

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

FINANCIAL STATEMENTS

YEARS ENDED JUNE 30, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
TABLE OF CONTENTS
YEARS ENDED JUNE 30, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT.....	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION.....	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	5
NOTES TO FINANCIAL STATEMENTS.....	6



INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of St. Luke Benefit & Insurance Services Corp., which comprise the statements of financial position as of June 30, 2024 and 2023, 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. Luke Benefit & Insurance Services Corp. as of June 30, 2024 and 2023, 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. Luke Benefit & Insurance Services Corp. 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. Luke Benefit & Insurance Services Corp.'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. Luke Benefit & Insurance Services Corp.'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. Luke Benefit & Insurance Services Corp.'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 21, 2024

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Interest in Cash	\$ 937,560	\$ 1,053,737
Property and Equipment	624	967
Accounts Receivable, Net of Allowance for Credit Losses of \$10,000	336,409	71,162
Prepaid Expenses	221,794	446
Investments:		
Health Plan	908,547	3,698,202
Unemployment Compensation	<u>2,841,886</u>	<u>2,786,791</u>
 Total Assets	 <u><u>\$ 5,246,820</u></u>	 <u><u>\$ 7,611,305</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Medical and Dental Claims Payable	\$ 2,900,000	\$ 2,310,000
Accounts Payable and Accrued Expenses	91,067	76,141
Unemployment Compensation Claims Payable	<u>31,265</u>	<u>7,770</u>
Total Liabilities	3,022,332	2,393,911
NET ASSETS		
Without Donor Restrictions	<u>2,224,488</u>	<u>5,217,394</u>
 Total Liabilities and Net Assets	 <u><u>\$ 5,246,820</u></u>	 <u><u>\$ 7,611,305</u></u>

See accompanying Notes to Financial Statements.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
REVENUES AND SUPPORT		
Participant Fees - Medical and Dental Program	\$ 20,338,169	\$ 18,549,972
Program Costs - Medical and Dental Program	<u>(23,005,941)</u>	<u>(17,605,246)</u>
Net Revenue - Medical and Dental Program	(2,667,772)	944,726
 Program Revenue - Worker's Compensation Program	 909,106	 818,788
Program Costs - Worker's Compensation Program	<u>(799,166)</u>	<u>(775,273)</u>
Net Revenue - Worker's Compensation Program	109,940	43,515
 Program Revenue - Unemployment Compensation	 82,662	 171,311
Program Costs - Unemployment Compensation	<u>(106,877)</u>	<u>(36,708)</u>
Net Revenue - Unemployment Compensation	(24,215)	134,603
 Service Revenue	 <u>100,008</u>	 <u>100,008</u>
Total Revenues and Support	(2,482,039)	1,222,852
 EXPENSES		
Salaries and Wages	436,243	435,684
Personnel Benefits	141,101	143,752
Purchased Services	309,041	261,991
Occupancy	31,308	28,944
Office	33,144	32,564
Grants and Direct Assistance	<u>54,827</u>	<u>52,917</u>
Total Expenses	<u>1,005,664</u>	<u>955,852</u>
 Revenues and Support in Excess (Deficit) of Expenses	 (3,487,703)	 267,000
 OTHER CHANGES IN NET ASSETS		
Interest Income	63,107	-
Investment Return	<u>431,690</u>	<u>327,519</u>
Total Other Changes in Net Assets	<u>494,797</u>	<u>327,519</u>
 CHANGE IN NET ASSETS	 (2,992,906)	 594,519
 Net Assets - Beginning of Year	 <u>5,217,394</u>	 <u>4,622,875</u>
 NET ASSETS - END OF YEAR	 <u><u>\$ 2,224,488</u></u>	 <u><u>\$ 5,217,394</u></u>

See accompanying Notes to Financial Statements.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2024 AND 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Customers	\$ 21,164,698	\$ 19,891,294
Cash Received from Interest Income	63,107	-
Cash Paid to and on Behalf of Employees	(535,733)	(620,387)
Cash Paid to Suppliers	(23,919,672)	(18,754,875)
Cash Paid for Grants and Assistance	(54,827)	(52,917)
Net Cash Flows from Operating Activities	<u>(3,282,427)</u>	<u>463,115</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Sale of Investments	<u>3,166,250</u>	<u>-</u>
NET CHANGE IN CASH AND INTEREST IN CASH	(116,177)	463,115
Cash and Interest in Cash - Beginning of Year	<u>1,053,737</u>	<u>590,622</u>
CASH AND INTEREST IN CASH - END OF YEAR	<u><u>\$ 937,560</u></u>	<u><u>\$ 1,053,737</u></u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (2,992,906)	\$ 594,519
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities:		
Depreciation	343	343
Investment Return	(431,690)	(327,519)
Changes in Certain Assets and Liabilities:		
Accounts Receivable	(265,247)	251,215
Prepaid Expenses	(221,348)	(446)
Accounts Payable and Accrued Expenses	14,926	(23,037)
Medical and Dental Claims Payable	590,000	(15,000)
Unemployment Compensation Claims Payable	23,495	(16,960)
Net Cash Flows from Operating Activities	<u><u>\$ (3,282,427)</u></u>	<u><u>\$ 463,115</u></u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES		
Interest and Dividends Reinvested Directly Back into Investment Funds	<u><u>\$ 193,589</u></u>	<u><u>\$ 140,299</u></u>

See accompanying Notes to Financial Statements.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 1 PRINCIPAL ACTIVITY

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

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

Dental Insurance

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

Health Insurance

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

Worker's Compensation

Worker's compensation coverage is provided to all employees of each diocesan entity. The insurance is a fully insured plan in which the premiums are received from the entities.

Unemployment Compensation

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

**ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operation and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

St. Luke Corp. had only net assets without donor restrictions as of June 30, 2024 and 2023.

Interest in Cash

St. Luke Corp. participates in a pooled cash account with an interdiocesan entity. This account sweeps daily to a zero balance. The total of the pooled cash account, at times, may exceed federally insured limits. St. Luke Corp. has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

Accounts Receivable

The majority of St. Luke Corp.'s accounts receivable are due from private parties within the Diocese region. Accounts receivable are due within 30 days or according to separately stated terms and are stated as amounts due, net of allowance for credit losses. St. Luke Corp. determines an allowance for credit losses by identifying troubled accounts and by using historical experience applied to an aging of accounts that is adjusted for reasonable expectations of future collection performance, net of estimated recoveries. St. Luke Corp. periodically assesses its methodologies for estimating credit losses in consideration of actual experience, trends, and changes in the overall economic environment.

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. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Claims Payable

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

Revenue Recognition

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

Participant fees from the medical and dental program and program revenue from worker's and unemployment compensation is recognized over time and totaled \$21,329,937 and \$19,540,071 during the years ended June 30, 2024 and 2023, respectively.

The timing of revenue recognition, billings, and cash collections results in receivables. Accounts receivable for provider refunds and stop loss reimbursements were as follows at June 30:

	2024	2023	2022
Accounts Receivable, Net	\$ 336,409	\$ 71,162	\$ 322,377

Tax-Exempt Status

St. Luke Corp. has received notification that it qualifies as a tax-exempt organization under Section 501(c)(3) covered by the U.S. Internal Revenue Service group exemption letter of the United States Conference of Catholic Bishops and corresponding provisions of state law and, accordingly, is not subject to federal or state income taxes.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Standards Update

On July 1, 2023, St. Luke Corp. adopted FASB ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): Measurement of Credit Losses on Financial Instruments, as amended, which modifies the measurement of expected credit losses. St. Luke Corp. adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on St. Luke Corp.'s financial statements but did result in changes to St. Luke Corp.'s accounting policies, including the recognition of credit losses based on expected future credit losses rather than incurred credit losses. St. Luke Corp. also updated its accounting policies for determining the recoverability of accounts receivable.

St. Luke Corp. extends credit to customers in the normal course of business. St. Luke Corp. uses a combination of historical loss experience, current economic conditions, and forward-looking information to estimate credit losses for financial assets. St. Luke Corp. considers various factors such as borrower creditworthiness and probability of default to estimate credit losses. Management has concluded that credit losses on balances outstanding at year end will be immaterial.

Reclassifications

Certain prior year amounts have been reclassified to conform to the current year's presentation. The reclassifications had no impact on previously reported changes in net assets.

Subsequent Events

In preparing these financial statements, St. Luke Corp. has evaluated events and transactions for potential recognition or disclosure through October 21, 2024, the date the financial statements were available to be issued.

NOTE 3 LIQUIDITY AND AVAILABILITY

St. Luke Corp. regularly monitors liquidity required to meet its operating needs, liabilities, and other obligations as they become due. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following at June 30:

	<u>2024</u>	<u>2023</u>
Cash and Interest in Cash	\$ 937,560	\$ 1,053,737
Accounts Receivable	336,409	71,162
Investments:		
Health Plan	908,547	3,698,202
Unemployment Compensation	<u>2,841,886</u>	<u>2,786,791</u>
Total Financial Assets Available for General Expenditure	<u><u>\$ 5,024,402</u></u>	<u><u>\$ 7,609,892</u></u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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

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

	Fair Value		Redemption Frequency	Termination Notice Period
	2024	2023		
St. Francis Xavier Corp. Fixed Income Fund	\$ 1,353,038	\$ 1,315,946	Daily	30 days
St. Francis Xavier Corp. Equity Fund	1,351,218	1,340,155	Daily	30 days
St. Francis Xavier Corp. Treasury Money Market Fund	1,046,177	3,828,892	Daily	30 days
Total	<u>\$ 3,750,433</u>	<u>\$ 6,484,993</u>		

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	<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. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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. Luke Corp. uses various valuation methods including the market, income, and cost approaches. The assumptions used in the application of these valuation methods are developed from the perspective of market participants pricing the asset or liability. Inputs used in the valuation methods can be either readily observable, market corroborated, or generally unobservable inputs. Whenever possible, St. Luke Corp. attempts to utilize valuation methods that maximize the use of observable inputs and minimize the use of unobservable inputs.

The fair value hierarchy ranks the quality and reliability of the information used to determine the fair values. Assets and liabilities measured, reported, and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 – Quoted market prices in active markets for identical assets or liabilities.

Level 2 – Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 – Unobservable inputs that are not corroborated by market data.

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

June 30, 2024				
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 1,353,038	\$ -	\$ 1,353,038
St. Francis Xavier Corp. Equity Fund	-	1,351,218	-	1,351,218
St. Francis Xavier Corp. Treasury Money Market Fund	-	1,046,177	-	1,046,177
Total Investments	<u>\$ -</u>	<u>\$ 3,750,433</u>	<u>\$ -</u>	<u>\$ 3,750,433</u>
June 30, 2023				
	Level 1	Level 2	Level 3	Total
St. Francis Xavier Corp. Fixed Income Fund	\$ -	\$ 1,315,946	\$ -	\$ 1,315,946
St. Francis Xavier Corp. Equity Fund	-	1,340,155	-	1,340,155
St. Francis Xavier Corp. Treasury Money Market Fund	-	3,828,892	-	3,828,892
Total Investments	<u>\$ -</u>	<u>\$ 6,484,993</u>	<u>\$ -</u>	<u>\$ 6,484,993</u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 4 INVESTMENTS (CONTINUED)

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:

	2024	2023
Interest and Dividends	\$ 193,589	\$ 140,299
Realized and Unrealized Gains on Investments	238,101	187,220
Total	<u>\$ 431,690</u>	<u>\$ 327,519</u>

NOTE 5 UNEMPLOYMENT COMPENSATION CLAIMS PAYABLE

St. Luke Corp. accrues for unemployment compensation claims that may be payable to those currently receiving benefits. St. Luke Corp. assumes that all benefit recipients will receive the full 26 weeks of payments as allowed under the plan. The amount of the payable at June 30, 2024 and 2023 was \$31,265 and \$7,770, respectively.

NOTE 6 CLAIM PROCESSING

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

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 7 SIGNIFICANT ESTIMATES

Medical Insurance

St. Luke Corp. has a self-funded health care plan that provides medical benefits to employees and their dependents. Funds for the self-funded health care plan are held and maintained by an administrator. Health care costs are expensed as incurred. The health care expense is based upon actual claims paid, reinsurance premiums, administration fees, and estimated unpaid claims at year-end. For the years ended June 30, 2024 and 2023, St. Luke Corp. purchased reinsurance to cover claims over \$300,000 per covered participant per year with no aggregate benefit.

Health care expense for the years ended June 30, 2024 and 2023 were \$22,269,738 and \$16,947,980, respectively. An estimated liability of \$2,856,593 and \$2,275,971, respectively, for claims outstanding at June 30, 2024 and 2023 has been recorded. Management believes this liability is sufficient to cover estimated claims incurred but not yet reported. Claim payments based on actual claims ultimately could differ materially from these estimates.

Dental Insurance

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

Dental care expense was \$736,203 and \$657,266 for the years ended June 30, 2024 and 2023, respectively. An estimated liability of \$43,407 and \$34,029, respectively, for claims outstanding at June 30, 2024 and 2023 has been recorded. Management believes this liability is sufficient to cover claims incurred but not yet reported. Claim payments based on actual claims ultimately filed could differ materially from these estimates.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

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.

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

	2024		
	Program Services	Management and General	Total
Salaries and Wages	\$ 404,981	\$ 31,262	\$ 436,243
Personnel Benefits	135,528	5,573	141,101
Purchased Services	24,151,917	69,108	24,221,025
Occupancy	31,308	-	31,308
Office	33,144	-	33,144
Grants and Direct Assistance	54,827	-	54,827
Total Expenses by Function	24,811,705	105,943	24,917,648
Less: Expenses Included with Revenues on the Statement of Activities:			
Program Costs - Medical and Dental Program	(23,005,941)	-	(23,005,941)
Program Costs - Worker's Compensation Program	(799,166)	-	(799,166)
Program Costs - Unemployment Compensation	(106,877)	-	(106,877)
Total Expenses Included in the Expenses Section on the Statement of Activities	<u>\$ 899,721</u>	<u>\$ 105,943</u>	<u>\$ 1,005,664</u>

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 8 FUNCTIONAL CLASSIFICATION OF EXPENSES (CONTINUED)

	2023		
	Program Services	Management and General	Total
Salaries and Wages	\$ 404,920	\$ 30,764	\$ 435,684
Personnel Benefits	138,263	5,489	143,752
Purchased Services	18,611,909	67,309	18,679,218
Occupancy	28,944	-	28,944
Office	32,564	-	32,564
Grants and Direct Assistance	52,917	-	52,917
Total Expenses by Function	19,269,517	103,562	19,373,079
Less: Expenses Included with Revenues on the Statement of Activities:			
Program Costs - Medical and Dental Program	(17,605,246)	-	(17,605,246)
Program Costs - Worker's Compensation Program	(775,273)	-	(775,273)
Program Costs - Unemployment Compensation	(36,708)	-	(36,708)
Total Expenses Included in the Expenses Section on the Statement of Activities	<u>\$ 852,290</u>	<u>\$ 103,562</u>	<u>\$ 955,852</u>

NOTE 9 LEASES

St. Luke Corp. leases certain office space and equipment under operating lease agreements with other diocesan entities on a month-to-month basis. Total rent expense was \$31,308 and \$28,944 for the years ended June 30, 2024 and 2023, respectively.

NOTE 10 INTERDIOCESAN TRANSACTIONS

St. Luke Corp. was a party to various transactions with other diocesan corporations during the years ended June 30, 2024 and 2023. Total revenues and support from other diocesan corporations were \$2,080,843 and \$1,997,861 for the years ended June 30, 2024 and 2023, respectively, and related to earned revenue for support services provided. Total revenues from other diocesan corporations constitute a substantial portion of St. Luke Corp.'s total revenues for the years ended June 30, 2024 and 2023. Total expenses paid to other diocesan corporations were \$218,557 and \$201,951 for the years ended June 30, 2024 and 2023, respectively, and related to occupancy and administrative and support services.

ST. LUKE BENEFIT & INSURANCE SERVICES CORP.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

NOTE 11 RETIREMENT PLAN

St. Luke Corp. participates in the Catholic Diocese of Green Bay Employees' Retirement Plan. The defined contribution retirement plan covers most lay employees. The vesting period of the plan is six months. Contributions are 9% of an employee's wages and are made each pay period. Retirement plan expense for the years ended June 30, 2024 and 2023 was \$37,934 and \$39,098, respectively.