

**ST. JOSEPH REAL ESTATE SERVICES
CORPORATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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**ST. JOSEPH REAL ESTATE SERVICES CORPORATION
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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Joseph Real Estate Services Corporation
Green Bay, Wisconsin

We have audited the accompanying financial statements of St. Joseph Real Estate Services Corporation (a Wisconsin corporation), which comprise the statements of financial position as of June 30, 2020 and 2019, 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 accounting principles generally accepted in the United States of America; 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.

Board of Directors
St. Joseph Real Estate Services Corporation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Joseph Real Estate Services Corporation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oshkosh, Wisconsin
September 16, 2020

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 1,015,424	\$ 590,914
Interest in Cash	147,950	117,612
Total Cash and Cash Equivalents	1,163,374	708,526
Accounts Receivable	4,842	568
Inventory and Prepaid Expenses	27,412	18,323
Investments	3,443,576	3,701,000
Real Estate Held for Sale	519,114	516,215
Property and Equipment, Net	3,849,194	3,635,110
Total Assets	\$ 9,007,512	\$ 8,579,742
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 587,460	\$ 348,506
Deferred Revenue	5,897	5,315
Refundable Advance	104,122	-
Total Liabilities	697,479	353,821
NET ASSETS		
Without Donor Restrictions	8,310,033	8,225,921
Total Liabilities and Net Assets	\$ 9,007,512	\$ 8,579,742

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
REVENUES AND SUPPORT		
Sales	\$ 202,872	\$ 226,179
Cost of Sales	<u>(162,190)</u>	<u>(165,341)</u>
Gross Margin	40,682	60,838
Insurance Program Participant Fees	2,397,825	2,330,821
Insurance Program Costs	<u>(1,729,827)</u>	<u>(1,787,851)</u>
Net Insurance Program Revenue	667,998	542,970
Rental Revenues - Interdiocesan Entities	665,805	678,612
Rental Revenues - Other	274,088	273,487
Fees for Services	10,070	9,998
Contributions	57,000	-
Other	<u>2,268</u>	<u>2,019</u>
Total Revenues and Support	1,717,911	1,567,924
EXPENSES		
Salaries and Wages	394,789	397,329
Personnel Benefits	165,971	141,064
Purchased Services	379,811	362,757
Facilities, Buildings, and Grounds	529,378	510,307
Office	45,260	48,197
Grants and Direct Assistance	150,000	150,000
Other	<u>11,166</u>	<u>8,431</u>
Total Expenses	<u>1,676,375</u>	<u>1,618,085</u>
Revenues and Support in Excess (Deficient) of Expenses	41,536	(50,161)
OTHER CHANGES IN NET ASSETS		
Investment Return	42,576	105,670
Gain on Disposal of Equipment	<u>-</u>	<u>750</u>
Total Other Changes in Net Assets	<u>42,576</u>	<u>106,420</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	84,112	56,259
Net Assets - Beginning of Year	<u>8,225,921</u>	<u>8,169,662</u>
NET ASSETS - END OF YEAR	<u>\$ 8,310,033</u>	<u>\$ 8,225,921</u>

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Contributors	\$ 57,000	\$ -
Cash Received from Customers	3,549,236	3,524,729
Cash Paid to Suppliers	(2,555,152)	(2,657,381)
Cash Paid to and on Behalf of Employees	(553,757)	(539,367)
Cash Paid for Grants and Assistance	(150,000)	(150,000)
Net Cash Flows from Operating Activities	<u>347,327</u>	<u>177,981</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(296,601)	(81,683)
Proceeds from Disposal of Equipment	-	750
Cash Paid for Purchases of Investments	-	(300,000)
Proceeds from Sales of Investments	300,000	240,000
Net Cash Flows from Investing Activities	<u>3,399</u>	<u>(140,933)</u>
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from Refundable Advance	<u>104,122</u>	<u>-</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	454,848	37,048
Cash and Cash Equivalents - Beginning of Year	<u>708,526</u>	<u>671,478</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 1,163,374</u></u>	<u><u>\$ 708,526</u></u>

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2020 AND 2019

**RECONCILIATION OF CHANGE IN NET ASSETS TO
NET CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 84,112	\$ 56,259
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	261,061	258,424
Investment Return	(42,576)	(105,670)
Gain on Disposal of Equipment	-	(750)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(4,274)	3,613
Inventory and Prepaid Expenses	(9,089)	(4,077)
Real Estate Held for Sale	(2,899)	(2,520)
Accounts Payable and Accrued Expenses	60,410	(27,298)
Deferred Revenue	582	-
Net Cash Flows from Operating Activities	<u>\$ 347,327</u>	<u>\$ 177,981</u>

NONCASH INVESTING ACTIVITY

Additions to Property and Equipment Included in Accounts Payable	<u>\$ 178,544</u>	<u>\$ 35,114</u>
Interest and Dividends Reinvested Directly Back into Investment Funds	<u>\$ 58,839</u>	<u>\$ 68,302</u>

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 PRINCIPAL ACTIVITY

St. Joseph Real Estate Services Corporation (St. Joseph Corporation) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of developing properties and providing management of the buildings, properties, and offices throughout the Catholic Diocese of Green Bay. St. Joseph Corporation also holds property for sale for investment purposes and collects property, liability, and auto insurance premiums on behalf of entities affiliated with the Catholic Diocese of Green Bay.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions

Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash and Cash Equivalents

St. Joseph Corporation defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. In addition to a pooled cash account, St. Joseph Corporation also maintains a bank deposit account, which, at times, may exceed federally insured limits. St. Joseph Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Interest in Cash

St. Joseph Corporation participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. St. Joseph Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are recorded at fair value based upon quoted market prices, when available, or estimates of fair value. Investment income or loss and unrealized gains or losses are included in the accompanying statements of activities as increases or decreases in net assets without donor restrictions unless the income or loss is restricted by donor or law.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at the estimated fair market value at date of the gift, if donated. All acquisitions of property in excess of \$5,000, and equipment in excess of \$1,000, and all expenditures for improvements and betterments that materially prolong the useful lives of assets are capitalized. Maintenance, repairs, and minor improvements are expensed as incurred. When assets are retired or otherwise disposed of, their costs and related accumulated depreciation are removed from the accounts and resulting gains or losses are included in income.

Property and equipment are depreciated using the straight-line method over their estimated useful lives.

Land Improvements	5 to 40 Years
Buildings and Improvements	5 to 40 Years
Furniture and Equipment	3 to 10 Years
Vehicles	3 to 5 Years

Impairment of Long-Lived Assets

St. Joseph Corporation reviews long-lived assets, including property and equipment and intangible assets, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset.

Real Estate Held for Sale

St. Joseph Corporation has properties available for sale as of June 30, 2020 and 2019. The properties are carried at cost unless impaired. When deemed impaired, the properties are reviewed and the property held for sale is adjusted to fair value. Fair value is determined by a comparison with other comparable properties in the area.

Property held for sale is carried on the following basis at June 30:

	2020	2019
Property at Cost	<u>\$ 519,114</u>	<u>\$ 516,215</u>

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advance

St. Joseph Corporation received proceeds from the Small Business Administration's Paycheck Protection Program during 2020. Management expects that the substantial portion of the proceeds will be treated as a contribution once certain barriers are completed. Management has determined barriers for the recognition of these funds to be maintenance of FTEs, incurrence of allowable costs as defined under the program, and submission and approval of forgiveness application to obtain full or partial forgiveness. Management expects those barriers to be met during the coming year. Because these barriers have not been met as of June 30, 2020, an advance payment of \$104,122 has been recognized in the statements of financial position as a refundable advance.

Revenue and Expense Recognition

Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

All donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

Rental revenue is recognized in the month that the rentals occur and sales are recognized when services are provided. Unearned rental revenue, which totaled \$5,897 and \$5,315 at June 30, 2020 and 2019, respectively, is reflected as deferred revenue on the statements of financial position.

Insurance program participant fees represent the gross premiums charged to participants each month. Insurance program costs represent the expense associated with the premiums paid to the insurance company and claims paid.

Gross revenue from rents, sales, and insurance program participant fees is recognized over time and totaled \$3,540,590 and \$3,509,099 during the years ended June 30, 2020 and 2019, respectively.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax-Exempt Status

St. Joseph Corporation has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

St. Joseph Corporation had no unrelated business income for the years ended June 30, 2020 and 2019.

Reclassifications

Certain amounts reported in the prior year's financial statements have been reclassified to conform to the current year's presentation. The reclassifications had no effect on the previously reported change in net assets or net assets.

Subsequent Events

In preparing these financial statements, St. Joseph Corporation has evaluated events and transactions for potential recognition or disclosure through September 16, 2020, the date the financial statements were available to be issued.

NOTE 3 ACCOUNTING STANDARDS UPDATES

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers.

In June 2018, the FASB issued ASU 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and Accounting Guidance for Contributions Received and Contributions Made*, to clarify and improve the scope and the accounting guidance for contributions received and contributions made.

St. Joseph Corporation's financial statements reflect the application of ASC 606 guidance and adoption of ASU 2018-08 beginning in 2019. No cumulative-effect adjustment in net assets was recorded because the adoption of ASUs 2014-09 and 2018-08 did not significantly impact St. Joseph Corporation's reported historical revenue.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 LIQUIDITY AND AVAILABILITY

St. Joseph Corporation regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 1,163,374	\$ 708,526
Accounts Receivable	4,842	568
Investments	<u>3,443,576</u>	<u>3,701,000</u>
	4,611,792	4,410,094
Less: Donor Restricted Net Assets	<u>-</u>	<u>-</u>
Total Financial Assets Available for General Expenditure	<u><u>\$ 4,611,792</u></u>	<u><u>\$ 4,410,094</u></u>

St. Joseph Corporation also maintains a line of credit in the amount of \$500,000, which could be drawn upon in the event of an anticipated liquidity need.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS

Investments are held by St. Francis Xavier Investment Corp. (St. Francis Xavier Corp.), an interdiocesan entity. St. Francis Xavier Corp. has grouped their investments and created a unitized fixed income fund, equity fund, and money market fund. St. Joseph Corporation owns units in the fixed income, equity, and money market funds.

The money market fund is intended to be utilized by intermediate and short-term money.

The fixed income fund is intended to be utilized by intermediate and long-term money. The target allocation of the fixed income fund is:

Intermediate Fixed Income	95 %
Cash	5
Total	100 %

The equity fund is intended to be utilized by long-term money. The participant is not allowed to invest more than 70% of their funds in the equity fund. The target allocation of the equity fund is:

Small-Cap Domestic Stocks	20 %
Mid-Cap Domestic Stocks	20
Large-Cap Domestic Stocks	40
International Stocks	17
Cash and Cash Equivalents	3
Total	100 %

As defined by current authoritative guidance, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In determining fair value, St. Joseph Corporation uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, St. Joseph Corporation attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

The tables below present the balances of assets measured at fair value on a recurring basis:

	2020			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 158,274	\$ -	\$ 158,274
St. Francis Xavier Corp. Equity Fund	-	475,498	-	475,498
St. Francis Xavier Corp. Money Market Fund	-	2,809,804	-	2,809,804
Total Investments	<u>\$ -</u>	<u>\$ 3,443,576</u>	<u>\$ -</u>	<u>\$ 3,443,576</u>

	2019			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 171,580	\$ -	\$ 171,580
St. Francis Xavier Corp. Equity Fund	-	516,029	-	516,029
St. Francis Xavier Corp. Money Market Fund	-	3,013,391	-	3,013,391
Total Investments	<u>\$ -</u>	<u>\$ 3,701,000</u>	<u>\$ -</u>	<u>\$ 3,701,000</u>

The fair value of the investment in the fixed income fund, the equity fund, and the money market fund has been estimated using the net asset value per share of the fund as determined by the fund administrator. The funds are valued on a daily basis.

Investment return in the accompanying statements of activities for the years ended June 30 consisted of the following:

	2020	2019
Interest and Dividends on Investments	\$ 58,839	\$ 68,302
Realized and Unrealized Gains (Losses) on Investments	(16,263)	37,368
Total Investment Return	<u>\$ 42,576</u>	<u>\$ 105,670</u>

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2020</u>	<u>2019</u>
Land and Improvements	\$ 1,173,715	\$ 777,388
Buildings and Improvements	8,229,303	8,177,263
Furniture and Equipment	1,069,720	1,060,895
Vehicles	<u>100,405</u>	<u>82,452</u>
Total, at Cost	10,573,143	10,097,998
Less: Accumulated Depreciation	<u>(6,723,949)</u>	<u>(6,462,888)</u>
Property and Equipment, Net	<u>\$ 3,849,194</u>	<u>\$ 3,635,110</u>

NOTE 7 INSURANCE PROGRAM

St. Joseph Corporation collects property, liability, and auto insurance participant fees on behalf of entities affiliated with the Catholic Diocese of Green Bay. St. Joseph Corporation is self-funded for the first \$25,000 and \$1,000 of costs related to a property or medical claim, respectively. Insurance program costs are expensed as incurred. The insurance expense is based on actual claims paid, premiums paid, and unpaid claims at year-end. Insurance program costs were \$1,729,827 and \$1,787,851 for the years ended June 30, 2020 and 2019, respectively. An estimated liability of \$172,141 and \$159,745 for claims outstanding is included in accounts payable and accrued expenses at June 30, 2020 and 2019, respectively. Management believes this liability is sufficient to cover claims incurred but not yet reported.

NOTE 8 LINE-OF-CREDIT

St. Joseph Corporation has a line of credit financing agreement with a bank in the amount of \$500,000 with interest payable at the monthly LIBOR rate plus 1.75% (effectively 1.91% at June 30, 2020). The line of credit is unsecured and expires December 31, 2020.

There were no amounts drawn on the line of credit and no interest expense during the years ended June 30, 2020 and 2019.

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which is allocated on a square footage basis, while the remaining natural expense categories are allocated on the basis of estimates of time and effort.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

Expenses by function for the years ended June 30 are as follows:

	2020		
	Program Services	Management and General	Total
Salaries and Wages	\$ 377,219	\$ 17,570	\$ 394,789
Personnel Benefits	161,298	4,673	165,971
Purchased Services	2,090,601	43,067	2,133,668
Maintenance	176,938	-	176,938
Depreciation	261,061	-	261,061
Other Facilities, Buildings, and Grounds	137,949	-	137,949
Office	148,016	-	148,016
Grants and Direct Assistance	150,000	-	150,000
Other	-	-	-
Total Expenses by Function	<u>3,503,082</u>	<u>65,310</u>	<u>3,568,392</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(162,190)	-	(162,190)
Insurance Program Costs	<u>(1,729,827)</u>	<u>-</u>	<u>(1,729,827)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 1,611,065</u>	<u>\$ 65,310</u>	<u>\$ 1,676,375</u>
	2019		
	Program Services	Management and General	Total
Salaries and Wages	\$ 379,763	\$ 17,566	\$ 397,329
Personnel Benefits	137,551	3,513	141,064
Purchased Services	2,128,920	43,632	2,172,552
Maintenance	139,773	-	139,773
Depreciation	258,424	-	258,424
Other Facilities, Buildings, and Grounds	159,641	-	159,641
Office	152,237	-	152,237
Grants and Direct Assistance	150,000	-	150,000
Other	257	-	257
Total Expenses by Function	<u>3,506,566</u>	<u>64,711</u>	<u>3,571,277</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(165,341)	-	(165,341)
Insurance Program Costs	<u>(1,787,851)</u>	<u>-</u>	<u>(1,787,851)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 1,553,374</u>	<u>\$ 64,711</u>	<u>\$ 1,618,085</u>

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 10 RETIREMENT PLAN

St. Joseph Corporation participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the plan is six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense for the years ended June 30, 2020 and 2019 was \$34,666 and \$35,815, respectively.

NOTE 11 LEASES

St. Joseph Corporation is the lessor under various operating lease agreements for land and buildings. The carrying value of the leased property was \$591,566 and \$559,449 at June 30, 2020 and 2019, respectively. Future commitments from lessees are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 270,000
2022	240,000
2023	206,000
2024	165,000
2025	52,000
2026	17,000
Total	<u>\$ 950,000</u>

St. Joseph Corporation leases certain office space and equipment under operating lease agreements. Total rent expense for the years ended June 30, 2020 and 2019 was approximately \$60,000 and \$51,000, respectively.

Future minimum lease payments over the next five years and thereafter are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 13,000

NOTE 12 RISKS AND UNCERTAINTIES

On March 11, 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to St. Joseph Corporation, COVID-19 may impact various parts of its 2021 operations and financial results, including sales and rental revenues. Management believes St. Joseph Corporation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events are still developing.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 13 INTERDIOCESAN TRANSACTIONS

St. Joseph Corporation was a party to various transactions with other diocesan corporations during the years ended June 30, 2020 and 2019. Total revenues and support from other diocesan corporations were \$1,032,729 and \$1,069,354 for the years ended June 30, 2020 and 2019, respectively, and mostly relates to rental, insurance, and sales revenue. Total expenses paid to other diocesan corporations were \$592,909 and \$546,521 for the years ended June 30, 2020 and 2019, respectively, and relates to administrative and support services.