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# TANNER

Accountants & Advisors



**Diocesan Pastoral Administration of the Roman Catholic Bishop of Salt Lake City**

**Financial Statements and Supplementary Information  
As of June 30, 2022 and 2021 and for the Years Then Ended**

**Together with Independent Auditors' Report**

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# TANNER

## Independent Auditors' Report

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**To The Most Reverend Oscar A. Solis:**

### **Opinion**

We have audited the accompanying financial statements of the Diocesan Pastoral Administration of the Roman Catholic Bishop of Salt Lake City (the Administration), which comprise the statements of financial position as of June 30, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Diocesan Pastoral Administration of the Roman Catholic Bishop of Salt Lake City as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America (US GAAP).

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the Administration and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Prior Period Financial Statements**

The financial statements of the Diocesan Pastoral Administration of the Roman Catholic Bishop as of and for the year ended June 30, 2021, were audited by other auditors whose report dated October 19, 2021, expressed an unmodified opinion on those financial statements.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Administration's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administration's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Administration's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

***Report on Supplementary Information***

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

*Tanner LLC*

October 26, 2022

## Statements of Financial Position

As of June 30,

	<b>2022</b>	<b>2021</b>
<b><u>Assets</u></b>		
Cash and cash equivalents	\$ 3,807,855	\$ 4,352,321
Accounts receivable		
Diocesan development drive	41,293	211,075
Other	480,532	173,116
Notes receivable	144,004	148,565
Interest receivable	31,266	27,605
Land	2,099,430	2,099,430
Buildings, equipment and automobiles, net	2,782,948	3,129,500
Investments	7,139,622	7,546,706
Interest in the Catholic Foundation of Utah	8,327,467	9,087,450
Other assets	548,822	761,737
Total assets	<u>\$ 25,403,239</u>	<u>\$ 27,537,505</u>
<b><u>Liabilities and Net Assets</u></b>		
Liabilities:		
Accounts payable	\$ 1,019,432	\$ 641,785
Accrued expenses	962,853	968,456
Total liabilities	<u>1,982,285</u>	<u>1,610,241</u>
Commitments and contingencies		
Net assets:		
Without donor restrictions	23,208,795	25,775,934
With donor restrictions	212,159	151,330
Total net assets	<u>23,420,954</u>	<u>25,927,264</u>
Total liabilities and net assets	<u>\$ 25,403,239</u>	<u>\$ 27,537,505</u>

## Statements of Activities

	For the Years Ended June 30,	
	<b>2022</b>	<b>2021</b>
Changes in net assets without donor restrictions:		
Revenues and gains:		
Contributions – Diocesan development drive	\$ 2,400,000	\$ 2,692,036
Other gifts and donations	79,343	77,373
Parish assessments	2,265,366	2,415,960
Health insurance premiums	5,989,637	5,648,917
Intermountain Catholic newspaper	462,223	467,340
Interest and dividend income on investments	319,726	282,804
Net realized gains (losses) on investments	29,560	74,818
Net unrealized gains (losses) on investments	(1,361,724)	1,101,859
Gain on sale of property	24,500	-
Increase (decrease) in interest in The Catholic Foundation in Utah	(759,983)	1,815,484
Transfers from other Catholic entities	811,066	807,934
Other	424,390	465,108
Total revenues and gains without donor restrictions	<u>10,684,104</u>	<u>15,849,633</u>
Net assets released from restrictions - satisfaction of program restrictions	<u>903,518</u>	<u>2,431,642</u>
Total revenues, gains, and reclassifications without donor restrictions	<u>11,587,622</u>	<u>18,281,275</u>
Expenses:		
Pastoral services	1,353,968	1,287,267
Education services	2,203,787	2,214,914
Management and general	9,802,535	8,951,552
Fundraising	631,388	442,109
Total expenses	<u>13,991,678</u>	<u>12,895,842</u>
Transfers to other Catholic entities	<u>163,083</u>	<u>1,717,509</u>
Total expenses and transfers	<u>14,154,761</u>	<u>14,613,351</u>
Increase (decrease) in net assets without donor restrictions	<u>(2,567,139)</u>	<u>3,667,924</u>
Changes in net assets with donor restrictions:		
Contributions	809,500	1,768,734
Interest income	-	530
Grant income	154,847	114,853
Other income	-	504,745
Net assets released from restrictions	<u>(903,518)</u>	<u>(2,431,642)</u>
Increase (decrease) in net assets with donor restrictions	<u>60,829</u>	<u>(42,780)</u>
Increase (decrease) in net assets	<u>(2,506,310)</u>	<u>3,625,144</u>
Net assets at beginning of year	<u>25,927,264</u>	<u>22,302,120</u>
Net assets at end of year	<u>\$ 23,420,954</u>	<u>\$ 25,927,264</u>

## Statements of Cash Flows

	For the Years Ended June 30,	
	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (2,506,310)	\$ 3,625,144
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	498,896	492,935
Net unrealized (gains) losses on investments	1,361,724	(1,101,859)
Net realized (gains) losses on investments	(29,560)	(74,818)
Gain on sale of property	(24,500)	-
Change in interest in The Catholic Foundation of Utah	759,983	(1,815,484)
Changes in operating assets and liabilities:		
Diocesan development drive receivables	169,782	109,298
Other receivables	(307,416)	(72,040)
Interest receivable	(3,661)	3,935
Other assets	212,915	(101,547)
Accounts payable and accrued expenses	372,044	245,208
Deferred income	-	(2,564)
Net cash provided by operating activities	<u>503,897</u>	<u>1,308,208</u>
<b>Cash flows from investing activities:</b>		
Receipt of principal on notes receivable	66,462	95,378
Disbursement of principal on notes receivable	(61,901)	(86,180)
Purchase of buildings, equipment and automobiles	(127,844)	-
Purchase of investments	(2,078,098)	(4,438,757)
Proceeds from sale of investments	1,153,018	4,544,164
Net cash provided by (used in) investing activities	<u>(1,048,363)</u>	<u>114,605</u>
Net increase (decrease) in cash and cash equivalents	(544,466)	1,422,813
Cash and cash equivalents at beginning of year	<u>4,352,321</u>	<u>2,929,508</u>
Cash and cash equivalents at end of year	<u>\$ 3,807,855</u>	<u>\$ 4,352,321</u>

## **Notes to Financial Statements**

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### **1. Organization and Summary of Significant Accounting Policies**

#### ***Basis of Presentation***

The accompanying financial statements include all accounts of the Diocesan Pastoral Administration (the Administration), which is controlled by the Roman Catholic Bishop of Salt Lake City, a Utah corporation sole (the Bishop). As a component of the Bishop, the Administration has no separate legal status or existence. The financial operations of individual parishes, schools, and other Church-related agencies and institutions not directly related to the operations of the Administration are not reflected in these financial statements, except insofar as financial transactions have taken place between them and the Administration. Also excluded are the operations and properties owned and/or administered by entities distinct from the Administration, including parochial schools, Mount Calvary Cemetery, Catholic Community Services, Catholic Diocese of Salt Lake City Real Estate Corporation, Catholic Diocese of Salt Lake City Capital Development Corporation, The Catholic Foundation of Utah (the Foundation), the Ministries of the Catholic Diocese of Salt Lake City, LLC, a Utah Nonprofit Series Limited Liability Company, including all Series established thereunder, and Skaggs Catholic Center, LLC, a Utah Nonprofit Limited Liability Company, over each of which the Bishop also exercises control.

The financial statements of the Administration have been prepared in accordance with accounting principles generally accepted in the United State of America ("US GAAP"), which require the Administration to report information regarding its financial position and activities according to the following net asset classifications, as applicable.

#### ***Net Assets***

##### *Without Donor Restrictions*

Net assets without donor restrictions represent resources which are not subject to donor restrictions and over which the Administration retains control to use the funds in order to achieve the Administration's purpose.

##### *With Donor Restrictions*

Net assets with donor restrictions represent resources subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that are restricted by the donor for a particular purpose that will be met by the passage of time or other events specified by the donor. The Administration has no donor-imposed restrictions requiring resources to be maintained in perpetuity as of June 30, 2022 and 2021. Donor restricted funds may only be utilized in accordance with the purpose established by the source of such funds.

#### ***Cash Equivalents***

Cash equivalents consist of investments in money market funds with original maturity dates to the Administration of three months or less at the date of purchase. Cash equivalents totaled \$295,336 and \$808,802 at June 30, 2022 and 2021, respectively. The cash equivalents are Level 1 securities as described in the fair value hierarchy at Note 3 *Fair Value Measurements*.

#### ***Accounts Receivable***

Diocesan Development Drive (DDD) receivables consist of unconditional promises to give related to the annual DDD campaign and are due within one year. The Administration believes these amounts to be fully collectible.

All other accounts receivable are recorded at the invoiced amount. As of June 30, 2022 and 2021, there was no allowance for doubtful accounts. The Administration reviews past-due balances individually for collectability.



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### **Investments**

Investments in securities are measured at fair market value in the statements of financial position using quotes market prices or quoted market prices of similar, comparable securities. Unrealized gains and losses on investments are reported in the statements of activities as increases or decreases in net assets, less external and direct investment expenses. Realized gains and losses are determined on a specific identification basis. Dividend income on securities owned is recorded on the ex-dividend date. Interest income is recognized on the accrual basis.

### **Notes Receivable**

Cash payments are made by the Administration on behalf of clergy members. The Administration does not charge interest on these payments, but does require that a payment plan and timely payments be made on the outstanding receivable balances.

### **Land**

Land held for future parish sites or Administration-related institutions is carried at cost. Real estate donated or bequeathed to the Administration is recorded at its fair market value at the date received. It is a policy of the Administration to purchase or hold only those sites that are reasonably foreseen to be necessary for future parish development or Administration-related institutions.

During the year ended June 30, 2004, the Administration received a donation of land in Park City, Utah with a fair value of \$1,900,000. This land is currently being used by the Administration for parish activities, and the Administration has no current plans to sell the land. Should the Administration sell the land, although the Administration is not contractually obligated to do so, the Administration has agreed that the proceeds received on the sale of the land will be contributed to the Vivian Skaggs Armstrong Foundation for Roman Catholic and Community Charities.

### **Buildings, Equipment, and Automobiles**

Buildings, equipment, and automobiles are recorded at cost less accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. The estimated useful life for buildings and improvements is 15 to 30 years, for furniture and equipment is 3 to 10 years, and for automobiles is 7 years. Donated assets are recorded at appraised value at the date of donation.

### **Interest in The Catholic Foundation of Utah**

The Administration reports the interest in the Foundation in the accompanying statements of financial position and the change in interest in the Foundation in the accompanying statements of activities in accordance with Accounting Standards Codification (ASC) Topic 958, *Not-for-Profit Entities*. ASC Topic 958 requires an organization that transfers cash or other financial assets to a financially interrelated recipient organization to account for the transfer as an interest in the recipient organization and to adjust that interest for its share of the change in interest in the recipient organization.

### **Other Assets**

Other assets consist primarily of a life insurance agreement, of which the Administration is the beneficiary. The Administration accounts for its investments in life insurance policies using ASC 325-30, *Investments in Insurance Contracts*. Management records its investment in life insurance policies at the amount that could be realized under the insurance contract at the date of the statement of financial position (cash surrender value).

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### ***Health Insurance Premiums and Claims***

The Administration has a self-insurance program for medical services, dental services, and prescriptions that covers its employees as well as employees of other Catholic entities under the control of the Bishop. The Administration bears all financial risk and collects monthly premiums from employees as well as remits cash to pay claims as incurred. Reserves for incurred, but not reported, claims arising from the self-insured benefits have been recorded and are based upon historical experience and market available information related to both health insurance claims and payments, and actuarial calculations. The accrued health insurance balance was \$696,541 and \$677,256 at June 30, 2022 and 2021, respectively, and is included in accrued expenses in the accompanying statements of financial position. The Administration's reinsurance policies cover all individual claims over \$150,000 and aggregate claims over \$2,000,000.

### ***Income Taxes***

No provision for income taxes has been provided as the Administration is exempt from federal income tax under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3), as indicated in a determination letter to the United States Conference of Catholic Bishops from the Internal Revenue Service (IRS) dated September 10, 2021.

U.S. generally accepted accounting principles require management to evaluate tax positions taken by the Administration and recognize a tax liability if the Administration has taken an uncertain position that more likely than not would not be sustained upon examination by the IRS. Management has analyzed the tax positions taken by the Administration and has concluded that as of June 30, 2022, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

### ***Transfers from (to) Other Catholic Entities***

Transfers from (to) other Catholic entities consist of transfers of financial and nonfinancial assets between the Administration and other Catholic entities under the control of the Bishop.

### ***Use of Estimates***

The Administration has made a number of estimates and assumptions relating to the reporting of assets, liabilities, revenues and expenses, and the disclosure of contingent assets and liabilities to prepare these financial statements in conformity with U.S. generally accepted accounting principles. Actual results could differ from those estimates.

### ***Concentrations of Credit Risk and Revenue Sources***

The Administration maintains its cash in bank deposit accounts which, at times, exceed federally insured limits. To date, the Administration has not experienced a loss or lack of access to its cash; however, no assurance can be provided that access to the Administration's cash will not be impacted by adverse conditions in the financial markets.

Substantially all of the Administration's support, revenue, and receivables are from related entities and parties. A future reduction of the revenue from these sources, due to market or parish conditions, would have a very significant impact on the Administration's operations.

### ***Paycheck Protection Program***

On March 19, 2021, the Administration entered into a second loan agreement with Key Bank National Association as the lender under the Paycheck Protection Program of the CARES Act administered by U.S. Small Business Administration (the "SBA"), and on March 22, 2021 (the "Disbursement Date"), received a loan in the amount of \$504,745 (the "PPP Loan") to help sustain its employee payroll costs, rent and utilities due to the impact of the COVID 19 pandemic. Under the Paycheck Protection Program, the Administration's PPP Loan is fully forgivable if the Administration meets certain requirements and receives formal approval, as defined by the CARES act, subject to an audit by the SBA. The Administration followed the grant accounting model under ASC 958-605 and included the loan proceeds in other income in the changes in net assets with donor restrictions in the accompanying statements of activities from where it was subsequently released to net assets without donor restrictions. In December 2021, the Administration received notice of forgiveness of the balance in full.

## **Contributions**

Contributions received are recorded as with or without donor restrictions, depending on the existence and/or nature of any donor restrictions. The Administration recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met.

## **Revenue Recognition**

Revenue is recognized when, or as, control of a promised product or service transfers to a customer, in an amount that reflects the consideration to which the Administration expects to be entitled in exchange for transferring those products or services. Revenue recognition is evaluated through the following five-step process:

- 1) identification of the contract with a customer;
- 2) identification of the performance obligations in the contract
- 3) determination of the transaction price
- 4) allocation of the transaction price to the performance obligations in the contract; and
- 5) recognition of revenue when or as a performance obligation is satisfied.

The Intermountain Catholic Newspaper, issued on a weekly basis, has three different revenue streams. The major stream is the quota assessed and paid in advance by the Diocesan Parishes each month and is recognized at a point in time each month. The amount received for quotas assessed was \$389,850 and \$400,275 for the years ended June 30, 2022 and 2021, respectively. The second stream is the amount paid by parishioners for individual subscriptions and is recognized over time based on the term of the subscription. Parishioner subscriptions are paid in advance for an annual subscription. Parishioner subscriptions amounted to \$2,073 and \$2,601 for the years ended June 30, 2022 and 2021, respectively. The third stream is for advertising in the newspaper and is recognized at a point in time or over time based on the period of benefit of the advertising agreement. The amount is received in advance of the advertisement and amounted to \$70,300 and \$64,464 for the years ended June 30, 2022 and 2021, respectively.

Health Insurance Premium revenue is billed and recognized monthly over time. The parishes are invoiced monthly in advance for health insurance premiums, which amounted to \$5,989,637 and \$5,648,917 for the years ended June 30, 2022 and 2021, respectively.

The Administration invoices each parish and mission an assessment for support services provided by the Administration based on a percentage of parish incomes of the previous year. The amount is divided into 12 equal monthly amounts and invoiced by the finance office and is recognized monthly over time. The amount assessed was \$2,265,366 and \$2,415,960 for the years ended June 30, 2022 and 2021, respectively.

## **2. Buildings, Equipment and Automobiles, Net**

Buildings, equipment and automobiles, net, consisted of the following at June 30:

	<b>Estimated useful lives</b>	<b>2022</b>	<b>2021</b>
Buildings and improvements	15-30 years	\$ 15,759,778	\$ 15,759,778
Furniture and equipment	3-10 years	899,217	795,854
Automobiles	7 years	241,157	230,482
		<u>16,900,152</u>	<u>16,786,114</u>
Accumulated depreciation		<u>(14,117,204)</u>	<u>(13,656,614)</u>
		<u>2,782,948</u>	<u>\$ 3,129,500</u>

For the years ended June 30, 2022 and 2021, the Administration recognized \$498,896 and \$492,935 of depreciation expense relating to owned assets, respectively.

### 3. Fair Value Measurements

The methodologies used to determine the fair values of assets and liabilities under the “exit price” notion reflect market participant objectives and are based on the application of the fair value hierarchy that prioritizes observable market inputs over unobservable inputs. The hierarchy is based on the reliability of inputs as follows:

Level 1 – Valuation is based upon quoted prices for identical assets and liabilities in active markets. The Administration does not adjust the quotes price for Level 1 securities.

Level 2 – Valuation is based upon quoted prices for similar instruments in active market, quotes prices for identical or similar instruments in markets that are not active, and independent pricing models or other model-based valuation techniques such as the present value of future cash flows, adjusted for the security’s credit rating, prepayment assumptions, and other factors such as credit loss assumptions for which all significant assumptions are observable in the market.

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable.

The following tables summarize the levels within the fair value hierarchy in which the fair value measurements of the Administration’s investments are classified as of June 30, 2022 and 2021:

Asset	Level 1	Level 2	Total
June 30, 2022 at fair value:			
Common stocks (a)	\$ 241,072	-	241,072
Domestic corporate bonds (b)	-	3,214,238	3,214,238
Certificates of deposit (c)	-	97,370	97,370
International corporate bonds (d)	-	130,675	130,675
Government bonds (e)	-	223,831	223,831
Preferred equity securities (f)	518,900	-	518,900
Exchange traded funds (g)	2,700,142	-	2,700,142
Mutual funds (h)	13,394	-	13,394
	<b>\$ 3,473,508</b>	<b>3,666,114</b>	<b>7,139,622</b>

Asset	Level 1	Level 2	Total
June 30, 2021 at fair value:			
Common stocks (a)	\$ 355,285	-	355,285
Domestic corporate bonds (b)	-	3,508,911	3,508,911
Certificates of deposit (c)	-	111,190	111,190
International corporate bonds (d)	-	136,074	136,074
Government bonds (e)	-	221,871	221,871
Preferred equity securities (f)	403,730	-	403,730
Exchange traded funds (g)	2,809,645	-	2,809,645
	<b>\$ 3,568,660</b>	<b>3,978,046</b>	<b>7,546,706</b>

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The Administration's assets are invested in a variety of investments. Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility risks. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term and such changes could materially affect the amounts reported in the statements of financial position.

The investment categories above reflect the fair value of the investments. For each of the categories described above, the fair value of the investments has been determined by obtaining either quoted market prices of the security or quoted market prices of similar, comparable securities as follows:

- a) This category includes investments in domestic corporate stock.
- b) This category includes investments in corporate bonds obtained on domestic exchanges.
- c) This category includes bank deposits (time deposits) that earn a contractual rate of interest over a specified period of time.
- d) This category includes investments in corporate bonds obtained on foreign exchanges.
- e) This category includes bonds issued by the federal government or government agency.
- f) This category includes securities with characteristics of both stocks and bonds and may offer investors higher yields than common stock or corporate bonds.
- g) This category includes investments which derive their value from a basket of securities, such as stocks, bonds, commodities, or indices and are traded similar to individual stocks on an exchange.
- h) This category includes an actively managed pool of securities that trades on a stock exchange.

There were no transfers between Level 1 and Level 2 investments during the year.

#### **4. Line of Credit**

The Administration maintains one unsecured line of credit with a credit limit of \$1,000,000 available through December 10, 2022 with a commercial bank. No commitment fees or compensating balance arrangements are required under the terms of the credit arrangement. The interest on the unpaid outstanding principal balance accrues at a variable rate equal to the prime rate. There were no amounts drawn on the line of credit during the years ended June 30, 2022 and 2021.

## 5. Functional Classification of Expenses

The costs of operating and supporting activities have been summarized in the statements of activities. The expense analysis in the table below presents the natural classification detail of expenses by function. Diocesan health claims, utilities, and depreciation expenses are allocated based on the full-time employee (FTE) count. Other costs are classified in each functional category based on the underlying purpose of each transaction.

	Year ended June 30, 2022						
	Program activities			Supporting activities			Total expenses
	Pastoral services	Education services	Programs subtotal	Management and general	Fund-raising	Supporting subtotal	
Salaries and benefits	\$ 679,462	\$ 721,952	\$ 1,401,414	\$ 2,054,099	\$ 282,962	\$ 2,337,061	\$ 3,738,475
Health claims	84,633	118,486	203,119	5,180,923	33,853	5,214,776	5,417,895
Supplies	13,272	2,631	15,903	48,566	828	49,394	65,297
Printing	101,468	2,963	104,431	3,606	37,912	41,518	145,949
Postage	121,905	877	122,782	14,306	12,679	26,985	149,767
Telephone	3,014	4,005	7,019	24,943	-	24,943	31,962
Utilities	14,003	19,605	33,608	54,147	5,601	59,748	93,356
Dues and rental	19,585	34,585	54,170	10,922	130	11,052	65,222
Conferences	38,088	59,274	97,362	84,764	12,258	97,022	194,384
Professional fees	33,798	64,501	98,299	559,836	55,728	615,564	713,863
Public Relations	1,507	44,947	46,454	12,957	7,529	20,486	66,940
Gifts and subsidies	160,945	55,514	216,459	957,135	151,974	1,109,109	1,325,568
Tuition and room and board	-	945,821	945,821	-	-	-	945,821
Insurance	3,646	2,702	6,348	203,762	-	203,762	210,110
Repairs and maintenance	3,256	1,878	5,134	296,699	-	296,699	301,833
Miscellaneous	552	19,278	19,830	6,510	-	6,510	26,340
Depreciation	74,834	104,768	179,602	289,360	29,934	319,294	498,896
Totals	\$ 1,353,968	\$ 2,203,787	\$ 3,557,755	\$ 9,802,535	\$ 631,388	\$ 10,433,923	\$ 13,991,678

  

	Year ended June 30, 2021						
	Program activities			Supporting activities			Total expenses
	Pastoral services	Education services	Programs subtotal	Management and general	Fund-raising	Supporting subtotal	
Salaries and benefits	\$ 659,742	\$ 768,007	\$ 1,427,749	\$ 2,010,204	\$ 232,824	\$ 2,243,028	\$ 3,670,777
Health claims	58,326	83,843	142,169	4,530,310	21,872	4,552,182	4,694,351
Supplies	4,399	4,659	9,058	45,085	778	45,863	54,921
Printing	97,448	5,506	102,954	15,126	33,078	48,204	151,158
Postage	105,106	963	106,069	15,006	14,894	29,900	135,969
Telephone	4,411	4,138	8,549	32,132	152	32,284	40,833
Utilities	13,908	19,992	33,900	47,808	5,215	53,023	86,923
Dues and rental	21,969	28,743	50,712	10,747	2,123	12,870	63,582
Conferences	16,693	49,922	66,615	29,660	1,368	31,028	97,643
Professional fees	37,069	21,602	58,671	539,970	52,600	592,570	651,241
Public Relations	1,007	70,395	71,402	8,485	2,870	11,355	82,757
Gifts and subsidies	184,336	55,725	240,061	817,075	27,130	844,205	1,084,266
Tuition and room and board	-	981,796	981,796	-	-	-	981,796
Insurance	779	-	779	177,438	-	177,438	178,217
Repairs and maintenance	2,560	1,237	3,797	396,946	18,334	415,280	419,077
Miscellaneous	644	5,011	5,655	4,446	(705)	3,741	9,396
Depreciation	78,870	113,375	192,245	271,114	29,576	300,690	492,935
Totals	\$ 1,287,267	\$ 2,214,914	\$ 3,502,181	\$ 8,951,552	\$ 442,109	\$ 9,393,661	\$ 12,895,842

## 6. Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted for the following purposes as of June 30:

	<u>2022</u>	<u>2021</u>
Donor restricted funds for the following programs:		
Hispanic Lay Ecclesial Ministry	\$ 5,303	\$ 5,303
Region XIII Enhave	10,113	18,165
CRS – CBI	12,191	12,191
Seminarian Education	4,500	37,351
Campus Ministry	4,500	4,500
Catholic Schools Special Needs	152,514	68,566
Mass Stipends	23,038	5,254
	<u>\$ 212,159</u>	<u>\$ 151,330</u>

## 7. Liquidity and Availability

The Administration regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. In addition to financial assets available to meet general expenditures over the next twelve months, the Administration operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. As part of its liquidity plan, excess cash is invested in short-term investments, including money market accounts and certificates of deposit. The following assets could readily be made available within one year of the date of the statement of financial position to meet general expenditures:

	<u>2022</u>	<u>2021</u>
Financial assets:		
Cash and cash equivalents	\$ 3,807,855	\$ 4,352,321
Accounts receivable – Diocesan Development Drive	41,293	211,075
Accounts receivable – Other	480,532	173,116
Notes receivable	144,004	148,565
Interest receivable	31,266	27,605
Investments	7,139,622	7,546,706
Interest in The Catholic Foundation of Utah	8,327,467	9,087,450
	<u>\$ 19,972,039</u>	<u>\$ 21,546,838</u>
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	\$ 212,159	\$ 151,330
Interest in The Catholic Foundation of Utah	8,327,467	9,087,450
	<u>\$ 11,432,413</u>	<u>\$ 12,308,058</u>
Financial assets available to meet cash needs for general expenditures within one year		
	<u>\$ 11,432,413</u>	<u>\$ 12,308,058</u>

## 8. Pension Plan

The Administration has a defined contribution pension plan (the Plan) covering lay employees who work a minimum of 20 hours per week. Contributions are made at the discretion of the Administration based on salaries and wages paid during the reporting period. Contributions under the Plan for the years ended June 30, 2022 and 2021 were \$103,429 and \$102,295, respectively.

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## **9. Contingencies**

The Administration may be involved periodically in litigation arising in its normal course of business. After consultation with legal counsel, management estimates that these matters will be resolved without material adverse effect on the Administration's future financial position or results of operations.

### ***COVID-19***

The COVID-19 pandemic has caused business disruption through mandated and voluntary closings. While the disruption is currently expected to be temporary, there is still uncertainty due to new variants of COVID-19 that continue to emerge. The related financial impact, if any, cannot be reasonably estimated at this time.

## **10. Subsequent Events**

The Administration has evaluated subsequent events through October 26, 2022, the date the financial statements were available to be issued, and determined there were no items to disclose.



**UNAUDITED SUPPLEMENTARY INFORMATION**

**DIOCESAN PASTORAL ADMINISTRATION OF THE  
ROMAN CATHOLIC BISHOP OF SALT LAKE CITY**

Internal Designation of Net Assets

As of June 30, 2022 and 2021

(Unaudited)

Internally designated components of net assets without donor restrictions along with net assets with donor restrictions as of June 30, 2022 and 2021 are as follows (unaudited):

	<u>2022</u>	<u>2021</u>
Net assets without donor restrictions:		
Interest in CFU	8,327,467	9,087,450
Health insurance reserve	5,355,820	4,816,379
Buildings, equipment and automobiles	2,630,604	3,129,500
Diocesan Development Drive	2,426,480	4,237,292
Land	2,099,430	2,099,430
Catholic schools	550,661	781,111
Parish school support	383,375	-
Automobile replacement	315,898	266,397
Operational reserve	257,596	257,596
Catholic schools development and strategic plan	175,827	137,835
Insurance reserve	145,180	348,728
Faith Formation	125,740	138,545
Designated legal/assistance	106,901	106,901
Intermountain Catholic	90,000	33,951
Hispanic Ministry	78,958	174,483
Archives	30,000	30,000
Priests continuing formation	28,838	28,838
Communications	26,165	31,858
Pastoral plan	21,933	21,933
Diocesan trappist legacy	17,003	-
Prisoners transition	9,766	7,144
Family Life	3,346	2,159
Liturgy	937	5,578
Madeleine Award	870	770
Cathedral renovations	-	(19,339)
Priests' retirement	-	-
Diaconate training	-	16,395
Pastoral center technology	-	35,000
	<u>23,208,795</u>	<u>25,775,934</u>
Net assets with donor restrictions:		
Catholic schools special needs	152,514	68,566
Mass stipends	23,037	5,254
CRS – CBI	12,191	12,191
Region XIII Enhave	10,114	18,165
Hispanic Lay Ecclesial Ministry	5,303	5,303
Seminarian education	4,500	37,351
Campus ministry	4,500	4,500
	<u>212,159</u>	<u>151,330</u>
	<u>23,420,954</u>	<u>25,927,264</u>

**DIOCESAN PASTORAL ADMINISTRATION OF THE  
ROMAN CATHOLIC BISHOP OF SALT LAKE CITY**

**Special Collections**

**Year ended June 30, 2022**

(Unaudited)

The Administration receives proceeds from special collections at parishes and Diocesan institutions for worldwide needs of the Catholic Church and charities and forwards such funds to the proper distributing agency. The special collections held for transmittal is included in accounts payable in the accompanying statements of financial position. The following is a summary of special collections transmitted to such agencies by the Administration for the year ended June 30, 2022 and special collections held for transmittal to the proper distributing agency at June 30, 2022 (unaudited):

	<b>Special collections held for transmittal</b>	<b>Special collections transmitted</b>
Eastern Europe	\$ 76,748	\$ 1,567
Bishop's overseas relief (CRS)	59,666	36,998
Operation rice bowl	56,549	70,001
Holy land	43,195	35,253
Vicar general discretionary	40,437	-
Mission among black and native Americans	33,465	24,048
Home missions	32,619	25,476
Communications collection	19,718	24,357
Disaster relief	18,229	-
Campaign for Human Development (CHD)	9,179	24,963
Priests' retirement	9,115	20,147
Holy Father (Peter's Pence)	6,043	29,920
Bishop emergency disaster fund	4,505	-
Church in Africa	2,181	29,181
Mount Calvary Cemetery	1,410	12,616
Mission Sunday	1,244	31,167
Mexico earthquakes	1,182	-
Rice Bowl	1,044	-
Archdiocese military services	714	-
Religious retirement	443	47,974
Latin American mission	231	32,783
Hurricane relief	222	-
Mission Co-op	25	-
Catholic community services	(740)	39,610
	<u>\$ 417,424</u>	<u>486,062</u>