

CATHOLIC DIOCESE OF SALT LAKE CITY
DIOCESAN CAPITAL CORP 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 3:04 PM.

APPROVAL OF October 26, 2022 MINUTES

Doug Black made the move to approve the minutes. Father Evans seconded. Msgr. Colin asked for the vote on the motion to approve the minutes. The motion to approve minutes 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 auditors be allowed to present all three audits at the previous Diocesan Real Estate Corporation 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

“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 may be 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.”

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.*

***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 a 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.”*

Devon Romano

“Overall the engagement went really well. Team was easy to work with, files were clean and organized. “

Father Evans made motion to accept the financials as presented. Doug Black seconded. Msgr. Colin asked for the vote on the motion to accept the audited financials as presented. Motion to pass was unanimous.

D&L SUMMARY REPORT

Msgr. Colin mentioned that while this amount is invested, it is most likely down now by about a million and a half due to the current market.

Candy said that looking at the audited June 30, 2022 financial statements we are operating at a negative Net Asset which is not an ideal situation. This is purely due to the investments. Because it was not a huge deficit, we did not have issues or going concerns with the audit. Msgr. Colin added, these are due to unrealized losses.

NEXT MEETING DATE AND ADJOURNMENT

The next meeting is scheduled for Wednesday, January 25, 2023. This meeting was adjourned at 3:23 pm. Closing prayers were skipped to get to Diocesan Finance Council Meeting.

Respectfully submitted by

Sarah Niemann