

ST. THERESE OF THE LITTLE FLOWER, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2020 AND 2019



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INDEPENDENT AUDITORS' REPORT

Board of Directors
St. Therese of the Little Flower, Inc.
Green Bay, Wisconsin

We have audited the accompanying financial statements of St. Therese of the Little Flower, Inc. (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. Therese of the Little Flower, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of St. Therese of the Little Flower, Inc. 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. THERESE OF THE LITTLE FLOWER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash and Cash Equivalents	\$ 4,341,396	\$ 2,947,289
Interest in Cash Due to Others	(3,818,263)	(2,721,945)
Total Cash and Cash Equivalents	523,133	225,344
Accounts Receivable	-	1,269
Prepaid Expenses	15,339	34,977
Investments	490,919	484,170
Software and Equipment, Net	181,224	285,766
Total Assets	\$ 1,210,615	\$ 1,031,526
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 27,044	\$ 23,934
Accrued Expenses	213,391	170,849
Refundable Advance	351,500	-
Total Liabilities	591,935	194,783
NET ASSETS		
Without Donor Restrictions	493,333	668,294
With Donor Restrictions	125,347	168,449
Total Net Assets	618,680	836,743
Total Liabilities and Net Assets	\$ 1,210,615	\$ 1,031,526

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Fees for Services	\$ 2,528,927	\$ -	\$ 2,528,927
Contributions	201,531	-	201,531
Other	2,688	-	2,688
Net Assets Released From Restriction	43,617	(43,617)	-
Total Revenues and Support	2,776,763	(43,617)	2,733,146
EXPENSES			
Salaries and Wages	1,433,250	-	1,433,250
Personnel Benefits	457,941	-	457,941
Purchased Services	622,379	-	622,379
Facilities, Buildings, and Grounds	91,008	-	91,008
Office	336,449	-	336,449
Other	16,931	-	16,931
Total Expenses	2,957,958	-	2,957,958
Expenses in Excess of Revenues and Support	(181,195)	(43,617)	(224,812)
OTHER CHANGE IN NET ASSETS			
Investment Return	6,234	515	6,749
CHANGE IN NET ASSETS	(174,961)	(43,102)	(218,063)
Net Assets - Beginning of Year	668,294	168,449	836,743
NET ASSETS - END OF YEAR	\$ 493,333	\$ 125,347	\$ 618,680

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES AND SUPPORT			
Fees for Services	\$ 2,462,252	\$ -	\$ 2,462,252
Contributions	555,000	5,000	560,000
Other	3,120	-	3,120
Total Revenues and Support	3,020,372	5,000	3,025,372
EXPENSES			
Salaries and Wages	1,383,065	-	1,383,065
Personnel Benefits	450,088	-	450,088
Purchased Services	706,752	-	706,752
Facilities, Buildings, and Grounds	88,872	-	88,872
Office	384,484	-	384,484
Other	3,547	-	3,547
Total Expenses	3,016,808	-	3,016,808
Revenues and Support in Excess of Expenses	3,564	5,000	8,564
OTHER CHANGE IN NET ASSETS			
Investment Return	5,226	1,524	6,750
CHANGE IN NET ASSETS	8,790	6,524	15,314
Net Assets - Beginning of Year	659,504	161,925	821,429
NET ASSETS - END OF YEAR	\$ 668,294	\$ 168,449	\$ 836,743

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers and Contributors	\$ 2,734,415	\$ 3,024,518
Cash Paid to and on Behalf of Employees	(1,870,830)	(1,839,153)
Cash Paid to Suppliers	(831,087)	(963,764)
Net Cash Flows from Operating Activities	32,498	221,601
CASH FLOWS FROM INVESTING ACTIVITIES		
Cash Paid for Purchases of Software and Equipment	(86,209)	(11,462)
Cash Paid for Purchase of Investments	-	(200,000)
Net Cash Flows from Investing Activities	(86,209)	(211,462)
CASH FLOWS FROM FINANCING ACTIVITY		
Proceeds from Refundable Advance	351,500	-
NET CHANGE IN CASH AND CASH EQUIVALENTS	297,789	10,139
Cash and Cash Equivalents - Beginning of Year	225,344	215,205
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 523,133	\$ 225,344
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (218,063)	\$ 15,314
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	190,751	209,376
Investment Return	(6,749)	(6,750)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	1,269	(854)
Prepaid Expenses	19,638	29,108
Accounts Payable	3,110	(3,550)
Accrued Expenses	42,542	(21,043)
Net Cash Flows from Operating Activities	\$ 32,498	\$ 221,601
NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest and Dividends Reinvested Directly Back Into Investment Funds	\$ 6,966	\$ 5,777

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 PRINCIPAL ACTIVITY

St. Therese of the Little Flower, Inc. (St. Therese) is a nonprofit corporation organized under the laws of the state of Wisconsin for the purpose of providing services such as financial, accounting, information technology, communications, and other administrative services in accordance with and in support of the mission of the Catholic Diocese of Green Bay.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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. Therese defines cash and cash equivalents as highly liquid, short-term investments with a maturity at the date of acquisition of three months or less. St. Therese is the holder of a pooled cash account with interdiocesan entities. These accounts sweep daily to St. Therese, leaving a zero balance in the other entities. The balances owed to the various entities are shown as interest in cash due to others. The total of the pooled cash account, at times, may exceed federally insured limits. St. Therese has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Prepaid Expenses

St. Therese occasionally enters into contracts for purchases related to the maintenance of software and software hosting or other items. The maintenance contracts are amortized over the life of the respective contract. As of June 30, 2020 **and 2019**, the total amount of prepaid expense was \$15,339 and \$34,977, respectively, all of which was related to maintenance contracts.

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.

Software and Equipment

Software and equipment are stated at cost, if purchased, or 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.

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

	<u>Years</u>
Software and Equipment	3 to 5
Parish and School Software Project	3

Impairment of Long-Lived Assets

St. Therese 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. To date, there have been no such losses.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Refundable Advance

St. Therese 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, 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 \$351,500 has been recognized in the statements of financial position as a refundable advance.

Revenue

Fees for services are reflected as support in the year when the services are provided. Revenue from fees for services is recognized over time and totaled \$2,528,927 and \$2,462,252 during the years ended June 30, 2020 **and 2019**, respectively.

Contribution 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 Restriction.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by St. Therese.

Tax-Exempt Status

St. Therese 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.

Subsequent Events

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

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

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. Therese'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. Therese's reported historical revenue.

NOTE 4 LIQUIDITY AND AVAILABILITY

St. Therese 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:

	2020	2019
Cash and Cash Equivalents	\$ 523,133	\$ 225,344
Accounts Receivable	-	1,269
Investments	490,919	484,170
Subtotal	<u>1,014,052</u>	<u>710,783</u>
Less: Donor Restricted Net Assets	<u>(125,347)</u>	<u>(168,449)</u>
Total Financial Assets Available for General Expenditure	<u>\$ 888,705</u>	<u>\$ 542,334</u>

ST. THERESE OF THE LITTLE FLOWER, INC.
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. Therese owns units in the fixed income, equity, and money market funds.

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

	Fair Value		Redemption Frequency	Termination Notice Period
	2020	2019		
St. Francis Xavier Corp.				
Fixed Income Fund	\$ 13,414	\$ 13,149	Daily	30 Days
Equity Fund	13,433	13,182	Daily	30 Days
Money Market Fund	464,072	457,839	Daily	30 Days
Total	<u>\$ 490,919</u>	<u>\$ 484,170</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	5
Total	<u>100%</u>

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	<u>100%</u>

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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. Therese 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. Therese 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.

The table below 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	\$ 13,414	\$ -	\$ 13,414	\$ -
Equity Fund	13,433	-	13,433	-
Money Market Fund	464,072	-	464,072	-
Total Investments	<u>\$ 490,919</u>	<u>\$ -</u>	<u>\$ 490,919</u>	<u>\$ -</u>
	June 30, 2019			
	Total	Level 1	Level 2	Level 3
St. Francis Xavier Corp.				
Fixed Income Fund	\$ 13,149	\$ -	\$ 13,149	\$ -
Equity Fund	13,182	-	13,182	-
Money Market Fund	457,839	-	457,839	-
Total Investments	<u>\$ 484,170</u>	<u>\$ -</u>	<u>\$ 484,170</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.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 5 INVESTMENTS (CONTINUED)

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

	2020	2019
Interest and Dividends on Investments	\$ 6,966	\$ 5,777
Realized and Unrealized Gains (Losses) on Investments	(217)	973
Total Investment Return	\$ 6,749	\$ 6,750

NOTE 6 SOFTWARE AND EQUIPMENT

Software and equipment consisted of the following at June 30:

	2020	2019
Software and Equipment	\$ 1,284,158	\$ 1,197,949
Parish Software Project	-	521,065
Total - at Cost	1,284,158	1,719,014
Less: Accumulated Depreciation	(1,102,934)	(1,433,248)
Net Software and Equipment	\$ 181,224	\$ 285,766

Depreciation expense of \$190,751 and \$209,376 was recorded on the accompanying statements of activities in office expense for the years ended June 30, 2020 **and 2019**, respectively.

NOTE 7 LEASES

St. Therese leases certain office space and equipment under operating lease agreements with other diocesan entities on a month-to-month basis. Total rent expense for the years ended June 30, 2020 **and 2019** was \$91,008 and \$88,872, respectively.

NOTE 8 INTERDIOCESAN TRANSACTIONS

St. Therese 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 \$2,381,239 and \$2,717,823 for the years ended June 30, 2020 **and 2019**, respectively, and mostly relates to contributions and earned revenues from support services provided. Total expenses paid to other diocesan corporations were \$328,244 and \$315,763 for the years ended June 30, 2020 **and 2019**, respectively, and relates to occupancy and administrative and support services.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 9 NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Restricted for Technology and Television Masses	\$ 125,347	\$ 168,449

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or occurrence of the passage of time or other events specified by the donors as follows for the years ended June 30:

	<u>2020</u>	<u>2019</u>
Satisfaction of Purpose Restrictions:		
Technology and Television Masses	\$ 43,617	\$ -

NOTE 10 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 facilities, buildings, and grounds, 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:

	<u>2020</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Wages	\$ 1,389,206	\$ 44,044	\$ 1,433,250
Personnel Benefits	444,617	13,324	457,941
Purchased Services	613,859	8,520	622,379
Rent	91,008	-	91,008
Office	336,449	-	336,449
Other	16,931	-	16,931
Total Expenses by Function	<u>\$ 2,892,070</u>	<u>\$ 65,888</u>	<u>\$ 2,957,958</u>

	<u>2019</u>		
	<u>Program Services</u>	<u>Management and General</u>	<u>Total</u>
Salaries and Wages	\$ 1,342,270	\$ 40,795	\$ 1,383,065
Personnel Benefits	439,377	10,711	450,088
Purchased Services	698,232	8,520	706,752
Rent	88,872	-	88,872
Office	384,484	-	384,484
Other	3,547	-	3,547
Total Expenses by Function	<u>\$ 2,956,782</u>	<u>\$ 60,026</u>	<u>\$ 3,016,808</u>

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 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. Therese, COVID-19 may impact various parts of its 2021 operations and financial results, including fees for services and contributions. Management believes St. Therese 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 12 RETIREMENT PLAN

St. Therese 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 \$121,674 and \$115,727, respectively.