

**ST. JOSEPH REAL ESTATE SERVICES
CORPORATION**

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2023 AND 2022



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**ST. JOSEPH REAL ESTATE SERVICES CORPORATION
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YEARS ENDED JUNE 30, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Joseph Real Estate Services Corporation, which comprise the statements of financial position as of June 30, 2023 and 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

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, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of St. Joseph Real Estate Services Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Joseph Real Estate Services Corporation's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 St. Joseph Real Estate Services Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about St. Joseph Real Estate Services Corporation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audits.



CliftonLarsonAllen LLP

Oshkosh, Wisconsin
October 2, 2023

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 805,574	\$ 933,926
Interest in Cash	159,771	106,982
Total Cash and Cash Equivalents	965,345	1,040,908
Inventory and Prepaid Expenses	36,745	35,850
Investments	4,645,159	4,491,998
Real Estate Held for Sale	65,383	63,389
Property and Equipment, Net	3,549,831	3,466,961
Total Assets	\$ 9,262,463	\$ 9,099,106
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 293,116	\$ 462,137
Deferred Revenue	12,062	5,627
Total Liabilities	305,178	467,764
NET ASSETS		
Without Donor Restrictions	8,957,285	8,631,342
Total Liabilities and Net Assets	\$ 9,262,463	\$ 9,099,106

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
REVENUES AND SUPPORT		
Sales	\$ 193,140	\$ 147,761
Cost of Sales	<u>(160,105)</u>	<u>(136,264)</u>
Gross Margin	33,035	11,497
Insurance Program Participant Fees	2,689,206	2,539,566
Insurance Program Costs	<u>(1,856,087)</u>	<u>(1,918,757)</u>
Net Insurance Program Revenue	833,119	620,809
Rental Revenues - Interdiocesan Entities	694,776	652,284
Rental Revenues - Other	289,259	282,770
Fees for Services	12,601	11,124
Contributions	74,381	-
Other	<u>2,081</u>	<u>3,349</u>
Total Revenues and Support	1,939,252	1,581,833
EXPENSES		
Salaries and Wages	480,904	417,470
Personnel Benefits	193,121	173,909
Purchased Services	446,818	402,268
Facilities, Buildings, and Grounds	465,606	480,812
Office	49,337	41,218
Grants and Direct Assistance	150,000	150,000
Other	<u>9,576</u>	<u>3,591</u>
Total Expenses	<u>1,795,362</u>	<u>1,669,268</u>
Revenues and Support in Excess (Deficit) of Expenses	143,890	(87,435)
OTHER CHANGES IN NET ASSETS		
Investment Return	178,161	(84,692)
Gain on Disposal of Equipment	<u>3,892</u>	<u>-</u>
Total Other Changes in Net Assets	<u>182,053</u>	<u>(84,692)</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	325,943	(172,127)
Net Assets - Beginning of Year	<u>8,631,342</u>	<u>8,803,469</u>
NET ASSETS - END OF YEAR	<u><u>\$ 8,957,285</u></u>	<u><u>\$ 8,631,342</u></u>

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 3,887,498	\$ 3,637,877
Cash Received from Contributors	74,381	-
Cash Paid to Suppliers	(2,941,133)	(2,584,127)
Cash Paid to and on Behalf of Employees	(685,028)	(592,999)
Cash Paid for Grants and Assistance	<u>(150,000)</u>	<u>(150,000)</u>
Net Cash Flows Provided by Operating Activities	185,718	310,751
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Property and Equipment	(290,173)	(29,848)
Proceeds from Disposal of Equipment	3,892	-
Cash Paid for Purchases of Investments	(1,000,000)	(1,000,000)
Proceeds from Sales of Investments	<u>1,025,000</u>	<u>1,000,000</u>
Net Cash Flows Used by Investing Activities	<u>(261,281)</u>	<u>(29,848)</u>
 NET CHANGE IN CASH AND CASH EQUIVALENTS	(75,563)	280,903
 Cash and Cash Equivalents - Beginning of Year	<u>1,040,908</u>	<u>760,005</u>
 CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 965,345</u></u>	<u><u>\$ 1,040,908</u></u>

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED JUNE 30, 2023 AND 2022

	2023	2022
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES		
Change in Net Assets	\$ 325,943	\$ (172,127)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	224,653	221,310
Investment Return	(178,161)	84,692
Gain on Disposal of Equipment	(3,892)	-
Changes in Certain Assets and Liabilities:		
Accounts Receivable	-	1,023
Inventory and Prepaid Expenses	(895)	(9,372)
Real Estate Held for Sale	(1,994)	(2,967)
Accounts Payable and Accrued Expenses	(186,371)	188,192
Deferred Revenue	6,435	-
Net Cash Flows Provided by Operating Activities	\$ 185,718	\$ 310,751
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Additions to Property and Equipment Included in Accounts Payable	\$ 17,350	\$ 63,283
Interest and Dividends Reinvested Directly Back into Investment Funds	\$ 124,144	\$ 8,779

See accompanying Notes to Financial Statements.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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 manages the property, liability, and auto insurance program on behalf of entities affiliated with the Catholic Diocese of Green Bay.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Real Estate Held for Sale

St. Joseph Corporation has one property available for sale as of June 30, 2023 and 2022. The property is carried at cost unless impaired. When deemed impaired, the property is 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:

	2023	2022
Property at Cost	\$ 65,383	\$ 63,389

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.

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.

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.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue and Expense Recognition (Continued)

Rental revenue is recognized in the month that the rentals occur, and sales are recognized when services are provided. Unearned rental revenue is reflected as deferred revenue on the statements of financial position and was as follows at June 30:

	<u>2023</u>	<u>2022</u>	<u>2021</u>
Deferred Revenue	\$ 12,062	\$ 5,627	\$ 5,627

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, claims paid, and administrative costs.

Gross revenue from rents, sales, and insurance program participant fees is recognized over time and totaled \$3,866,381 and \$3,622,381 during the years ended June 30, 2023 and 2022, 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.

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, 2023 and 2022.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2016-02, *Leases (ASC 842)*. The new standard increases transparency and comparability among organizations related to leasing activities. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases. Implementation of the new standard did not result in material changes to amounts reported in the financial statements. St. Joseph Corporation adopted the requirements of the guidance effective July 1, 2022 and has elected to apply the provisions of this standard to the beginning of the period of adoption, with certain practical expedients available. St. Joseph Corporation has elected to adopt the package of practical expedients available in the year of adoption.

St. Joseph Corporation has several long-term leases that would require the recognition of right-of use (ROU) assets and lease liabilities on the statements of financial position; however, the leases were deemed to be immaterial to the overall financial statements, so no ROU asset or lease liability has been recorded. Therefore, the standard has no impact on the statements of financial position, activities, or cash flows.

Subsequent Events

In preparing these financial statements, St. Joseph Corporation has evaluated events and transactions for potential recognition or disclosure through October 2, 2023, the date the financial statements were available to be issued.

NOTE 3 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>2023</u>	<u>2022</u>
Cash and Cash Equivalents	\$ 965,345	\$ 1,040,908
Investments	<u>4,645,159</u>	<u>4,491,998</u>
Total Financial Assets Available for General Expenditure	<u>\$ 5,610,504</u>	<u>\$ 5,532,906</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, 2023 AND 2022

NOTE 4 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 treasury money market fund. St. Joseph Corporation owns units in the fixed income, equity, and treasury money market funds.

The treasury 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, 2023 AND 2022

NOTE 4 INVESTMENTS (CONTINUED)

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

	2023			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 404,339	\$ -	\$ 404,339
St. Francis Xavier Corp. Equity Fund	-	411,778	-	411,778
St. Francis Xavier Corp. Treasury Money Market Fund	-	3,829,042	-	3,829,042
Total Investments	\$ -	\$ 4,645,159	\$ -	\$ 4,645,159
	2022			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 367,565	\$ -	\$ 367,565
St. Francis Xavier Corp. Equity Fund	-	373,835	-	373,835
St. Francis Xavier Corp. Treasury Money Market Fund	-	3,750,598	-	3,750,598
Total Investments	\$ -	\$ 4,491,998	\$ -	\$ 4,491,998

The fair value of the investment in the fixed income fund, the equity fund, and the treasury 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:

	2023	2022
Interest and Dividends on Investments	\$ 124,144	\$ 8,779
Realized and Unrealized Gains (Losses) on Investments	54,017	(93,471)
Total Investment Return	\$ 178,161	\$ (84,692)

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30:

	<u>2023</u>	<u>2022</u>
Land and Improvements	\$ 1,307,672	\$ 1,236,998
Buildings and Improvements	8,435,215	8,270,295
Furniture and Equipment	1,086,545	1,057,516
Vehicles	<u>120,398</u>	<u>100,405</u>
Total, at Cost	10,949,830	10,665,214
Less: Accumulated Depreciation	<u>(7,399,999)</u>	<u>(7,198,253)</u>
Property and Equipment, Net	<u><u>\$ 3,549,831</u></u>	<u><u>\$ 3,466,961</u></u>

NOTE 6 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 \$1,856,087 and \$1,918,757 for the years ended June 30, 2023 and 2022, respectively. An estimated liability of \$98,477 and \$211,728 for claims outstanding is included in accounts payable and accrued expenses at June 30, 2023 and 2022, respectively. Management believes this liability is sufficient to cover claims incurred but not yet reported.

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

NOTE 7 LEASES

St. Joseph Corporation is the lessor under various operating lease agreements for land and buildings. The carrying value of the leased property was \$90,378 and \$83,054 at June 30, 2023 and 2022, respectively. Future commitments from lessees are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2024	\$ 306,000
2025	308,000
2026	202,000
2027	63,000
2028	65,000
Thereafter	<u>292,000</u>
Total	<u>\$ 1,236,000</u>

St. Joseph Corporation elected to apply the provisions of FASB *Accounting Standards Codification* (ASC) 842 to the beginning of the period of adoption, through a cumulative effect adjustment, with certain practical expedients available. Lease disclosures for the year ended June 30, 2022 are made under prior lease guidance in FASB ASC 840.

During the year ended June 30, 2022, rent expense was approximately \$16,000.

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 American Interbank Offered Rate (AMERIBOR) plus 1.75% with a floor of 2.25% (effectively 6.89% at June 30, 2023). The line of credit is unsecured and expires December 31, 2024.

There were no amounts drawn on the line of credit and no interest expense during the years ended June 30, 2023 and 2022.

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, 2023 AND 2022

NOTE 9 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

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

	2023		
	Program Services	Management and General	Total
Salaries and Wages	\$ 458,947	\$ 21,957	\$ 480,904
Personnel Benefits	187,388	5,733	193,121
Purchased Services	2,280,294	54,132	2,334,426
Maintenance	93,253	-	93,253
Depreciation	224,653	-	224,653
Other Facilities, Buildings, and Grounds	193,436	-	193,436
Office	141,761	-	141,761
Grants and Direct Assistance	150,000	-	150,000
Total Expenses by Function	3,729,732	81,822	3,811,554
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(160,105)	-	(160,105)
Insurance Program Costs	(1,856,087)	-	(1,856,087)
Total Expenses Included in the Expenses Section on the Statements of Activities	\$ 1,713,540	\$ 81,822	\$ 1,795,362
	2022		
	Program Services	Management and General	Total
Salaries and Wages	\$ 397,317	\$ 20,153	\$ 417,470
Personnel Benefits	168,585	5,324	173,909
Purchased Services	2,291,619	48,132	2,339,751
Maintenance	116,859	-	116,859
Depreciation	221,310	-	221,310
Other Facilities, Buildings, and Grounds	176,540	-	176,540
Office	128,450	-	128,450
Grants and Direct Assistance	150,000	-	150,000
Total Expenses by Function	3,650,680	73,609	3,724,289
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(136,264)	-	(136,264)
Insurance Program Costs	(1,918,757)	-	(1,918,757)
Total Expenses Included in the Expenses Section on the Statements of Activities	\$ 1,595,659	\$ 73,609	\$ 1,669,268

ST. JOSEPH REAL ESTATE SERVICES CORPORATION
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2023 AND 2022

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, 2023 and 2022 was \$42,696 and \$37,833, respectively.

NOTE 11 INTERDIOCESAN TRANSACTIONS

St. Joseph Corporation was a party to various transactions with other diocesan corporations during the years ended June 30, 2023 and 2022. Total revenues and support from other diocesan corporations were \$1,001,212 and \$924,025 for the years ended June 30, 2023 and 2022, respectively, and mostly relates to rental, insurance, and sales revenue. Total expenses paid to other diocesan corporations were \$664,894 and \$614,393 for the years ended June 30, 2023 and 2022, respectively, and relates to administrative and support services.



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