

LUTHER PARK, INC.  
DANBURY, WISCONSIN

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020 AND 2019

(Compiled)

To the Board of Directors of  
Luther Park, Inc.  
Danbury, Wisconsin

Management is responsible for the accompanying financial statements of Luther Park, Inc. (a non-profit organization), which comprise the statements of financial position as of December 31, 2020 and December 31, 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements in accordance with accounting principles generally accepted in the United States of America. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not audit or review the financial statements nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on these financial statements.

### **Supplementary Information**

The supplementary information contained in Supplemental Schedules 1 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management. The supplementary information was subject to our compilation engagement. We have not audited or reviewed the supplementary information and do not express an opinion, a conclusion, nor provide any assurance on such information.

*Anderson, Hagen & Moe SC*

March 13, 2021

Spoooner, WI

LUTHER PARK, INC.  
DANBURY, WISCONSIN

STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2020 AND 2019

	2020	2019
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 94,800	\$ 9,255
Inventory	12,248	15,146
Marketable securities	130	175
Prepaid expense	8,985	12,779
Payroll tax credit receivable	2,213	-
Cash surrender value life ins, net of policy loan	10,079	8,572
Property, equipment and improvements, net	1,562,482	1,652,356
Total assets	\$ 1,690,937	\$ 1,698,283
<b>LIABILITIES:</b>		
Accounts payable	\$ 1,702	\$ 4,512
Credit card payable	593	605
Payroll liabilities payable	78	441
Unearned deposits	9,218	7,593
Sales tax payable	234	178
Accrued real estate taxes	6,253	6,118
Accrued paid leave time	15,089	13,908
Accrued interest	550	569
Notes payable	207,980	213,328
Total liabilities	\$ 241,697	\$ 247,252
<b>NET ASSETS:</b>		
Without donor restrictions		
Designated by the board	\$ 15,840	\$ 15,840
Undesignated	1,416,010	1,429,902
With donor restrictions	17,390	5,289
Total net assets	\$ 1,449,240	\$ 1,451,031
Total liabilities and net assets	\$ 1,690,937	\$ 1,698,283

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
<b>CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS</b>		
Revenue and Other Support-		
Annual fund	\$ 296,069	\$ 222,333
Program revenue	44,919	135,855
Other income	6,110	6,226
Gain upon debt extinguishment	38,200	-
	<u>385,298</u>	<u>364,414</u>
Total revenues and gains without donor restrictions	\$ 385,298	\$ 364,414
Net assets released from restrictions	\$ 25,099	\$ 35,164
Total revenues, gains and other support without donor restrictions	\$ 410,397	\$ 399,578
<b>Expenses:</b>		
Camp programs	\$ 152,294	\$ 213,715
Camp operations	180,032	149,841
Management and general	91,963	84,444
	<u>424,289</u>	<u>448,000</u>
Total expenses	\$ 424,289	\$ 448,000
(Decrease) increase in net assets without donor restrictions	\$ (13,892)	\$ (48,422)
<b>CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS</b>		
Contributions	\$ 37,200	\$ 39,498
Net assets released from restrictions	(25,099)	(35,164)
	<u>12,101</u>	<u>4,334</u>
Increase (decrease) in net assets with donor restrictions	\$ 12,101	\$ 4,334
(Decrease) increase in net assets	\$ (1,791)	\$ (44,088)
Net Assets at Beginning of Year	\$ 1,451,031	\$ 1,495,119
Net Assets at End of Year	<u>\$ 1,449,240</u>	<u>\$ 1,451,031</u>

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Camp programs	Camp operations	Management and general	Total	Camp programs	Camp operations	Management and general	Total
Other operating expenses								
Food and dairy	\$ 10,110	\$ -	\$ -	\$ 10,110	\$ 24,278	\$ -	\$ -	\$ 24,278
Recreational equipment	16	-	-	16	-	-	-	-
Health care supplies	133	-	-	133	86	-	-	86
Materials and resources	4,581	-	-	4,581	451	-	-	451
Sales tax	234	-	-	234	178	-	-	178
Day camp-program expense	-	-	-	-	397	-	-	397
Summer staff recruitment	186	-	-	186	161	-	-	161
Summer staff training	366	-	-	366	13	-	-	13
Canteen expenses	1,704	-	-	1,704	4,811	-	-	4,811
Craft supplies	-	-	-	-	-	-	-	-
Transportation	-	-	-	-	-	-	-	-
Electricity	-	9,608	-	9,608	-	9,645	-	9,645
Fuel	-	14,553	-	14,553	-	16,648	-	16,648
Building and grounds maintenance	-	16,462	-	16,462	-	8,782	-	8,782
Cleaning supplies	-	359	-	359	-	1,387	-	1,387
Dumping fees	-	726	-	726	-	2,864	-	2,864
Real estate taxes	-	6,253	-	6,253	-	6,118	-	6,118
Depreciation	-	95,820	-	95,820	-	71,892	-	71,892
Telephone	-	2,016	-	2,016	-	2,069	-	2,069
Kitchen supplies	-	2,965	-	2,965	-	3,129	-	3,129
Credit card fees	1,254	-	-	1,254	1,280	-	-	1,280
Commercial insurance	-	13,198	-	13,198	-	13,976	-	13,976
Office supplies	-	9,495	-	9,495	-	8,579	-	8,579
Dues	-	1,637	-	1,637	-	2,116	-	2,116
Professional fees	-	2,054	8,210	10,264	-	2,636	9,440	12,076
Auto expenses	5,597	-	-	5,597	13,739	-	-	13,739
Continuing education	-	-	-	-	-	-	-	-
Conferences	-	-	-	-	-	-	50	50
Miscellaneous Expense	-	-	-	-	-	-	80	80
Interest	-	-	10,208	10,208	-	-	3,600	3,600
Amortization	-	-	-	-	-	-	7	7
Penalties	-	-	-	-	-	-	-	-
Unrealized loss on investments	-	-	53	53	-	-	-	-
Loss on disposal of fixed assets	-	4,886	-	4,886	-	-	-	-
Change in cash value of life insurance	-	-	-	-	-	-	-	-
Promotional expenses and materials	5,710	-	-	5,710	6,818	-	-	6,818
Postage	2,664	-	-	2,664	3,585	-	-	3,585
Printing	-	-	-	-	608	-	-	608
Development	3,381	-	-	3,381	3,452	-	-	3,452
<b>Total other operating expenses</b>	<b>\$ 35,936</b>	<b>\$ 180,032</b>	<b>\$ 18,471</b>	<b>\$ 234,439</b>	<b>\$ 59,857</b>	<b>\$ 149,841</b>	<b>\$ 13,177</b>	<b>\$ 222,875</b>

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

STATEMENTS OF FUNCTIONAL EXPENSES  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020				2019			
	Program Services		Supporting	Total	Program Services		Supporting	Total
	Camp programs	Camp operations	Services Management and general		Camp programs	Camp operations	Services Management and general	
Salaries and related expenses								
Staff salaries	\$ 82,234	\$ -	\$ 53,451	\$ 135,685	\$ 102,884	\$ -	\$ 51,894	\$ 154,778
International camp staff	825	-	-	825	1,276	-	-	1,276
Payroll taxes	6,150	-	4,089	10,239	7,374	-	3,980	11,354
Worker's compensation insurance	7,048	-	-	7,048	9,910	-	-	9,910
Health insurance	16,920	-	12,745	29,665	27,190	-	12,279	39,469
Pension benefits	2,808	-	3,207	6,015	3,722	-	3,114	6,836
Staff support	373	-	-	373	1,502	-	-	1,502
Total salaries and related expenses	\$ 116,358	\$ -	\$ 73,492	\$ 189,850	\$ 153,858	\$ -	\$ 71,267	\$ 225,125
Total expenses	\$ 152,294	\$ 180,032	\$ 91,963	\$ 424,289	\$ 213,715	\$ 149,841	\$ 84,444	\$ 448,000

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Increase in net assets	\$ (1,791)	\$ (44,088)
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Depreciation expense and amortization	95,820	71,899
Gain upon debt extinguishment	(38,200)	
Donated items capitalized	-	(1,000)
(Increase) cash value life insurance policy	(1,507)	(1,858)
Disposal of fixed assets	7,198	(298)
Unrealized loss (gain) on investments	53	(16)
(Increase)/decrease in operating assets:		
Inventory	2,898	(3,794)
Prepaid expenses and other assets	1,580	(293)
Increase (decrease) in operating liabilities-		
Accounts payable and credit card payable	(1,196)	(10,423)
Accrued liabilities	990	(932)
	<u>\$ 65,845</u>	<u>\$ 9,197</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of equipment and improvements	\$ (13,144)	\$ (114,782)
Proceeds from sale of fixed assets	-	775
Purchase of investments	(8)	(7)
	<u>\$ (13,152)</u>	<u>\$ (114,014)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds of notes payable	\$ 38,200	\$ 147,000
Payments on notes payable	(5,348)	(39,069)
	<u>\$ 32,852</u>	<u>\$ 107,931</u>
Net cash provided by (used in) investing activities	<u>\$ (13,152)</u>	<u>\$ (114,014)</u>
Net increase (decrease) in cash	\$ 85,545	\$ 3,114
Cash and cash equivalents, beginning of year	9,255	6,141
Cash and cash equivalents, end of year	<u>\$ 94,800</u>	<u>\$ 9,255</u>
<b>Reconciliation of cash, cash equivalents, and restricted cash</b>		
Cash and cash equivalents	\$ 77,410	\$ 3,966
Restricted cash - donor restricted	17,390	5,289
Net (decrease) increase in cash	<u>\$ 94,800</u>	<u>\$ 9,255</u>
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Interest paid (net of amount capitalized)	<u>\$ 10,227</u>	<u>\$ 3,132</u>

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities:

Luther Park Inc., (the Church Camp) is a nonprofit corporation, established under the laws of the State of Minnesota, operates as a religious organization. The Church Camp is a cooperative ministry of ELCA congregations serving people of all ages through a variety of programs in an outdoor setting in Danbury, Wisconsin. Its mission is to provide an environment in which the Christian faith may be strengthened and people may grow in their personal relationship with God.

Basis of Accounting:

The Church Camp utilizes the accrual method of accounting whereby revenues are recognized when earned and expenses are recognized when incurred.

Contributed Services:

No amounts have been reflected in the financial statements for donated services. The Church Camp generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist the Church Camp at their facilities, but these services do not meet the criteria for recognition as contributed services.

Use of Estimates in Preparation of Financial Statements:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents:

For purposes of the Statement of Cash Flows, the Church Camp considers all highly liquid investments, with a maturity date of three months or less when purchased, to be cash equivalents.

Concentrations of Credit Risk:

The Church Camp maintains cash balances at institutions located in Northern Wisconsin. Those cash balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2020 and 2019, the Company's uninsured cash balances total \$-0- and \$-0-, respectively.

The Church Camp also has cash balances with an institution located in Illinois, which is not insured by the FDIC. At December 31, 2020 and 2019, the balance in this fund was \$214 and \$212, respectively.



**Marketable Securities:**

Management determines the appropriate classification of securities at the time of purchase. Securities to be held for indefinite periods of time are classified as available for sale and carried at fair value. Realized gains and losses, determined using the last-in, first-out method, are included in unrestricted net assets; unrealized holdings gains and losses are reported in unrestricted net assets.

**Financial Instruments:**

The Church Camp's financial instruments consist primarily of cash, receivables, accounts payable and notes payable. The carrying value of these financial instruments is considered to be representative of their respective fair values as of December 31, 2020 and 2019.

**Fair Value Measurements:**

A three-tier hierarchy has been established as a framework for measuring fair value which requires an entity to give highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements) when measuring fair value. The standard also requires additional disclosure about the use of fair value measurements.

Fair value is defined as the price to sell an asset or transfer a liability between market participants as the measurement date. The three levels of the fair value hierarchy are as follows:

Level 1 – Inputs are unadjusted quoted prices for identical instruments in active markets.

Level 2 – Inputs are inputs other than quoted prices included within Level 1 that are directly or indirectly observable, such as quoted prices for similar instruments in active markets, or quoted prices for identical or similar instruments in active markets.

Level 3 – Inputs are observable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions, such as valuations derived from techniques in which one or more significant value drivers are observable.

Financial assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement requires judgment and may affect the valuation of assets and liabilities and their placement with the fair value hierarchy levels.

**Contributions:**

Contributions received are recorded as net assets with donor restrictions or net assets without donor restrictions depending on the existence or nature of any donor restrictions.

**Inventory:**

Inventories consist of items available for resale in the canteen and food, valued at the lower of cost or market.

**Donated Assets:**

Donated assets and noncash items are recorded as in-kind contributions at their estimated fair value at the date of donation. The Church Camp recognized \$0 and \$1,000 in-kind contributions for the years ended December 31, 2020 and 2019.

#### Property, Equipment and Improvements:

The Church Camp capitalizes property and equipment over \$500. Lesser amounts are expensed. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as contributions at their estimated fair value. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Church Camp reports expirations of donor restrictions when the donated or acquired assets are placed in service. The Church Camp reclassifies temporarily restricted net assets to unrestricted net assets at that time. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from five to thirty-nine years. Depreciation expense for the year ended December 31, 2020 and 2019 was \$95,820 and \$71,892, respectively

For assets acquired after December 31, 1994, property, equipment and improvements are capitalized at cost or, if donated, at the approximate fair value at the date of donation. Due to incomplete asset acquisition documents and incomplete records of donated property, the historical cost of assets held prior to December 31, 1994 was not able to be determined. These assets are carried at their fair market value as of December 31, 1994.

#### Cost Allocation:

The costs of the Church Camp's programs and supporting services have been reported on a functional basis in the Statement of Functional Expenses. Expenses are charged to programs based on direct expenses incurred. Any program expenses not directly identifiable by program or support service, are allocated based on the best estimates of management.

#### Income Taxes:

The Church Camp is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Church Camp has processes in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; and to identify and evaluate other matters that may be considered tax positions. The Church Camp has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

#### Advertising Costs:

The Church Camp conducts non-direct response advertising. These costs are expensed as incurred. Advertising costs, which includes promotional expenses and materials, for the years ended December 31, 2020 and 2019 are \$5,710 and \$6,818, respectively.

#### Compensated Absences:

Employees of the Church Camp are entitled to paid vacation, sick days and other time off depending on job classification and length of service. Total compensated absences earned but not paid as of December 31, 2020 and 2019 were \$15,089 and \$13,908, respectively.

#### Fundraising Activities:

Each year the Church Camp does different fundraising events. The costs associated with these events are expensed as paid. Fund raising costs for the years ended December 31, 2020 and 2019 are \$2,565 and \$4,209, respectively.

#### Presentation of Sales Tax:

The State of Wisconsin imposes a sales tax of 5.5% on all of the Church Camp's sales to nonexempt customers. The Church Camp collects that sales tax from customers and remits the entire amount to the State. The Church Camp's accounting policy is to include the tax collected and remitted to the State in revenues and cost of sales.

Reclassifications:

Certain accounts in the prior year financial statements may have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

FASB Accounting Standards Updates:

ASU No. 2014-09 (as amended) Revenue from contracts with customers, effective for annual reporting periods after December 15, 2018, has been implemented in 2019. This ASU changed the timing of recognition of revenue from contracts with customers. Revenues will be recognized when the promised goods or services are transferred to its customers in an amount that reflects the consideration to which the Church Camp expects to be entitled in exchange for those goods or services. See Note 17-Revenue Recognition.

ASU No. 2018-08 Clarifying the scope and the accounting guidance for contributions received and contributions made, effective for annual periods beginning after December 15, 2018, has been implemented in 2019. This ASU provides additional guidance in evaluating whether transactions should be accounted for as contributions or exchanges. See Note 11-Contributions Received.

ASU No. 2018-18 Statement of Cash Flows (Topic 230): Restricted cash has been implemented in 2019. This ASU changed the presentation of the statement of cash flows to explain the change during the period in restricted cash or restricted cash equivalents, in addition to changes in cash and cash equivalents. A reconciliation of cash, cash equivalents, and restricted cash is presented on the statement of cash flows. See Note 17.

## NOTE 2 – LIQUIDITY AND AVILABILITY OF FINANCIAL ASSETS

For purposes of analyzing resources available to meet general expenses over a 12-month period, the Church Camp considers all expenses related to its ongoing program and support activities to be general expenses. Assets not available to meet current operating needs are not included in our analysis below.

The following reflects the Church Camp's financial assets as of the balance sheet date, reduced by amounts not available for general use because of donor-imposed restrictions.

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 94,800	\$ 9,255
Marketable securities	130	175
Payroll tax credit receivable	<u>2,213</u>	<u>-0-</u>
	\$ 97,143	\$ 9,430
Less those unavailable for general expenditures within one year, due to donor restrictions	<u>17,390</u>	<u>5,289</u>
Financial assets available to meet cash needs for general expenditure within year	<u>\$ 79,753</u>	<u>\$ 4,141</u>

As part of the Church Camp's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.

NOTE 3 - PROPERTY, EQUIPMENT AND IMPROVEMENTS

Property, equipment and improvements consist of the following as of December 31:

	<u>2020</u>	<u>2019</u>
Land	\$ 36,100	\$ 36,100
Land improvements	2,941	2,941
Buildings	2,756,997	2,757,227
Furniture and fixtures	234,263	231,263
Vehicles and trailers	20,799	20,799
Lawn equipment	2,800	2,800
Boats and canoes	<u>18,500</u>	<u>18,500</u>
	\$ 3,072,400	\$ 3,069,630
Less-accumulated depreciation	<u>(1,509,918)</u>	<u>(1,417,274)</u>
	<u>\$ 1,562,482</u>	<u>\$ 1,652,356</u>

NOTE 4 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

	<u>2020</u>	<u>2019</u>
Note payable to Bank, With an interest rate of 5.41%, Matures in 2024, secured by real estate Net of loan costs of \$874	182,980	188,328
Note payable to Individual, With an interest rate of 0%, Matures in 2024, unsecured	<u>25,000</u>	<u>25,000</u>
	<u>\$ 207,980</u>	<u>\$ 213,328</u>

Maturities of long-term debt as of December 31, 2020 are as follows:

2021	\$ 8,851
2022	9,342
2023	9,860
2024	<u>179,927</u>
	<u>\$ 207,980</u>

Interest expense for the years ended December 31, 2020 and 2019 was \$10,208 and \$3,600, respectively. Interest costs capitalized as part of the Bethel Retreat Center construction was \$ 5,280 in 2019.

NOTE 5 – LINE OF CREDIT

The Church Camp had a line of credit secured by real estate. The line of credit had a maximum funding of \$122,000 with interest at the lender's Prime rate, but not less than 5.25%, and matured in August 2019.

The Church Camp closed the line of credit in 2019.

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other specified by donors during 2020 and 2019.

	<u>2020</u>	<u>2019</u>
Purpose restrictions accomplished:		
Capital improvements	\$ 13,144	\$ 33,775
Operations	<u>11,955</u>	<u>1,389</u>
	<u>\$ 25,099</u>	<u>\$ 35,164</u>

NOTE 7 – RETIREMENT PLAN

The full-time employees of the Church Camp participate in the ELCA Board of Pensions retirement plan. The Church Camp's contributions are equal to 6% of the annual salary of participating employees. During the years ended December 31, 2020 and 2019, the Church Camp's contributions to the plan totaled \$6,015 and 6,836, respectively.

NOTE 8 – DONOR RESTRICTIONS ON NET ASSETS

Donor restricted net assets are available for the following purposes:

	<u>2020</u>	<u>2019</u>
Hope Goodman memorial	\$ 771	\$ 786
Support the staff	-0-	60
Retreat center	15,181	-0-
Striding into the next 60	<u>1,438</u>	<u>4,443</u>
	<u>\$ 17,390</u>	<u>\$ 5,289</u>

NOTE 9 – BOARD DESIGNATED NET ASSETS

The board has designated certain unrestricted net assets to be held for specific future purposes. These board designated unrestricted net assets have the following purposes and balances:

	<u>2020</u>	<u>2019</u>
Cabin renovations	\$ <u>15,840</u>	\$ <u>15,840</u>
	<u>\$ 15,840</u>	<u>\$ 15,840</u>

The board designated these funds in 2018 to be used over the next three years to renovate three cabins.

NOTE 10 – MARKETABLE SECURITIES

The marketable securities portfolio is comprised of equity securities classified as available for sale as unrestricted funds. The fair value and cost basis of the securities available for sale are as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Original cost	\$ 150	\$ 143
Unrealized (loss) gain	<u>(20)</u>	<u>32</u>
Fair market value	<u>\$ 130</u>	<u>\$ 175</u>

The fair value of all equity securities has been measured on a recurring basis using Level 1 inputs, which are based on unadjusted quoted market prices within active markets. There have been no changes to valuation techniques and related inputs.

NOTE 11 – CONTRIBUTIONS RECEIVED

Contributions are considered gifts with no exchange element. These amounts are reported separately from other forms of income. Contributions received as of December 31, 2020 and 2019 were \$271,055 and \$185,620, respectively.

NOTE 12 – LEASE COMMITMENTS

The Church Camp leases a copier and dishwasher under operating leases. The copier lease expires January, 2022. The dishwasher lease is an open-ended lease with no end date. The total rental expense in 2020 and 2019 was \$1,632 and \$1,632, respectively. Future minimum operating lease payments as of December 31, 2020 are as follows:

2021	\$	1,632
2022		785
2022		<u>708</u>
	\$	<u>3,125</u>

NOTE 13– FAIR VALUE MEASUREMENTS:

The following table summarizes assets measured at fair value by classification within the fair value hierarchy at December 31, 2020 and 2019, respectively:

	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31 2020
Mutual Funds:				
Domestic equities	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Common Stock	<u>130</u>	<u>-0-</u>	<u>-0-</u>	<u>130</u>
	<u>\$ 130</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 130</u>

	Quoted Price In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31 2019
Mutual Funds:				
Domestic equities	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Common Stock	<u>175</u>	<u>-0-</u>	<u>-0-</u>	<u>175</u>
	<u>\$ 175</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 175</u>

#### NOTE 14 – RECENTLY ISSUED ACCOUNTING PRONOUNCEMENTS

The Financial Accounting Standards Board has issued an accounting standard that will result in significant changes to financial reporting and disclosures related to both operating and capital leases. The new leases standard is intended to increase the transparency and comparability among companies that lease buildings, equipment, and other assets by recognizing the assets and liabilities that arise from these lease transactions on the statement of financial position. The provisions of this statement are effective for the entity's financial statements for the year ending December 31, 2021.

#### NOTE 15 – REVENUE RECOGNITION

The Church Camp has adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). This standard applies to all contracts with customers. Under Topic 606, the Church Camp recognizes program revenue when a customer obtains controls of promised goods or services, in an amount that reflects the consideration which the Church Camp expects to receive in exchange for those goods or services.

Analysis of various provisions of Topic 606 resulted in no significant changes in the way the Church Camp recognizes revenue.

The Church Camp recognizes revenues and support on the statement of activities and changes in net assets at a point in time, as described in more detail below for the Church Camp's significant revenue streams.

*Program fees:* Program fees are recognized in the year in which the camp programs are delivered. In addition, the Church Camp maintains a store on site where campers may purchase items during their stay.

*Contribution revenue:* Contribution revenue is recognized when received and is accounted for following generally accepted accounting principles whereby contributions received are recorded as either with or without donor restrictions.

*Grants:* Grant revenue is recognized when earned.

*Fundraising and events:* The Church Camp records event income as events and fundraisers are held.

#### NOTE 16 – RECONCILIATIONS OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH

The statement of cash flows reconciliation of cash, cash equivalents, and restricted cash includes one source of restricted cash: donor restricted (see Note 8 – Donor Restrictions on Net Assets). The restricted cash and cash equivalents are held in checking and money market accounts.



#### NOTE 17 – GAIN UPON DEBT EXTINGUISHMENT

In response to the coronavirus (COVID-19) outbreak in 2020, the U.S. Federal Government enacted the Coronavirus Aid, Relief and Economic Security Act (CARES Act) that, among other economic stimulus measures, established the Paycheck Protection Program (PPP) to provide small business loans. Loan proceeds may only be used for qualifying expenses, which include payroll, rent, and utilities. On April 9, 2020, the Church Camp received loan proceeds for \$38,200. Under terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act. The Church Camp was granted loan forgiveness on December 17, 2020 and has recognized this gain on forgiveness of the loan.

#### NOTE 18– SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 13, 2021, the date on which the financial statements were available to be issued.

In February 2021, Church Camp received loan proceeds of \$54,656 under the second round of the Paycheck Protection Program (“PPP”). The loan and accrued interest are forgivable after twenty-four weeks, as long as the proceeds are used for qualifying purposes. The Church Camp believes that its use of the loan proceeds will meet the conditions for forgiveness.

The Church Camp continues to monitor the effects of COVID-19 on its operations. The Church Camp cancelled in-person summer camps and many retreats during 2020. There is additional uncertainty surrounding this situation and the extent of the impact of COVID-19 to the Church Camp cannot be predicted or reasonably estimated at this time.

LUTHER PARK, INC.  
DANBURY, WISCONSIN

SUPPLEMENTAL SCHEDULES 1  
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>ANNUAL FUND:</b>		
Allocations, current year	\$ 25,636	\$ 26,629
Events	-	10,084
Gifts from individuals	100,349	131,576
Gifts from organizations	10,762	11,623
Grants	9,000	
Memorial & estate gifts	150,322	42,421
Total annual fund	\$ 296,069	\$ 222,333
 <b>PROGRAM REVENUE:</b>		
Campground fees	\$ 4,435	\$ 2,891
Arts & crafts	-	5
Canteen income	1,864	5,701
Day camp fees	3,640	14,274
Retreats	19,491	55,789
Summer camping	15,489	57,195
Total program revenue	\$ 44,919	\$ 135,855
 <b>OTHER INCOME:</b>		
Interest and dividends	\$ 16	\$ 12
Gain on sale of fixed assets	-	298
Change in cash value life insurance	1,507	1,858
Insurance refund/proceeds	1,059	791
Unrealized gain on investments	(53)	16
Capitalized donations	-	1,000
Payroll tax credit income	2,213	-
Other Income	1,368	2,251
Total other income	\$ 6,110	\$ 6,226

See independent accountant's compilation report.