

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2015**

**(With Summarized Totals for the Year Ended June 30, 2014)**

THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE

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Independent Auditor's Report

Board of Directors  
The Lutheran High School Association of Greater Milwaukee

We have audited the accompanying financial statements of The Lutheran High School Association of Greater Milwaukee (a nonprofit organization) which comprise the balance sheet as of June 30, 2015, and the related statements of activities and cash flows for the year then ended, and the related notes to the 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 entity'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 as of June 30, 2015, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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Board of Directors  
The Lutheran High School Association of Greater Milwaukee

**Report on Summarized Comparative Information**

We have previously audited The Lutheran High School Association of Greater Milwaukee's 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated September 23, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.



RITZ HOLMAN LLP  
Certified Public Accountants

Milwaukee, Wisconsin  
September 17, 2015

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**BALANCE SHEET**  
**JUNE 30, 2015**  
(With Summarized Totals for June 30, 2014)

	2015			2014
	Unrestricted	Temporarily Restricted	Total	Total
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash	\$ 700,000	\$ 773,071	\$ 1,473,071	\$ 1,472,214
Accounts Receivable - Net	105,952	---	105,952	173,016
Pledges Receivable	---	80,000	80,000	106,113
Prepaid Expenses	1,500	---	1,500	2,404
<b>Total Current Assets</b>	<b>\$ 807,452</b>	<b>\$ 853,071</b>	<b>\$ 1,660,523</b>	<b>\$ 1,753,747</b>
<b>FIXED ASSETS</b>				
Land	\$ 1,994,305	\$ ---	\$ 1,994,305	\$ 1,994,305
Land Improvements	2,969,771	---	2,969,771	2,749,362
Building and Building Improvements	33,864,871	---	33,864,871	33,704,970
Furniture, Fixtures and Equipment	1,085,179	---	1,085,179	1,052,842
Vehicles	40,968	---	40,968	40,968
<b>Total Fixed Assets</b>	<b>\$ 39,955,094</b>	<b>\$ ---</b>	<b>\$ 39,955,094</b>	<b>\$ 39,542,447</b>
Accumulated Depreciation	(12,116,815)	---	(12,116,815)	(11,152,128)
<b>Net Fixed Assets</b>	<b>\$ 27,838,279</b>	<b>\$ ---</b>	<b>\$ 27,838,279</b>	<b>\$ 28,390,319</b>
<b>LONG-TERM ASSETS</b>				
Pledges Receivable - Net	\$ ---	\$ 498,023	\$ 498,023	\$ 509,467
<b>Total Long-Term Assets</b>	<b>\$ ---</b>	<b>\$ 498,023</b>	<b>\$ 498,023</b>	<b>\$ 509,467</b>
<b>OTHER ASSETS</b>				
Life Insurance Cash Surrender Value	\$ 85,108	\$ ---	\$ 85,108	\$ 102,931
Security Deposit	15,650	---	15,650	650
Other Assets	2,008	---	2,008	1,690
<b>Total Other Assets</b>	<b>\$ 102,766</b>	<b>\$ ---</b>	<b>\$ 102,766</b>	<b>\$ 105,271</b>
<b>TOTAL ASSETS</b>	<b>\$ 28,748,497</b>	<b>\$ 1,351,094</b>	<b>\$ 30,099,591</b>	<b>\$ 30,758,804</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>CURRENT LIABILITIES</b>				
Accounts Payable	\$ 255,625	\$ 157,599	\$ 413,224	\$ 446,949
Accrued Payroll	642,861	---	642,861	588,037
Deferred Revenue	847,547	---	847,547	965,493
Line of Credit	---	---	---	100,000
Current Portion of Mortgage Payable	---	---	---	90,362
Current Portion of Retiree Benefits	5,208	---	5,208	7,002
<b>Total Current Liabilities</b>	<b>\$ 1,751,241</b>	<b>\$ 157,599</b>	<b>\$ 1,908,840</b>	<b>\$ 2,197,843</b>
<b>LONG-TERM LIABILITIES</b>				
Mortgages Payable	\$ 14,734,351	\$ ---	\$ 14,734,351	\$ 15,038,736
Less: Current Portion of Mortgage Payable	---	---	---	(90,362)
Accrued Payroll	659,896	---	659,896	640,090
Retiree Benefits	5,208	---	5,208	10,002
Less: Current Portion of Retiree Benefits	(5,208)	---	(5,208)	(7,002)
Due To/Due From Foundation	927,142	(376,091)	551,051	573,788
<b>Total Long-Term Liabilities</b>	<b>\$ 16,321,389</b>	<b>\$ (376,091)</b>	<b>\$ 15,945,298</b>	<b>\$ 16,165,252</b>
<b>Total Liabilities</b>	<b>\$ 18,072,630</b>	<b>\$ (218,492)</b>	<b>\$ 17,854,138</b>	<b>\$ 18,363,095</b>
<b>NET ASSETS</b>				
Unrestricted				
Operating	\$ 10,675,867	\$ ---	\$ 10,675,867	\$ 10,378,629
Temporarily Restricted	---	1,569,586	1,569,586	2,017,080
<b>Total Net Assets</b>	<b>\$ 10,675,867</b>	<b>\$ 1,569,586</b>	<b>\$ 12,245,453</b>	<b>\$ 12,395,709</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 28,748,497</b>	<b>\$ 1,351,094</b>	<b>\$ 30,099,591</b>	<b>\$ 30,758,804</b>

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

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
**(With Summarized Totals for the Year Ended June 30, 2014)**

	2015			2014
	Unrestricted Operating Funds	Temporarily Restricted Funds	Total	Total
<b>REVENUE</b>				
Donations	\$ 733,427	\$ 399,914	\$ 1,133,341	\$ 1,747,296
Capital Campaign	183,921	---	183,921	991,487
Grants	129,350	---	129,350	148,750
Tuition				
High School	10,680,165	---	10,680,165	9,064,797
College Credit	34,660	---	34,660	43,838
Fees				
Sports Fees	74,018	---	74,018	64,620
Class Fees	25,947	---	25,947	28,085
Other Fees	16,270	---	16,270	24,845
Food Sales	429,175	---	429,175	423,845
International Student Program	618,646	---	618,646	738,832
Summer Programs	104,513	---	104,513	91,218
Other Programming Activities	---	---	---	70,718
Instrument Rentals	575	---	575	1,565
Partnership Income	1,334,029	---	1,334,029	1,377,767
Ad Revenue	9,917	---	9,917	800
Rent	123,046	---	123,046	160,738
Special Events	15,725	---	15,725	26,200
Interest Income	23,771	---	23,771	20,273
Other Income	634,787	---	634,787	573,405
In-Kind Revenue	47,688	---	47,688	6,717
Net Assets Released From Restrictions	847,408	(847,408)	---	---
<b>Total Revenue</b>	<b>\$ 16,067,038</b>	<b>\$ (447,494)</b>	<b>\$ 15,619,544</b>	<b>\$ 15,605,796</b>
<b>EXPENSES</b>				
Instructional and Student Activities	\$ 7,409,594	\$ ---	\$ 7,409,594	\$ 6,329,340
Administration and Building Maintenance	7,578,190	---	7,578,190	7,480,332
Fund-Raising	782,015	---	782,015	741,730
<b>Total Expenses</b>	<b>\$ 15,769,800</b>	<b>\$ ---</b>	<b>\$ 15,769,800</b>	<b>\$ 14,551,402</b>
<b>CHANGE IN NET ASSETS</b>	<b>\$ 297,238</b>	<b>\$ (447,494)</b>	<b>\$ (150,256)</b>	<b>\$ 1,054,394</b>
Net Assets, Beginning of Year	10,378,629	2,017,080	12,395,709	11,341,315
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 10,675,867</b>	<b>\$ 1,569,586</b>	<b>\$ 12,245,453</b>	<b>\$ 12,395,709</b>

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

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED JUNE 30, 2015**  
(With Summarized Totals for the Year Ended June 30, 2014)

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (150,256)	\$ 1,054,394
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	964,687	987,626
(Increase) Decrease in Accounts Receivable	67,065	49,220
(Increase) Decrease in Pledges Receivable	37,557	139,175
(Increase) Decrease in Prepaid Expenses	905	50,625
(Increase) Decrease in Life Insurance Cash Surrender Value	17,823	(5,937)
(Increase) Decrease in Security Deposit	(15,000)	---
(Increase) Decrease in Other Asset	(319)	(1,626)
Increase (Decrease) in Accounts Payable	(33,726)	(40,884)
Increase (Decrease) in Accrued Payroll	74,630	23,590
Increase (Decrease) in Deferred Revenue	(117,946)	55,178
Increase (Decrease) in Retiree Benefits	(4,794)	(32,919)
Increase (Decrease) in Due to Foundation	(22,737)	(53,144)
	<b>\$ 817,889</b>	<b>\$ 2,225,298</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Fixed Assets	\$ (412,647)	\$ (653,769)
	<b>\$ (412,647)</b>	<b>\$ (653,769)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Payments on Mortgages	\$ (304,385)	\$ (1,495,627)
Payments on Line of Credit	(200,000)	(500,000)
Proceeds From Line of Credit	100,000	500,000
	<b>\$ (404,385)</b>	<b>\$ (1,495,627)</b>
Net Increase in Cash and Cash Equivalents	\$ 857	\$ 75,902
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,472,214	1,396,312
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>\$ 1,473,071</b>	<b>\$ 1,472,214</b>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 477,898	\$ 364,786

The Association received shares of stock from various donors. The total fair market value was \$48,124. Once received, the stocks are immediately sold. The gain or loss of the sales are included in the amount noted above.

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

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**



**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE A - Summary of Significant Accounting Policies**

**Association**

The Lutheran High School Association of Greater Milwaukee (Association) is a group of premier schools dedicated to sharing Jesus and developing future leaders by providing relevant, rigorous academics and life preparation from a Christian worldview.

**Accounting Method**

The accompanying 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: unrestricted net assets and temporarily restricted net assets. Assets of the restricted classes are created only by donor-imposed 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.

**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.

**Agency Accounts and Student Activities**

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

**Deferred Revenue**

Deferred Revenue consists of tuition and summer program income that has been prepaid for the 2015 - 2016 year.

**Contributions**

All contributions are considered available for the Association's general programs unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor are reported as temporarily restricted support and increase the respective class of net assets. Contributions received with temporary restrictions that are met in the same reporting period are reported as unrestricted support and increase unrestricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Investment income that is limited to specific uses by donor restrictions is reported as increases in unrestricted net assets if the restrictions are met in the same reporting period as the income is recognized. Contributions of donated property are recorded at their fair market value at the date of donation.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE A - Summary of Significant Accounting Policies (continued)**

**Estimates**

The preparation of 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.

**NOTE B - Comparative Financial Information**

The financial information shown for 2014 in the accompanying financial statements is included to provide a basis of comparison with 2015 and presents summarized totals only.

**NOTE C - Concentration of Risk**

The Association maintains its cash balances at several financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2015, the Association's uninsured cash balances totaled \$1,178,822.

**NOTE D - Accounts Receivable - Net**

Accounts Receivable - Net consists of the following as of June 30, 2015:

<u>Source</u>	<u>Amount</u>
Tuition	\$ 623,007
Partnership	104,005
Other	24,439
Band	4,197
Allowance for Uncollectible Accounts	<u>(649,696)</u>
Net Accounts Receivable	<u>\$ 105,952</u>

**NOTE E - Net Pledges Receivable**

Net Pledges Receivable consists of the following as of June 30, 2015:

Current Gross Pledges Receivable	\$ 80,000
Long-Term Gross Pledges Receivable	<u>759,200</u>
Total Pledges Receivable	\$ 839,200
Less: Present Value Discount	(193,176)
Less: Allowance for Doubtful Accounts	<u>(68,000)</u>
Total Net Pledges Receivable	<u>\$ 578,024</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE E - Net Pledges Receivable (continued)**

Gross Pledges Receivable are expected to be collected as follows:

<u>In the Year Ending June 30,</u>	<u>Amount</u>
2016	\$ 80,000
2017	80,000
2018	80,000
2019	80,000
2020	80,000
2021 and thereafter	<u>439,200</u>
Total Gross Pledges Receivable	<u>\$ 839,200</u>

The long-term pledges have been discounted at an average rate of 6.00%.

**NOTE F - Line of Credit**

The Association has a \$1,000,000 revolving line of credit bearing a variable rate, which was 5.25%, due on February 1, 2018. As of June 30, 2015, the balance on the line of credit was \$0. The line of credit is secured by the Association's real estate.

**NOTE G - Due To Foundation**

The Board authorized a \$1,000,000 loan from the endowment fund in the fiscal year 2006 - 2007 to be used for general operations, to be paid back from the campaign funds over 15 years. The Board also authorized repayment of a previously made \$250,000 loan from the endowment fund for computers, to be paid back from the campaign funds under the same terms. Interest on the balance is calculated using the annual 120% mid-term Applicable Federal Interest Rate. The interest on the loan was \$11,416 for the year ended June 30, 2015. The balance of the amount due to the Foundation for the endowment fund was \$551,051 at June 30, 2015.

**NOTE H - Mortgages Payable**

The Association entered into a long-term mortgage loan commitment for \$23,500,000. The loan requires monthly interest only payments beginning on July 1, 2010 and continuing through June 30, 2015. Beginning August 1, 2015, the Association will make monthly principal and interest payments through January 1, 2040. The loan is secured by the Association's real estate.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE H - Mortgages Payable (continued)**

The Association entered into a long-term mortgage loan commitment for \$1,919,076. The loan requires monthly interest only payments which began on December 1, 2009 continuing through January 1, 2012. Beginning February 1, 2012, the Association will make monthly principal and interest payments through January 1, 2040. The loan is secured by the Association's real estate and guaranteed by a foundation.

Interest expense for the year ended June 30, 2015 was \$466,483.

On August 27, 2015, the Organization approved a refinancing of the previous two loans into a new loan for \$15,000,000. Payments are due monthly for 20 years with a final balloon payment while the loan is amortized over 30 years. The first twenty-four payments are interest only.

Future principal payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ ---
2017	---
2018	249,087
2019	339,829
2020	348,857
Thereafter	<u>14,062,227</u>
Total Future Payments	<u>\$15,000,000</u>

**NOTE I - Operating Leases**

The Association leases three vehicles with monthly payments ranging from \$273 - \$459. The lease expense for the year ended June 30, 2015 totaled \$10,761.

The Association leases thirteen copiers with monthly payments totaling \$6,111. The lease expense for the year ended June 30, 2015 totaled \$49,212.

The Association leases three postage meters with monthly payments totaling \$400. The lease expense for the year ended June 30, 2015 totaled \$4,794.

Future payments are as follows:

<u>Year</u>	<u>Amount</u>
2016	\$ 48,160
2017	<u>21,240</u>
Total Future Payments	<u>\$ 69,400</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015**

**NOTE J - Deferred Revenue**

Deferred Revenue consists of the following at June 30, 2015:

<u>Source</u>	<u>Amount</u>
Tuition	\$714,266
Summer Programs	89,695
Sports Fees	<u>43,586</u>
Total	<u>\$847,547</u>

**NOTE K - Retiree Benefits**

The Association offered an early retirement package, which included paying retiree health insurance premiums for eligible employees. Future premium payments will consist of the following for the year ended June 30:

<u>Year</u>	<u>Amount</u>
2016	<u>\$ 5,208</u>
Total Future Payments	<u>\$ 5,208</u>

**NOTE L - 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 \$665,104 at June 30, 2015.

**NOTE M - Temporarily Restricted Net Assets**

The Association had \$578,024 of temporarily time-restricted net assets and \$991,562 of temporarily purpose-restricted net assets which consists of the following:

Pledges Receivable	\$ 578,024
R3 Campaign	651,798
Heartland Teacher Award	6,706
Student Activities- Auxiliary	316,200
LCL Celebration	15,405
Comfort Dog	<u>1,453</u>
Total Temporarily Restricted Net Assets	<u>\$1,569,586</u>

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE N - In-Kind Donations**

The Association received \$47,688 of donated goods and services, which consisted of the following for the year ended June 30, 2015:

<u>Source</u>	<u>Amount</u>
Food	\$ 31,441
Band Equipment	8,800
Furniture and Equipment	4,931
Miscellaneous	1,280
Professional Services	<u>1,236</u>
Total	<u>\$ 47,688</u>

**NOTE O - Retirement Plans**

The Association participates in Concordia Retirement Plan which is a multi-employer defined benefit plan operated by a related party, Concordia Plan Services. This plan includes the Concordia Retirement Plan (CRP) with Retiree Medical Supplement (RMS). Plan assets for the Concordia Retirement Plan are not segregated or restricted on a chapter-by-chapter basis. If a chapter withdraws from the pension plan, the pension obligations for its employees are retained by the pension plan, as opposed to being allocated to the withdrawing chapter. The certified zone status of the plan is green (at least 80% funded as of the most recent date available).

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.

The Association also participates in Concordia Retirement Savings Plan (CRSP) which is a multi-employer defined contribution plan operated by a related party, Concordia Plan Services. 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 plan matches up to 1% of an employee's contributions.

Concordia Plan Services determines the percentage of salary for eligible workers that the Association is required to pay into both plans. 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.

The total retirement expense for the Concordia Plans were \$537,055 for the year ended June 30, 2015. No amounts were due to/ from Concordia Plan Services as of June 30, 2015.

**THE LUTHERAN HIGH SCHOOL ASSOCIATION OF GREATER MILWAUKEE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**JUNE 30, 2015**

**NOTE P - 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, 2015, 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 Q - Subsequent Events**

The Association has evaluated events and transactions occurring after June 30, 2015 through September 17, 2015, the date the financial statements are available to be issued, for possible adjustments to the financial statements or disclosures. The Association has determined that the following subsequent events need to be disclosed:

In August of 2015, the Organization approved a refinancing of their mortgage. See Note H.

In August of 2015, the Organization agreed to a \$1,500,000 line of credit that is due in August 2018.