

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1 - 2
Consolidated Statements of Financial Position.....	3
Consolidated Statements of Activities	4
Consolidated Statements of Functional Expenses	5 - 6
Consolidated Statements of Cash Flows	7
Notes to the Consolidated Financial Statements	8 - 22
Consolidated Schedule of Revenue and Expenses Without Donor Restrictions by School	23 - 24
Consolidating Schedule of Financial Position	25
Consolidating Schedule of Activities.....	26
Legal and Regulatory Requirements	
Private School Choice Programs (PSCP) Reserve Balance - Martin Luther	27
Private School Choice Programs (PSCP) Reserve Balance - Milwaukee Lutheran.....	28
Private School Choice Programs (PSCP) Reserve Balance - Lake Country.....	29
Special Needs Scholarship Program (SNSP) Reserve Balance - Martin Luther	30 - 31
Special Needs Scholarship Program (SNSP) Reserve Balance - Milwaukee Lutheran	32 - 33
Special Needs Scholarship Program (SNSP) Reserve Balance - Lake Country.....	34 - 35

Independent Auditor's Report

Board of Directors

The Lutheran High School Association of Greater Milwaukee and Affiliate

We have audited the accompanying consolidated financial statements of The Lutheran High School Association of Greater Milwaukee and Affiliate which comprise the consolidated statements of financial position as of June 30, 2021 and 2020, and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Lutheran High School Association of Greater Milwaukee and Affiliate as of June 30, 2021 and 2020, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ritz Holman LLP

Serving business, nonprofits, individuals and trusts.

330 E. Kilbourn Ave., Suite 550
Milwaukee, WI 53202

t. 414.271.1451
f. 414.271.7464
ritzholman.com

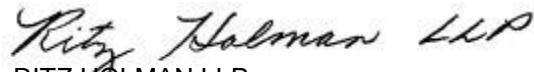
Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The consolidated schedule of revenue and expenses without donor restrictions by school, consolidating schedule of financial position and consolidating schedule of activities are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole.

Report on Other Legal and Regulatory Requirements

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Private School Choice Programs (“PSCP”) Reserve Balance, as required by the Wisconsin Department of Public Instruction, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In addition, the balances have been subjected to auditing procedures required by Wis. Stats. 118.60 and 119.23 and Wis. Admin. Codes PI 35 and PI 48. In our opinion, the Schedule of PSCP Reserve Balance is free of material misstatements and fairly presents the private school’s eligible education expenses as required under Wis. Stats. 118.60 and 119.23 and Wis. Admin. Codes PI 35 and PI 48.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Special Needs Scholarship Program (“SNSP”) Reserve Balance Schedule, as required by the Wisconsin Department of Public Instruction, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In addition, the balances have been subjected to auditing procedures required by Wis. Stats. 115.7915 and Wis. Admin. Code PI 49. In our opinion, the SNSP Reserve Balance schedule is free of material misstatements and fairly presents the private school’s eligible education expenses as required under Wis. Stats. 115.7915 and Wis. Admin. Code PI 49.


RITZ HOLMAN LLP
Certified Public Accountants

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
ASSETS						
CURRENT ASSETS						
Cash	\$ 4,650,227	\$ 864,475	\$ 5,514,702	\$ 3,621,241	\$ 1,727,781	\$ 5,349,022
Accounts Receivable - Net	386,834	98,875	485,709	206,441	451,302	657,743
Pledges Receivable	---	524,036	524,036	---	456,357	456,357
Other Asset	18,605	---	18,605	18,056	---	18,056
Prepaid Expenses	36,210	---	36,210	314,403	---	314,403
Total Current Assets	<u>\$ 5,091,876</u>	<u>\$ 1,487,386</u>	<u>\$ 6,579,262</u>	<u>\$ 4,160,141</u>	<u>\$ 2,635,440</u>	<u>\$ 6,795,581</u>
FIXED ASSETS						
Land	\$ 1,734,305	\$ ---	\$ 1,734,305	\$ 1,994,305	\$ ---	\$ 1,994,305
Construction in Progress	---	259,747	259,747	---	5,579,919	5,579,919
Land Improvements	5,329,920	---	5,329,920	3,835,093	---	3,835,093
Building and Building Improvements	52,374,996	---	52,374,996	42,968,313	---	42,968,313
Furniture, Fixtures and Equipment	2,373,381	---	2,373,381	2,030,804	---	2,030,804
Vehicles	302,412	---	302,412	294,147	---	294,147
Total Fixed Assets	<u>\$ 62,115,014</u>	<u>\$ 259,747</u>	<u>\$ 62,374,761</u>	<u>\$ 51,122,662</u>	<u>\$ 5,579,919</u>	<u>\$ 56,702,581</u>
Accumulated Depreciation	(19,600,181)	---	(19,600,181)	(17,852,403)	---	(17,852,403)
Net Fixed Assets	<u>\$ 42,514,833</u>	<u>\$ 259,747</u>	<u>\$ 42,774,580</u>	<u>\$ 33,270,259</u>	<u>\$ 5,579,919</u>	<u>\$ 38,850,178</u>
LONG-TERM ASSETS						
Accounts Receivable	\$ 159,578	\$ ---	\$ 159,578	\$ 154,836	\$ ---	\$ 154,836
Pledges Receivable - Net	---	512,044	512,044	---	640,195	640,195
Other Asset	141,266	---	141,266	159,870	---	159,870
Total Long-Term Assets	<u>\$ 300,844</u>	<u>\$ 512,044</u>	<u>\$ 812,888</u>	<u>\$ 314,706</u>	<u>\$ 640,195</u>	<u>\$ 954,901</u>
OTHER ASSETS						
Security Deposit	\$ 15,700	\$ ---	\$ 15,700	\$ 15,700	\$ ---	\$ 15,700
Credit Card Holding	---	---	---	397	---	397
Total Other Assets	<u>\$ 15,700</u>	<u>\$ ---</u>	<u>\$ 15,700</u>	<u>\$ 16,097</u>	<u>\$ ---</u>	<u>\$ 16,097</u>
TOTAL ASSETS	<u>\$ 47,923,253</u>	<u>\$ 2,259,177</u>	<u>\$ 50,182,430</u>	<u>\$ 37,761,203</u>	<u>\$ 8,855,554</u>	<u>\$ 46,616,757</u>
LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES						
Accounts Payable	\$ 489,090	\$ 64,678	\$ 553,768	\$ 249,351	\$ 1,417,166	\$ 1,666,517
Accrued Payroll	1,251,035	---	1,251,035	1,050,379	---	1,050,379
Current Portion of CARES Act PPP Loan	2,857,500	---	2,857,500	1,097,469	---	1,097,469
Current Portion of Mortgages Payable	379,416	---	379,416	343,218	---	343,218
Deferred Revenue	1,297,491	---	1,297,491	1,249,681	---	1,249,681
Total Current Liabilities	<u>\$ 6,274,532</u>	<u>\$ 64,678</u>	<u>\$ 6,339,210</u>	<u>\$ 3,990,098</u>	<u>\$ 1,417,166</u>	<u>\$ 5,407,264</u>
LONG-TERM LIABILITIES						
CARES Act PPP Loan	\$ 2,857,500	\$ ---	\$ 2,857,500	\$ 2,857,500	\$ ---	\$ 2,857,500
Less: Current Portion of CARES Act PPP Loan	(2,857,500)	---	(2,857,500)	(1,097,469)	---	(1,097,469)
Mortgages Payable	21,392,170	901,727	22,293,897	13,911,560	6,413,192	20,324,752
Less: Current Portion of Mortgages Payable	(379,416)	---	(379,416)	(343,218)	---	(343,218)
Accrued Payroll	895,987	---	895,987	657,522	---	657,522
Student Activities - Auxiliary	149,417	(149,417)	---	137,532	(137,532)	---
Total Long-Term Liabilities	<u>\$ 22,058,158</u>	<u>\$ 752,310</u>	<u>\$ 22,810,468</u>	<u>\$ 16,123,427</u>	<u>\$ 6,275,660</u>	<u>\$ 22,399,087</u>
Total Liabilities	<u>\$ 28,332,690</u>	<u>\$ 816,988</u>	<u>\$ 29,149,678</u>	<u>\$ 20,113,525</u>	<u>\$ 7,692,826</u>	<u>\$ 27,806,351</u>
NET ASSETS						
Without Donor Restrictions						
Operating	\$ 19,590,563	\$ ---	\$ 19,590,563	\$ 17,647,678	\$ ---	\$ 17,647,678
With Donor Restrictions	---	1,442,189	1,442,189	---	1,162,728	1,162,728
Total Net Assets	<u>\$ 19,590,563</u>	<u>\$ 1,442,189</u>	<u>\$ 21,032,752</u>	<u>\$ 17,647,678</u>	<u>\$ 1,162,728</u>	<u>\$ 18,810,406</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 47,923,253</u>	<u>\$ 2,259,177</u>	<u>\$ 50,182,430</u>	<u>\$ 37,761,203</u>	<u>\$ 8,855,554</u>	<u>\$ 46,616,757</u>

The accompanying notes are an integral part of these financial statements.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Donations	\$ 913,779	\$ 2,210,980	\$ 3,124,759	\$ 768,269	\$ 1,906,429	\$ 2,674,698
Grants	---	952,350	952,350	---	1,025,267	1,025,267
Tuition	17,498,422	---	17,498,422	17,242,432	---	17,242,432
Fees						
Sports Fees	86,180	---	86,180	64,571	---	64,571
Class Fees	17,761	---	17,761	18,579	---	18,579
Other Fees	66,801	---	66,801	65,721	---	65,721
Food Sales	368,132	---	368,132	580,329	---	580,329
International Student Program	48,576	---	48,576	219,936	---	219,936
Elementary Band	150,435	---	150,435	172,828	---	172,828
Partnership Income	780,359	---	780,359	768,490	---	768,490
Rent	117,901	---	117,901	97,979	---	97,979
Gate Receipts	38,988	---	38,988	68,294	---	68,294
Interest Income	50,379	---	50,379	34,460	673	35,133
Gain on Sale of Fixed Assets	738,240	---	738,240	---	---	---
Student Activities Income	---	11,885	11,885	---	---	---
Other Income	333,001	11,490	344,491	222,454	9,483	231,937
In-Kind Revenue	39,977	---	39,977	11,585	100,000	111,585
Net Assets Released from Restrictions	2,907,244	(2,907,244)	---	6,854,258	(6,854,258)	---
Total Revenue	<u>\$ 24,156,175</u>	<u>\$ 279,461</u>	<u>\$ 24,435,636</u>	<u>\$ 27,190,185</u>	<u>\$ (3,812,406)</u>	<u>\$ 23,377,779</u>
EXPENSES						
Program Services	\$ 17,775,200	\$ ---	\$ 17,775,200	\$ 17,672,696	\$ ---	\$ 17,672,696
Management and General	3,508,449	---	3,508,449	2,844,448	---	2,844,448
Fundraising	929,641	---	929,641	807,301	---	807,301
Total Expenses	<u>\$ 22,213,290</u>	<u>\$ ---</u>	<u>\$ 22,213,290</u>	<u>\$ 21,324,445</u>	<u>\$ ---</u>	<u>\$ 21,324,445</u>
CHANGE IN NET ASSETS	<u>\$ 1,942,885</u>	<u>\$ 279,461</u>	<u>\$ 2,222,346</u>	<u>\$ 5,865,740</u>	<u>\$ (3,812,406)</u>	<u>\$ 2,053,334</u>
Net Assets, Beginning of Year	17,647,678	1,162,728	18,810,406	11,781,938	4,975,134	16,757,072
NET ASSETS, END OF YEAR	<u>\$ 19,590,563</u>	<u>\$ 1,442,189</u>	<u>\$ 21,032,752</u>	<u>\$ 17,647,678</u>	<u>\$ 1,162,728</u>	<u>\$ 18,810,406</u>

The accompanying notes are an integral part of these financial statements.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021**

	Program Services	Management and General	Fundraising	2021 Total
Salaries and Wages	\$ 8,896,821	\$ 1,442,050	\$ 442,043	\$ 10,780,914
Retirement	655,521	111,769	43,336	810,626
Employee Benefits	2,478,083	217,262	124,407	2,819,752
Payroll Taxes	530,933	66,676	13,342	610,951
Stipends	520,112	3,375	1,500	524,987
Professional Fees	257,242	238,593	74,700	570,535
Supplies	743,650	148,699	48,267	940,616
Telephone	47,927	46,606	1,300	95,833
Postage	6,752	693	19,247	26,692
Printing	8,023	1,136	53,637	62,796
Occupancy	520,242	141,122	31,490	692,854
Equipment Rental and Maintenance	235,549	1,685	1,222	238,456
Depreciation	1,635,155	161,315	---	1,796,470
Travel	52,153	20,948	15,979	89,080
Conferences, Conventions and Meetings	20,370	19,658	---	40,028
Graduation Materials	22,927	---	---	22,927
Awards	8,642	18,966	---	27,608
Food	212,743	---	---	212,743
Promotions	31,561	5,835	8,291	45,687
International Student Program	21,173	---	---	21,173
Capital Outlay	13,252	7,902	---	21,154
Recruitment	150	545	---	695
Moving Fees	525	---	---	525
Write-Off	55,663	---	---	55,663
Student Aid	677,881	---	---	677,881
Interest Expense	---	635,640	---	635,640
Insurance	7,285	148,699	---	155,984
Membership Dues	45,242	6,487	2,224	53,953
Donations	20,709	6,684	2,961	30,354
School Events	---	---	13,769	13,769
Field Trips	361	---	---	361
Student Housing Expenses	1,025	---	---	1,025
Meals and Entertainment	15,203	32,580	31,926	79,709
Sports Fees	13,443	---	---	13,443
Testing	16,834	---	---	16,834
Other Expense	2,048	23,524	---	25,572
TOTALS	\$ 17,775,200	\$ 3,508,449	\$ 929,641	\$ 22,213,290

The accompanying notes are an integral part of these financial statements.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2020**

	Program Services	Management and General	Fundraising	2020 Total
Salaries and Wages	\$ 8,611,556	\$ 1,300,842	\$ 433,978	\$ 10,346,376
Retirement	749,921	163,308	3,661	916,890
Employee Benefits	2,330,767	188,800	106,622	2,626,189
Payroll Taxes	506,029	70,990	13,476	590,495
Stipends	531,617	3,750	1,700	537,067
Professional Fees	264,515	208,280	10	472,805
Supplies	852,244	112,562	46,693	1,011,499
Telephone	40,780	30,476	600	71,856
Postage	6,638	818	25,002	32,458
Printing	17,276	7,780	55,897	80,953
Occupancy	469,971	74,325	29,603	573,899
Equipment Rental and Maintenance	271,028	1,955	1,491	274,474
Depreciation	1,393,138	17,224	---	1,410,362
Travel	56,634	25,548	17,179	99,361
Conferences, Conventions and Meetings	21,318	12,048	---	33,366
Graduation Materials	13,761	51	---	13,812
Awards	8,388	17,611	---	25,999
Food	334,217	---	---	334,217
Promotions	27,868	8,585	3,903	40,356
International Student Program	29,621	---	---	29,621
Student Activities	90,958	---	---	90,958
Capital Outlay	56,070	8,850	---	64,920
Recruitment	50	1,571	---	1,621
Moving Fees	2,500	---	---	2,500
Write-Off	60,181	---	---	60,181
Student Aid	767,827	---	---	767,827
Interest Expense	---	384,437	---	384,437
Insurance	---	100,331	---	100,331
Membership Dues	52,595	4,509	107	57,211
Donations	14,855	1,800	13,077	29,732
School Events	---	---	31,949	31,949
Field Trips	11,523	---	---	11,523
Meals and Entertainment	30,924	80,992	21,789	133,705
Sports Fees	17,629	---	---	17,629
Testing	26,568	---	---	26,568
Other Expense	3,729	17,005	564	21,298
TOTALS	\$ 17,672,696	\$ 2,844,448	\$ 807,301	\$ 21,324,445

The accompanying notes are an integral part of these financial statements.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,222,346	\$ 2,053,334
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	1,796,470	1,410,362
Gain on Sale of Fixed Assets	(738,240)	---
(Increase) Decrease in Accounts Receivable	167,292	(63,503)
(Increase) Decrease in Pledges Receivable	60,472	(589,027)
(Increase) Decrease in Other Asset	18,055	16,808
(Increase) Decrease in Prepaid Expenses	278,194	(255,977)
(Increase) Decrease in Credit Card Holding	397	---
Increase (Decrease) in Accounts Payable	(1,112,749)	873,322
Increase (Decrease) in Accrued Payroll	439,121	(24,329)
Increase (Decrease) in Deferred Revenue	47,811	(111,000)
	\$ 3,179,169	\$ 3,309,990
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Fixed Assets	\$ (5,981,677)	\$ (7,345,175)
Proceeds from Sale of Fixed Assets	999,045	---
	\$ (4,982,632)	\$ (7,345,175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Mortgages	\$ (2,891,990)	\$ (641,814)
Proceeds from LCEF Loans	4,861,133	5,014,855
Proceeds from CARES Act PPP Loan	---	2,857,500
	\$ 1,969,143	\$ 7,230,541
Net Increase in Cash and Cash Equivalents	\$ 165,680	\$ 3,195,356
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,349,022	2,153,666
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 5,514,702	\$ 5,349,022
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Interest Paid	\$ 635,640	\$ 384,437

The accompanying notes are an integral part of these financial statements.

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE A - Summary of Significant Accounting Policies

Association

The Lutheran High School Association of Greater Milwaukee and Affiliate (Association) is a group of premier schools dedicated to sharing Jesus, shaping lives and developing leaders; built on Jesus Christ and His Word, ensuring exceptional experiences in four pillars of focus: Spiritual Growth, Academics, Athletics, and the Arts.

Consolidated Financial Statements

The consolidated financial statements include the accounts of Lutheran High School Association of Greater Milwaukee and Spartan Development, LLC. The Association owns a 56% controlling interest in Spartan Development, LLC. The minority share is owned by Burow Holdings, LLC. Certain transactions between the entities have been eliminated for financial statement presentation.

Lightning Holdings, Inc.

A parcel of land at Lake Country Lutheran High School to the east of Campus Drive totaling 16.9 Acres to be developed for multi-family luxury apartments (LOT 2 OF CSM 10497) was contributed to Lightning Development, LLC on November 18, 2020, for a value of \$1,300,000 granting an 18.45% ownership interest in Lightning Development, LLC. In order to preserve the non-profit status of the Association as well as for proper unrelated business tax considerations of investment in a for-profit multi-family housing development, the Association's ownership interest in Lightning Development, LLC was assigned by the Association to a newly created holding company, Lightning Holdings, Inc. The Association is the sole shareholder of Lightning Holdings, Inc. The Board of Lightning Holdings Inc. consists of three (3) independent members with any new member requiring approval of the Association. As part of the agreement with Lightning Development, LLC, Lightning Holdings, Inc. shall receive a preferred guaranteed minimum rate of return on investment of at least 10% annually to be paid upon completion of a rent stabilization period.

Minority Interest

The Association owns a 56% controlling interest in Spartan Development, LLC. The minority share is owned by Burow Holdings, LLC. All significant intercompany transactions and accounts are eliminated.

Accounting Method

The accompanying consolidated financial statements of The Lutheran High School Association of Greater Milwaukee have been prepared on the accrual basis of accounting.

Basis of Presentation

The Association reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions, and net assets with donor restrictions.

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents include all highly liquid debt instruments with original maturities of three months or less. The cash equivalents of investments are included in the total of investments.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE A - Summary of Significant Accounting Policies (continued)

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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.

Functional Expenses

The Association allocates costs based on their functional and natural classification in the statement of functional expenses. Program costs are those associated with carrying out the mission of the Association; management costs are those for management of the Association including accounting, office expense, human resources, budgeting or board of directors costs; and fundraising costs are those attributed to the solicitation of contributions. Whenever possible, the Association allocates costs directly to program, management or fundraising. The cost of individuals that participate in more than one function are allocated to each function based on that individual's time in each function. Other costs that relate to more than one function are allocated based on their estimated share in each function.

Contributions and Grant Revenue

Contributions received and unconditional promises to give are measured at fair value and are reported as increases in net assets. Contributions are considered available for the Association's general operations and included in net assets without donor restrictions unless specifically restricted by a donor. A restricted contribution is reported in revenue and net assets without donor restrictions when the restriction is met within the same reporting period as the contribution is received. Contributions received restricted for a purpose not yet met or to support a future period are included in net assets with donor restrictions. When a donor restriction from a prior year expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional contributions are not recognized as revenue until they become unconditional. A conditional contribution is one that has both a barrier that must be overcome and an agreement requiring advance payment to be returned or future payment not to be obligated if the barrier is not overcome.

Net assets restricted for acquisition of building or equipment are reported as net assets with donor restrictions until the specified asset is placed in service when the net assets are released to net assets without donor restrictions.

When a donor requires the investment of a contribution and restricts the use of investment income, the investment income is reported as net assets with donor restrictions until appropriated for the designated time or use when the net assets are released to net assets without donor restrictions.

Contributions of assets other than cash are recorded at their estimated fair value at the date of the gift. Donated services are recognized as contributions if the services create or enhance nonfinancial assets or the services require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Association. Accordingly, the value of contributed time that does not meet these requirements has not been determined and is not reflected in the accompanying consolidated financial statements.

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020

NOTE A - Summary of Significant Accounting Policies (continued)

Government Grants and Contract Revenue

Government grants and contract revenue are recognized when earned. Revenue is earned when eligible expenditures, as defined in each grant, contract or other allowable cost manual, are made. Any cash received for revenue not yet earned is considered to be deferred revenue. Revenue earned but not yet paid to the Association is included in grants receivable. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such review reduces expenditures allowable under these grants or contracts, the Association records the disallowance at the time the final assessment is made. Management believes that disallowances, if any, would not have a significant effect on the consolidated financial statements.

Agency Accounts and Student Activities

The cash of auxiliary groups and student organizations is included on the consolidated financial statements of The Lutheran High School Association of Greater Milwaukee and Affiliate. The groups and student organizations' cash is included in the cash of the Association. Additionally, the revenue and expenses are also included in the Association's consolidated financial statements as these activities are now under the control of the Association.

Fixed Assets

Fixed assets are recorded at cost. Depreciation is provided over the estimated useful lives of the assets using the straight-line method. The Association capitalizes assets with an original cost of \$5,000 or greater.

Deferred Revenue

Deferred revenue consists of tuition and other revenue that has been prepaid for the 2021 - 2022 year.

NOTE B - Accounting Changes

Accounting Standards Update 2020-07, Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958) will be effective for fiscal years beginning after June 15, 2021. The amendments in this update are required and provide new presentation and disclosure requirements about contributed nonfinancial assets to nonprofits, including additional disclosure requirements for recognized contributed services. Contributed nonfinancial assets will be required to be reported as a separate line in the statement of activities. A financial statement note will be required to provide disaggregated contributed nonfinancial assets by category including: the type of contributed nonfinancial asset; qualitative information about the monetization or utilization of the nonfinancial assets; the policy about the monetization or utilization of nonfinancial assets; a description of restrictions, valuation, and the market used to determine the fair value. The amendments, required to be presented retrospectively to all periods presented, will not change the recognition and measurement requirements for those assets.

Accounting Standards Update 2016-02, Leases (Topic 842) will be effective for fiscal years beginning after December 15, 2021. This update requires the recognition of lease assets and lease liabilities on the statement of financial position measured at the present value of lease payments and requires disclosure of key information about the leasing arrangements.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE B - Accounting Changes (continued)

Accounting Standards Update 2020-08, Receivables – Nonrefundable Fees and Other Costs (Topic 310-20) will be effective for fiscal years beginning after December 15, 2021. The amendments in this update represent changes to clarify the codification. An organization shall apply the amendment prospectively. This amendment impacts the effective yield of an existing individual callable debt security.

Accounting Standards Update 2016-13, Financial Instruments - Credit Losses (Topic 326) will be effective for fiscal years beginning after December 15, 2023. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. To achieve this objective, the amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates, including exploring more forward-looking alternatives.

NOTE C - Concentration of Risk

The Association maintains its cash balances at two financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021 and 2020, the Association's uninsured cash balances totaled \$4,966,204 and \$4,941,288 respectively.

NOTE D - Liquidity

The Association has financial assets available to meet cash needs for general expenditure consisting of the following:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$5,514,702	\$5,349,022
Accounts Receivable	485,709	657,743
Pledges Receivable	<u>524,036</u>	<u>456,357</u>
Available for Use	<u>\$6,524,447</u>	<u>\$6,463,122</u>

Financial assets of \$1,442,189 are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. The accounts and pledges receivable are subject to implied time restrictions but are expected to be collected within one year. The Association structures its financial assets to be available as its general expenditures, liabilities, and other obligations become due. As more fully described in Note H, the Association also has committed lines of credit in the amount of \$1,500,000, which it could draw upon in the event of an unanticipated liquidity need.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE E - Accounts Receivable - Net

Accounts receivable - net consists of the following as of June 30, 2021 and 2020:

<u>Source</u>	<u>2021</u>	<u>2020</u>
Tuition	\$ 686,185	\$ 640,093
Partnership	43,999	26,451
Other	635	4,530
School Donations and Activities from Foundation	150,004	454,687
3in1 Thrift Store	179,578	179,754
Triun3	25,623	---
Burow Holdings, LLC	72,643	---
Lightning Holdings, Inc.	5,647	---
Cooperative Educational Service Agency No. 6	39,773	---
We Play for Him	57,600	63,082
Restricted Grants	---	7,382
Allowance for Uncollectible Accounts	<u>(616,400)</u>	<u>(563,400)</u>
Net Accounts Receivable	<u>\$ 645,287</u>	<u>\$ 812,579</u>
	<u>2021</u>	<u>2020</u>
Current Gross Accounts Receivable	\$1,102,109	\$1,221,143
Long-Term Gross Accounts Receivable	<u>159,578</u>	<u>154,836</u>
Total Accounts Receivable	\$1,261,687	\$1,375,979
Less: Allowance for Doubtful Accounts	<u>(616,400)</u>	<u>(563,400)</u>
Total Net Accounts Receivable	<u>\$ 645,287</u>	<u>\$ 812,579</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE F - Net Pledges Receivable

Net pledges receivable consists of the following as of June 30, 2021 and 2020:

	<u>2021</u>	<u>2020</u>
Current Gross Pledges Receivable	\$ 524,036	\$ 456,357
Long-Term Gross Pledges Receivable	<u>771,065</u>	<u>889,333</u>
Total Pledges Receivable	\$1,295,101	\$1,345,690
Less: Allowance for Doubtful Accounts	<u>(259,020)</u>	<u>(249,138)</u>
Total Net Pledges Receivable	<u>\$1,036,081</u>	<u>\$1,096,552</u>

Gross pledges receivable are expected to be collected as follows:

<u>In the Year Ending June 30,</u>	<u>Amount</u>
2022	\$ 524,036
2023	559,600
2024	123,250
2025	80,000
2026	<u>8,215</u>
Total Gross Pledges Receivable	<u>\$1,295,101</u>

NOTE G - Officer Housing Advance

The Association entered into an employment agreement with an officer of the Association. The terms of this agreement provide for an advance in the amount of \$200,000 for the purpose of housing assistance. Starting April 1, 2019, the advance requires monthly interest and principal repayments with a maturity on April 1, 2029. The monthly payments are forgiven and recognized as compensation for each month the officer remains employed. If the officer is no longer employed by the Association, the advance then becomes payable by the officer for the remaining duration of the ten-year agreement. The advance is secured by the officer's home. The balance on the advance at June 30, 2021 and 2020, was \$159,870 and \$177,926, respectively. The interest rate on the advance is 3%. Interest on the advance as of June 30, 2021 and 2020, was \$5,091 and \$5,639, respectively.

Future principal payments to be received are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 18,605
2023	19,171
2024	19,745
2025	20,354
2026	20,973
Thereafter	<u>61,023</u>
Total Future Payments	<u>\$159,871</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE H - Line of Credit

The Association has a \$1,500,000 revolving line of credit bearing a variable rate, which was 4.375%, which matures on September 28, 2021. As of June 30, 2021 and June 30, 2020, the line of credit did not have an outstanding balance. The line of credit is secured by the Association's real estate.

NOTE I - Mortgages Payable

The Association entered into a long-term mortgage loan commitment for \$15,000,000. The loan requires monthly interest only payments beginning on October 30, 2015, and continuing through September 30, 2017. Starting October 30, 2017, the loan requires monthly interest and principal payments with the loan maturity on September 30, 2035. Payments are due monthly for 20 years with a final balloon payment while the loan is amortized over 30 years. The loan is secured by the Association's real estate. The balance of the mortgage at June 30, 2021 and June 30, 2020, was \$13,530,108 and \$13,911,560, respectively. The interest rate at June 30, 2021, was 3.125%.

The Association entered into a long-term construction mortgage loan commitment for the purpose of an expansion at Lake Country Lutheran High School. The loan has an available principal amount of \$3,674,100 of which \$901,727 and \$2,678,786 have been drawn as of June 30, 2021 and 2020, respectively. Interest-only payments are due monthly until the maturity date of August 9, 2023. On that date the full unpaid principal and interest are due one balloon payment. The interest rate is variable based on the weighted annual average rate of interest plus up to an additional 2.5 percentage points. As of June 30, 2021, the interest rate was 4.125%. The loan is secured by the Association's real estate.

The Affiliate entered into a long-term construction mortgage loan commitment in November 2019 for the purpose of a student housing development at Martin Luther High School. The loan has an available principal amount of \$7,862,062 of which \$7,862,062 and \$3,734,426 have been drawn as of June 30, 2021 and 2020, respectively. The loan carries a variable interest rate. The interest rate as of June 30, 2021, was 4.05%. The loan is set to mature on November 21, 2051. The loan is secured by the Association's real estate.

Interest expense for the years ended June 30, 2021 and 2020, was \$406,093 and \$384,437, respectively.

Future principal payments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 379,416
2023	391,444
2024	1,305,580
2025	416,656
2026	429,865
Thereafter	<u>19,370,935</u>
Total Future Payments	<u>\$22,293,896</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE J - CARES Act Paycheck Protection Program Loan

The Association received a CARES Act Paycheck Protection Program (PPP) Loan on April 16, 2020, in the amount of \$2,857,500. As of June 30, 2021, the interest rate was 1%. The balance of the loan as of June 30, 2021 and 2020, was \$2,857,500 and \$2,857,500, respectively. The principal and interest on the loan may be forgiven for the Paycheck Protection Program in accordance with the guidelines of the Small Business Administration. The amount of forgiveness, if any, is not known at this time, however the Association anticipates it will be fully forgiven. If the loan is not forgiven, future minimum payments required under the note are \$2,857,500 due April 16, 2022.

In addition, the Association has deferred payroll taxes for the remainder of 2020 and a portion of 2021. Deferred payroll taxes as of June 30, 2021 and 2020, are \$313,107 and \$46,546, respectively. Half of this amount is to be paid by December 31, 2021, and the other half by December 31, 2022.

NOTE K - Revenue From Contracts with Customers

Tuition and Fees Revenue

Tuition revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for tuition services. The Association bills the student's family for tuition at the beginning of the semester the services will be provided. Revenue is recognized as the performance obligations are satisfied. Performance obligations are considered to be satisfied over the time period the services are performed.

Beginning Deferred Revenue	\$ 1,249,681
Revenue Recognized From Prior Year Deferred	(1,249,681)
New Fee Revenue Collected	17,546,632
Revenue Recognized on Tuition and Fees	<u>(16,255,541)</u>
Ending Deferred	<u>\$ 1,291,091</u>

Student Activity Fees

The Association requests annual activity fees from students for sports, classes, and other activities. The fees are recorded as revenue at the point in time when the fee is used for a specific purpose. Activity fee revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for the student activity fees. Total revenue from student activity fees for the years ended June 30, 2021 and 2020, was \$170,742 and \$148,871, respectively.

Elementary Band and International Student Program Fees

The Association collects revenue from individuals seeking to participate in the elementary band program and international student program. Revenue is recognized as it is earned as collected and subsequently no deferred amounts have been recorded. Revenue for these programs are reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for the access to these programs. Total revenue from elementary band and international student program fees for the years ended June 30, 2021 and 2020, was \$199,011 and \$392,764, respectively.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE K - Revenue From Contracts with Customers (continued)

Food Sales

The Association requests money from students for lunch and other food services. The fees are recorded as revenue at the point in time when the money is collected. Food sales revenue is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for the food sales fees. Total revenue from food sales for the years ended June 30, 2021 and 2020, was \$368,132 and \$580,329, respectively.

Rental Income

The Association leases space to other organizations in the buildings that it owns. Rental income is reported at the amount that reflects the consideration to which the Association expects to be entitled in exchange for providing the use of the Association's property. Rental income for the years ended June 30, 2021 and 2020, totaled \$117,901 and \$97,979 respectively. The Association, receives monthly payments between \$310 and \$1,842.

Beginning Deferred Revenue	\$ ---
New Rental Revenue Collected	124,301
Revenue Recognized on Rental Income	<u>(117,901)</u>
Ending Deferred	<u>\$ 6,400</u>

NOTE L - Operating Leases

The Association leased ten copiers in fiscal year 2021 with monthly payments totaling \$3,817. The lease expense for the years ended June 30, 2021 and 2020, totaled \$46,485 and \$43,963, respectively.

The Association leased four postage meters with monthly payments totaling \$592 in fiscal year 2021. The lease expense for the years ended June 30, 2021 and 2020, totaled \$6,694 and \$6,782 respectively.

The Association leased two vehicles with monthly payments totaling \$655 in fiscal year 2021. The lease expense for the years ended June 30, 2021 and 2020, totaled \$5,222 and \$4,582, respectively.

In July 2020, the Association signed into a lease for cubicles and office furniture. The lease expense for the years ended June 30, 2021 and 2020, totaled \$8,545 and \$-0-, respectively.

In July 2016, the Association signed a lease and sublease agreement for additional office space. The sublease began September 1, 2016, and continues through March 31, 2025. Rent expense for the years ended June 30, 2021 and 2020, totaled \$76,960 and \$72,818, respectively.

The Association signed a lease with Spartan Development LLC to occupy the second, third and basement floors of the Spartan Condominium. The lease began on August 12, 2020, and ends on July 1, 2035. Rent expense for the years ended June 30, 2021 and 2020, totaled \$378,000 and \$-0-, respectively. All transactions are eliminated with this lease.

In June 2021, the Association signed into a lease to occupy and operate a school. The lease began on July 1, 2021, and ends on July 1, 2024.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE L - Operating Leases (continued)

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2022	\$ 610,825
2023	645,775
2024	655,733
2025	605,192
2026	545,301
Thereafter	<u>5,015,630</u>
Total Future Payments	<u>\$8,078,456</u>

NOTE M - Deferred Revenue

Deferred revenue consists of the following at June 30, 2021 and 2020:

<u>Source</u>	<u>2021</u>	<u>2020</u>
Tuition	\$1,291,091	\$1,249,681
Rental Income	<u>6,400</u>	<u>---</u>
Total	<u>\$1,297,491</u>	<u>\$1,249,681</u>

NOTE N - Long-Term Accrued Payroll

Long-term accrued payroll consists of banked benefit days and paid time off accrual. The value of banked benefit days and paid time off accrual was \$582,880 and \$610,976 at June 30, 2021 and 2020, respectively. In addition, the Association has \$313,107 and \$46,547 of deferred payroll taxes as discussed in Note J as of June 30, 2021 and 2020, respectively.

As of June 30, 2021 and 2020, the banked benefit days account contains a present value discount of \$75,202 which was calculated based on the expected age of retirement for beneficiaries, the expected rate of growth in Medicare Part B, and a net present value rate of 3.125% and 3.125%, respectively.

NOTE O - Net Assets With Donor Restrictions

The Association had \$1,036,081 of time and purpose net assets with donor restrictions and \$406,108 of purpose net assets with donor restrictions, which consists of the following:

<u>Source</u>	<u>2021</u>	<u>2020</u>
Pledges Receivable	\$1,036,081	\$1,096,552
Milwaukee Lutheran Free Enterprise	136,519	---
Milwaukee Lutheran School Donations	94,775	---
Lake County Lutheran School Donations	61,385	---
Milwaukee Lutheran Scholarships	<u>113,429</u>	<u>66,176</u>
Total Net Assets With Donor Restrictions	<u>\$1,442,189</u>	<u>\$1,162,728</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE P - Ground Lease Asset

The Association signed a ground lease with Spartan Development, LLC to lease land to build a student residence. The lease period is 98 years after the date of completion of construction, which was August 12, 2020. The initial rent was \$1,100,000 capital contribution from Spartan Development, LLC. The yearly lease payment is \$1 per year. The value of the ground lease asset was \$1,100,000 and \$-0- as of June 30, 2021 and 2020, respectively. The transactions are eliminated with this lease.

NOTE Q - In-Kind Donations

The Association received \$39,977 and \$111,585 of donated goods and services, which consisted of the following for the years ended June 30, 2021 and 2020:

<u>Source</u>	<u>2021</u>	<u>2020</u>
Classroom Supplies	\$18,829	\$ 1,765
Auction	1,000	---
Sewer and Water Lines	---	100,000
Chair Lift Replacement	---	5,270
Band Equipment	<u>20,148</u>	<u>4,100</u>
Total	<u>\$39,977</u>	<u>\$111,585</u>

NOTE R - COVID Funding

Between March of 2020 and 2021, Congress passed three stimulus bills. These bills included the following funding that was available to the schools:

The Emergency Assistance for Non-Public Schools (EANS) program was established in the Coronavirus Response and Relief Supplemental Appropriations Act, 2021 (CRRSA Act) to provide services or assistance to eligible non-public schools to address educational disruptions caused by COVID-19. The school was reimbursed for certain expenses through the EANS program. The following chart provides information on these reimbursed expenses:

School Year	Amount Reimbursed	Amount Related to K-12 Grade Educational Programming	Amount of Reimbursement Used for Fixed Assets	Included in Financial Statements	Reserve Balance Schedule
2020-21	39,772.82	39,772.82	{-0-}	Expense excluded from financial statements	N/A

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE S - Retirement Plans

The Association participates in Concordia Retirement Plan which is a defined benefit plan operated by a related party, Concordia Plan Services. This plan includes the Concordia Retirement Plan (CRP) with Retiree Medical Supplement (RMS).

Employees are eligible for the plan if they are hired to work over 20 hours per week for more than five consecutive months. Pension benefits are based on years of service and compensation. Employees are vested in the retirement plan after five years. Employees are eligible to receive the RMS benefit upon retirement if he/she completed 15 years or more of credible service and the employee is either age 60 or older or the employee's age plus years of creditable service equals or exceeds 85. Concordia Plan Services determines the percentage of salary for eligible workers that the Association is required to pay into the plan which is based on years of tenure and age. Contributions for the defined benefit plan are intended to provide not only for benefits attributed to service to date but also for those expected to be earned in the future.

Newly enrollees to the CRP after December 1, 2020, who are non-faculty/non-LCMS called church workers are enrolled in the Account Option rather than the Traditional CRP. The Account Option provides a Retirement Cash Account (RCA) that vests after three (3) years. Employees receive compensation credits that are deposited into their RCA annually with amount of contribution based on years of service. The RCA is portable upon termination of employment once an employee is vested.

The Association also participates in Concordia Retirement Savings Plan (CRSP) which is a defined contribution plan. Employees are eligible to contribute to the plan if they are hired to work over 20 hours per week for more than five consecutive months. The Association matches 50% of an employee's contribution to the plan, not to exceed 1% of the employee's regular, annual compensation.

The total retirement expense for the Concordia Plans was \$810,626 and \$916,890 for the years ended June 30, 2021 and 2020, respectively. No amounts were due to/from Concordia Plan Services as of June 30, 2021 and June 30, 2020.

NOTE T - Related Party Transactions

The Association entered into an employment agreement with an individual that is a relative of the CEO.

The Association entered into an agreement with a company owned by the CFO where they share employees to perform services to benefit both parties. The company also rents cubicle space from the Association.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE T - Related Party Transactions (continued)

The Lutheran High School Association of Greater Milwaukee Foundation (the "Foundation") was created to support the charitable activities of the Association. Governance within the Foundation consists of nine (9) board members consisting of three (3) key employees of the Association (Chief Executive Officer, Chief Financial Officer, and the most senior member of Mission Advancement), three (3) members as appointed by the Association and up to six (6) other members as elected by the Foundation Board of Directors. The Association provides office facilities, management, event planning, record keeping, accounting services, and related overhead costs to the Foundation for which it paid a management fee. The Foundation makes donations to the Association each year as approved by the Foundation Board primarily for the purpose of funding student aid, scholarships, and other costs associated with advancement efforts for the benefit of the Association. Each month, the Association invoices the Foundation. Total payments by the Foundation to the Association during the years ended June 30, 2021 and 2020, were \$319,661 and \$1,032,655 respectively. The Foundation receives all donations and passes them on to the Association if the donation is designated for a specific school in the Association. Total donations received by the Association from the Foundation during the years ended June 30, 2021 and 2020, were \$2,178,430 and \$1,424,421 respectively. Total amounts receivable from the Foundation at the years ended June 30, 2021 and 2020, were \$150,004 and \$453,377, respectively.

NOTE U - Income Taxes

The Association is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code and is classified as other than a private foundation. Management has reviewed all tax positions taken in previous fiscal years and those expected to be taken in future fiscal years. As of June 30, 2021 and June 30, 2020, the Association had no amounts related to unrecognized income tax benefits and no amounts related to accrued interest and penalties. The Association does not anticipate any significant changes to unrecognized income tax benefits over the next year.

NOTE V - Subsequent Events

The Association has evaluated events and transactions occurring after June 30, 2021, through October 15, 2021, the date the consolidated financial statements are available to be issued, for possible adjustments to the consolidated financial statements or disclosures. The Association has determined that the following subsequent events need to be disclosed:

The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of many businesses and nonprofit organizations. While the disruption is expected to be temporary, there is considerable uncertainty around the duration of the closings. The Association has less global studies students attending the schools. It is unknown at this time what, if any, negative impact on the Association's financial position may be.

Starting July 1, 2021, the Association signed an agreement for \$1 to purchase substantially all of the assets of the Mt. Calvary Lutheran School used in and related to the operation of this school.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
JUNE 30, 2021 AND 2020**

NOTE W - Eligible Education Expenses

Eligible education expenses are used in the reserve schedules of the Private School Choice Program and the Special Needs Scholarship Program for each member school. Eligible education expenses from the association are allocated to each member school based on the student count as of May 2021 and 2020. See below for each member school's calculation of the eligible education expenses as of June 30, 2021 and June 30, 2020.

<u>Martin Luther High School</u>	<u>2021</u>	<u>2020</u>
Expenses per Functional Schedule	\$5,268,105	\$5,045,535
Association Allocations	725,809	524,108
Depreciation	<u>166,457</u>	<u>154,189</u>
Total	<u>\$6,160,371</u>	<u>\$5,723,832</u>
<u>Milwaukee Lutheran High School</u>	<u>2021</u>	<u>2020</u>
Expenses per Functional Schedule	\$6,973,495	\$7,437,249
Association Allocations	1,099,672	774,186
Depreciation	<u>325,641</u>	<u>363,176</u>
Total	<u>\$8,398,808</u>	<u>\$8,574,611</u>
<u>Lake Country Lutheran High School</u>	<u>2021</u>	<u>2020</u>
Expenses per Functional Schedule	\$3,623,239	\$3,479,005
Association Allocations	440,900	369,846
Depreciation	<u>967,656</u>	<u>875,773</u>
Total	<u>\$5,031,795</u>	<u>\$4,724,624</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES WITHOUT DONOR RESTRICTIONS BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)**

	2021					2020
	Martin Luther High School	Milwaukee Lutheran High School	Lake Country High School	Association	Total	Total
REVENUE						
Donations	\$ 2,900	\$ 400	\$ 3,500	\$ 906,979	\$ 913,779	\$ 768,269
Grants	---	---	---	---	---	---
Tuition	5,585,235	7,863,861	4,049,326	---	17,498,422	17,242,432
Fees						
Sports Fees	35,336	15,935	34,909	---	86,180	64,571
Class Fees	6,761	---	11,000	---	17,761	18,579
Other Fees	4,543	8,819	53,439	---	66,801	65,721
Food Sales	144,445	63,652	160,035	---	368,132	580,329
International Student Program	39,226	---	9,350	---	48,576	219,936
Elementary Band	---	---	---	150,435	150,435	172,828
Partnership Income	---	---	---	780,359	780,359	768,490
Rent	70,967	26,419	13,475	7,040	117,901	97,979
Gate Receipts	21,544	2,587	14,857	---	38,988	68,294
Interest Income	400	---	---	49,979	50,379	34,460
Gain on Sale of Fixed Assets	---	---	738,240	---	738,240	---
Other Income	13,041	19,915	5,917	294,128	333,001	222,454
In-Kind Revenue	---	7,477	30,300	2,200	39,977	11,585
Net Assets Released from Restrictions	366,498	969,257	1,533,697	37,792	2,907,244	6,854,258
Total Revenue (Carried Forward)	<u>\$ 6,290,896</u>	<u>\$ 8,978,322</u>	<u>\$ 6,658,045</u>	<u>\$ 2,228,912</u>	<u>\$ 24,156,175</u>	<u>\$ 27,190,185</u>

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE AND AFFILIATE
CONSOLIDATED SCHEDULE OF REVENUE AND EXPENSES WITHOUT DONOR RESTRICTIONS BY SCHOOL
FOR THE YEAR ENDED JUNE 30, 2021
(With Summarized Totals for the Year Ended June 30, 2020)

	2021				2020	
	Martin Luther High School	Milwaukee Lutheran High School	Lake Country High School	Association	Total	Total
Total Revenue (Brought Forward)	\$ 6,290,896	\$ 8,978,322	\$ 6,658,045	\$ 2,228,912	\$ 24,156,175	\$ 27,190,185
EXPENSES						
Salaries and Wages	\$ 2,901,679	\$ 4,010,483	\$ 1,702,272	\$ 2,166,480	\$ 10,780,914	\$ 10,346,376
Retirement	242,290	313,621	126,552	128,163	810,626	916,890
Employee Benefits	786,585	1,172,154	575,208	285,805	2,819,752	2,626,189
Payroll Taxes	177,667	245,414	84,884	102,986	610,951	590,496
Stipends	213,964	190,099	107,445	13,479	524,987	537,067
Professional Fees	73,815	102,780	77,082	316,858	570,535	472,806
Supplies	248,302	341,026	162,070	189,218	940,616	1,011,499
Telephone	19,131	19,322	8,988	48,392	95,833	71,856
Postage	2,500	4,340	252	19,600	26,692	32,458
Printing	192	7,799	31	54,774	62,796	80,953
Occupancy	129,153	215,688	174,920	173,093	692,854	573,899
Equipment Rental and Maintenance	48,007	114,227	73,315	2,907	238,456	274,475
Travel	18,269	18,334	7,485	44,992	89,080	99,361
Conferences, Conventions and Meetings	16,357	2,895	1,118	19,658	40,028	33,365
Graduation Materials	13,300	7,720	1,907	---	22,927	13,812
Awards	6,048	1,545	670	19,345	27,608	25,999
Food	84,470	36,448	91,825	---	212,743	334,217
Promotions	7,495	11,361	18,608	8,223	45,687	40,356
International Student Program	21,173	---	---	---	21,173	29,621
Capital Outlay	880	3,765	8,607	7,902	21,154	64,920
Recruitment	---	150	---	545	695	1,621
Moving Fees	---	525	---	---	525	2,500
Student Aid	225,560	113,879	338,442	---	677,881	767,827
Interest Expense	---	---	---	635,640	635,640	384,437
Insurance	---	---	7,285	148,699	155,984	100,331
Membership Dues	15,682	14,767	14,734	8,770	53,953	57,210
Donations	324	10,000	9,848	10,182	30,354	29,732
Special Events	---	341	12,289	1,139	13,769	31,949
Field Trips	321	---	40	---	361	11,523
Meals and Entertainment	8,051	3,251	3,489	64,918	79,709	133,704
Sports Fees	4,584	1,520	7,339	---	13,443	17,629
Testing	2,050	9,913	4,871	---	16,834	26,569
Other Expense	256	128	1,663	23,525	25,572	21,300
Total Expenses	<u>\$ 5,268,105</u>	<u>\$ 6,973,495</u>	<u>\$ 3,623,239</u>	<u>\$ 4,495,293</u>	<u>\$ 20,360,132</u>	<u>\$ 19,762,947</u>
CHANGES IN NET ASSETS BEFORE ASSOCIATION ALLOCATIONS	\$ 1,022,791	\$ 2,004,827	\$ 3,034,806	\$ (2,266,381)	\$ 3,796,043	\$ 7,427,238
Association Allocations	<u>(725,809)</u>	<u>(1,099,672)</u>	<u>(440,900)</u>	<u>2,266,381</u>	<u>---</u>	<u>---</u>
CHANGES IN NET ASSETS AFTER ASSOCIATION ALLOCATIONS	<u>\$ 296,982</u>	<u>\$ 905,155</u>	<u>\$ 2,593,906</u>	<u>\$ ---</u>	<u>\$ 3,796,043</u>	<u>\$ 7,427,238</u>
CHANGES IN NET ASSETS RELATED TO NON-OPERATING INCOME (EXPENSE)						
Student Activities	\$ ---	\$ ---	\$ ---	\$ ---	\$ ---	\$ (90,958)
Student Housing Expense	---	---	---	(1,025)	(1,025)	---
Write-Off	(22,140)	(11,280)	(21,280)	(963)	(55,663)	---
Depreciation	(166,457)	(325,641)	(967,656)	(336,716)	(1,796,470)	(1,410,362)
Total Change From Non-Operating Items	<u>\$ (188,597)</u>	<u>\$ (336,921)</u>	<u>\$ (988,936)</u>	<u>\$ (338,704)</u>	<u>\$ (1,853,158)</u>	<u>\$ (1,501,320)</u>
CHANGES IN NET ASSETS	<u>\$ 108,385</u>	<u>\$ 568,234</u>	<u>\$ 1,604,970</u>	<u>\$ (338,704)</u>	<u>\$ 1,942,885</u>	<u>\$ 5,925,918</u>
Capital Additions	\$ 695,402	\$ 110,766	\$ 2,514,684	\$ 2,660,825	\$ 5,981,677	\$ ---

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE
CONSOLIDATING SCHEDULE OF FINANCIAL POSITION
JUNE 30, 2021

The Lutheran High School Association of Greater Milwaukee					
	Without Donor Restrictions	With Donor Restrictions	Spartan Development, LLC	Eliminations	Total
ASSETS					
CURRENT ASSETS					
Cash	\$ 4,481,394	\$ 864,475	\$ 168,833	\$ ---	\$ 5,514,702
Accounts Receivable - Net	368,537	98,875	72,643	(54,346)	485,709
Pledges Receivable	---	524,036	---	---	524,036
Other Asset	18,605	---	---	---	18,605
Prepaid Expenses	36,210	---	---	---	36,210
Total Current Assets	<u>\$ 4,904,746</u>	<u>\$ 1,487,386</u>	<u>\$ 241,476</u>	<u>\$ (54,346)</u>	<u>\$ 6,579,262</u>
FIXED ASSETS					
Land	\$ 1,734,305	\$ ---	\$ 1,100,000	\$ (1,100,000)	\$ 1,734,305
Construction in Progress	---	259,747	---	---	259,747
Land Improvements	5,329,920	---	---	---	5,329,920
Building and Building Improvements	44,542,254	---	7,832,742	---	52,374,996
Furniture, Fixtures and Equipment	2,281,379	---	92,002	---	2,373,381
Vehicles	302,412	---	---	---	302,412
Total Fixed Assets	<u>\$ 54,190,270</u>	<u>\$ 259,747</u>	<u>\$ 9,024,744</u>	<u>\$ (1,100,000)</u>	<u>\$ 62,374,761</u>
Accumulated Depreciation	(19,330,592)	---	(269,589)	---	(19,600,181)
Net Fixed Assets	<u>\$ 34,859,678</u>	<u>\$ 259,747</u>	<u>\$ 8,755,155</u>	<u>\$ (1,100,000)</u>	<u>\$ 42,774,580</u>
LONG-TERM ASSETS					
Accounts Receivable	\$ 159,578	\$ ---	\$ ---	\$ ---	\$ 159,578
Pledges Receivable - Net	---	512,044	---	---	512,044
Other Asset	141,266	---	---	---	141,266
Total Long-Term Assets	<u>\$ 300,844</u>	<u>\$ 512,044</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 812,888</u>
OTHER ASSETS					
Security Deposit	\$ 15,700	\$ ---	\$ ---	\$ ---	\$ 15,700
Total Other Assets	<u>\$ 15,700</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ ---</u>	<u>\$ 15,700</u>
TOTAL ASSETS	<u>\$ 40,080,968</u>	<u>\$ 2,259,177</u>	<u>\$ 8,996,631</u>	<u>\$ (1,154,346)</u>	<u>\$ 50,182,430</u>
LIABILITIES AND NET ASSETS					
CURRENT LIABILITIES					
Accounts Payable	\$ 422,813	\$ 64,678	120,623	\$ (54,346)	\$ 553,768
Accrued Payroll	1,251,035	---	---	---	1,251,035
Current Portion of CARES Act PPP Loan	2,857,500	---	---	---	2,857,500
Current Portion of Mortgages Payable	379,416	---	---	---	379,416
Deferred Revenue	1,291,091	---	6,400	---	1,297,491
Total Current Liabilities	<u>\$ 6,201,855</u>	<u>\$ 64,678</u>	<u>\$ 127,023</u>	<u>\$ (54,346)</u>	<u>\$ 6,339,210</u>
LONG-TERM LIABILITIES					
CARES Act PPP Loan	\$ 2,857,500	\$ ---	\$ ---	\$ ---	\$ 2,857,500
Less: Current Portion of CARES Act PPP Loan	(2,857,500)	---	---	---	(2,857,500)
Mortgages Payable	13,530,108	901,727	7,862,062	---	22,293,897
Less: Current Portion of Mortgages Payable	(379,416)	---	---	---	(379,416)
Accrued Payroll	895,987	---	---	---	895,987
Student Activities - Auxiliary	149,417	(149,417)	---	---	---
Total Long-Term Liabilities	<u>\$ 14,196,096</u>	<u>\$ 752,310</u>	<u>\$ 7,862,062</u>	<u>\$ ---</u>	<u>\$ 22,810,468</u>
Total Liabilities	<u>\$ 20,397,951</u>	<u>\$ 816,988</u>	<u>\$ 7,989,085</u>	<u>\$ (54,346)</u>	<u>\$ 29,149,678</u>
NET ASSETS					
Without Donor Restrictions					
Operating	\$ 19,683,017	\$ ---	\$ (92,454)	\$ ---	\$ 19,590,563
Capital Contributions	---	---	1,100,000	(1,100,000)	---
Total Without Donor Restrictions	<u>\$ 19,683,017</u>	<u>\$ ---</u>	<u>\$ 1,007,546</u>	<u>\$ (1,100,000)</u>	<u>\$ 19,590,563</u>
With Donor Restrictions					
Total Net Assets	<u>\$ 19,683,017</u>	<u>\$ 1,442,189</u>	<u>\$ 1,007,546</u>	<u>\$ (1,100,000)</u>	<u>\$ 21,032,752</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 40,080,968</u>	<u>\$ 2,259,177</u>	<u>\$ 8,996,631</u>	<u>\$ (1,154,346)</u>	<u>\$ 50,182,430</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE
CONSOLIDATING SCHEDULE OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

The Lutheran High School Association of Greater Milwaukee					
	Without Donor Restrictions	With Donor Restrictions	Spartan Development, LLC	Eliminations	Total
REVENUE					
Donations	\$ 913,779	\$ 2,210,980	\$ ---	\$ ---	\$ 3,124,759
Grants	---	952,350	---	---	952,350
Tuition	17,498,422	---	---	---	17,498,422
Fees					
Sports Fees	86,180	---	---	---	86,180
Class Fees	17,761	---	---	---	17,761
Gate Receipts	38,988	---	---	---	38,988
Other Fees	66,801	---	---	---	66,801
Food Sales	368,132	---	---	---	368,132
International Student Program	48,576	---	---	---	48,576
Elementary Band	150,435	---	---	---	150,435
Partnership Income	780,359	---	---	---	780,359
Rent	117,901	---	---	---	117,901
Interest Income	50,379	---	---	---	50,379
Gain on Sale of Fixed Assets	738,240	---	---	---	738,240
Student Activities Income	---	11,885	---	---	11,885
Other Income	230,464	11,490	480,537	(378,000)	344,491
In-Kind Revenue	39,977	---	---	---	39,977
Net Assets Released from Restrictions	2,907,244	(2,907,244)	---	---	---
Total Revenue	\$ 24,053,638	\$ 279,461	\$ 480,537	\$ (378,000)	\$ 24,435,636
EXPENSES					
Program Services	\$ 17,580,209	\$ ---	\$ 572,991	\$ (378,000)	\$ 17,775,209
Management and General	3,508,449	---	---	---	3,508,449
Fundraising	929,641	---	---	---	929,641
Total Expenses	\$ 22,018,299	\$ ---	\$ 572,991	\$ (378,000)	\$ 22,213,290
CHANGE IN NET ASSETS	\$ 2,035,339	\$ 279,461	\$ (92,454)	\$ ---	\$ 2,222,346
Net Assets, Beginning of Year	17,647,678	1,162,728	---	---	18,810,406
NET ASSETS, END OF YEAR	\$ 19,683,017	\$ 1,442,189	\$ (92,454)	\$ ---	\$ 21,032,752

Martin Luther High School - Greendale

Private School Choice Programs (PSCP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	\$ 6,160,371
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	-
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	225,560
6	Daycare Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	2,750
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ 228,310
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ 5,932,061
15	Government Assistance Excluding Forgiven PPP Loans	
16	Fundraising Revenue	
17	Insurance Proceeds	
18	Less: Total Offsetting Revenue	\$ -
19	Adjustments to Prior Year Net Eligible Education Expenses	-
20	Net Eligible Education Expenses for All Pupils	\$ 5,932,061
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP		
21	PSCP Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	433.50
22	All Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	583.50
23	Percentage of Pupils Participating in PSCP	74.29%
PSCP RESERVE BALANCE		
24	2020-21 PSCP Revenue	3,878,091
25	2020 Summer School PSCP Revenue	27,409
26	Total 2020-21 PSCP Revenue	\$ 3,905,500
27	Less: Net Eligible Education Expenses for PSCP Pupils <i>Line 20 times Line 23</i>	4,406,928
28	Add: June 30, 2020 PSCP Reserve Balance	(2,479,000)
29	Less: Repayment of June 30, 2020 PSCP Reserve Balance	-
30	June 30, 2021 PSCP Reserve Balance	\$ (2,980,428)
31	Plan for PSCP Reserve Required	Not Required
REQUIRED CASH AND INVESTMENT BALANCE		
32	June 30, 2021 PSCP Reserve Balance <i>Line 30</i>	(2,980,428)
33	June 30, 2021 SNSP Reserve Balance	114,444
34	Less: Remaining Depreciation on Fixed Assets	2,260,951
35	Less: Land Purchases that have not Been Included as Eligible	-
36	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	3,732
37	Required Cash and Investment Balance	\$ -

Milwaukee Lutheran High School

Private School Choice Programs (PSCP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	\$ 8,398,808
2	Ineligible Depreciation Expense	
3	Contributed Expenses Other Than Fixed Assets	7,477
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	113,879
6	Daycare Expenses	-
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	4,750
10	Eligible Education Expenses on SNSP Statements of Actual Cost	50,802
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ 176,908
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ 8,221,900
15	Government Assistance Excluding Forgiven PPP Loans	13
16	Fundraising Revenue	
17	Insurance Proceeds	
18	Less: Total Offsetting Revenue	\$ 13
19	Adjustments to Prior Year Net Eligible Education Expenses	
20	Net Eligible Education Expenses for All Pupils	\$ 8,221,887
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP		
21	PSCP Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	789.00
22	All Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	861.50
23	Percentage of Pupils Participating in PSCP	91.58%
PSCP RESERVE BALANCE		
24	2020-21 PSCP Revenue	7,036,430
25	2020 Summer School PSCP Revenue	10,981
26	Total 2020-21 PSCP Revenue	\$ 7,047,411
27	Less: Net Eligible Education Expenses for PSCP Pupils <i>Line 20 times Line 23</i>	7,529,604
28	Add: June 30, 2020 PSCP Reserve Balance	(5,287,566)
29	Less: Repayment of June 30, 2020 PSCP Reserve Balance	-
30	June 30, 2021 PSCP Reserve Balance	\$ (5,769,759)
31	Plan for PSCP Reserve Required	Not Required
REQUIRED CASH AND INVESTMENT BALANCE		
32	June 30, 2021 PSCP Reserve Balance <i>Line 30</i>	(5,769,759)
33	June 30, 2021 SNSP Reserve Balance	330,429
34	Less: Remaining Depreciation on Fixed Assets	4,481,330
35	Less: Land Purchases that have not Been Included as Eligible	-
36	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	33,366
37	Required Cash and Investment Balance	\$ -

Lake Country Lutheran High School

Private School Choice Programs (PSCP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS		
Line	A Line Description	B Amount
1	Expenses on Statement of Activities	\$ 5,031,795
2	Ineligible Depreciation Expense	1,496
3	Contributed Expenses Other Than Fixed Assets	30,300
4	Bad Debt Expense	
5	Scholarship Awards & Other Financial Support for Pupils	338,442
6	Daycare Expenses	
7	School District Partnership Expenses	
8	Church Expenses	
9	Eligible Education Expenses Primarily for SNSP Pupils	2,250
10	Eligible Education Expenses on SNSP Statements of Actual Cost	-
11	Other Non-Eligible Expenses	
12	Less: Total Non-Eligible Expenses	\$ 372,488
13	Add: Eligible Education Expense for Land	
14	Eligible Education Expenses	\$ 4,659,307
15	Government Assistance Excluding Forgiven PPP Loans	
16	Fundraising Revenue	
17	Insurance Proceeds	
18	Less: Total Offsetting Revenue	\$ -
19	Adjustments to Prior Year Net Eligible Education Expenses	
20	Net Eligible Education Expenses for All Pupils	\$ 4,659,307
PERCENTAGE OF PUPILS PARTICIPATING IN PSCP		
21	PSCP Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	45.50
22	All Pupil Average Full-Time Equivalent <i>3rd Friday Sept & 2nd Friday Jan Average FTE</i>	346.00
23	Percentage of Pupils Participating in PSCP	13.15%
PSCP RESERVE BALANCE		
24	2020-21 PSCP Revenue	407,043
25	2020 Summer School PSCP Revenue	-
26	Total 2020-21 PSCP Revenue	\$ 407,043
27	Less: Net Eligible Education Expenses for PSCP Pupils <i>Line 20 times Line 23</i>	612,699
28	Add: June 30, 2020 PSCP Reserve Balance	(272,784)
29	Less: Repayment of June 30, 2020 PSCP Reserve Balance	-
30	June 30, 2021 PSCP Reserve Balance	\$ (478,440)
31	Plan for PSCP Reserve Required	Not Required
REQUIRED CASH AND INVESTMENT BALANCE		
32	June 30, 2021 PSCP Reserve Balance <i>Line 30</i>	(478,440)
33	June 30, 2021 SNSP Reserve Balance	(30,286)
34	Less: Remaining Depreciation on Fixed Assets	28,066,852
35	Less: Land Purchases that have not Been Included as Eligible	-
36	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	2,675
37	Required Cash and Investment Balance	\$ -

Martin Luther High School - Greendale

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES PRIMARILY FOR SNSP PUPILS			
Line	A Line Description	B Amount	C Matches PSCP
1	Eligible Education Expenses Primarily for SNSP Pupils	\$ 2,750	
2	Government Assistance for Expenses in Line 1 Excluding Forgiven Paycheck Protection Program (PPP) Loans		
3	Fundraising Revenue for Expenses in Line 1		
4	Insurance Proceeds for Expenses in Line 1		
5	Less: Total Offsetting Revenue for Expenses in Line 1	\$ -	
6	Adjustments to Prior Year Net Eligible Education Expenses Primarily for SNSP Pupils	-	
7	Net Eligible Education Expenses Primarily for SNSP Pupils	\$ 2,750	
NET ELIGIBLE EDUCATION EXPENSES ON SNSP STATEMENTS OF ACTUAL COST			
<i>If any amounts changed from the Statements of Actual Cost submitted by 7/16/21, provide the pupil schedule as part of the financial audit. The school must then submit revised Statements of Actual Cost for any pupils with changes and supporting documentation for amounts that changed by 10/15/21.</i>			
8	Cost from Invoices		
9	Allocated Salary & Benefits Costs		
10	Less: Offsetting Government Assistance Revenue Excluding Forgiven PPP Loans		
11	Net Eligible Education Expenses on SNSP Statements of Actual Cost	\$ -	
NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS			
12	Expenses on Statement of Activities	6,160,371	YES
13	Ineligible Depreciation Expense	-	YES
14	Contributed Expenses Other Than Fixed Assets	-	YES
15	Bad Debt Expense	-	YES
16	Scholarship Awards & Other Financial Support for Pupils	225,560	YES
17	Daycare Expenses	-	YES
18	School District Partnership Expenses	-	YES
19	Church Expenses	-	YES
20	Eligible Education Expenses Primarily for SNSP Pupils	2,750	
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	-	YES
22	Other Non-Eligible Expenses	-	YES
23	Less: Total Non-Eligible Expenses	\$ 228,310	
24	Add: Eligible Education Expense for Land		
25	Eligible Education Expenses	\$ 5,932,061	
26	Government Assistance for Expenses in Line 25 Excluding Forgiven PPP Loans	-	YES
27	Fundraising Revenue for Expenses in Line 25	-	YES
28	Insurance Proceeds for Expenses in Line 25	-	YES
29	Less: Total Offsetting Revenue for Expenses in Line 25	\$ -	
30	Adjustments to Prior Year Net Eligible Education Expenses		
31	Net Eligible Education Expenses for All Pupils	\$ 5,932,061	
PERCENTAGE OF PUPILS PARTICIPATING IN SNSP			
32	SNSP Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	14.00	
33	All Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	583.50	
34	Percentage of Pupils Participating in SNSP	2.40%	

Martin Luther High School - Greendale

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

SNSP RESERVE BALANCE			
35	2020-21 SNSP Revenue	181,678	
36	2020 Summer School SNSP Revenue	636	
37	Total 2020-21 SNSP Revenue	\$ 182,314	
38	Net Eligible Education Expenses Primarily for SNSP Pupils <i>Line 7</i>	2,750	
39	Net Eligible Education Expenses on SNSP Statements of Actual Cost <i>Line 11</i>	-	
40	General Net Eligible Education Expenses for SNSP Pupils <i>Line 31 times Line 34</i>	142,369	
41	Less: Total Net Eligible Education Expenses for SNSP Pupils	\$ 145,119	
42	Add: June 30, 2020 SNSP Reserve Balance	77,249	
43	June 30, 2021 SNSP Reserve Balance	\$ 114,444	
REQUIRED CASH AND INVESTMENT BALANCE			
44	June 30, 2021 SNSP Reserve Balance <i>Line 43</i>	114,444	YES
45	June 30, 2021 PSCP Reserve Balance	(2,980,428)	YES
46	Less: Remaining Depreciation on Fixed Assets	2,260,951	YES
47	Less: Land Purchases that have not Been Included as Eligible	-	YES
48	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	3,732	YES
49	Required Cash and Investment Balance	\$ -	
ERROR REPORT			
50	The school also participated in the PSCP in the 2020-21 school year. <i>This indicates no if the school is a Choice system.</i>	Yes	
51	Was an allocation used to determine the Eligible Education Expenses Primarily for SNSP Pupils?	No	
52	The question on Line 51 must be answered. <i>If the school has no expenses on Line 1, insert No on Line 51.</i>	OK	
53	Primarily SNSP Allocation Used: If Line 51 indicates an allocation was used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must be the amount before the allocation. Note: The allocated amounts must be for expenses that were primarily related to SNSP pupils and cannot include the costs for teachers unless the school has a resource teacher, teacher aide, or additional teacher primarily to assist with the SNSP pupils. Additionally, the allocated amounts cannot use a general allocation. The allocation percentage must be based on the actual amount of SNSP time/use of the resource being allocated.	OK	
54	Primarily SNSP Allocation Not Used: If Line 51 indicates an allocation was not used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must match the amount on Line 1. Note: If Line 51 indicates an allocation was not used, Line 1 may only include costs for SNSP pupils. In this case, no allocations may be used to determine the amount on Line 1.	OK	
55	If the school is also participating in the PSCP, the eligible education expenses primarily for SNSP pupils on Line 9 of the PSCP Reserve Balance Schedule must match Line 1 of the SNSP Reserve Balance Schedule.	OK	

Milwaukee Lutheran High School

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES PRIMARILY FOR SNSP PUPILS			
Line	A Line Description	B Amount	C Matches PSCP
1	Eligible Education Expenses Primarily for SNSP Pupils	\$ 4,750	
2	Government Assistance for Expenses in Line 1 Excluding Forgiven Paycheck Protection Program (PPP) Loans		
3	Fundraising Revenue for Expenses in Line 1		
4	Insurance Proceeds for Expenses in Line 1		
5	Less: Total Offsetting Revenue for Expenses in Line 1	\$ -	
6	Adjustments to Prior Year Net Eligible Education Expenses Primarily for SNSP Pupils		
7	Net Eligible Education Expenses Primarily for SNSP Pupils	\$ 4,750	
NET ELIGIBLE EDUCATION EXPENSES ON SNSP STATEMENTS OF ACTUAL COST			
<i>If any amounts changed from the Statements of Actual Cost submitted by 7/16/21, provide the pupil schedule as part of the financial audit. The school must then submit revised Statements of Actual Cost for any pupils with changes and supporting documentation for amounts that changed by 10/15/21.</i>			
8	Cost from Invoices	46,162	
9	Allocated Salary & Benefits Costs	4,640	
10	Less: Offsetting Government Assistance Revenue Excluding Forgiven PPP Loans		
11	Net Eligible Education Expenses on SNSP Statements of Actual Cost	\$ 50,802	
NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS			
12	Expenses on Statement of Activities	8,398,808	YES
13	Ineligible Depreciation Expense	-	YES
14	Contributed Expenses Other Than Fixed Assets	7,477	YES
15	Bad Debt Expense	-	YES
16	Scholarship Awards & Other Financial Support for Pupils	113,879	YES
17	Daycare Expenses	-	YES
18	School District Partnership Expenses	-	YES
19	Church Expenses	-	YES
20	Eligible Education Expenses Primarily for SNSP Pupils	4,750	
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	50,802	YES
22	Other Non-Eligible Expenses	-	YES
23	Less: Total Non-Eligible Expenses	\$ 176,908	
24	Add: Eligible Education Expense for Land		
25	Eligible Education Expenses	\$ 8,221,900	
26	Government Assistance for Expenses in Line 25 Excluding Forgiven PPP Loans	13	YES
27	Fundraising Revenue for Expenses in Line 25	-	YES
28	Insurance Proceeds for Expenses in Line 25	-	YES
29	Less: Total Offsetting Revenue for Expenses in Line 25	\$ 13	
30	Adjustments to Prior Year Net Eligible Education Expenses		
31	Net Eligible Education Expenses for All Pupils	\$ 8,221,887	
PERCENTAGE OF PUPILS PARTICIPATING IN SNSP			
32	SNSP Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	35.00	
33	All Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	861.50	
34	Percentage of Pupils Participating in SNSP	4.06%	

Milwaukee Lutheran High School

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

SNSP RESERVE BALANCE			
35	2020-21 SNSP Revenue	499,092	
36	2020 Summer School SNSP Revenue	636	
37	Total 2020-21 SNSP Revenue	\$ 499,728	
38	Net Eligible Education Expenses Primarily for SNSP Pupils <i>Line 7</i>	4,750	
39	Net Eligible Education Expenses on SNSP Statements of Actual Cost <i>Line 11</i>	50,802	
40	General Net Eligible Education Expenses for SNSP Pupils <i>Line 31 times Line 34</i>	333,809	
41	Less: Total Net Eligible Education Expenses for SNSP Pupils	\$ 389,361	
42	Add: June 30, 2020 SNSP Reserve Balance	220,062	
43	June 30, 2021 SNSP Reserve Balance	\$ 330,429	
REQUIRED CASH AND INVESTMENT BALANCE			
44	June 30, 2021 SNSP Reserve Balance <i>Line 43</i>	330,429	YES
45	June 30, 2021 PSCP Reserve Balance	(5,769,759)	YES
46	Less: Remaining Depreciation on Fixed Assets	4,481,330	YES
47	Less: Land Purchases that have not Been Included as Eligible	-	YES
48	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	33,366	YES
49	Required Cash and Investment Balance	\$ -	
ERROR REPORT			
50	The school also participated in the PSCP in the 2020-21 school year. <i>This indicates no if the school is a Choice system.</i>	Yes	
51	Was an allocation used to determine the Eligible Education Expenses Primarily for SNSP Pupils?	No	
52	The question on Line 51 must be answered. <i>If the school has no expenses on Line 1, insert No on Line 51.</i>	OK	
53	Primarily SNSP Allocation Used: If Line 51 indicates an allocation was used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must be the amount before the allocation. Note: The allocated amounts must be for expenses that were primarily related to SNSP pupils and cannot include the costs for teachers unless the school has a resource teacher, teacher aide, or additional teacher primarily to assist with the SNSP pupils. Additionally, the allocated amounts cannot use a general allocation. The allocation percentage must be based on the actual amount of SNSP time/use of the resource being allocated.	OK	
54	Primarily SNSP Allocation Not Used: If Line 51 indicates an allocation was not used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must match the amount on Line 1. Note: If Line 51 indicates an allocation was not used, Line 1 may only include costs for SNSP pupils. In this case, no allocations may be used to determine the amount on Line 1.	OK	
55	If the school is also participating in the PSCP, the eligible education expenses primarily for SNSP pupils on Line 9 of the PSCP Reserve Balance Schedule must match Line 1 of the SNSP Reserve Balance Schedule.	OK	

Lake Country Lutheran High School

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

NET ELIGIBLE EDUCATION EXPENSES PRIMARILY FOR SNSP PUPILS			
Line	A Line Description	B Amount	C Matches PSCP
1	Eligible Education Expenses Primarily for SNSP Pupils	\$ 2,250	
2	Government Assistance for Expenses in Line 1 Excluding Forgiven Paycheck Protection Program (PPP) Loans		
3	Fundraising Revenue for Expenses in Line 1		
4	Insurance Proceeds for Expenses in Line 1		
5	Less: Total Offsetting Revenue for Expenses in Line 1	\$ -	
6	Adjustments to Prior Year Net Eligible Education Expenses Primarily for SNSP Pupils		
7	Net Eligible Education Expenses Primarily for SNSP Pupils	\$ 2,250	
NET ELIGIBLE EDUCATION EXPENSES ON SNSP STATEMENTS OF ACTUAL COST			
<i>If any amounts changed from the Statements of Actual Cost submitted by 7/16/21, provide the pupil schedule as part of the financial audit. The school must then submit revised Statements of Actual Cost for any pupils with changes and supporting documentation for amounts that changed by 10/15/21.</i>			
8	Cost from Invoices		
9	Allocated Salary & Benefits Costs		
10	Less: Offsetting Government Assistance Revenue Excluding Forgiven PPP Loans		
11	Net Eligible Education Expenses on SNSP Statements of Actual Cost	\$ -	
NET ELIGIBLE EDUCATION EXPENSES FOR ALL PUPILS			
12	Expenses on Statement of Activities	5,031,795	YES
13	Ineligible Depreciation Expense	1,496	YES
14	Contributed Expenses Other Than Fixed Assets	30,300	YES
15	Bad Debt Expense	-	YES
16	Scholarship Awards & Other Financial Support for Pupils	338,442	YES
17	Daycare Expenses	-	YES
18	School District Partnership Expenses	-	YES
19	Church Expenses	-	YES
20	Eligible Education Expenses Primarily for SNSP Pupils	2,250	
21	Total Actual Cost for Pupils in SNSP Statements of Actual Cost	-	YES
22	Other Non-Eligible Expenses	-	YES
23	Less: Total Non-Eligible Expenses	\$ 372,488	
24	Add: Eligible Education Expense for Land		
25	Eligible Education Expenses	\$ 4,659,307	
26	Government Assistance for Expenses in Line 25 Excluding Forgiven PPP Loans	-	YES
27	Fundraising Revenue for Expenses in Line 25	-	YES
28	Insurance Proceeds for Expenses in Line 25	-	YES
29	Less: Total Offsetting Revenue for Expenses in Line 25	\$ -	
30	Adjustments to Prior Year Net Eligible Education Expenses		
31	Net Eligible Education Expenses for All Pupils	\$ 4,659,307	
PERCENTAGE OF PUPILS PARTICIPATING IN SNSP			
32	SNSP Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	14.00	
33	All Pupil Average Full-Time Equivalent 3rd Friday Sept & 2nd Friday Jan Average FTE	346.00	
34	Percentage of Pupils Participating in SNSP	4.05%	

Lake Country Lutheran High School

Special Needs Scholarship Program (SNSP) Reserve Balance for Standard Financial Audits

Year Ending June 30, 2021

SNSP RESERVE BALANCE			
35	2020-21 SNSP Revenue	177,647	
36	2020 Summer School SNSP Revenue	-	
37	Total 2020-21 SNSP Revenue	\$ 177,647	
38	Net Eligible Education Expenses Primarily for SNSP Pupils <i>Line 7</i>	2,250	
39	Net Eligible Education Expenses on SNSP Statements of Actual Cost <i>Line 11</i>	-	
40	General Net Eligible Education Expenses for SNSP Pupils <i>Line 31 times Line 34</i>	188,702	
41	Less: Total Net Eligible Education Expenses for SNSP Pupils	\$ 190,952	
42	Add: June 30, 2020 SNSP Reserve Balance	(16,981)	
43	June 30, 2021 SNSP Reserve Balance	\$ (30,286)	
REQUIRED CASH AND INVESTMENT BALANCE			
44	June 30, 2021 SNSP Reserve Balance <i>Line 43</i>	(30,286)	YES
45	June 30, 2021 PSCP Reserve Balance	(478,440)	YES
46	Less: Remaining Depreciation on Fixed Assets	28,066,852	YES
47	Less: Land Purchases that have not Been Included as Eligible	-	YES
48	Less: EANS & ERC June 30, 2021 Receivables Used for Educational Programming Expenses	2,675	YES
49	Required Cash and Investment Balance	\$ -	
ERROR REPORT			
50	The school also participated in the PSCP in the 2020-21 school year. <i>This indicates no if the school is a Choice system.</i>	Yes	
51	Was an allocation used to determine the Eligible Education Expenses Primarily for SNSP Pupils?	No	
52	The question on Line 51 must be answered. <i>If the school has no expenses on Line 1, insert No on Line 51.</i>	OK	
53	Primarily SNSP Allocation Used: If Line 51 indicates an allocation was used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must be the amount before the allocation. Note: The allocated amounts must be for expenses that were primarily related to SNSP pupils and cannot include the costs for teachers unless the school has a resource teacher, teacher aide, or additional teacher primarily to assist with the SNSP pupils. Additionally, the allocated amounts cannot use a general allocation. The allocation percentage must be based on the actual amount of SNSP time/use of the resource being allocated.	OK	
54	Primarily SNSP Allocation Not Used: If Line 51 indicates an allocation was not used for eligible education expenses primarily for SNSP pupils, the decrease to the general eligible education expenses on Line 20 must match the amount on Line 1. Note: If Line 51 indicates an allocation was not used, Line 1 may only include costs for SNSP pupils. In this case, no allocations may be used to determine the amount on Line 1.	OK	
55	If the school is also participating in the PSCP, the eligible education expenses primarily for SNSP pupils on Line 9 of the PSCP Reserve Balance Schedule must match Line 1 of the SNSP Reserve Balance Schedule.	OK	