

THE DIOCESE OF ROCHESTER
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 1977

NOTE 1 — BACKGROUND AND SUMMARY OF ACCOUNTING PRINCIPLES:

Background —

The Bishop of The Diocese of Rochester directly or indirectly supervises all of the churches and organizations (some of which are separately incorporated) which are affiliated. However, from a financial standpoint, the books and accounts maintained by the Diocese include only those funds over which it has direct control and accountability. The work of the Diocese is supported primarily by assessments to the parishes.

Summary of accounting principles —

The books of the Diocese are maintained on an accrual basis. The land and buildings of the Pastoral Center are recorded at the value carried by St. Bernard's Seminary at the time of transfer which, in turn, was based on an appraisal. Subsequent additions and improvements have been recorded at cost. Other real estate owned by the Diocese is recorded primarily at cost. Improvements which may have been made by tenants have not been recorded. Depreciation is calculated on a straight-line basis. The Pastoral Center building is depreciated over 25 years, all other fixed assets are depreciated over 10 years.

NOTE 2 — RECEIVABLES FROM PARISHES:

The parishes remit support to the Diocese over a twelve-month period beginning September 1 following each fiscal year beginning July 1. Accordingly, accounts receivable include parish assessments unpaid at June 30, 1977 and 1976, but which are not required to be paid until the following August 31 in each year. The Diocese wrote off \$31,520 in 1976 (none in 1977) as being uncollectible. The allowance for doubtful accounts was \$25,000 at both June 30, 1977 and 1976.

NOTE 3 — NOTES AND LOANS RECEIVABLE:

The Diocese has made loans to various Diocesan organizations and employees at interest rates ranging from 0% to 5% and for varying lengths of time. Of the \$698,034 outstanding at June 30, 1977, it is anticipated that approximately \$65,000 will be repaid within one year. No losses are anticipated by Diocesan officials.

In addition, the Diocese is contingently liable for loans made by one associated organization to two other associated organizations totaling approximately \$121,000 at June 30, 1977.

NOTE 4 — SECURITIES:

With a minor exception, all of the securities are held in bank-managed investment accounts. The market value of securities in the pastoral fund was \$1,401,045. and \$1,259,289. at June 30, 1977 and 1976 respectively. The market value of securities in the custodial fund was \$872,136. and \$1,110,428. at June 30, 1977 and 1976 respectively. The reduction in the market value of the custodial fund was due to the transfer of the Becket Hall fund to the Board of Trustees of that institution during the fiscal year 1977.

NOTE 5 — REAL ESTATE AND OTHER BUILDINGS:

The Diocese owns properties which are either intended for future parish use or for rental purposes. (See Note 1 with respect to carrying value of these properties.) During 1977, the building and part of the land of one property with an allocated book value of \$28,000 was sold for that amount.

During 1976, one pastoral property with a book value of \$44,000 was sold resulting in a gain of \$45,000.

In connection with one of the properties sold in fiscal 1975, the Diocese took a mortgage with interest at 7-1/2% to be repaid quarterly. Of the \$28,000 unpaid balance at June 30, 1977, \$4,000 will be repaid in fiscal 1978.

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