

LUTHER PARK, INC.
DANBURY, WISCONSIN

FINANCIAL STATEMENTS AS OF DECEMBER 31, 2019 AND 2018

(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, 2019 and December 31, 2018, 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, Hager & Moe SC

March 30, 2020

LUTHER PARK, INC.
DANBURY, WISCONSIN

STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2019 AND 2018

	2019	2018
ASSETS:		
Cash and cash equivalents	\$ 9,255	\$ 6,141
Inventory	15,146	11,352
Marketable securities	175	152
Prepaid expense	12,779	13,367
Loan Costs, net	874	-
Cash surrender value life ins, net of policy loan	8,572	6,714
Property, equipment and improvements, net	1,652,356	1,608,943
Total assets	\$ 1,699,157	\$ 1,646,669
LIABILITIES:		
Accounts payable	\$ 4,512	\$ 9,525
Credit card payable	605	6,015
Payroll liabilities payable	441	421
Unearned deposits	7,593	8,760
Sales tax payable	178	104
Accrued real estate taxes	6,118	6,313
Accrued paid leave time	13,908	14,039
Accrued interest	569	102
Notes payable	214,202	106,271
Total liabilities	\$ 248,126	\$ 151,550
NET ASSETS:		
Without donor restrictions		
Designated by the board for cabin renovations	\$ 15,840	\$ 15,840
Undesignated	1,429,902	1,478,324
With donor restrictions	5,289	955
Total net assets	\$ 1,451,031	\$ 1,495,119
Total liabilities and net assets	\$ 1,699,157	\$ 1,646,669

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.
DANBURY, WISCONSIN

STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
Revenue and Other Support-		
Annual fund	\$ 222,333	\$ 469,257
Program revenue	135,855	148,265
Other income	<u>6,226</u>	<u>8,695</u>
Total revenues and gains without donor restrictions	<u>\$ 364,414</u>	<u>\$ 626,217</u>
Net assets released from restrictions	<u>\$ 35,164</u>	<u>\$ 161,476</u>
Total revenues, gains and other support without donor restrictions	<u>\$ 399,578</u>	<u>\$ 787,693</u>
Expenses:		
Camp programs	\$ 213,715	\$ 223,663
Camp operations	149,841	158,917
Management and general	<u>84,444</u>	<u>80,247</u>
Total expenses	<u>\$ 448,000</u>	<u>\$ 462,827</u>
(Decrease) increase in net assets without donor restrictions	<u>\$ (48,422)</u>	<u>\$ 324,866</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	\$ 39,498	\$ 160,703
Net assets released from restrictions	<u>(35,164)</u>	<u>(161,476)</u>
Increase (decrease) in net assets with donor restrictions	<u>\$ 4,334</u>	<u>\$ (773)</u>
(Decrease) increase in net assets	<u>\$ (44,088)</u>	<u>\$ 324,093</u>
Net Assets at Beginning of Year	<u>\$ 1,495,119</u>	<u>\$ 1,171,026</u>
Net Assets at End of Year	<u><u>\$ 1,451,031</u></u>	<u><u>\$ 1,495,119</u></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, 2019 AND 2018

	2019				2018			
	Program Services		Supporting Services		Program Services		Supporting Services	
	Camp	Camp	Management	Total	Camp	Camp	Management	Total
	programs	operations	and general		programs	operations	and general	
Other operating expenses								
Food and dairy	\$ 24,278	\$ -	\$ -	\$ 24,278	\$ 26,621	\$ -	\$ -	\$ 26,621
Recreational equipment	-	-	-	-	541	-	-	541
Health care supplies	86	-	-	86	1,467	-	-	1,467
Materials and resources	451	-	-	451	368	-	-	368
Sales tax	178	-	-	178	104	-	-	104
Day camp-program expense	397	-	-	397	994	-	-	994
Summer staff recruitment	161	-	-	161	307	-	-	307
Summer staff training	13	-	-	13	405	-	-	405
Canteen expenses	4,811	-	-	4,811	2,993	-	-	2,993
Craft supplies	-	-	-	-	237	-	-	237
Transportation	-	-	-	-	21	-	-	21
Electricity	-	9,645	-	9,645	-	9,225	-	9,225
Fuel	-	16,648	-	16,648	-	16,483	-	16,483
Building and grounds maintenance	-	8,782	-	8,782	-	13,230	-	13,230
Cleaning supplies	-	1,387	-	1,387	-	1,518	-	1,518
Dumping fees	-	2,864	-	2,864	-	4,368	-	4,368
Real estate taxes	-	6,118	-	6,118	-	6,313	-	6,313
Depreciation	-	71,892	-	71,892	-	71,786	-	71,786
Telephone	-	2,069	-	2,069	-	2,701	-	2,701
Kitchen supplies	-	3,129	-	3,129	-	2,977	-	2,977
Credit card fees	1,280	-	-	1,280	1,691	-	-	1,691
Commercial insurance	-	13,976	-	13,976	-	13,467	-	13,467
Office supplies	-	8,579	-	8,579	-	7,753	-	7,753
Dues	-	2,116	-	2,116	-	2,158	-	2,158
Professional fees	-	2,636	9,440	12,076	-	6,938	4,470	11,408
Auto expenses	13,739	-	-	13,739	13,542	-	-	13,542
Continuing education	-	-	-	-	954	-	-	954
Conferences	-	-	50	50	-	-	1,054	1,054
Miscellaneous Expense	-	-	80	80	-	-	-	-
Interest	-	-	3,600	3,600	-	-	4,687	4,687
Amortization	-	-	7	7	-	-	334	334
Penalties	-	-	-	-	-	-	-	-
Unrealized loss on investments	-	-	-	-	-	-	22	22
Loss on disposal of fixed assets	-	-	-	-	-	-	284	284
Change in cash value of life insurance	-	-	-	-	-	-	583	583
Promotional expenses and materials	6,818	-	-	6,818	8,849	-	-	8,849
Postage	3,585	-	-	3,585	4,791	-	-	4,791
Printing	608	-	-	608	583	-	-	583
Development	3,452	-	-	3,452	7,317	-	-	7,317
Total other operating expenses	\$ 59,857	\$ 149,841	\$ 13,177	\$ 222,875	\$ 71,785	\$ 158,917	\$ 11,434	\$ 242,136

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.
DANBURY, WISCONSIN

STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019				2018			
	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	\$ 102,884	\$ -	\$ 51,894	\$ 154,778	\$ 109,208	\$ -	\$ 50,382	\$ 159,590
International camp staff	1,276	-	-	1,276	3,647	-	-	3,647
Payroll taxes	7,374	-	3,980	11,354	7,599	-	3,854	11,453
Worker's compensation insurance	9,910	-	-	9,910	10,137	-	-	10,137
Health insurance	27,190	-	12,279	39,469	18,462	-	11,554	30,016
Pension benefits	3,722	-	3,114	6,836	2,028	-	3,023	5,051
Staff support	1,502	-	-	1,502	797	-	-	797
Total salaries and related expenses	\$ 153,858	\$ -	\$ 71,267	\$ 225,125	\$ 151,878	\$ -	\$ 68,813	\$ 220,691
Total expenses	\$ 213,715	\$ 149,841	\$ 84,444	\$ 448,000	\$ 223,663	\$ 158,917	\$ 80,247	\$ 462,827

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.
DANBURY, WISCONSIN

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Increase in net assets	\$ (44,088)	\$ 324,093
Adjustments to reconcile change in net assets to net cash used in operating activities-		
Depreciation expense and amortization	71,899	72,120
(Increase) decrease in cash value of life insurance policy	(1,858)	583
(Gain) loss on disposal of fixed assets	(298)	284
(Gain) on sale of investments	-	(7,409)
Unrealized (gain) loss on investments	(16)	22
Donated equipment capitalized	(1,000)	-
Donated investments included in gifts from individuals	-	(1,988)
Donated investments included donor restricted contributions	-	(10,800)
(Increase) in inventory	(3,794)	(311)
Decrease (increase) in prepaid expense	588	(1,075)
(Increase) in other assets	(881)	-
(Decrease) increase in operating liabilities-		
Accounts payable and credit card payable	(10,423)	3,905
Accrued liabilities	(932)	367
	<u>\$ 9,197</u>	<u>\$ 379,791</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of equipment and improvements	\$ (114,782)	\$ (376,969)
Proceeds from sale of investments	-	20,197
Proceeds from sale of fixed assets	775	-
Purchase of investments	(7)	(6)
	<u>\$ (114,014)</u>	<u>\$ (356,778)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds of notes payable	\$ 147,000	\$ -
Payments on notes payable	(39,069)	(69,697)
	<u>\$ 107,931</u>	<u>\$ (69,697)</u>
Net cash provided by (used in) investing activities	<u>\$ (114,014)</u>	<u>\$ (356,778)</u>
Net increase (decrease) in cash	\$ 3,114	\$ (46,684)
Cash and cash equivalents, beginning of year	6,141	52,825
	<u>\$ 9,255</u>	<u>\$ 6,141</u>
Reconciliation of cash, cash equivalents, and restricted cash		
Cash and cash equivalents	\$ 3,966	\$ 5,186
Restricted cash - donor restricted	5,289	955
	<u>\$ 9,255</u>	<u>\$ 6,141</u>
Net (decrease) increase in cash	<u>\$ 9,255</u>	<u>\$ 6,141</u>
SUPPLEMENTAL DISCLOSURE:		
Interest paid (net of amount capitalized)	\$ 3,132	\$ 5,049
	<u>\$ 3,132</u>	<u>\$ 5,049</u>

See accompanying notes and independent accountant's compilation report.

LUTHER PARK, INC.
DANBURY, WISCONSIN

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2019 AND 2018

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.

Estimates:

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, 2019 and 2018, 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, 2019 and 2018, the balance in this fund was \$212 and \$210, 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.

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.

Revenue:

The Church Camp recognizes revenue from contracts with customers for program revenues including day camps, retreats and summer camps when it provides the service to the customer and satisfies the performance obligation.

Inventory:

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

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, 2019 and 2018 was \$71,892 and \$71,786, 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.

Construction in progress represents cumulative costs of projects not yet placed in service. No depreciation was taken on these capitalized costs. The construction in progress was completed in 2019.

Functional Expenses:

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. Supporting services are not directly attributable to programs.

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, 2019 and 2018 are \$6,818 and \$8,849, 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, 2019 and 2018 were \$13,908 and \$14,039, 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, 2019 and 2018 are \$4,209 and \$2,735, 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 12-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.

NOTE 2 – LIQUIDITY AND AVILABILITY OF FINANCIAL ASSETS

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>2019</u>	<u>2018</u>
Financial assets at year-end	\$ 9,430	\$ 6,293
Less those unavailable for general expenditures within one year, due to donor restrictions	<u>5,289</u>	<u>955</u>
Financial assets available to meet cash needs for general expenditure within year	<u>\$ 4,141</u>	<u>\$ 5,338</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>2019</u>	<u>2018</u>
Land	\$ 36,100	\$ 36,100
Land improvements	2,941	2,941
Buildings	2,757,227	1,754,221
Construction in progress	-	894,307
Furniture and fixtures	231,263	224,181
Vehicles and trailers	20,799	28,399
Lawn equipment	2,800	2,800
Boats and canoes	<u>18,500</u>	<u>18,500</u>
	\$ 3,069,630	\$ 2,961,449
Less-accumulated depreciation	<u>(1,417,274)</u>	<u>(1,352,506)</u>
	<u>\$ 1,652,356</u>	<u>\$ 1,608,943</u>

NOTE 4 - NOTES PAYABLE

Notes payable consisted of the following at December 31:

	<u>2019</u>	<u>2018</u>
Note payable to Bank, With an interest rate of 4.5%, Matures in 2021, secured by real estate	\$ -0-	\$ 81,271
Note payable to Bank, With an interest rate of 5.41%, Matures in 2024, secured by real estate	189,202	-0-
Note payable to Individual, With an interest rate of 0%, Matures in 2024, unsecured	25,000	-0-
Note payable to Individual, With an interest rate of 0%, Matures in 2022, unsecured	<u>-0-</u>	<u>25,000</u>
	<u>\$ 214,202</u>	<u>\$ 106,271</u>

Maturities of long-term debt as of December 31, 2019 are as follows:

2020	\$ 8,506
2021	8,977
2022	9,476
2023	10,001
2024 and thereafter	<u>177,242</u>
	<u>\$ 214,202</u>

Interest expense for the years ended December 31, 2019 and 2018 was \$3,600 and \$4,687, respectively. Interest costs capitalized as part of the Bethel Retreat Center construction was \$ 5,280 in 2019 and \$2,774 in 2018.

NOTE 5 – LINE OF CREDIT

The Church Camp has a line of credit secured by real estate. The line of credit has 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. Outstanding draws on the line of credit were \$0 and \$0 at December 31, 2019 and December 31, 2018, respectively.

The Church Camp closed the line of credit in 2019.

NOTE 6 - NET ASSETS RELEASED FROM RESTRICTIONS

Net assets released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other specified by donors during 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Purpose restrictions accomplished:		
Capital improvements	\$ 33,775	\$ 154,786
Operations	<u>1,389</u>	<u>6,690</u>
	<u>\$ 35,164</u>	<u>\$ 161,476</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, 2019 and 2018, the Church Camp's contributions to the plan totaled \$6,836 and \$5,051, respectively.

NOTE 8 – DONOR RESTRICTIONS ON NET ASSETS

Donor restricted net assets are available for the following purposes:

	<u>2019</u>	<u>2018</u>
Hope Goodman memorial	\$ 786	\$ 786
Support the staff	60	169
Striding into the next 60	<u>4,443</u>	<u>-0-</u>
	<u>\$ 5,289</u>	<u>\$ 955</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>2019</u>	<u>2018</u>
Cabin renovations	\$ 15,840	\$ 15,840
	<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>2019</u>	<u>2018</u>
Original cost	\$ 143	\$ 136
Unrealized gain (loss)	<u>32</u>	<u>16</u>
Fair market value	<u>\$ 175</u>	<u>\$ 152</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.

There were \$0 and \$20,197 in proceeds from the sale of securities resulting in a net realized gain from securities of \$0 and \$7,409 for the years ending December 31, 2019 and 2018, respectively. Actual cost basis was used for determining gain or loss on securities sold.

NOTE 11 – CONTRIBUTIONS RECEIVED

Contributions are considered gifts with no exchange element. Contributions received as of December 31, 2019 and 2018 were \$185,620 and \$439,236, respectively.

NOTE 12 – REVENUE RECOGNITION

The following program services are considered contracts with customers, for which the Church Camp recognizes revenue when the service has been provided to the customer.

	<u>2019</u>	<u>2018</u>
Day Camp Fees	\$ 14,274	\$ 17,416
Retreats	55,789	46,901
Summer Camping	<u>57,195</u>	<u>75,444</u>
	<u>\$ 127,258</u>	<u>\$ 139,761</u>

The non-refundable deposits for events that have not occurred as of December 31, 2019 and 2018 were \$7,593 and \$8,760, respectively.

NOTE 13 – 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 2019 and 2018 was \$1,632 and \$1,632, respectively. Future minimum operating lease payments as of December 31, 2019 are as follows:

2020	\$ 1,632
2021	1,632
2022	<u>785</u>
	<u>\$ 4,049</u>

NOTE 13 – 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, 2020.

NOTE 14– SUBSEQUENT EVENTS:

Management has evaluated subsequent events through March 30, 2020, the date on which the financial statements were available to be issued. The Church Camp continues to monitor the effects of COVID-19 on its operations. Thus far, the Church Camp's operations have not been significantly impacted. However, there is considerable 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, 2019 AND 2018

	2019	2018
ANNUAL FUND:		
Allocations, current year	\$ 26,629	\$ 21,563
Events	10,084	8,458
Gifts from individuals	131,576	93,687
Gifts from organizations	11,623	33,611
Memorial & estate gifts	42,421	311,938
Total annual fund	\$ 222,333	\$ 469,257
 PROGRAM REVENUE:		
Campground fees	\$ 2,891	\$ 2,385
Arts & crafts	5	-
Canteen income	5,701	6,119
Day camp fees	14,274	17,416
Retreats	55,789	46,901
Summer camping	57,195	75,444
Total program revenue	\$ 135,855	\$ 148,265
 OTHER INCOME:		
Interest and dividends	\$ 12	\$ 417
Gain on sale of investments	-	7,409
Gain on sale of fixed assets	298	-
Change in cash value life insurance	1,858	-
Insurance refund/proceeds	791	-
Unrealized gain on investments	16	-
Capitalized donations	1,000	-
Other Income	2,251	869
Total other income	\$ 6,226	\$ 8,695

See independent accountant's compilation report.