007,673           |                    | 6,007,673           |
| Other   |                    | 568,294             |                    | 568,294             |
| Demand note payable                           |                    | 8,825,192           |                    | 8,825,192           |
| Notes and mortgages payable                   |                    | 12,363,290          |                    | 12,363,290          |
| Due to other funds                            |                    |                     | 550,624            | 550,624             |
| Total liabilities                             | <u>2,913,262</u>   | <u>27,764,449</u>   | <u>550,624</u>     | <u>31,228,335</u>   |
| Fund balances                                 |                    |                     |                    |                     |
| Unrestricted                                  |                    |                     |                    |                     |
| Designated investment funds                   |                    |                     | 3,499,488          | 3,499,488           |
| Designated - annual appeal                    | 601,203            |                     |                    | 601,203             |
| Undesignated                                  | <u>359,040</u>     |                     |                    | <u>359,040</u>      |
|   | 960,243            | -                   | 3,499,488          | 4,459,731           |
| Endowment                                     |                    |                     |                    |                     |
| Net investment in plant-as restated           |                    |                     |                    |                     |
| Total fund balances                           | <u>960,243</u>     | <u>-</u>            | <u>3,499,488</u>   | <u>4,459,731</u>    |
| Commitments                                   |                    |                     |                    |                     |
| Total liabilities and fund balances           | <u>\$3,873,505</u> | <u>\$27,764,449</u> | <u>\$4,050,112</u> | <u>\$35,688,066</u> |

See notes to financial statements.

## ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA

## Balance Sheets - Fund Basis

| June 30, 1991      |                     |                    |                     | June 30, 1990       |
|--------------------|---------------------|--------------------|---------------------|---------------------|
|                    |                     |                    |                     | As Restated         |
| Endowment<br>Funds | Plant<br>Funds      | Custodian<br>Funds | Total               | Total               |
| \$ -               | \$ -                | \$ 1,100           | \$ 358,548          | \$ 1,473,729        |
| 1,293,361          | 6,198,215           | 1,160,321          | 14,319,873          | 12,658,689          |
|                    |                     |                    | 927,387             | 421,534             |
|                    | 215,054             |                    | 215,054             | 220,436             |
|                    | 3,874               |                    | 179,001             | 4,107               |
|                    |                     |                    | 25,763,419          | 24,016,466          |
|                    | 20,712,013          |                    | 20,712,013          | 20,221,440          |
|                    | 41,560              |                    | 398,113             | 241,249             |
|                    |                     | 63,008             | 2,503,164           | 937,301             |
| <u>1,293,361</u>   | <u>27,170,716</u>   | <u>1,224,429</u>   | <u>65,376,572</u>   | <u>60,194,951</u>   |
|                    |                     | 664,389            | 1,806,809           | 1,500,248           |
|                    | 172,809             | 560,040            | 732,849             | 615,417             |
|                    |                     |                    | 1,576,521           | 1,066,797           |
|                    |                     |                    | 194,321             | 361,379             |
|                    |                     |                    | 6,007,673           | 6,227,211           |
|                    |                     |                    | 568,294             | 516,083             |
|                    | 3,576,982           |                    | 12,402,174          | 8,315,000           |
|                    | 702,230             |                    | 13,065,520          | 15,386,189          |
| 35,354             | 1,917,186           |                    | 2,503,164           | 937,301             |
| <u>35,354</u>      | <u>6,369,207</u>    | <u>1,224,429</u>   | <u>38,857,325</u>   | <u>34,925,625</u>   |
|                    |                     |                    | 3,499,488           | 2,944,454           |
|                    |                     |                    | 601,203             | 225,950             |
|                    |                     |                    | 359,040             | 466,522             |
|                    |                     |                    | 4,459,731           | 3,636,926           |
| 1,258,007          |                     |                    | 1,258,007           | 1,085,504           |
| <u>1,258,007</u>   | <u>20,801,509</u>   | <u>-</u>           | <u>20,801,509</u>   | <u>20,546,896</u>   |
|                    | <u>20,801,509</u>   | <u>-</u>           | <u>26,519,247</u>   | <u>25,269,326</u>   |
| <u>\$1,293,361</u> | <u>\$27,170,716</u> | <u>\$1,224,429</u> | <u>\$65,376,572</u> | <u>\$60,194,951</u> |

See notes to financial statements.

**ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA**

**Statements of Support and Revenue, Expenses,  
Capital Additions and Changes in Fund Balances**

|  | Year Ended June 30, 1991 |                              |                                   |                    |
|--|--------------------------|------------------------------|-----------------------------------|--------------------|
|  | Expendable Funds         |                              |                                   | Total              |
|  | Operating<br>Funds       | Deposit<br>and Loan<br>Funds | Designated<br>Investment<br>Funds |                    |
| <b>Support and revenues</b>  |                          |                              |                                   |                    |
| From parishes and missions   |                          |                              |                                   |                    |
| Contributions  |                          |                              |                                   |                    |
| Charity and development  | \$1,975,253              | \$ -                         | \$ -                              | \$1,975,253        |
| Dependent children   | 328,398                  |                              |                                   | 328,398            |
| Seminary   | 64,952                   |                              |                                   | 64,952             |
| Assessments  | <u>2,761,185</u>         |                              |                                   | <u>2,761,185</u>   |
|  | <u>5,129,788</u>         | -                            | -                                 | <u>5,129,788</u>   |
| Other contributions  |                          |                              |                                   |                    |
| Mission boards and commissions                                       | 114,000                  |                              |                                   | 114,000            |
| Seminary   | 35,234                   |                              |                                   | 35,234             |
| Summer camp program  | 26,390                   |                              |                                   | 26,390             |
| Gifts and bequests   | <u>330,866</u>           |                              |                                   | <u>330,866</u>     |
|  | <u>506,490</u>           | -                            | -                                 | <u>506,490</u>     |
| Other revenue  |                          |                              |                                   |                    |
| Investment income  | 788,366                  |                              | 1,917                             | 790,283            |
| Rental income  | 70,444                   |                              |                                   | 70,444             |
| Regional school  | 411,940                  |                              |                                   | 411,940            |
| Other revenues   | <u>99,143</u>            |                              |                                   | <u>99,143</u>      |
|  | <u>1,369,893</u>         | -                            | <u>1,917</u>                      | <u>1,371,810</u>   |
| <b>Total support and revenues</b>                                    | <u>7,006,171</u>         | -                            | <u>1,917</u>                      | <u>7,008,088</u>   |
| <b>Expenses</b>  |                          |                              |                                   |                    |
| Archdiocesan administration  | 1,510,749                |                              |                                   | 1,510,749          |
| Pastoral   | 1,308,858                |                              |                                   | 1,308,858          |
| Education  |                          |                              |                                   |                    |
| Seminary   | 484,199                  |                              |                                   | 484,199            |
| Department of education  | 1,106,832                |                              |                                   | 1,106,832          |
| Social services  |                          |                              |                                   |                    |
| Dependent children   | 356,790                  |                              |                                   | 356,790            |
| Other agencies   | 596,814                  |                              |                                   | 596,814            |
| Communications   | 99,536                   |                              |                                   | 99,536             |
| Interest   | <u>1,004,067</u>         |                              |                                   | <u>1,004,067</u>   |
| <b>Total expenses</b>  | <u>6,467,845</u>         | -                            | -                                 | <u>6,467,845</u>   |
| Excess of support and revenue over expenses before capital additions | <u>538,326</u>           | -                            | <u>1,917</u>                      | <u>540,243</u>     |
| Capital additions  |                          |                              |                                   |                    |
| Contributions and bequests   |                          |                              |                                   |                    |
| Gain on investments  |                          |                              | 282,562                           | 282,562            |
| Investment income (loss)   |                          |                              |                                   |                    |
| Gain (loss) on disposal of property                                  |                          |                              |                                   |                    |
| <b>Total capital additions</b>                                       | -                        | -                            | <u>282,562</u>                    | <u>282,562</u>     |
| Excess of support and revenue over expenses after capital additions  | 538,326                  |                              | 284,479                           | 822,805            |
| Fund balances at beginning of year                                   | 692,472                  |                              | 2,944,454                         | 3,636,926          |
| Transfers  | <u>(270,555)</u>         | -                            | <u>270,555</u>                    | -                  |
| Fund balances at end of year   | <u>\$ 960,243</u>        | -                            | <u>\$3,499,488</u>                | <u>\$4,459,731</u> |

See notes to financial statements.

ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA

Statements of Support and Revenue, Expenses,  
Capital Additions and Changes in Fund Balances

| <u>Year Ended June 30, 1991</u> |                        |                     | <u>Year Ended<br/>June 30, 1990<br/>As Restated</u> |
|---------------------------------|------------------------|---------------------|---|
| <u>Endowment<br/>Funds</u>      | <u>Plant<br/>Funds</u> | <u>Total</u>        | <u>Total</u>  |
| \$ -                            | \$ -                   | \$ 1,975,253        | \$ 1,525,951  |
|                                 |                        | 328,398             | 320,317   |
|                                 |                        | 64,952              | 69,672  |
|                                 |                        | <u>2,761,185</u>    | <u>2,346,590</u>                                    |
| <u>-</u>                        | <u>-</u>               | <u>5,129,788</u>    | <u>4,262,530</u>                                    |
|                                 |                        | 114,000             | 95,700  |
|                                 |                        | 35,234              | 38,572  |
|                                 |                        | 26,390              | 12,083  |
|                                 |                        | <u>330,866</u>      | <u>602,337</u>                                      |
| <u>-</u>                        | <u>-</u>               | <u>506,490</u>      | <u>748,692</u>                                      |
|                                 |                        | 790,283             | 958,066   |
|                                 |                        | 70,444              | 116,503   |
|                                 |                        | 411,940             | 333,828   |
|                                 |                        | <u>99,143</u>       | <u>59,655</u>                                       |
| <u>-</u>                        | <u>-</u>               | <u>1,371,810</u>    | <u>1,468,052</u>                                    |
| <u>-</u>                        | <u>-</u>               | <u>7,008,088</u>    | <u>6,479,274</u>                                    |
|                                 | 91,304                 | 1,602,053           | 1,787,022   |
|                                 |                        | 1,308,858           | 917,714   |
|                                 |                        | 484,199             | 277,015   |
|                                 | 233,815                | 1,340,647           | 1,228,259   |
|                                 | 22,642                 | 379,432             | 394,736   |
|                                 | 51,250                 | 648,064             | 495,034   |
|                                 |                        | 99,536              | 64,556  |
|                                 |                        | <u>1,004,067</u>    | <u>995,850</u>                                      |
| <u>-</u>                        | <u>399,011</u>         | <u>6,866,856</u>    | <u>6,160,186</u>                                    |
| <u>-</u>                        | <u>(399,011)</u>       | <u>141,232</u>      | <u>319,088</u>                                      |
| 64,025                          |                        | 64,025              | 16,900  |
| 106,885                         | 651,163                | 1,040,610           | 330,595   |
| 1,593                           |                        | 1,593               | (45)  |
|                                 | 2,461                  | 2,461               | (97,343)  |
| <u>172,503</u>                  | <u>653,624</u>         | <u>1,108,689</u>    | <u>250,107</u>                                      |
| 172,503                         | 254,613                | 1,249,921           | 569,195   |
| 1,085,504                       | 20,546,896             | 25,269,326          | 24,700,131  |
| <u>-</u>                        | <u>-</u>               | <u>-</u>            | <u>-</u>  |
| <u>\$1,258,007</u>              | <u>\$20,801,509</u>    | <u>\$26,519,247</u> | <u>\$25,269,326</u>                                 |

See notes to financial statements.

## ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA

## Statements of Changes in Financial Position

|   | Year Ended June 30, 1991 |                              |                                   |                    |
|---|--------------------------|------------------------------|-----------------------------------|--------------------|
|   | Expendable Funds         |                              |                                   |                    |
|   | Operating<br>Funds       | Deposit<br>and Loan<br>Funds | Designated<br>Investment<br>Funds | Total              |
| <b>Sources of funds</b>   |                          |                              |                                   |                    |
| Revenues collected  |                          |                              |                                   |                    |
| From parishes   |                          |                              |                                   |                    |
| Special collections   | \$2,368,603              | \$ -                         | \$ -                              | \$ 2,368,603       |
| Assessments   | <u>2,761,185</u>         |                              |                                   | <u>2,761,185</u>   |
|   | 5,129,788                |                              |                                   | 5,129,788          |
| Contributions and bequests  | 506,490                  |                              |                                   | 506,490            |
| Investment Income   | 788,366                  |                              | 1,917                             | 790,283            |
| Other   | <u>581,527</u>           |                              | <u>282,562</u>                    | <u>864,089</u>     |
| <b>Total revenues collected</b>   | <u>7,006,171</u>         | -                            | <u>284,479</u>                    | <u>7,290,650</u>   |
| <b>Other sources</b>  |                          |                              |                                   |                    |
| Collections on notes receivable   |                          |                              |                                   |                    |
| Decrease in pledges and accounts receivable   |                          |                              |                                   |                    |
| Increase in deposits payable  |                          |                              |                                   |                    |
| Proceeds of demand note payable   |                          | 4,087,174                    |                                   | 4,087,174          |
| Proceeds of notes payable   |                          |                              |                                   |                    |
| Increase in accounts payable and accrued expenses   | 254,357                  |                              |                                   | 254,357            |
| Increase in deferred revenue  | <u>342,666</u>           |                              |                                   | <u>342,666</u>     |
| Other   |                          |                              |                                   |                    |
| <b>Total sources of funds</b>   | <u>7,603,194</u>         | <u>4,087,174</u>             | <u>284,479</u>                    | <u>11,974,847</u>  |
| <b>Uses of funds</b>  |                          |                              |                                   |                    |
| Operating expenses  | 6,467,845                |                              |                                   | 6,467,845          |
| Purchase of land, buildings<br>and equipment  |                          |                              |                                   |                    |
| Payments on notes payable   |                          | 1,746,864                    |                                   | 1,746,864          |
| Parish loans-net increase   |                          | <u>1,746,953</u>             |                                   | <u>1,746,953</u>   |
| Increase in pledges and accounts receivable   | 680,980                  |                              |                                   | 680,980            |
| Decrease in deposits payable  |                          | 167,327                      |                                   | 167,327            |
| Decrease in accounts payable and accrued expenses   |                          |                              |                                   |                    |
| Decrease in deferred revenue  |                          |                              |                                   |                    |
| Increase in other assets  | <u>123,340</u>           |                              |                                   | <u>123,340</u>     |
| <b>Total uses of funds</b>  | <u>7,272,165</u>         | <u>3,661,144</u>             | -                                 | <u>10,933,309</u>  |
| <b>Transfers and net changes in interfund accounts</b>                                    | <u>(1,437,678)</u>       | <u>(426,030)</u>             | <u>321,320</u>                    | <u>(1,542,388)</u> |
| <b>Increase (decrease) in cash, marketable<br/>securities and certificates of deposit</b> | <u>(1,106,649)</u>       | -                            | 605,799                           | <u>(500,850)</u>   |
| <b>Cash, marketable securities and certificates<br/>of deposit - beginning of year</b>    | <u>1,506,961</u>         | <u>1,575,000</u>             | <u>3,444,313</u>                  | <u>6,526,274</u>   |
| <b>Cash, marketable securities and certificates<br/>of deposit - end of year</b>          | <u>\$ 400,312</u>        | <u>\$1,575,000</u>           | <u>\$4,050,112</u>                | <u>\$6,025,424</u> |

See notes to financial statements.

ADMINISTRATIVE OFFICES OF THE ARCHDIOCESE OF ATLANTA  
Statements of Changes in Financial Position

| Year Ended June 30, 1991 |                |                    |              | Year Ended<br>June 30, 1990<br>As Restated |
|--------------------------|----------------|--------------------|--------------|--|
| Endowment<br>Funds       | Plant<br>Funds | Custodian<br>Funds | Total        | Total                                      |
| \$ -                     | \$ -           | \$ -               | \$ 2,368,603 | \$ 1,915,940                               |
|                          |                |                    | 2,761,185    | 2,346,590                                  |
|                          |                |                    | 5,129,788    | 4,262,530                                  |
| 64,025                   |                |                    | 570,515      | 765,592                                    |
| 1,593                    |                |                    | 791,876      | 958,021                                    |
| 106,885                  | 778,436        |                    | 1,749,410    | 760,661                                    |
| 172,503                  | 778,436        | -                  | 8,241,589    | 6,746,804                                  |
|                          | 5,382          |                    | 5,382        | 12,049                                     |
|                          | 233            |                    | 233          | 318,964                                    |
|                          |                |                    | -            | 292,031                                    |
|                          |                |                    | 4,087,174    | 4,901,334                                  |
|                          |                |                    | -            | 100,350                                    |
|                          |                | 178,262            | 432,619      | 695,702                                    |
|                          |                |                    | 342,666      | -  |
|                          |                |                    | -            | 125,557                                    |
| 172,503                  | 784,051        | 178,262            | 13,109,663   | 13,192,791                                 |
|                          |                |                    | 6,467,845    | 5,780,700                                  |
|                          | 1,014,397      |                    | 1,014,397    | 715,687                                    |
|                          | 573,805        |                    | 2,320,669    | 2,139,265                                  |
|                          |                |                    | 1,746,953    | 2,438,152                                  |
|                          |                |                    | 680,980      | -  |
|                          |                |                    | 167,327      | -  |
|                          | 8,625          |                    | 8,625        | 28,522                                     |
|                          |                |                    | -            | 96,056                                     |
|                          | 33,524         |                    | 156,864      | 233,213                                    |
| -                        | 1,630,351      | -                  | 12,563,660   | 11,431,595                                 |
| 11,209                   | 1,503,889      | 27,290             | -            | -  |
| 183,712                  | 657,589        | 205,552            | 546,003      | 1,761,196                                  |
| 1,109,649                | 5,540,626      | 955,869            | 14,132,418   | 12,371,222                                 |
| \$1,293,361              | \$6,198,215    | \$1,161,421        | \$14,678,421 | \$14,132,418                               |

See notes to financial statements.



Notes to Financial Statements  
June 30, 1991 and 1990

**Note 1 - 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 of Atlanta. 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 of gift.

**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, 1991, follows:

|                                      | Insurance or<br>Appraised<br>Values<br><u>June 1, 1963</u> | Acquisitions<br>at Cost<br>Subsequent to<br><u>June 1, 1963</u> | <u>Total</u>        |
|--------------------------------------|--|---|---------------------|
| Land                                 | \$ 230,125   | \$ 6,576,832  | \$ 6,806,957        |
| Buildings                            | 650,000  | 15,772,163  | 16,422,163          |
| Furniture, fixtures<br>and equipment | 215,000  | 1,038,842   | 1,253,842           |
| Automobiles                          | -  | <u>64,858</u>   | <u>64,858</u>       |
|                                      | <u>\$1,095,125</u>   | <u>\$23,452,695</u>   | 24,547,820          |
| Less accumulated depreciation        |  |   | <u>3,835,807</u>    |
| Net land, buildings and equipment    |  |   | <u>\$20,712,013</u> |

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 1 - Summary of significant accounting policies (continued)**

**Land, buildings and equipment (continued)**

Additions of furniture, fixtures and equipment are capitalized while repairs and maintenance are charged to expense.

Depreciation is computed using the straight-line method over the following estimated useful lives:

|                                      |             |
|--------------------------------------|-------------|
| Buildings                            | 40-50 years |
| Furniture, fixtures<br>and equipment | 10 years    |
| Automobiles                          | 7 years     |

Depreciation expense for 1991 amounted to \$399,011.

Land, buildings and equipment are pledged in part to secure notes and mortgages payable (Note 3).

**Note 2 - 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 costs for the years ended June 30, 1991 and 1990, were \$92,638 and \$63,366, respectively. Pension cost includes normal cost and amortization of past service cost over 30 years. A comparison of vested plan benefits and plan net assets as of July 1, 1989 (most recent valuation), is presented below:

|   |                    |
|---|--------------------|
| Actuarial present value of vested plan benefits | <u>\$2,507,572</u> |
| Net assets available for benefits               | <u>\$1,781,086</u> |

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

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 2 - Retirement plans (continued)****Clergy retirement plan (continued)**

The parishes reimbursed the Administrative Offices \$29,600 and \$31,400 for pension and administrative costs for the years ended June 30, 1991 and 1990, respectively. Pension expense is included in Archdiocesan administrative expenses and is comprised of the following amounts:

|                                    | Year Ended June 30. |                 |
|------------------------------------|---------------------|-----------------|
|                                    | 1991                | 1990            |
| Pension and administrative expense | \$92,638            | \$63,366        |
| Less reimbursement by parishes     | 29,600              | 31,400          |
|                                    | <u>\$63,038</u>     | <u>\$31,966</u> |

**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 costs for the years ended June 30, 1991 and 1990, includes accruals of \$829,498 and \$749,356, respectively, made under the defined contribution portion of the plan.

No expense or contributions were required under the defined benefit portion of the plan.

The parishes reimbursed the Administrative Offices \$744,992 and \$672,203 for pension and administrative costs for the years ended June 30, 1991 and 1990, respectively. Pension cost is included in Archdiocesan administrative expenses and is comprised of the following amounts:

|                                    | Year Ended June 30. |                  |
|------------------------------------|---------------------|------------------|
|                                    | 1991                | 1990             |
| Pension and administrative expense | \$829,498           | \$749,356        |
| Less reimbursement by parishes     | 744,992             | 672,203          |
|                                    | <u>\$ 84,506</u>    | <u>\$ 77,153</u> |

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 3 - Notes and mortgages payable**

The unsecured demand note shown below is a \$15,000,000 line of credit subject to interest at the bank's prime rate (8.5% at June 30, 1991). The demand note matures November 30, 1991. Subsequent to June 30, 1991, \$9,500,000 of the demand note balance was refinanced at 9.31%, to be repaid over a ten-year period.

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, 1991</u> |                     | <u>June 30, 1990</u> |                     |
|--|----------------------|---------------------|----------------------|---------------------|
|  | <u>Maturities</u>    |                     | <u>Maturities</u>    |                     |
|  | <u>Current</u>       | <u>Noncurrent</u>   | <u>Current</u>       | <u>Noncurrent</u>   |
| Unsecured demand note; 8.5% at June 30, 1991 |                      |                     |                      |                     |
| Plant funds                                  | \$ 3,576,982         | \$ -                | \$3,576,982          | \$ -                |
| Loan funds                                   | <u>8,825,192</u>     | <u>-</u>            | <u>4,738,018</u>     | <u>-</u>            |
|  | <u>12,402,174</u>    | <u>-</u>            | <u>8,315,000</u>     | <u>-</u>            |
| 3% to 11% notes and mortgages                |                      |                     |                      |                     |
| Plant funds                                  | 252,680              | 449,550             | 573,854              | 702,181             |
| Loan funds                                   | <u>1,026,395</u>     | <u>11,336,895</u>   | <u>1,729,108</u>     | <u>12,381,046</u>   |
|  | <u>1,279,075</u>     | <u>11,786,445</u>   | <u>2,302,962</u>     | <u>13,083,227</u>   |
| Total demand note and notes and mortgages    | <u>\$13,681,249</u>  | <u>\$11,786,445</u> | <u>\$10,617,962</u>  | <u>\$13,083,227</u> |

Maturities of notes and mortgages payable are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>       |
|-----------------------------|---------------------|
| 1992                        | \$ 1,279,075        |
| 1993                        | 1,208,500           |
| 1994                        | 1,281,861           |
| 1995                        | 1,320,731           |
| 1996                        | 1,393,396           |
| 1997 - 2007                 | <u>6,581,957</u>    |
|                             | <u>\$13,065,520</u> |

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 4 - 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, 1991 and 1990, the allowance for doubtful loans account, in the amount of \$217,000, 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 Office 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 5 - Notes receivable**

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

|                   | <u>June 30, 1991</u> |                   | <u>June 30, 1990</u> |                   |
|-------------------|----------------------|-------------------|----------------------|-------------------|
|                   | <u>Maturities</u>    |                   | <u>Maturities</u>    |                   |
|                   | <u>Current</u>       | <u>Noncurrent</u> | <u>Current</u>       | <u>Noncurrent</u> |
| 11% and 12% notes | <u>\$37,385</u>      | <u>\$177,669</u>  | <u>\$34,059</u>      | <u>\$186,377</u>  |

Maturities of notes receivable are as follows:

| <u>Year Ending June 30,</u> | <u>Amount</u>    |
|-----------------------------|------------------|
| 1992                        | \$ 37,385        |
| 1993                        | 13,671           |
| 1994                        | 146,051          |
| 1995                        | 8,466            |
| 1996                        | <u>9,481</u>     |
|                             | <u>\$215,054</u> |

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 6 - Deferred restricted support and revenue**

Deferred restricted support and revenue represents the unexpended portion of gifts which must be used according to restrictions placed by the donor. Changes in deferred restricted support and revenue were as follows:

|                        | <u>Operating<br/>Funds</u> |
|------------------------|----------------------------|
| Balance, June 30, 1990 | \$361,379                  |
| Less: funds expended   | <u>167,058</u>             |
| Balance, June 30, 1991 | <u>\$194,321</u>           |

At June 30, 1991, funds totaling \$194,321 were restricted for the following purposes:

|                                 |                  |
|---------------------------------|------------------|
| Mission support and development | \$ 7,221         |
| Village of St. Joseph           | <u>187,100</u>   |
|                                 | <u>\$194,321</u> |

**Note 7 - 1990 Financial statement reclassifications**

The accompanying financial statements for 1990 have been restated to reflect current revenue and expense classifications in order for the comparison to current year financial statements to be more meaningful.

**Note 8 - Change in accounting principle**

Effective for years beginning on or after January 1, 1990, the Financial Accounting Standards Board has issued a new generally accepted accounting principle which requires all not-for-profit organizations to recognize depreciation on long lived assets.

The financial statements for the year ended June 30, 1990, have been restated to reflect accumulated depreciation for years prior to 1990 and depreciation expense for 1990. The accounts affected as previously reported and as restated are as follows:

Notes to Financial Statements (continued)  
June 30, 1991 and 1990

**Note 8 - Change in accounting principle (continued)**

|   | <u>As Previously<br/>Reported</u> | <u>As Restated</u>  |
|---|-----------------------------------|---------------------|
| Land, buildings and equipment, June 30, 1990                          | <u>\$23,706,356</u>               | <u>\$23,706,356</u> |
| Accumulated depreciation for years prior to 1990                      | -                                 | (3,105,430 )        |
| Depreciation expense for 1990   | -                                 | (379,486 )          |
| Accumulated depreciation, June 30, 1990                               | <u>-</u>                          | <u>(3,484,916 )</u> |
| Net land, buildings and equipment, June 30, 1990                      | <u>\$23,706,356</u>               | <u>\$20,221,440</u> |
| <br>  |                                   |                     |
| Plant fund - fund balance, June 30, 1989                              | \$23,976,102                      | \$23,976,102        |
| Cumulative effect on prior years of change in<br>accounting principle | <u>-</u>                          | <u>(3,105,430 )</u> |
|   | 23,976,102                        | 20,870,672          |
| Archdiocesan administration expenses                                  | (97,420 )                         | (97,420 )           |
| Contributions and bequests  | 15,000                            | 15,000              |
| Gains on investments  | 235,473                           | 235,473             |
| Depreciation  | -                                 | (379,486 )          |
| Loss on disposal of property  | <u>(97,343 )</u>                  | <u>(97,343 )</u>    |
| Plant fund - fund balance, June 30, 1990                              | <u>\$24,031,812</u>               | <u>\$20,546,896</u> |

**Note 9 - Contingencies**

The Archdiocese has been named defendant in various civil lawsuits, one of which seeks damages of \$3,000,000. The Archdiocese considers all these suits to be without basis and plans to contest the claims vigorously. The likely outcome of the various lawsuits cannot be determined.