

**ST. LUKE BENEFIT & INSURANCE
SERVICES CORP.**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2020 AND 2019



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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Luke Benefit & Insurance Services Corp.
Green Bay, Wisconsin

We have audited the accompanying financial statements of St. Luke Benefit & Insurance Services Corp. (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. Luke Benefit & Insurance Services Corp.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Luke Benefit & Insurance Services Corp. 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 18, 2020

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Interest in Cash	\$ 1,364,342	\$ 419,569
Property and Equipment	1,994	2,337
Accounts Receivable, Net of Allowance for Doubtful Accounts of \$10,000 and \$953, Respectively	16,915	433,993
Prepaid Expenses	813	1,820
Investments	5,945,257	7,021,610
Total Assets	\$ 7,329,321	\$ 7,879,329
LIABILITIES AND NET ASSETS		
LIABILITIES		
Medical and Dental Claims Payable	\$ 2,419,169	\$ 2,419,169
Accounts Payable and Accrued Expenses	111,180	106,013
Unemployment Compensation Claims Payable	5,100	9,861
Refundable Advance	104,600	-
Total Liabilities	2,640,049	2,535,043
NET ASSETS		
Without Donor Restrictions	4,689,272	5,344,286
Total Liabilities and Net Assets	\$ 7,329,321	\$ 7,879,329

See accompanying Notes to Financial Statements.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
REVENUES AND SUPPORT		
Participant Fees - Medical and Dental Program	\$ 15,029,217	\$ 14,522,750
Program Costs - Medical and Dental Program	(15,613,569)	(16,955,378)
Net Revenue - Medical and Dental Program	(584,352)	(2,432,628)
Program Revenue - Unemployment Compensation	50,684	144,310
Program Costs - Unemployment Compensation	(42,408)	(45,901)
Net Revenue - Unemployment Compensation	8,276	98,409
Service Revenue	100,292	94,528
Other	573,295	309,811
Total Revenues and Support	97,511	(1,929,880)
EXPENSES		
Salaries and Wages	378,727	397,969
Personnel Benefits	127,013	154,730
Purchased Services	199,803	227,546
Occupancy	27,300	27,300
Office	26,785	16,350
Grants and Direct Assistance	67,140	46,043
Total Expenses	826,768	869,938
Expenses in Excess of Revenues and Support	(729,257)	(2,799,818)
OTHER CHANGE IN NET ASSETS		
Investment Return	74,243	263,750
CHANGE IN NET ASSETS	(655,014)	(2,536,068)
Net Assets - Beginning of Year	5,344,286	7,880,354
NET ASSETS - END OF YEAR	\$ 4,689,272	\$ 5,344,286

See accompanying Notes to Financial Statements.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
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 Customers	\$ 16,170,566	\$ 14,709,903
Cash Paid to and on Behalf of Employees	(507,916)	(539,193)
Cash Paid to Suppliers	(15,905,933)	(16,431,247)
Cash Paid for Grants and Assistance	(67,140)	(46,043)
Net Cash Flows from Operating Activities	<u>(310,423)</u>	<u>(2,306,580)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	(647,900)	(4,000)
Sale of Investments	1,798,496	2,353,757
Net Cash Flows from Investing Activities	<u>1,150,596</u>	<u>2,349,757</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Refundable Advance	104,600	-
NET CHANGE IN CASH AND INTEREST IN CASH	944,773	43,177
Cash and Interest in Cash - Beginning of Year	<u>419,569</u>	<u>376,392</u>
CASH AND INTEREST IN CASH - END OF YEAR	<u><u>\$ 1,364,342</u></u>	<u><u>\$ 419,569</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (655,014)	\$ (2,536,068)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	343	343
Investment Return	(74,243)	(263,750)
Provision For Doubtful Accounts	9,047	-
Changes in Certain Assets and Liabilities:		
Accounts Receivable	408,031	(361,496)
Prepaid Expenses	1,007	(1,161)
Accounts Payable and Accrued Expenses	5,167	11,438
Medical and Dental Claims Payable	-	837,169
Unemployment Compensation Claims Payable	(4,761)	6,945
Net Cash Flows from Operating Activities	<u><u>\$ (310,423)</u></u>	<u><u>\$ (2,306,580)</u></u>
NONCASH INVESTING ACTIVITY		
Interest and Dividends Reinvested Directly Back into Investment Funds	<u><u>\$ 131,792</u></u>	<u><u>\$ 176,391</u></u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 PRINCIPAL ACTIVITY

St. Luke Benefit & Insurance Services Corp. (St. Luke Corp.) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of organizing, directing, and administering programs to provide employee benefits, insurance, and human resources services for various Catholic entities within the Catholic Diocese of Green Bay.

St. Luke Corp. offers the following benefits to these entities:

Dental Insurance

Dental insurance is offered to eligible employees as determined separately by each diocesan entity. The insurance is a self-funded plan in which the premiums are received from the entities and their employees.

Health Insurance

Medical and prescription drug insurance is offered to eligible employees as determined separately by each diocesan entity. The insurance is a self-funded plan in which the premiums are received by the self-funded health insurance administrator from the entities.

Unemployment Compensation

Unemployment compensation is offered to eligible lay employees who work at least 20 hours per week. The unemployment compensation is a self-funded plan in which premiums and dividend payments are set and reviewed by management.

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.

St. Luke Corp. had only net assets without donor restrictions as of June 30, 2020 and 2019.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Interest in Cash

St. Luke Corp. 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. Luke Corp. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The majority of St. Luke Corp.'s accounts receivable are due from private parties within the Diocese region. Accounts receivable are due within 30 days or according to separately stated terms and are stated as amounts due, net of allowance for doubtful accounts. St. Luke Corp. provides an allowance for doubtful accounts equal to the estimated uncollectible amounts. The estimate is based on historical collection experience and a review of the current status of accounts receivable.

Investments

Investments are generally 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.

Claims Payable

Unemployment compensation claims payable has been prepared based on past experience and management's estimates of future amounts due to current eligible participants. The medical claims payable is an estimate of unpaid claims as determined by the administrators for medical insurance based on claim reporting experience. The dental claims payable is a reserve for claims incurred but not reported and is determined by St. Luke Corp. based on claim reporting experience.

Refundable Advance

St. Luke Corp. 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 \$104,600 has been recognized in the statements of financial position as a refundable advance.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Fee revenue from the medical and dental and unemployment compensation programs is reflected as support when the coverage is provided. Fees for the medical and dental program are billed monthly. Unemployment compensation program fees are billed annually to the parishes based on benefit-eligible wages.

Participant fees from the medical and dental program and program revenue from unemployment compensation is recognized over time and totaled \$15,079,901 and \$14,667,060 during the years ended June 30, 2020 and 2019, respectively.

Tax-Exempt Status

St. Luke Corp. 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.

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.

Subsequent Events

In preparing these financial statements, St. Luke Benefit & Insurance Services Corp. has evaluated events and transactions for potential recognition or disclosure through September 18, 2020, the date the financial statements were available to be issued.

NOTE 3 ACCOUNTING STANDARDS UPDATE

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.

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

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 4 LIQUIDITY AND AVAILABILITY

St. Luke Corp. 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 Interest in Cash	\$ 1,364,342	\$ 419,569
Accounts Receivable	16,915	433,993
Investments	<u>5,945,257</u>	<u>7,021,610</u>
Total Financial Assets Available for General Expenditure	<u>\$ 7,326,514</u>	<u>\$ 7,875,172</u>

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. Luke Corp. owns units in the money market, fixed income, and equity funds.

Investments are carried at fair value and consisted of the following at June 30:

	<u>Fair Value</u>		<u>Redemption Frequency</u>	<u>Termination Notice Period</u>
	<u>2020</u>	<u>2019</u>		
St. Francis Xavier Corp. Fixed Income Fund	\$ 675,157	\$ 686,363	Daily	30 days
St. Francis Xavier Corp. Equity Fund	1,577,612	1,605,523	Daily	30 days
St. Francis Xavier Corp. Money Market Fund	<u>3,692,488</u>	<u>4,729,724</u>	Daily	30 days
Total	<u>\$ 5,945,257</u>	<u>\$ 7,021,610</u>		

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	<u>5</u>
Total	<u>100 %</u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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. Luke Corp. 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. Luke Corp. 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. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

The table presents the balances of assets measured at fair value on a recurring basis:

	June 30, 2020			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. Fixed Income Fund	\$ 675,157	\$ -	\$ 675,157	\$ -
St. Francis Xavier Corp. Equity Fund	1,577,612	-	1,577,612	-
St. Francis Xavier Corp. Money Market Fund	3,692,488	-	3,692,488	-
Total Investments	<u>\$ 5,945,257</u>	<u>\$ -</u>	<u>\$ 5,945,257</u>	<u>\$ -</u>
	June 30, 2019			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp. Fixed Income Fund	\$ 686,363	\$ -	\$ 686,363	\$ -
St. Francis Xavier Corp. Equity Fund	1,605,523	-	1,605,523	-
St. Francis Xavier Corp. Money Market Fund	4,729,724	-	4,729,724	-
Total Investments	<u>\$ 7,021,610</u>	<u>\$ -</u>	<u>\$ 7,021,610</u>	<u>\$ -</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	\$ 131,792	\$ 176,391
Realized and Unrealized Gains (Losses) on Investments	(57,549)	87,359
Total	<u>\$ 74,243</u>	<u>\$ 263,750</u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 UNEMPLOYMENT COMPENSATION CLAIMS PAYABLE

St. Luke Corp. accrues for unemployment compensation claims that may be payable to those currently receiving benefits. St. Luke Corp. assumes that all benefit recipients will receive the full 26 weeks of payments as allowed under the plan. The amount of the payable at June 30, 2020 and 2019 was \$5,100 and \$9,861, respectively.

NOTE 7 CLAIM PROCESSING

Dental and medical claims are processed by various third-party administrators, but the ultimate responsibility for payments to participants is retained by St. Luke Corp. Administrative fees for processing by the service organizations are included in administrative expenses.

NOTE 8 SIGNIFICANT ESTIMATES

Medical Insurance

St. Luke Corp. has a self-funded health care plan that provides medical benefits to employees and their dependents. Funds for the self-funded health care plan are held and maintained by an administrator. Health care costs are expensed as incurred. The health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and estimated unpaid claims at year-end. For the years ended June 30, 2020 and 2019, St. Luke Corp. purchased reinsurance to cover claims over \$250,000 and \$225,000, respectively, per covered participant per year with no aggregate benefit.

Health care expense for the years ended June 30, 2020 and 2019 were \$15,005,487 and \$16,349,276, respectively. An estimated liability of \$2,377,010 and \$2,378,422, respectively, for claims outstanding at June 30, 2020 and 2019 has been recorded. Management believes this liability is sufficient to cover estimated claims incurred but not yet reported. Claim payments based on actual claims ultimately could differ materially from these estimates.

Dental Insurance

St. Luke Corp. provides dental benefits to employees and their dependents on a self-funded plan. Dental care cost is expensed as incurred. The dental care expense is based upon actual claims paid, administration fees, and unpaid claims at year-end.

Dental care expense was \$608,082 and \$606,102 for the years ended June 30, 2020 and 2019, respectively. An estimated liability of \$42,159 and \$40,747, respectively, for claims outstanding at June 30, 2020 and 2019 has been recorded. Management believes this liability is sufficient to cover claims incurred but not yet reported. Claim payments based on actual claims ultimately filed could differ materially from these estimates.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
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.

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

	2020		Total
	Program Services	Management and General	
Salaries and Wages	\$ 350,261	\$ 28,466	\$ 378,727
Personnel Benefits	116,920	10,093	127,013
Purchased Services	15,797,340	58,440	15,855,780
Occupancy	27,300	-	27,300
Office	26,785	-	26,785
Grants and Direct Assistance	67,140	-	67,140
Total Expenses by Function	<u>16,385,746</u>	<u>96,999</u>	<u>16,482,745</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Program Costs - Medical and Dental Program	(15,613,569)	-	(15,613,569)
Program Costs - Unemployment Compensation	<u>(42,408)</u>	<u>-</u>	<u>(42,408)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 729,769</u>	<u>\$ 96,999</u>	<u>\$ 826,768</u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

	2019		
	Program Services	Management and General	Total
Salaries and Wages	\$ 369,331	\$ 28,638	\$ 397,969
Personnel Benefits	144,964	9,766	154,730
Purchased Services	17,170,205	58,620	17,228,825
Occupancy	27,300	-	27,300
Office	16,350	-	16,350
Grants and Direct Assistance	46,043	-	46,043
Total Expenses by Function	<u>17,774,193</u>	<u>97,024</u>	<u>17,871,217</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Program Costs - Medical and Dental Program	(16,955,378)	-	(16,955,378)
Program Costs - Unemployment Compensation	<u>(45,901)</u>	<u>-</u>	<u>(45,901)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 772,914</u>	<u>\$ 97,024</u>	<u>\$ 869,938</u>

NOTE 10 LEASES

St. Luke Corp. leases certain office space and equipment under operating lease agreements with other diocesan entities on a month-to-month basis. Total rent expense was \$27,300 for the years ended June 30, 2020 and 2019.

NOTE 11 INTERDIOCESAN TRANSACTIONS

St. Luke Corp. 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 \$1,691,367 and \$1,604,387 for the years ended June 30, 2020 and 2019, respectively, and related to earned revenue for support services provided. Total revenues from other diocesan corporations constitute a substantial portion of St. Luke Corp.'s total revenues for the years ended June 30, 2020 and 2019. Total expenses paid to other diocesan corporations were \$189,476 and \$189,609 for the years ended June 30, 2020 and 2019, respectively, and related to occupancy and administrative and support services.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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. Luke Corp., COVID-19 may impact various parts of its 2021 operations and financial results, including premium and service revenue. Management believes St. Luke Corp. 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.

NOTE 13 RETIREMENT PLAN

St. Luke Corp. 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 \$33,707 and \$35,713, respectively.