

CATHOLIC DIOCESE OF SALT LAKE CITY
DIOCESAN FINANCE COUNCIL
Meeting Minutes of October 26, 2022
Pastoral Center, 27 C Street, Salt Lake City, Utah

PRESENT

Reverend Monsignor Colin F. Bircumshaw, Director	Mark Longe (Zoom)
Reverend John Evans	Kathie Roberts (Zoom)
Deacon George Reade (Zoom)	Andrea Steenburgh
Fred Strasser, Director	Candice Greenwald, Treasurer
Doug Black	Sarah Niemann, Secretary

NOT PRESENT

Most Reverend Oscar A. Solis	Darcie Costello
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CALL TO ORDER AND OPENING PRAYER:

The meeting was called to order at 3:24 PM.

APPROVAL OF October 26, 2022 MINUTES

Father Evans made the move to approve the minutes. Doug Black seconded. Msgr. Colin asked for the vote on the motion to approve the minutes. The motion to approve passed unanimously.

DRAFT AUDIT REVIEW AND APPROVAL FOR FISCAL YEAR JULY 1, 2021 – JUNE 30, 2022

Since there will be overlap on the audit presentation, Candy suggested that the auditors be allowed to present all three audits in this meeting. However, the Audit report of each corporation will be presented in their respective corporate minutes. Candy introduced our new Auditors from Tanner Accountants & Advisors – Doug Hansen and Devan Romano.

Doug Hansen, Audit Partner, introduce himself and Devan Romano, Managing Partner from Tanner Accountants and Advisors as having many years of experience doing audits for Non-Profit Organizations.

Doug Hansen

“During the course of the audit we take a lot of time from your accounting team. We appreciate

all the effort Candy and her team put above and beyond what they normally have to do each day to pull lots of information for us. We select a lot of samples of underlying documentation to review, and I can report back that they were very cooperative and provided us all the information that we needed.”

Auditors provided stamped draft for review towards approval. *“The draft are the financial statements. From our perspective, these statements have gone through the entire review process and we are ready to issue these upon approval.*

*The Independent Auditors’ Report located in first and second page, indicates that we will be issuing what is referred to as **Unmodified Report**. Based on all the testing that we did in accordance with the generally accepted auditing standards, the financial statements are fairly presented on all material respects. In layman’s term, what you have is a **“clean opinion”** on the financial statements.*

The format of the Independent Auditors’ Report maybe different than previous years. For a lot of organizations, this is the first year that this particular format and layout of the Independent Auditors’ Report is being adopted. It is in accordance with the new guidelines.

*One of the major changes in the financial statements is in the Investment portfolio – Unrealized losses, which should not be a surprise with how the market has been lately. No new accounting principles were required to be adapted this year – 2022. In 2023, there will be some new accounting principles to be considered - **lease standard** that requires any lease to be recorded on your balance sheet.”*

Devan Romano

Addressed the contents of the Independent Auditors’ Report:

*“**Section 1 Qualitative aspects of the accounting** – talks about significant estimates (ie. Useful lives, fixed assets, long-lived assets), some allowances, health plan – estimates incurred but not recorded. They were all audited and did not have any finding.*

***Section 2 Difficulties Encountered in Performing the Audit** - there were none. There are always lessons to be learned in first year audits.*

***Section 3 Corrected and Uncorrected Misstatements** – There were no uncorrected misstatements. In RCB, there were 2 relatively minor items that were found during the audit, that has since been corrected:*

- 1) Timing of payroll - funds were drawn from bank account last day of the year, and*
- 2) making sure that the Chancery fee is being recorded*

No indications of real issues there. We think that between changing the accounting software and the team being down one in accounting team member, somethings were overlooked. Those misstatements have been corrected in the financial statements as they are presented in the stamped draft financials.

***Section 4 Disagreements with Management** – there were none.*

***Section 5 Management Consultation** – “shopping” for an opinion did not happen*

***Section 6 Segregation of Duties** – comment on management letter with recommendation to have a different person preparing the entry, approving the entry as the one entering and posting the entry. Candy’s team has already corrected this with the implementation of updates of new system.*

During the year, the team was also down one person, so segregation of duties was not able to be maintained. That has been corrected since.”

Doug Hansen

*In closing, he said that “there will be separate Management letter for each of the corporations, where it talks about the 3 levels of 1) deficiency, 2) **significant deficiency** – deficiency that is not material weakness but important enough to be brought to the attention of the management, and 3) material weakness. Our letter will comment on significant deficiency which requires the auditors to inform management of the existence of the deficiency. Fortunately, corrections have been made since.”*

Andrea made motion to accept the financials as presented. Msgr. Colin seconded. Candy asked for the vote on the motion to accept the audited financials as presented. Motion to pass was unanimous.

OTHER BUSINESS

Replacement for retired priest. Msgr Colin suggested recruiting a younger priest who has been with the diocese for 5-6 years, so they can start early on the training. Father Evans suggested that a priest assigned to parish tied to a school might provide the council a better insight on the inner workings of a Parish/School environment.

NEXT MEETING DATE AND ADJOURNMENT

The next meeting is scheduled for Wednesday, January 25, 2023. This meeting was adjourned at 3:36 pm. Closing prayers was said by Father Evans.

Respectfully submitted by

Sarah Niemann