

ST. THERESE OF THE LITTLE FLOWER, INC.
FINANCIAL STATEMENTS
YEARS ENDED JUNE 30, 2022 AND 2021



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YEARS ENDED JUNE 30, 2022 AND 2021**

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Therese of the Little Flower, Inc., 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. Therese of the Little Flower, Inc. 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. Therese of the Little Flower, Inc. 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. Therese of the Little Flower, Inc.'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. Therese of the Little Flower, Inc.'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. Therese of the Little Flower, Inc.'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 23, 2022

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|-----------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 4,127,218 | \$ 4,391,714 |
| Interest in Cash Due to Others | (3,907,039) | (4,181,773) |
| Total Cash and Cash Equivalents | 220,179 | 209,941 |
| Prepaid Expenses | 6,148 | 18,055 |
| Investments | 1,088,171 | 1,088,660 |
| Software and Equipment, Net | 33,446 | 62,652 |
| Total Assets | \$ 1,347,944 | \$ 1,379,308 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable | \$ 49,791 | \$ 37,182 |
| Accrued Expenses | 275,996 | 245,235 |
| Refundable Advance | - | 351,587 |
| Total Liabilities | 325,787 | 634,004 |
| NET ASSETS | | |
| Without Donor Restrictions | 865,048 | 609,590 |
| With Donor Restrictions | 157,109 | 135,714 |
| Total Net Assets | 1,022,157 | 745,304 |
| Total Liabilities and Net Assets | \$ 1,347,944 | \$ 1,379,308 |

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------------------------|-------------------------------|----------------------------|--------------|
| REVENUES AND SUPPORT | | | |
| Fees for Services | \$ 2,524,077 | \$ - | \$ 2,524,077 |
| Contributions of Cash and Other Financial Assets | 343,429 | 73,960 | 417,389 |
| Contributions - Loan Forgiveness | 351,587 | - | 351,587 |
| Net Assets Released From Restriction | 50,719 | (50,719) | - |
| Total Revenues and Support | 3,269,812 | 23,241 | 3,293,053 |
| EXPENSES | | | |
| Salaries and Wages | 1,467,266 | - | 1,467,266 |
| Personnel Benefits | 519,189 | - | 519,189 |
| Purchased Services | 732,665 | - | 732,665 |
| Facilities, Buildings, and Grounds | 97,836 | - | 97,836 |
| Office | 189,751 | - | 189,751 |
| Other | 9,004 | - | 9,004 |
| Total Expenses | 3,015,711 | - | 3,015,711 |
| Revenues and Support in Excess of Expenses | 254,101 | 23,241 | 277,342 |
| OTHER CHANGE IN NET ASSETS | | | |
| Investment Return | 1,357 | (1,846) | (489) |
| CHANGE IN NET ASSETS | 255,458 | 21,395 | 276,853 |
| Net Assets - Beginning of Year | 609,590 | 135,714 | 745,304 |
| NET ASSETS - END OF YEAR | \$ 865,048 | \$ 157,109 | \$ 1,022,157 |

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|-----------------------------------------------------|-------------------------------|----------------------------|--------------|
| REVENUES AND SUPPORT | | | |
| Fees for Services | \$ 2,428,443 | \$ - | \$ 2,428,443 |
| Contributions of Cash and Other Financial Assets | 275,500 | 9,220 | 284,720 |
| Contributions - Loan Forgiveness | 351,500 | - | 351,500 |
| Other | 3,594 | - | 3,594 |
| Total Revenues and Support | 3,059,037 | 9,220 | 3,068,257 |
| EXPENSES | | | |
| Salaries and Wages | 1,422,828 | - | 1,422,828 |
| Personnel Benefits | 475,471 | - | 475,471 |
| Purchased Services | 645,311 | - | 645,311 |
| Facilities, Buildings, and Grounds | 91,008 | - | 91,008 |
| Office | 297,057 | - | 297,057 |
| Other | 11,199 | - | 11,199 |
| Total Expenses | 2,942,874 | - | 2,942,874 |
| Revenues and Support in Excess of Expenses | 116,163 | 9,220 | 125,383 |
| OTHER CHANGE IN NET ASSETS | | | |
| Investment Return | 94 | 1,147 | 1,241 |
| CHANGE IN NET ASSETS | 116,257 | 10,367 | 126,624 |
| Net Assets - Beginning of Year | 493,333 | 125,347 | 618,680 |
| NET ASSETS - END OF YEAR | \$ 609,590 | \$ 135,714 | \$ 745,304 |

See accompanying Notes to Financial Statements.

ST. THERESE OF THE LITTLE FLOWER, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2022 AND 2021

| | 2022 | 2021 |
|---------------------------------------------------------------------------------------------------|--------------|--------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers and Contributors | \$ 2,941,466 | \$ 3,068,344 |
| Cash Paid to and on Behalf of Employees | (1,976,406) | (1,869,109) |
| Cash Paid to Suppliers | (946,446) | (898,953) |
| Net Cash Flows Provided by Operating Activities | 18,614 | 300,282 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Cash Paid for Purchases of Software and Equipment | (8,376) | (16,974) |
| Cash Paid for Purchase of Investments | - | (600,000) |
| Proceeds from Sale of Investments | - | 3,500 |
| Net Cash Flows Used by Investing Activities | (8,376) | (613,474) |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 10,238 | (313,192) |
| Cash and Cash Equivalents - Beginning of Year | 209,941 | 523,133 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 220,179 | \$ 209,941 |
| RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS PROVIDED BY OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 276,853 | \$ 126,624 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Flows Provided by Operating Activities: | | |
| Depreciation | 37,582 | 135,546 |
| Investment Return | 489 | (1,241) |
| Changes in Certain Assets and Liabilities: | | |
| Prepaid Expenses | 11,907 | (2,716) |
| Accounts Payable | 12,609 | 10,138 |
| Accrued Expenses | 30,761 | 31,844 |
| Refundable Advance | (351,587) | 87 |
| Net Cash Flows Provided by Operating Activities | \$ 18,614 | \$ 300,282 |
| NONCASH INVESTING AND FINANCING ACTIVITIES | | |
| Interest and Dividends Reinvested Directly Back Into Investment Funds | \$ 1,545 | \$ 604 |

See accompanying Notes to Financial Statements.

**ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

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.

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.

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, 2022 and 2021, the total amount of prepaid expense was \$6,148 and \$18,055, 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.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Software and Equipment

3 to 5 Years

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.

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

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 \$2,524,077 and \$2,428,443 during the years ended June 30, 2022 and 2021, respectively.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Refundable Advance

St. Therese received proceeds in the amount of \$351,587 and \$351,500 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the PPP Loans) during the years ended June 30, 2021 and 2020, respectively. The PPP Loans may be forgiven by the U.S. Small Business Administration (SBA) subject to certain performance barriers, as outlined in the loan agreements and the CARES Act.

St. Therese classified these loans as PPP grants for accounting purposes. St. Therese recognized contributions of \$351,587 and \$351,500 related to these agreements during the years ended June 30, 2022 and 2021, respectively, which represents the portion of the PPP Loan funds for which the performance barriers had been met. Management believes St. Therese has satisfied the performance barriers attributable to the PPP Loan proceeds and, on November 9 and May 12, 2021, St. Therese received formal notification from the SBA that the full amount of the PPP Loans 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. Therese's financial position.

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 23, 2022, the date the financial statements were available to be issued.

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 3 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:

| | 2022 | 2021 |
|-------------------------------------------------------------|--------------|--------------|
| Cash and Cash Equivalents | \$ 220,179 | \$ 209,941 |
| Investments | 1,088,171 | 1,088,660 |
| Subtotal | 1,308,350 | 1,298,601 |
| Less: Donor Restricted Net Assets | (157,109) | (135,714) |
| Total Financial Assets Available for General Expenditure | \$ 1,151,241 | \$ 1,162,887 |

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. Therese owns units in the fixed income 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 |
|---------------------------|--------------|--------------|-------------------------|---------------------------------|
| | 2022 | 2021 | | |
| St. Francis Xavier Corp.: | | | | |
| Fixed Income Fund | \$ 22,648 | \$ 24,494 | Daily | 30 Days |
| Money Market Fund | 1,065,523 | 1,064,166 | Daily | 30 Days |
| Total | \$ 1,088,171 | \$ 1,088,660 | | |

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

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

| | |
|---------------------------|-------|
| Intermediate Fixed Income | 95 % |
| Cash | 5 |
| Total | 100 % |

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

NOTE 4 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, 2022 | | | |
|---------------------------|---------------|---------------------|-------------|---------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| St. Francis Xavier Corp.: | | | | |
| Fixed Income Fund | \$ - | \$ 22,648 | \$ - | \$ 22,648 |
| Money Market Fund | - | 1,065,523 | - | 1,065,523 |
| Total Investments | <u>\$ -</u> | <u>\$ 1,088,171</u> | <u>\$ -</u> | <u>\$ 1,088,171</u> |
| | | | | |
| | June 30, 2021 | | | |
| | Level 1 | Level 2 | Level 3 | Total |
| St. Francis Xavier Corp.: | | | | |
| Fixed Income Fund | \$ - | \$ 24,494 | \$ - | \$ 24,494 |
| Money Market Fund | - | 1,064,166 | - | 1,064,166 |
| Total Investments | <u>\$ -</u> | <u>\$ 1,088,660</u> | <u>\$ -</u> | <u>\$ 1,088,660</u> |

The fair value of the investment in the fixed income 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, 2022 AND 2021

NOTE 4 INVESTMENTS (CONTINUED)

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

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------------------------|-----------------|-----------------|
| Interest and Dividends on Investments | \$ 1,545 | \$ 604 |
| Realized and Unrealized Gains (Losses) on Investments | (2,034) | 637 |
| Total Investment Return | <u>\$ (489)</u> | <u>\$ 1,241</u> |

NOTE 5 SOFTWARE AND EQUIPMENT

Software and equipment consisted of the following at June 30:

| | <u>2022</u> | <u>2021</u> |
|--------------------------------|------------------|------------------|
| Software and Equipment | \$ 1,287,628 | \$ 1,279,252 |
| Less: Accumulated Depreciation | (1,254,182) | (1,216,600) |
| Net Software and Equipment | <u>\$ 33,446</u> | <u>\$ 62,652</u> |

Depreciation expense of \$37,582 and \$135,546 was recorded on the accompanying statements of activities in office expense for the years ended June 30, 2022 and 2021, respectively.

NOTE 6 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, 2022 and 2021 was \$97,836 and \$91,008, respectively.

NOTE 7 INTERDIOCESAN TRANSACTIONS

St. Therese 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 \$2,531,025 and \$2,371,583 for the years ended June 30, 2022 and 2021, respectively, and mostly relates to contributions and earned revenues from support services provided. Total expenses paid to other diocesan corporations were \$363,618 and \$342,839 for the years ended June 30, 2022 and 2021, respectively, and relates to occupancy and administrative and support services.

**ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021**

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

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

| | <u>2022</u> | <u>2021</u> |
|-------------------------------------------------|-------------|-------------|
| Subject to Expenditure for Specified Purpose: | | |
| Restricted for Technology and Television Masses | \$ 157,109 | \$ 135,714 |

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>2022</u> | <u>2021</u> |
|---------------------------------------|-------------|-------------|
| Satisfaction of Purpose Restrictions: | | |
| Technology and Television Masses | \$ 50,719 | \$ - |

ST. THERESE OF THE LITTLE FLOWER, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2022 AND 2021

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 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:

| | 2022 | | |
|----------------------------|---------------------|---------------------------|---------------------|
| | Program Services | Management and General | Total |
| Salaries and Wages | \$ 1,420,049 | \$ 47,217 | \$ 1,467,266 |
| Personnel Benefits | 505,480 | 13,709 | 519,189 |
| Purchased Services | 724,145 | 8,520 | 732,665 |
| Rent | 97,836 | - | 97,836 |
| Office | 189,751 | - | 189,751 |
| Other | 9,004 | - | 9,004 |
| Total Expenses by Function | <u>\$ 2,946,265</u> | <u>\$ 69,446</u> | <u>\$ 3,015,711</u> |
| | 2021 | | |
| | Program Services | Management and General | Total |
| Salaries and Wages | \$ 1,381,314 | \$ 41,514 | \$ 1,422,828 |
| Personnel Benefits | 461,678 | 13,793 | 475,471 |
| Purchased Services | 636,791 | 8,520 | 645,311 |
| Rent | 91,008 | - | 91,008 |
| Office | 297,057 | - | 297,057 |
| Other | 11,199 | - | 11,199 |
| Total Expenses by Function | <u>\$ 2,879,047</u> | <u>\$ 63,827</u> | <u>\$ 2,942,874</u> |

NOTE 10 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, 2022 and 2021 was \$128,757 and \$122,555, respectively.