

**ST. JOSEPH REAL ESTATE SERVICES  
CORPORATION**

**FINANCIAL STATEMENTS**

**YEARS ENDED JUNE 30, 2022 AND 2021**



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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, 2022 and 2021, 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, 2022 and 2021, 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  
September 16, 2022

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**JUNE 30, 2022 AND 2021**

	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 933,926	\$ 691,474
Interest in Cash	106,982	68,531
Total Cash and Cash Equivalents	1,040,908	760,005
Accounts Receivable	-	1,023
Inventory and Prepaid Expenses	35,850	26,478
Investments	4,491,998	4,576,690
Real Estate Held for Sale	63,389	60,422
Property and Equipment, Net	3,466,961	3,595,140
Total Assets	\$ 9,099,106	\$ 9,019,758
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 462,137	\$ 210,662
Deferred Revenue	5,627	5,627
Total Liabilities	467,764	216,289
<b>NET ASSETS</b>		
Without Donor Restrictions	8,631,342	8,803,469
Total Liabilities and Net Assets	\$ 9,099,106	\$ 9,019,758

See accompanying Notes to Financial Statements.

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>REVENUES AND SUPPORT</b>		
Sales	\$ 147,761	\$ 148,510
Cost of Sales	(136,264)	(121,832)
Gross Margin	11,497	26,678
Insurance Program Participant Fees	2,539,566	2,434,342
Insurance Program Costs	(1,918,757)	(1,643,994)
Net Insurance Program Revenue	620,809	790,348
Rental Revenues - Interdiocesan Entities	652,284	641,232
Rental Revenues - Other	282,770	269,996
Fees for Services	11,124	10,610
Contributions - Loan Forgiveness	-	104,122
Other	3,349	11,381
Total Revenues and Support	1,581,833	1,854,367
<b>EXPENSES</b>		
Salaries and Wages	417,470	390,468
Personnel Benefits	173,909	168,776
Purchased Services	402,268	427,201
Facilities, Buildings, and Grounds	480,812	484,005
Office	41,218	39,296
Grants and Direct Assistance	150,000	198,500
Other	3,591	6,997
Total Expenses	1,669,268	1,715,243
Revenues and Support in Excess (Deficit) of Expenses	(87,435)	139,124
<b>OTHER CHANGES IN NET ASSETS</b>		
Investment Return	(84,692)	133,114
Gain on Disposal of Equipment	-	1,342
Gain on Disposal of Real Estate Held for Sale	-	219,856
Total Other Changes in Net Assets	(84,692)	354,312
<b>CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>	(172,127)	493,436
Net Assets - Beginning of Year	8,803,469	8,310,033
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 8,631,342</u>	<u>\$ 8,803,469</u>

See accompanying Notes to Financial Statements.

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Cash Received from Customers	\$ 3,637,877	\$ 3,519,620
Cash Paid to Suppliers	(2,584,127)	(2,840,492)
Cash Paid to and on Behalf of Employees	(592,999)	(554,939)
Cash Paid for Grants and Assistance	(150,000)	(198,500)
Net Cash Flows from Operating Activities	310,751	(74,311)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Property and Equipment	(29,848)	(12,400)
Proceeds from Disposal of Equipment	-	1,342
Proceeds from Disposal of Real Estate Held for Sale	-	682,000
Cash Paid for Purchases of Investments	(1,000,000)	(1,300,000)
Proceeds from Sales of Investments	1,000,000	300,000
Net Cash Flows from Investing Activities	(29,848)	(329,058)
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	280,903	(403,369)
Cash and Cash Equivalents - Beginning of Year	760,005	1,163,374
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,040,908	\$ 760,005

See accompanying Notes to Financial Statements.

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**STATEMENTS OF CASH FLOWS (CONTINUED)**  
**YEARS ENDED JUNE 30, 2022 AND 2021**

	2022	2021
<b>RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (172,127)	\$ 493,436
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	221,310	266,454
Investment Return	84,692	(133,114)
Gain on Disposal of Equipment	-	(1,342)
Gain on Disposal of Real Estate Held for Sale	-	(219,856)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	1,023	3,819
Inventory and Prepaid Expenses	(9,372)	934
Real Estate Held for Sale	(2,967)	(3,452)
Accounts Payable and Accrued Expenses	188,192	(376,798)
Deferred Revenue	-	(270)
Refundable Advance	-	(104,122)
Net Cash Flows from Operating Activities	\$ 310,751	\$ (74,311)
<b>NONCASH INVESTING ACTIVITY</b>		
Additions to Property and Equipment Included in Accounts Payable	\$ 63,283	\$ -
Interest and Dividends Reinvested Directly Back into Investment Funds	\$ 8,779	\$ 8,567

See accompanying Notes to Financial Statements.



**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**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, 2022 AND 2021**

**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, 2022 and 2021. 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:

	<u>2022</u>	<u>2021</u>
Property at Cost	<u>\$ 63,389</u>	<u>\$ 60,422</u>

**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, 2022 AND 2021**

**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:

	2022	2021	2020
Deferred Revenue	\$ 5,627	\$ 5,627	\$ 5,897

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 \$3,622,381 and \$3,494,080 during the years ended June 30, 2022 and 2021, respectively.

**Refundable Advance**

St. Joseph Corporation received proceeds in the amount of \$104,122 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loan) during the year ended June 30, 2020. The PPP Loan may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreement and the CARES Act.

St. Joseph Corporation has classified this loan as a PPP grant for accounting purposes. St. Joseph Corporation recognized contributions of \$104,122 related to this agreement during the year ended June 30, 2021, which represented the portion of the PPP Loan funds for which the performance barriers had been met. Management believes St. Joseph Corporation has satisfied the performance barriers attributable to the PPP Loan proceeds and, on May 5, 2021, St. Joseph Corporation received formal notification from the SBA that the full amount of the PPP Loan had been forgiven.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on St. Joseph Corporation's financial position.

**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, 2022 AND 2021**

**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, 2022 and 2021.

**Subsequent Events**

In preparing these financial statements, St. Joseph Corporation has evaluated events and transactions for potential recognition or disclosure through September 16, 2022, 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>2022</u>	<u>2021</u>
Cash and Cash Equivalents	\$ 1,040,908	\$ 760,005
Accounts Receivable	-	1,023
Investments	<u>4,491,998</u>	<u>4,576,690</u>
Total Financial Assets Available for General Expenditure	<u>\$ 5,532,906</u>	<u>\$ 5,337,718</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.

**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 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.

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 4 INVESTMENTS (CONTINUED)**

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, 2022 AND 2021**

**NOTE 4 INVESTMENTS (CONTINUED)**

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

	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. Money Market Fund	-	3,750,598	-	3,750,598
Total Investments	<u>\$ -</u>	<u>\$ 4,491,998</u>	<u>\$ -</u>	<u>\$ 4,491,998</u>

  

	2021			
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 374,123	\$ -	\$ 374,123
St. Francis Xavier Corp. Equity Fund	-	382,867	-	382,867
St. Francis Xavier Corp. Money Market Fund	-	3,819,700	-	3,819,700
Total Investments	<u>\$ -</u>	<u>\$ 4,576,690</u>	<u>\$ -</u>	<u>\$ 4,576,690</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:

	2022	2021
Interest and Dividends on Investments	\$ 8,779	\$ 8,567
Realized and Unrealized Gains (Losses) on Investments	(93,471)	124,547
Total Investment Return	<u>\$ (84,692)</u>	<u>\$ 133,114</u>

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 5 PROPERTY AND EQUIPMENT**

Property and equipment consisted of the following at June 30:

	2022	2021
Land and Improvements	\$ 1,236,998	\$ 1,173,715
Buildings and Improvements	8,270,295	8,241,703
Furniture and Equipment	1,057,516	1,056,260
Vehicles	100,405	100,405
Total, at Cost	10,665,214	10,572,083
Less: Accumulated Depreciation	(7,198,253)	(6,976,943)
Property and Equipment, Net	\$ 3,466,961	\$ 3,595,140

**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 \$1,918,757 and \$1,643,994 for the years ended June 30, 2022 and 2021, respectively. An estimated liability of \$211,728 and \$42,000 for claims outstanding is included in accounts payable and accrued expenses at June 30, 2022 and 2021, respectively. Management believes this liability is sufficient to cover claims incurred but not yet reported.

**NOTE 7 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 London Interbank Offered Rate (LIBOR) plus 1.75% with a floor of 2.25% (effectively 3.33% at June 30, 2022). The line of credit is unsecured and expires December 31, 2022.

There were no amounts drawn on the line of credit and no interest expense during the years ended June 30, 2022 and 2021.

**NOTE 8 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, 2022 AND 2021**

**NOTE 8 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)**

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

	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	<u>3,650,680</u>	<u>73,609</u>	<u>3,724,289</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(136,264)	-	(136,264)
Insurance Program Costs	<u>(1,918,757)</u>	<u>-</u>	<u>(1,918,757)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 1,595,659</u>	<u>\$ 73,609</u>	<u>\$ 1,669,268</u>
	2021		
	Program Services	Management and General	Total
Salaries and Wages	\$ 372,944	\$ 17,524	\$ 390,468
Personnel Benefits	163,929	4,847	168,776
Purchased Services	2,038,670	44,976	2,083,646
Maintenance	104,152	-	104,152
Depreciation	266,454	-	266,454
Other Facilities, Buildings, and Grounds	151,763	-	151,763
Office	117,310	-	117,310
Grants and Direct Assistance	198,500	-	198,500
Total Expenses by Function	<u>3,413,722</u>	<u>67,347</u>	<u>3,481,069</u>
Less: Expenses Included with Revenues on the Statements of Activities:			
Cost of Sales	(121,832)	-	(121,832)
Insurance Program Costs	<u>(1,643,994)</u>	<u>-</u>	<u>(1,643,994)</u>
Total Expenses Included in the Expenses Section on the Statements of Activities	<u>\$ 1,647,896</u>	<u>\$ 67,347</u>	<u>\$ 1,715,243</u>



**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 9 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, 2022 and 2021 was \$37,833 and \$35,012, respectively.

**NOTE 10 LEASES**

St. Joseph Corporation is the lessor under various operating lease agreements for land and buildings. The carrying value of the leased property was \$83,054 and \$122,049 at June 30, 2022 and 2021, respectively. Future commitments from lessees are approximately as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 287,000
2024	274,000
2025	164,000
2026	82,000
2027	63,000
Thereafter	<u>357,000</u>
Total	<u><u>\$ 1,227,000</u></u>

St. Joseph Corporation leases certain office space and equipment under operating lease agreements. Total rent expense for the years ended June 30, 2022 and 2021 was approximately \$16,000 and \$17,000, 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>
2023	\$ 15,000
2024	16,000
2025	16,000
2026	16,000
2027	16,000
2028	1,000
Total	<u><u>\$ 80,000</u></u>

**ST. JOSEPH REAL ESTATE SERVICES CORPORATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2022 AND 2021**

**NOTE 11 INTERDIOCESAN TRANSACTIONS**

St. Joseph Corporation was a party to various transactions with other diocesan corporations during the years ended June 30, 2022 and 2021. Total revenues and support from other diocesan corporations were \$924,025 and \$887,051 for the years ended June 30, 2022 and 2021, respectively, and mostly relates to rental, insurance, and sales revenue. Total expenses paid to other diocesan corporations were \$614,393 and \$623,559 for the years ended June 30, 2022 and 2021, respectively, and relates to administrative and support services.