



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

Financial Statements and Supplementary Information

June 30, 2021 and 2020

(With Independent Auditors' Report Thereon)

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

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KPMG LLP
Suite 1500
15 W. South Temple
Salt Lake City, UT 84101

Independent Auditors' Report

The Most Reverend Oscar A. Solis:

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, 2021 and 2020, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with U.S. generally accepted accounting principles; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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, 2021 and 2020, and the results of its operations and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.



Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic 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.

KPMG LLP

Salt Lake City, Utah
October 19, 2021

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

Statements of Financial Position

June 30, 2021 and 2020

Assets	2021	2020
Cash and cash equivalents	\$ 4,352,321	2,929,508
Accounts receivable:		
Diocesan development drive	211,075	320,373
Other	173,116	101,076
Notes receivable	148,565	157,763
Interest receivable	27,605	31,540
Land	2,099,430	2,099,430
Buildings, equipment and automobiles, net	3,129,500	3,622,435
Investments	7,546,706	6,475,436
Interest in The Catholic Foundation of Utah	9,087,450	7,271,966
Other assets	761,737	660,190
Total assets	\$ 27,537,505	23,669,717
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 641,785	413,388
Accrued expenses	968,456	951,645
Deferred income	—	2,564
Total liabilities	1,610,241	1,367,597
Net assets:		
Without donor restrictions	25,775,934	22,108,010
With donor restrictions	151,330	194,110
Total net assets	25,927,264	22,302,120
Total liabilities and net assets	\$ 27,537,505	23,669,717

See accompanying notes to financial statements.

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

Statements of Activities

Years ended June 30, 2021 and 2020

	2021	2020
Changes in net assets without donor restrictions:		
Revenues and gains:		
Contributions – Diocesan development drive	\$ 2,692,036	2,019,892
Other gifts and donations	77,373	230,128
Parish assessments	2,415,960	2,503,399
Health insurance premiums	5,648,917	5,832,072
Intermountain Catholic newspaper	467,340	474,565
Interest and dividend income on investments	282,804	311,955
Net realized gains (losses) on investments	74,818	(18,101)
Net unrealized gains (losses) on investments	1,101,859	(210,599)
Gain on sale of property	—	4,650
Increase in interest in The Catholic Foundation of Utah	1,815,484	151,732
Transfers from other Catholic entities	807,934	1,106,018
Other	465,108	471,758
Total revenues and gains without donor restrictions	15,849,633	12,877,469
Net assets released from restrictions – satisfaction of program restrictions	2,431,642	1,760,951
Total revenues, gains, and other support without donor restrictions	18,281,275	14,638,420
Expenses, losses and transfers:		
Pastoral services	1,287,267	1,499,480
Education services	2,214,914	2,303,351
Management and general	8,951,552	10,160,230
Fundraising	442,109	379,384
Total expenses and losses without donor restrictions	12,895,842	14,342,445
Transfers to other Catholic entities	1,717,509	261,784
Total expenses, losses and transfers without donor restrictions	14,613,351	14,604,229
Increase in net assets without donor restrictions	3,667,924	34,191
Changes in net assets with donor restrictions:		
Contributions	1,768,734	865,600
Interest income	530	318
Grant income	114,853	257,778
Other income	504,745	549,936
Net assets released from restrictions	(2,431,642)	(1,760,951)
Decrease in net assets with donor restrictions	(42,780)	(87,319)
Increase (decrease) in net assets	3,625,144	(53,128)
Net assets at beginning of year	22,302,120	22,355,248
Net assets at end of year	\$ 25,927,264	22,302,120

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years ended June 30, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Change in net assets	\$ 3,625,144	(53,128)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	492,935	529,819
Net unrealized (gains) losses on investments	(1,101,859)	210,599
Net realized (gains) losses on investments	(74,818)	18,101
Gain on sale of property	—	(4,650)
Change in interest in The Catholic Foundation of Utah	(1,815,484)	(151,732)
Changes in operating assets and liabilities:		
Diocesan development drive receivables	109,298	32,100
Other receivables	(72,040)	(88,919)
Interest receivable	3,935	8,634
Other assets	(101,547)	14,814
Accounts payable and accrued expense	245,208	(56,592)
Deferred income	(2,564)	(86,400)
Net cash provided by operating activities	1,308,208	372,646
Cash flows from investing activities:		
Receipt of principal on notes receivable	95,378	81,280
Disbursement of principal on notes receivable	(86,180)	(80,968)
Purchase of buildings, equipment and automobiles	—	(72,481)
Proceeds from the sale of property	—	4,650
Purchase of investments	(4,438,757)	(6,095,776)
Proceeds from sale of investments	4,544,164	6,423,315
Net cash provided by investing activities	114,605	260,020
Net increase in cash and cash equivalents	1,422,813	632,666
Cash and cash equivalents at beginning of year	2,929,508	2,296,842
Cash and cash equivalents at end of year	\$ 4,352,321	2,929,508

See accompanying notes to financial statements.

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

Notes to Financial Statements

June 30, 2021 and 2020

(1) Organization and Summary of Significant Accounting Policies

(a) 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 those of religious orders and congregations of the Administration, 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.

(b) Net Assets

The financial statements report net assets and changes in net assets in two classes that are based upon the existence or absence of restrictions on use that are placed by its donors, as follows:

(i) 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.

(ii) 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 and that will be met by the passage of time or other events specified by the donor. The Administration has no donor-imposed restrictions that resources are to be maintained in perpetuity as of June 30, 2021 and 2020. Donor restricted contributions whose restrictions are not met in the same reporting period are recorded as contributions with donor restrictions then as net assets released from restrictions when restriction is met. Donor restricted funds may only be utilized in accordance with the purpose established by the source of such funds.

(c) 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 \$808,802 and \$1,249,237 at June 30, 2021 and 2020, respectively. The cash equivalents are Level 1 securities as described in the fair value hierarchy at note 3 *Fair Value Measurements*.

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Notes to Financial Statements

June 30, 2021 and 2020

(d) 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, 2021 and 2020, there was no allowance for doubtful accounts. The Administration reviews past-due balances individually for collectability.

(e) Investments

Investments in securities are measured at fair market value in the statements of financial position using quoted 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. 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.

(f) 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.

(g) 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.

(h) Buildings and Equipment

Buildings and equipment are recorded at cost less accumulated depreciation. Depreciation on buildings and equipment 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.

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Notes to Financial Statements

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(i) 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.

(j) 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).

(k) 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 \$677,256 and \$675,945 at June 30, 2021 and 2020, respectively, and is included in accrued expenses in the accompanying statements of financial position.

(l) Income Taxes

No provision for income taxes has been provided as the Administration is exempt from federal income tax under provisions under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) of the Internal Revenue Code, as indicated in a determination letter to the United States Conference of Catholic Bishops from the Internal Revenue Service (IRS) dated November 2, 2020.

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, 2021, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. The Administration is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any periods in progress.

(m) 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.

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Notes to Financial Statements

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(n) 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.

(o) Paycheck Protection Program

On April 13, 2020, the Administration entered into a 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 April 14, 2020 (the "Disbursement Date"), received a loan in the amount of \$549,936 to help sustain its employee payroll costs, rent, and utilities due to the impact of the COVID 19 pandemic. On December 2, 2020, the Administration received notification that the SBA approved the forgiveness of the loan.

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 intends to seek full forgiveness of the PPP Loan; however, there can be no assurance that the Administration will obtain forgiveness of all or part of the PPP Loan amount.

The Administration does believe there is a high probability of forgiveness of the PPP Loan, as the proceeds were used in accordance with the conditions of the CARES Act. Given this, 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. The interest rate for the PPP Loan is 1% per annum, and all required payments are deferred for six months from the Disbursement Date (interest will accrue over this six month deferral period). Due to prior forgiveness of the first PPP loan and its process, management expects the second PPP loan to be forgiven.

(p) COVID 19

During March 2020, the World Health Organization declared the rapidly growing coronavirus outbreak to be a global pandemic. The COVID 19 pandemic has significantly impacted health and economic conditions throughout the United States. The COVID 19 pandemic could have a material impact on the Administration's net assets if the restrictions remain in place for an extended period.

The extent of the impact of COVID 19 on our various ministries and net assets will depend on certain developments, including the duration and spread of the outbreak, impact on our employees, benefactors and vendors, all of which are uncertain and cannot be predicted. Given these uncertainties, we cannot reasonably estimate the related impact to our ministries and net assets, if any.

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Notes to Financial Statements

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(q) Implementation of New Accounting Pronouncement

Accounting Standards Update (ASU) No. 2014-09: *Revenue from Contracts with Customers (Topic 606)*, as amended, was adopted by the Administration on July 1, 2020. The standard's core principle is that a company will recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. This standard also includes expanded disclosure requirements that result in an entity providing the users of financial statements with comprehensive information about the nature, amount, timing, and uncertainty of revenue. Analysis of various provisions of this standard resulted in no significant changes in the way the Administration recognizes revenue and, therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The revenue streams applicable to this topic are the Intermountain Catholic Newspaper, Health Insurance Premiums and Parish Assessments.

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 point in time each month. The amount received for quotas assessed was \$400,275 for the years ended June 30, 2021 and 2020. 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 \$2,601 and \$2,057 for the years ended June 30, 2021 and 2020, 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 \$64,464 and \$72,233 for the year ended June 30, 2021 and 2020, respectively.

Health Insurance Premium (see footnote (1)(k) for plan administration) revenue is billed and recognized monthly over time. The parishes are invoiced monthly in advance and amounted to \$5,648,917 and \$5,832,072 for the year ended June 30, 2021 and 2020, respectively.

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The Administration invoices each parish and mission an assessment for support services provided by the Administration based on a percentage of ordinary income 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 \$2,415,960 and \$2,503,399 for the year ended June 30, 2021 and 2020, respectively.

(2) Buildings, Equipment and Automobiles, Net

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

	Estimated useful lives	2021	2020
Buildings and improvements	15–30 years	\$ 15,759,778	15,759,778
Furniture and equipment	3–10 years	795,854	821,914
Automobiles	7 years	230,482	230,481
		16,786,114	16,812,173
Accumulated depreciation		(13,656,614)	(13,189,738)
		\$ 3,129,500	3,622,435

For the years ended June 30, 2021 and 2020, the Administration recognized \$492,935 and \$529,810 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 quoted price for Level 1 securities.
- Level 2 – Valuation is based upon quoted prices for similar instruments in active markets, quoted 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.

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Notes to Financial Statements

June 30, 2021 and 2020

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, 2021 and 2020:

<u>Asset</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
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 (f)	—	221,871	221,871
Preferred equity securities (g)	403,730	—	403,730
Exchange traded funds (h)	2,809,645	—	2,809,645
	<u>\$ 3,568,660</u>	<u>3,978,046</u>	<u>7,546,706</u>

<u>Asset</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Total</u>
June 30, 2020 at fair value:			
Common stocks (a)	\$ 173,425	—	173,425
Domestic corporate bonds (b)	—	3,494,217	3,494,217
Certificates of deposit (c)	—	877,136	877,136
International corporate bonds (d)	—	236,162	236,162
Unit investment trusts (e)	482,498	—	482,498
Government bonds (f)	—	129,236	129,236
Preferred equity securities (g)	147,590	—	147,590
Exchange traded funds (h)	935,172	—	935,172
	<u>\$ 1,738,685</u>	<u>4,736,751</u>	<u>6,475,436</u>

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.

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- (d) This category includes investments in corporate bonds obtained on foreign exchanges.
- (e) This category includes a pooled investment vehicle of stocks, bonds, or other securities deposited into a trust.
- (f) This category includes bonds issued by the federal government or government agency.
- (g) This category includes securities with characteristics of both stocks and bonds and may offer investors higher yields than common stock or corporate bonds.
- (h) 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.

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, 2021 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 at June 30, 2021 and 2020.

(5) Functional Classification of Expenses

The costs of operating and supporting services activities have been summarized in the statements of activities. The expense analysis in the table below presents the natural classification detail of expense by function. Diocesan health claims, utilities, and depreciation expenses are allocated based on the full-time

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June 30, 2021 and 2020

employee (FTE) count. Other costs are classified in each functional category based on the underlying purpose of each transaction.

	Year ended June 30, 2021						Total expenses
	Program activities			Supporting activities			
	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

	Year ended June 30, 2020						Total expenses
	Program activities			Supporting activities			
	Pastoral services	Education services	Programs subtotal	Management and general	Fund-raising	Supporting subtotal	
Salaries and benefits	\$ 675,929	755,557	1,431,486	1,878,181	185,909	2,064,090	3,495,576
Health claims	12,810	12,099	24,909	5,787,523	3,558	5,791,081	5,815,990
Supplies	14,124	8,454	22,578	41,880	456	42,336	64,914
Printing	79,476	6,818	86,294	7,422	38,642	46,064	132,358
Postage	117,800	855	118,655	13,592	6,594	20,186	138,841
Telephone	4,885	5,373	10,258	23,106	513	23,619	33,877
Utilities	12,810	12,099	24,909	42,701	3,558	46,259	71,168
Dues and rental	15,666	23,661	39,327	10,637	1,409	12,046	51,373
Conferences	39,077	113,050	152,127	74,083	9,078	83,161	235,288
Professional fees	54,155	134,031	188,186	502,578	41,942	544,520	732,706
Public Relations	4,579	24,960	29,539	9,920	1,638	11,558	41,097
Gifts and subsidies	248,956	71,852	320,808	926,644	51,935	978,579	1,299,387
Tuition and room and board	—	1,021,074	1,021,074	—	—	—	1,021,074
Insurance	1,071	3,204	4,275	173,036	—	173,036	177,311
Repairs and maintenance	9,043	11,514	20,557	329,822	6,934	336,756	357,313
Miscellaneous	113,732	8,680	122,412	21,214	727	21,941	144,353
Depreciation	95,367	90,070	185,437	317,891	26,491	344,382	529,819
Totals	\$ 1,499,480	2,303,351	3,802,831	10,160,230	379,384	10,539,614	14,342,445

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

Notes to Financial Statements

June 30, 2021 and 2020

(6) Net Assets with Donor Restrictions

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

	2021	2020
Donor restricted funds for the following programs:		
Hispanic Lay Ecclesial Ministry	\$ 5,303	3,243
Region XIII Enhave	18,165	20,195
CRS – CBI	12,191	11,915
Mission Fund	—	62,238
Seminarian Education	37,351	45,641
Campus Ministry	4,500	2,000
Catholic Schools Special Needs	68,566	45,273
Mass Stipends	5,254	3,605
	\$ 151,330	194,110

(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:

	2021	2020
Financial assets:		
Cash and cash equivalents	\$ 4,352,321	2,929,508
Accounts receivable – Diocesan Development Drive	211,075	320,373
Accounts receivable – Other	173,116	101,076
Notes receivable	148,565	157,763
Interest receivable	27,605	31,540
Investments	7,546,706	6,475,436
Interest in The Catholic Foundation of Utah	9,087,450	7,271,966
	21,546,838	17,287,662

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

Notes to Financial Statements

June 30, 2021 and 2020

	2021	2020
Less those unavailable for general expenditures within one year, due to:		
Restricted by donor with purpose restrictions	\$ 151,330	194,110
Interest in The Catholic Foundation of Utah	9,087,450	7,271,966
Financial assets available to meet cash needs for general expenditures within one year	\$ 12,308,058	9,821,586

(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, 2021 and 2020 were \$102,295 and \$106,272, respectively.

(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.

(10) Subsequent Events

The Administration has evaluated subsequent events through October 19, 2021, 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, 2021 and 2020

(Unaudited)

Internally designated components of net assets without donor restrictions along with net assets with donor restrictions as of June 30, 2021 and 2020 are as follows (unaudited):

	<u>2021</u>	<u>2020</u>
Net assets without donor restrictions:		
Operational reserve	\$ 257,596	457,596
Cathedral renovations	(19,339)	—
Pastoral plan	21,933	21,933
Priests' retirement	—	29,865
Priests continuing formation	28,838	28,752
Diaconate training	16,395	—
Archives	30,000	30,000
Communications	31,858	30,934
Liturgy	5,578	5,928
Faith Formation	138,545	140,863
Madeleine Award	770	570
Catholic schools development and strategic plan	137,835	140,606
Catholic schools	781,111	441,761
Family Life	2,159	2,159
Intermountain Catholic	33,951	90,000
Diocesan Development Drive	4,237,292	2,345,000
Health insurance reserve	4,816,379	3,861,813
Automobile replacement	266,397	268,460
Trappist legacy	—	425,000
Hispanic Ministry	174,483	168,731
Prisoners transition	7,144	4,441
Insurance reserve	348,728	477,866
Pastoral center technology	35,000	35,000
Designated legal/assistance	106,901	106,901
Land	2,099,430	2,099,430
Buildings, equipment and automobiles	3,129,500	3,622,435
Interest in CFU	9,087,450	7,271,966
	<u>25,775,934</u>	<u>22,108,010</u>
Net assets with donor restrictions:		
Hispanic Lay Ecclesial Ministry	5,303	3,243
Region XIII Enhave	18,165	20,195
CRS – CBI	12,191	11,915
Mission fund	—	62,238
Seminarian education	37,351	45,641
Campus ministry	4,500	2,000
Catholic schools special needs	68,566	45,273
Mass stipends	5,254	3,605
	<u>151,330</u>	<u>194,110</u>
	<u>\$ 25,927,264</u>	<u>22,302,120</u>

See accompanying independent auditors' report.

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

Special Collections

Year ended June 30, 2021

(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, 2021 and special collections held for transmittal to the proper distributing agency at June 30, 2021 (unaudited):

	Special collections held for transmittal	Special collections transmitted
Bishop's overseas relief (CRS)	\$ 36,728	13,352
Holy Father (Peter's Pence)	1,569	13,552
Holy land	35,332	10,261
Mission among black and native Americans	23,110	—
Communications collection	22,026	6,633
Mission Sunday	717	21,482
Campaign for Human Development (CHD)	282	18,744
Operation rice bowl	67,594	29,989
Priests' retirement	11,559	31,193
Church in Africa	309	9,415
Mission Co-op	25	23,001
Catholic community services	1,296	21,977
Religious retirement	3,006	22,632
Vicar general discretionary	39,645	—
Latin American mission	—	20,374
Archdiocese military services	463	—
Mount Calvary Cemetery	633	5,832
Eastern Europe	—	24,081
Home missions	23,658	4,986
Mexico earthquakes	1,182	—
Bishop emergency disaster fund	4,505	—
Rice Bowl	1,044	—
	<u>\$ 274,683</u>	<u>277,504</u>

See accompanying independent auditors' report.