

Lion Athletics Association

Financial Report

Year Ended June 30, 2021

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PEDELAHORE & CO., LLP
Certified Public Accountants

Independent Auditor's Report

To the Board of Directors
Lion Athletics Association
Hammond, Louisiana

We have audited the accompanying financial statements of Lion Athletics Association (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses, 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 purpose 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 Lion Athletics Association as of June 30, 2021, 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.

Report On Summarized Comparative Information

We have previously audited the Lion Athletics Association's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 18, 2020. In our opinion, the summarized information presented herein as of and for the year ended June 30, 2020, is consistent, in material respects, with the audited financial statements from which it has been derived.



Metairie, Louisiana
December 16, 2021

Lion Athletics Association
Statement Of Financial Position
June 30, 2021
(With Comparative Totals For 2020)

	<u>Assets</u>	
	<u>2021</u>	<u>2020</u>
Current Assets		
Cash	\$ 538,499	\$ 188,053
Accounts receivable	160,812	33,323
Prepaid expenses	1,512	-
Total current assets	<u>700,823</u>	<u>221,376</u>
Property, Plant And Equipment		
Facility improvements	1,377,368	1,377,368
Machinery and equipment	318,445	312,008
Office furniture and equipment	15,537	15,537
	<u>1,711,350</u>	<u>1,704,913</u>
Less accumulated depreciation	<u>1,065,070</u>	<u>936,639</u>
	<u>646,280</u>	<u>768,274</u>
	<u>\$ 1,347,103</u>	<u>\$ 989,650</u>
 <u>Liabilities And Net Assets</u> 		
Current Liabilities		
Accounts payable and accrued expenses	\$ 150,550	\$ 52,259
Due to concessions	2,800	800
Deferred revenue	16,761	69,220
Current maturities of long-term debt	56,114	102,601
Total current liabilities	<u>226,225</u>	<u>224,880</u>
Long-term Liabilities		
Long-term debt, net of current maturities	<u>305,797</u>	<u>358,823</u>
Net Assets		
Without Donor Restrictions (deficit)	139,567	(74,211)
With Donor Restrictions	<u>675,514</u>	<u>480,158</u>
	<u>815,081</u>	<u>405,947</u>
	<u>\$ 1,347,103</u>	<u>\$ 989,650</u>

The Notes To Financial Statements are an integral part of these statements.

Lion Athletics Association
Statement Of Activities And Changes In Net Assets
Year Ended June 30, 2021
(With Comparative Totals For 2020)

	Without Donor	With Donor	Totals	
	<u>Restrictions</u>	<u>Restrictions</u>	<u>2021</u>	<u>2020</u>
Revenue And Other Support				
Donations	\$ 16,676	\$ 106,664	\$ 123,340	\$ 84,535
Sponsors	1,013,732	-	1,013,732	1,056,162
Ticket fees	83,513	-	83,513	128,569
In-kind donations	24,595	130,702	155,297	96,680
Memberships	-	69,789	69,789	97,990
Special events/tournaments	-	43,830	43,830	67,603
Concession sales - net of cost of goods sold	103,951	-	103,951	48,127
Other revenue	70,077	51,308	121,385	147,578
	<u>1,312,544</u>	<u>402,293</u>	<u>1,714,837</u>	<u>1,727,244</u>
 Net Assets Released From Restrictions				
Satisfaction Of Program Restrictions	<u>206,937</u>	<u>(206,937)</u>	<u>-</u>	<u>-</u>
 Expenses				
Program	657,044	-	657,044	1,138,157
Management and general	431,318	-	431,318	516,169
Fundraising	217,341	-	217,341	304,053
	<u>1,305,703</u>	<u>-</u>	<u>1,305,703</u>	<u>1,958,379</u>
 Changes In Net Assets	213,778	195,356	409,134	(231,135)
 Net Assets - Beginning Of Year	<u>(74,211)</u>	<u>480,158</u>	<u>405,947</u>	<u>637,082</u>
 Net Assets - End Of Year	<u>\$ 139,567</u>	<u>\$ 675,514</u>	<u>\$ 815,081</u>	<u>\$ 405,947</u>

The Notes To Financial Statements are an integral part of these statements.

Lion Athletics Association
Statement Of Functional Expenses
Year Ended June 30, 2021
(With Comparative Totals For 2020)

2021

	Program							
	Baseball	Men's Basketball	Women's Basketball	Football	Golf	Soccer	Softball	Tennis
Interest	\$ 10,844	\$ -	\$ -	\$ 4,169	\$ -	\$ -	\$ -	\$ -
Signs	-	-	-	-	-	-	-	-
Bank fees	-	-	-	-	-	-	-	-
Broadcasting	9,400	2,713	1,512	4,775	-	-	-	-
Hospitality/marketing	342	502	162	2,485	-	372	421	74
Operating expenses	-	2,867	181	948	-	-	-	-
Sponsorship expenses	-	-	-	-	-	-	-	-
Printing	13,390	1,285	2,926	4,749	109	365	3,039	365
Supplies/equipment/uniforms	-	-	-	-	-	-	-	-
Facility Improvements	-	-	-	-	-	-	-	-
Fundraising	-	-	-	-	-	-	-	-
In kind expense	38,223	5,210	16,220	39,215	802	5,600	15,913	-
Depreciation	66,522	5,760	7,200	3,652	-	1,910	-	1,314
Insurance	-	-	-	-	-	-	-	-
Salary and benefits	80,921	13,936	13,646	113,012	-	9,545	25,125	-
Telephone	-	-	-	-	-	-	-	-
Transfers to Southeastern	-	3,064	-	2,000	-	1,159	12,750	-
Transfers to Southeastern Facilities	-	-	-	484	-	-	-	-
Travel	-	-	-	-	-	-	-	-
Team travel	-	-	-	1,135	-	-	-	-
Training	-	-	-	-	-	-	-	-
	<u>\$ 219,642</u>	<u>\$ 35,337</u>	<u>\$ 41,847</u>	<u>\$ 176,624</u>	<u>\$ 911</u>	<u>\$ 18,951</u>	<u>\$ 57,248</u>	<u>\$ 1,753</u>

2021

2020

Program					Supporting Activities			
Track	Volleyball	Cheer	All Other Funds	Total Program Expenses	Management and General	Fundraising	Total Expenses	Total Expenses
\$ -	\$ -	\$ -	\$ -	\$ 15,013	\$ -	\$ -	\$ 15,013	\$ 26,494
-	-	-	-	-	6,048	-	6,048	10,638
-	-	-	-	-	5,611	6,771	12,382	12,634
-	-	-	-	18,400	-	-	18,400	17,700
1,824	598	74	-	6,854	65,233	-	72,087	166,589
-	150	-	137	4,283	64,961	-	69,244	39,955
-	-	-	-	-	-	192,306	192,306	246,117
109	365	-	-	26,702	565	-	27,267	60,949
8,300	-	2,549	-	10,849	-	-	10,849	2,615
-	-	-	-	-	-	-	-	13,698
-	-	-	-	-	-	18,264	18,264	50,244
493	-	-	926	122,602	32,695	-	155,297	96,680
-	-	-	1,858	88,216	40,215	-	128,431	126,728
-	-	-	-	-	2,170	-	2,170	7,895
9,367	-	-	-	265,552	191,963	-	457,515	467,707
-	-	-	-	-	21,857	-	21,857	20,876
-	6,706	-	62,839	88,518	-	-	88,518	557,609
-	-	-	-	484	-	-	484	21,963
3,436	-	-	-	3,436	-	-	3,436	3,797
-	-	-	-	1,135	-	-	1,135	2,491
-	-	5,000	-	5,000	-	-	5,000	5,000
<u>\$ 23,529</u>	<u>\$ 7,819</u>	<u>\$ 7,623</u>	<u>\$ 65,760</u>	<u>\$ 657,044</u>	<u>\$ 431,318</u>	<u>\$ 217,341</u>	<u>\$ 1,305,703</u>	<u>\$ 1,958,379</u>

The Notes To Financial Statements are an integral part of these statements.

Lion Athletics Association
Statement Of Cash Flows
Year Ended June 30, 2021
(With Comparative Totals For 2020)

	<u>2021</u>	<u>2020</u>
Cash Flows From Operating Activities		
Change in net assets	\$ 409,134	\$ (231,135)
Adjustments to reconcile net income to net cash provided (used) by operating activities:		
Depreciation	128,431	126,728
(Increase) decrease in:		
Accounts receivable	(127,489)	198,081
Prepaid expenses	(1,512)	-
Increase (decrease) in:		
Accounts payable	100,291	(9,502)
Deferred revenue	(52,459)	(64,865)
Net cash provided (used) by operating activities	<u>456,396</u>	<u>19,307</u>
Cash Flows From Investing Activities		
Purchase of property and equipment	<u>(6,437)</u>	<u>(48,471)</u>
Net cash provided (used) by investing activities	<u>(6,437)</u>	<u>(48,471)</u>
Cash Flows From Financing Activities		
Payments on long-term debt	<u>(99,513)</u>	<u>(95,867)</u>
Net cash provided (used) by financing activities	<u>(99,513)</u>	<u>(95,867)</u>
Net Increase (Decrease) In Cash And Cash Equivalents	350,446	(125,031)
Cash and cash equivalents at beginning of year	<u>188,053</u>	<u>313,084</u>
Cash and cash equivalents at end of year	<u>\$ 538,499</u>	<u>\$ 188,053</u>
Supplementary disclosures of cash flow information:		
Cash paid during the year for interest	<u>\$ 15,013</u>	<u>\$ 26,494</u>

The Notes To Financial Statements are an integral part of these statements.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies

Nature of Organization

Lion Athletics Association (the Association) was incorporated on March 18, 1982, under the provisions of Louisiana Revised Statute 12:201 as a nonprofit corporation. The Association was formed to promote and support, on all levels, the Southeastern Louisiana University Athletics Programs. These programs include baseball, basketball, football, golf, soccer, softball, tennis, track, volleyball, cheer, athletic training and weight training. The Association is supported primarily through contributions from corporate sponsors and private donors.

Basis of Accounting

The accompanying financial statements of the Association have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) in its Accounting Standards Codification (ASC) 958-210-50-3, *Financial Statements of Not-for-Profit Organizations*. Under FASB ASC 958-210-50-3, the Association is required to report information regarding its financial position and activities according to two classes of net assets:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor-imposed restrictions. The governing board may designate, from net assets without donor restrictions net assets for an operating reserve or board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature: those restrictions will be met by actions of the Association or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies (continued)

Revenue and Support Recognition

Revenues are reported as increased in net assets without donor restrictions unless use of the related asset is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains or losses on assets or liabilities are reported as increases or decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulation or by law.

Contributions

The Association recognized contributions as revenue when they are received or unconditionally pledged and records these revenue as with donor restriction or without donor restrictions according to donor stipulations that limit the use of these assets due to either a time or purpose restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities as net assets released from restrictions.

Other Revenues

Performance obligations are determined based on the nature of the goods or services provided by the association in accordance with the contract. Revenue for performance obligations satisfied over time is recognized ratably of the period based on time elapsed. The Association believes this method provides a faithful depiction of the transfer of services over the term of the performance obligation based on the inputs needed to satisfy the obligation. Revenues without donor restriction are obtained from concession sales, sponsors, ticket fees, and special events. These revenues are recorded when the service is provided, or the merchandise is sold. Ticket fees are recorded when the tickets are used. Concessional sales are recorded as revenue upon transfer of the goods to the purchaser. Memberships and sponsors, considered to be exchange transactions, are deferred and recognized on a pro-rata basis over the related membership and sponsor terms. Membership fees and sponsors that carry benefits that can be utilized in future periods have been recorded as deferred revenue in the statements of financial position.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies (continued)

Cash and Cash Equivalents

The Association considers all short term investments with an original maturity of three months or less to be cash equivalents.

Promises to Give

Contributions are recognized when the donor makes a promise to give the Association that is, in substance, unconditional. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Use of Estimates

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

Property, Plant and Equipment

Property, plant and equipment utilized by the Association are generally not recorded on the financial statement of the Association, as these assets are owned by Southeastern Louisiana University. For those assets owned by the Association, purchased property and equipment greater than \$1,000 is carried at cost; while donated property and equipment is recorded at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over an estimated life between five and twenty-five years.

Depreciation expense for the year ended June 30, 2021, was \$128,431.

Donated Services

A significant portion of the Association's functions are conducted by unpaid volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the requirement for recognition under FASB recommendations for not-for-profit entities.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies (continued)

Income Tax Status

Under provisions of the Internal Revenue Code, Section 501(c)(3), and the applicable income tax regulations of Louisiana, the Association is exempt from taxes on income other than unrelated business income. The Association has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(VI). Since the Association had no unrelated business income during the year ended June 30, 2021, no provision for income tax was made. Management has evaluated its tax positions and has determined that there are no uncertainties in income taxes that require adjustments for or disclosures in the financial statements.

Also, the Association's federal income tax returns are subject to possible examination by the taxing authorities until the expiration of the related statutes of limitations on those returns. In general, federal income tax returns have a three year statute of limitations.

Accounts Receivable

Accounts receivable represent amounts due the Association. They are stated at amounts management expects to collect from outstanding balances. An allowance for doubtful accounts is recorded based on a combination of write-off history, ageing analysis and any specific known troubled account. It is the Association's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected. The allowance account was \$-0- at June 30, 2021. At June 30, 2021, accounts receivable consist of the following:

Sponsorships	\$ 75,580
Southeastern Louisiana University	83,732
Others	<u>1,500</u>
	<u>\$ 160,812</u>

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies (continued)

Cost Allocation

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include compensation and benefits, which are allocated on the basis of estimates of time and effort.

Deferred Revenue

Lion Athletics Association adopted FASB ASC 210, which states that collections received in advance of the delivery of goods or performance of services are to be included in liabilities, known as deferred revenues, which consisted of sponsorships, memberships, ticket fees and a la carte items. Deferred income was \$16,761 at June 30, 2021. The revenue from these contracts will be recognized in the year the athletic season associated with the item is completed.

Advertising

The Association's policy is to expense advertising costs as the costs are incurred.

Accounting Pronouncements Issued Not Yet Adopted

In February 2016, the Financial Accounting Standards Board (FASB) issued ASU No. 2016-02, Leases. This accounting standard requires lessees to recognize assets and liabilities related to lease arrangements longer than 12 months on the balance sheet as well as additional disclosures. In July 2018, the FASB issued ASU 2018-11, Leases (Topic 842), Targeted Improvements, to simplify the lease standard's implementation. The amended guidelines relieves businesses and other organizations from the requirement to present prior comparative years' results when they adopt the new lease standard. Instead of recasting prior year results using the new accounting when they adopt the guidance, companies can choose to recognize the cumulative effect of applying the new standard to leased assets and liabilities as an adjustment to the opening balance of net assets. This standard is effective for annual periods beginning after December 15, 2021. The Association is currently assessing the impact of this pronouncement on its financial statements.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 1. Summary Of Significant Accounting Policies (continued)

On September 17, 2020, FASB issued ASU 2020-07, Not-for-Profit Entities (Topic 958), Presentation and Disclosures of Not-for-Profit Entities for Contributed Non-financial Assets. The ASU requires not-for-profit entities to present contributed non-financial assets (commonly referred to as gifts-in-kind) as a separate line item in the statement of activities, apart from contributions of cash and other financial assets. The ASU requires the new standard to be applied retrospectively, with amendments taking effect for the Association's fiscal year beginning July 1, 2021, with early adoption permitted. The Association is currently assessing the impact of this pronouncement on its financial statements.

Note 2. Donated Services And Supplies

In-kind donations of \$155,297 are for donated services and supplies that the Association would normally have had to purchase. They were recorded because the donations met the criteria of enhancing non-financial assets and the value of the services and materials provided were readily determinable.

Note 3. Net Assets With Donor Restrictions

Net Assets With Donor Restrictions are for the following programs or purpose at June 30, 2021:

Baseball and baseball facility	\$ 86,189
Men's basketball	42,745
Women's basketball	28,647
Football	205,313
Golf	13,876
Soccer and soccer facility	38,120
Softball	42,580
Tennis	10,574
Track and track facility	24,377
Athletic training	2,108
Volleyball	22,835
Cheer	45,606
Student athletic advisory committee	4,182
Weight training program	75,454
All other general funds	<u>32,908</u>
	<u>\$ 675,514</u>

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 3. Net Assets With Donor Restrictions (continued)

Changes in Net Assets With Donor Restrictions for the fiscal year ended June 30, 2021 are as follows:

Net Assets With Donor Restrictions at July 1, 2020	\$ 480,158
Increase in Net Assets With Donor Restrictions	402,293
Net Assets Released from Restrictions	<u>(206,937)</u>
Net Assets With Donor Restrictions at June 30, 2021	<u>\$ 675,514</u>

Note 4. Lease

In connection with the installation of artificial turf and drainage at Strawberry Field, the Association (Tenant) entered into an agreement with the Board of Supervisors for University of Louisiana System acting on behalf of Southeastern Louisiana University (Landlord), a political subdivision of the State of Louisiana effective April 23, 2020, to lease property located in Hammond, Louisiana. The Association had previously installed artificial turf and drainage on the leased premises. The term of lease commenced on the effective date of the agreement for a term of 9 years. The consideration of the lease is the construction of improvements by the Tenant's improvements through the remaining term of the lease. Conditions of the lease also provide that the leased premises are to be used by Southeastern Louisiana University. The Tenant agrees to assume responsibility for maintenance, repair, and replacement obligations, all taxes, and insurance in amounts reasonably satisfactory to the Tenant.

Note 5. Long-term Debt

The Association has a note payable, dated March 17, 2017 refinanced May 26, 2021, to pay for turf on the baseball field and for the baseball scoreboard. Monthly payments are \$3,655.34, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 4.25% per annum. The loan has a maturity date of June 5, 2028. The loan balance at June 30, 2021, was \$264,319.

The Association has a note payable, dated September 14, 2018, to pay for turf on the softball field. Monthly payments are \$2,197.13, including interest and principal. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 3.75% per annum. The loan has a maturity date of September 14, 2023 with a balloon payment of the entire unpaid balance of principal and interest due at that time.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 5. Long-term Debt (continued)

The loan balance at June 30, 2021, was \$97,592.

The Association has a note payable, dated May 26, 2021 to pay for turf for the football field. The loan allows for multiple advances up to \$571,000. The interest rate on this note is subject to change from time to time based on changes in an independent index. The Index currently is 4.25% per annum. The loan has a maturity date of June 5, 2026 with a balloon payment of the entire unpaid balance of principal and interest due at that time. As of June 30, 2021, the loan balance was \$-0-.

Interest expense paid and incurred was \$15,013 as of June 30, 2021.

The future maturities of these notes payable as of June 30, 2021, are as follows:

2022	\$ 56,114
2023	58,686
2024	86,652
2025	37,775
2026 and thereafter	<u>122,684</u>
	<u>\$ 361,911</u>

Note 6. Concentration Of Risk

Concentration of credit risk arising from cash deposits

The Association maintains its cash balances at banks that are insured by the Federal Deposit Insurance Corporation. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. At June 30, 2021, the balance in the bank exceeded the limit by approximately \$413,000.

Concentration of credit risk due to accounts receivable

Credit risk for accounts receivable can be concentrated if substantially all of the balances are receivable from entities located within the same geographic region. As of June 30, 2021, accounts receivable was \$160,812 and allowance for doubtful accounts was \$-0-. At June 30, 2021, approximately 52% or \$83,732 of the accounts receivables is due from Southeastern Louisiana University.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 7. Related Party Transactions

The Association occupies an office provided by Southeastern Louisiana University. Since the value of the facilities used by the Association is not readily determinable, no related donation income or rent expense is recorded. In addition, and in accordance with Louisiana Revised Statutes 17:3390, the Association is of the opinion that all expenditures and in-kind services, except unrestricted funds used for administration, benefit the University. These amounts greatly exceed the cost of housing, personnel, and other support furnished to the Association by the University.

Financial services for the Association are performed by Southeastern Louisiana University Foundation employees. The Association paid \$13,882 to the Foundation for the year ended June 30, 2021, for these services.

Note 8. Fundraising Expense Ratio

The following represents the entity's fundraising expense ratio for the year ended June 30, 2021:

Total support generated in the statement of activities	\$ 1,292,369
Fundraising expense	\$ 217,341
Fundraising expense ratio	17%

Note 9. Contingencies

The Association is occasionally involved in litigation and regulatory investigations arising in the ordinary course of operations. While the ultimate outcome of these matters is not presently determinable, it is the opinion of management that the resolution of outstanding claims will not have a material adverse effect on the financial position or results of operations of the Association.

The Association is liable to some Athletic coaches in the event the team reaches certain achievements or if the coach is terminated. The amounts vary by contract. The ultimate outcome of these matters is uncertain. It is the opinion of management such matters will not have a material effect upon the financial position of the Association.

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are likely to impact the contributions and revenue for the Association. At this time the financial impact is unknown.

Lion Athletics Association
Notes To Financial Statements
Year Ended June 30, 2021

Note 10. Comparative Totals For 2020

The financial statements include certain prior year summarized comparative information in total but not by fund. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Association's financial statements for the year ended June 30, 2020, from which the summarized information was derived.

Note 11. Liquidity And Availability Of Financial Assets

The following reflects the Association's financial assets as of the statement of financial position date, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the statement of financial position date.

Cash and equivalents	\$ 538,499
Accounts receivable	<u>160,812</u>
 Total financial assets at year-end	 699,311
 Less those unavailable for general expenditures within one year:	 <u> -</u>
 Financial assets available to meet cash needs for general expenditure within one year	 <u>\$ 699,311</u>

As part the Association's liquidity management, the Association invests cash in excess of daily requirements in short term investments, typically interest earning checking accounts.

Note 12. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, December 16, 2021.

As of November 30, 2021 the Association has received from the May 2021 loan, loan proceeds of \$569,636 for the purchase of a new football field.