LIONS CAMP TATIYEE

FINANCIAL STATEMENTS

Year Ended September 30, 2021

LIONS CAMP TATIYEE, INC.

FINANCIAL STATEMENTS

Year Ended September 30, 2021

CONTENTS

GREGORY MICHAEL COY
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Audit, Tax, Management Advisory,
Forensic and Internal Control Consulting

INDEPENDENT ACCOUNTANT'S REVIEW REPORT

To the Board of Directors of the Lions Camp Tatiyee, Inc.**:**

I have reviewed the accompanying financial statements of Lions Camp Tatiyee, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities and net assets – modified cash basis as of September 30, 2021 , and the related statements of support revenue and expenses – modified cash basis, and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of entity management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, I do not express such an opinion.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the modified cash basis of accounting, this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of financial statements in the circumstances. Management is also responsible for 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.

Accountant's Responsibility

My responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require me to perform procedures to obtain limited assurance as a basis for reporting whether I am aware of any material modifications that should be made to the financial statements for them to be in accordance with the modified cash basis of accounting. I believe that the results of my procedures provide a reasonable basis for my conclusion.

I am required to be independent of Lions Camp Tatiyee, Inc. and to meet my other ethical responsibilities, in accordance with the relevant ethical requirements related to my review.

Accountant's Conclusion

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the modified cash basis of accounting.

Basis of Accounting

I draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the modified cash basis of accounting which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our conclusion is not modified with respect to this matter.

Gregory Michael Coy, CPA, PLLC

Phoenix, Arizona
February 24, 2022

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LIONS CAMP TATIYEE, INC.

STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS – MODIFIED CASH BASIS

September 30, 2021

ASSETS

	2021
CURRENT ASSETS	
Cash	$ 59,269
Investments	168,300
Property and equipment, net	591,759
TOTAL ASSETS	$ 819,328

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Interest payable	$ 5,072
Long term debt	150,000
Refundable advance - Paycheck Protection Program	55,450
TOTAL LIABILITIES	210,522
NET ASSETS	
Net assets without donor restrictions	583,814
Net assets with donor time and purpose restrictions	24,992
TOTAL NET ASSETS	608,806
TOTAL LIABILITIES AND NET ASSETS	$ 819,328

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report

LIONS CAMP TATIYEE, INC.

STATEMENT OF SUPPORT, REVENUE AND EXPENSES – MODIFIED CASH BASIS

For the year ended September 30, 2021

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	Total
SUPPORT AND REVENUE			
Contributions and grants	$ 398,613	$ 40,000	$ 438,613
Donated equipment	2,800	-	2,800
Interest income	1,956	-	1,956
Realized and unrealized gain (loss)	(3,655)	-	(3,655)
Net assets released from restrictions	42,298	(42,298)	-
TOTAL SUPPORT AND REVENUE	442,012	(2,298)	439,714
EXPENSES			
Camp services	441,239		441,239
Supporting services:			
Management and general	21,977	-	21,977
Fundraising	30,141	-	30,141
Total supporting services	52,118	-	52,118
TOTAL EXPENSES	493,357	-	493,357
CHANGE IN NET ASSETS	(51,345)	(2,298)	(53,643)
NET ASSETS, BEGINNING OF YEAR	635,159	27,290	662,449
NET ASSETS, END OF YEAR	$ 583,814	$ 24,992	$ 608,806

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report

LIONS CAMP TATIYEE, INC.

STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS

For the year ended September 30, 2021

		Supporting Services			
	Camp Services	Management and General	Fundraising	Total Supporting Services	Total
Salaries and wages	$ 162,288	$ 13,625	$ 8,175	$ 21,800	184,088
Payroll taxes and benefits	16,116	1,380	828	2,208	18,324
Depreciation	61,594	-	-	-	61,594
Insurance	47,778	977	586	1,563	49,341
Utilities	37,641	-	-	-	37,641
Marketing and promotion	19,464	1,634	980	2,614	22,078
Professional fees and contract labor	14,873	1,249	749	1,998	16,871
Fundraising costs	-	-	16,553	16,553	16,553
Maintenance and repairs	16,292	-	-	-	16,292
Meals	13,009	292	-	292	13,301
Telephone and internet	8,319	698	419	1,117	9,436
Small equipment, furniture and fixtures	7,930	-	-	-	7,930
Dues and subscriptions	7,214	-	-	-	7,214
Supplies and materials	6,122	347	208	555	6,677
Camp supplies and expenses	5,832	-	-	-	5,832
Interest expense	4,508	378	227	605	5,113
Postage and printing	4,283	360	216	576	4,859
Travel and lodging	2,336	974	584	1,558	3,894
Rent	2,562	-	-	-	2,562
Recruitment and training	1,290	-	-	-	1,290
Bank, vendor and credit card fees	-	4	616	620	620
Other expense	1,788	59	-	59	1,847
	$ 441,239	$ 21,977	$ 30,141	$ 52,118	$ 493,357

See Accompanying Notes to Financial Statements and Independent Accountant's Review Report

(1) <u>Organization purpose and summary of significant accounting policies</u>

Organization purpose – Lions Camp Tatiyee, Inc. (the Organization) was formed as a nonprofit organization in December 1957. The Organization is structured to operate and maintain a summer camp in Eastern Arizona for special needs individuals. The Organization supports their program activities primarily through donor contributions and grants.

COVID-19 pandemic - At the time of this report's release, citizens and the economies of the United States and other countries have been impacted by the coronavirus (COVID-19) pandemic. The World Health Organization declared a Public Health Emergency on January 30, 2020. The evolution of the virus, the extent of its economic impact and the results of steps taken and yet to be taken by governments and financial institutions are unknown. Governments, businesses and non-profit organizations have faced supply chain disruptions, labor shortages, revenue declines, an increase in bad debts, reduced cash flow, difficulties meeting loan covenants, goodwill and inventory impairment, credit difficulties, and other financial implications. Furthermore, the financial markets have experienced significant levels of volatility as a result of the pandemic. The significance and the duration of the pandemic's financial impact are indeterminable.

The significant accounting policies followed by the Organization are as follows:

Basis of accounting - The financial statements of the Organization have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than generally accepted accounting principles. That basis differs from generally accepted accounting principles in that certain revenues are recognized when received rather than when earned and certain expenses are recognized when paid rather than when the obligation is incurred. Consequently, the financial statements do not reflect such items as accounts receivable, prepaid expenses, accounts payable, and accrued expenses. Modifications to the cash basis of accounting include the capitalization of property and equipment and related depreciation expense and the recognition of a refundable advance related to a federal grant program, notes payable and the related interest payable on these notes.

Basis of presentation - The financial statement presentation reports information regarding the Organization's financial position and activities according to two classes of net assets:

<u>Net assets without donor restrictions</u>
Amounts that are not subject to usage restrictions based on donor-imposed requirements. This class also includes assets previously restricted where restrictions have expired or been met.

<u>Net assets with donor restrictions</u>
Assets subject to usage limitations based on donor imposed or grantor restrictions. These restrictions may be temporary or may be based on a particular use. Restrictions may be met by the passage of time or by actions of the Organization. Certain restrictions may need to be maintained in perpetuity. At September 30, 2021, the Organization had a total of $20,000 that is required to be maintained in perpetuity.

Cash - Cash includes cash and, at times, cash equivalents consisting of highly liquid financial instruments purchased with original maturities of three months or less. Deposits at financial institutions are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). From time to time, the Organization has deposits at financial institutions that exceed FDIC insurance.

Property and equipment and related depreciation - Purchased property and equipment is valued at cost and donated property and equipment is recorded at the fair value at the date of the gift to the Organization. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of $1,000 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved, and any gain or loss is included in operations.

(1) <u>Organization purpose and summary of significant accounting policies (continued)</u>

Depreciation of property and equipment is computed on a straight-line basis over useful lives of 5 to 40 years. Donations of property and equipment are recorded as contributions at their estimated fair value at the date of the donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted contributions absent donor stipulations regarding how long those donated assets must be maintained. The Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Impairment of long-lived assets – The Organization requires that long-lived assets be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future cash flows to be expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying value of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management believes that no long-lived assets have any impairment of value.

Contributions and grants - Contributions received are recorded as support with donor restrictions or without donor restrictions depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in net assets with donor restrictions or without donor restrictions depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions on unconditional contributions are reclassified to net assets without donor restrictions and reported in the consolidated statement of activities as net assets released from restrictions.

Conditional contributions – Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Organization is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Conditional contributions are recognized as support, either with or without donor restrictions, when donor-imposed conditions are substantially met (i.e., barriers are overcome). Restrictions on conditional contributions that are met in the same reporting period as the revenue is recognized are reported in the consolidated statement of activities as support within net assets without donor restrictions.

Donated equipment, materials and services - Donated equipment, materials and professional services are reflected as contributions in the accompanying financial statement at their estimated values at the date of receipt. A substantial number of volunteers have donated significant amounts of their time to the Organization's program services and fundraising campaigns. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since recognition criteria were not met. The Organization recognized a contribution for the years ended September 30, 2021, in the amount of $2,800 for certain donated equipment.

Marketing and promotional costs - The cost of marketing, promotion and advertising is expensed when incurred or when the first costs take place. Marketing, promotion and advertising costs for the year ended September 30, 2021 was $22,078.

(1) Organization purpose and summary of significant accounting policies (continued)

Functional expenses - The costs of providing various programs and other activities have been summarized on a functional basis in the accompanying statement of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Expenses are charged to program services and supporting services categories based on direct expenditures incurred. Any expenditure not directly chargeable is allocated based on personnel activity or square footage. Management and general include those expenses that are not directly identifiable with any specific program, but provide for the overall support and direction of the Organization.

Income tax status – The Organization is organized as an Arizona non-profit corporation and has been recognized by the Internal Revenue Service (IRS) as exempt from federal income taxes under Section 501(a) of the Internal Revenue Code as an organization described in Section 501(c)(3) and has been determined not to be a private foundation under Sections 509(a)(1) and 170(b)(1)(A)(vi). Accordingly, contributions to the Organization qualify for the charitable contribution deduction under Section 170. The Organization is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Organization is generally subject to income tax on net income that is derived from business activities that are unrelated to its exempt purpose. Management has determined the Organization has no taxable unrelated business income related to the Organization's activities and it has not filed the Exempt Organization Business Income Tax Return (IRS Form 990-T), or its Arizona equivalent, Form 99-T. The tax years ended September 30, 2018, 2019, and 2020 are still open to audit for both federal and state purposes. Management believes that it has appropriate support for any income tax positions taken, and, as such, does not have any uncertain tax positions that are material to the financial statements. The Organization would recognize future accrued interest and penalties related to unrecognized tax benefits and liabilities in income tax expense if such interest and penalties are incurred.

Managements' use of estimates - The preparation of financial statements in conformity with U.S. 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 reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

Subsequent events – The Organization evaluated subsequent events after the statement of financial position date of September 30, 2021 through February 24, 2022, which was the date the Organization's financial statements were available to be issued. No conditions, other than those described below, were noted which did not exist as of September 30, 2021, but arose subsequent to that date.

- On December 17, 2021, the Organization was granted forgiveness by the Small Business Association (SBA) of the Paycheck Protection Program Award, as further described in Note 8. The entire balance of the award in amount of $55,450, plus accrued interest, was forgiven.
- In November 2021, the Organization liquidated its investments, including the endowment investment, and closed the brokerage account which held those investments. The balance of that brokerage account was transferred to one of the Organization's bank accounts held at an unrelated financial institution. In February 2022, the Organization re-invested its endowment funds in a US Treasury Note maturing on February 28, 2027.

(2) Liquidity and availability of financial assets

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments. The Organization has various sources of liquidity at its disposal, including cash and investments, and structures its financial assets to be available to meet general expenditures, liabilities and other obligations as they come due.

(2) Liquidity and availability of financial assets (continued)

The Organization manages its liquid resources by investing cash in marketable securities and interest-bearing bank accounts. Financial assets not currently available include amounts set aside in the endowment that is donor restricted in perpetuity. In addition to financial assets available to meet general expenditures over the next 12 months, the Organization prepares and strives to operate within an annual budget.

Financial assets available to meet general expenditures within one year:

	2021
Cash	$ 59,269
Investments	168,300
	227,569
Donor imposed restrictions	(24,992)
Financial assets available to meet general expenditures within one year	$ 202,577

(3) Property and equipment

Property and equipment consist of:	2021
Cost or donated value:	
Buildings and structures	$ 1,306,810
Furniture and fixtures	727,015
Leasehold improvements	444,922
Total cost or donated value	2,478,747
Accumulated depreciation	(1,886,988)
Net property and equipment	$ 591,759

Depreciation expense charged to operations was $61,594 for the year ended 2021.

(4) Investments and fair value measurements

The Organization reports its investments in equity securities (including other ownership interests, such as partnerships, unincorporated joint ventures, and limited liability companies) at fair value. The fair value of equity securities with readily determinable fair values is based on quoted market prices in active markets. Equity investments that do not have readily determinable fair values are re-measured at fair value either upon the occurrence of an observable price change or upon identification of impairment. The Organization has also adopted authoritative guidance related to *accounting for fair values of investments*. This standard defines fair value, establishes a framework for measuring fair value, and expands disclosure requirements. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an “exit price”) on the measurement date in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants (with no compulsion to buy or sell). Based on the standard *accounting for fair values of investments,* the Organization has set up a valuation framework that provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

(4) Investments and fair value measurements (continued)

The three levels of the fair value hierarchy are as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets
- Quoted prices for identical or similar assets or liabilities in inactive markets
- Inputs other than quoted prices that are observable for the asset or liability (i.e., interest rates, yield curves, etc.)
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means
- If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Fair values of assets are measured as follows:

	Level 1	Level 2	Level 3	Total
Fixed income mutual funds(publicly traded)	$ 143,312	$ -	$ -	$ 143,312
Cash/Money Market	24,988	-	-	24,988
Total	$ 168,300	$ -	$ -	$ 168,300

For assets and liabilities measured at fair value on a recurring basis, the fair value hierarchy requires the use of observable market data when available. In instances where inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based upon the lowest level input that is significant to the fair value measurement in its entirety.

(5) Endowment

The Organization’s endowment (the Endowment) consists of a $20,000 contribution that was restricted by the donor in perpetuity. Interest and dividend income generated from the Endowment is to be used for the Organization’s summer camp program. Net assets associated with the endowment fund are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of Directors of the Organization has interpreted Arizona’s Management of Charitable Funds Act (MCFA) as requiring the preservation of the fair value of the original donation as of the donation date of the endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Organization classifies as net assets with perpetual donor restrictions (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor restricted endowment fund that is not classified as net assets with perpetual donor restrictions is either classified as net assets with donor purpose or time restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by MCFA.

(5) Endowment (continued)

In accordance with MCFA, the Organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund
(2) The purposes of the Organization and the endowment fund
(3) General economic conditions
(4) The possible effect of inflation and deflation
(5) The expected total return from income and the appreciation of investments
(6) Other resources of the Organization
(7) The investment policies of the Organization

Changes in endowment net assets for the year ended September 30, 2021 are as follows:

	Purpose restricted	Restricted in perpetuity	Total
Beginning of year	$ -	$ 20,000	$ 20,000
Net investment income	233	-	233
Amounts appropriated for expenditure	(233)	-	(233)
Total	$ -	$ 20,000	$ 20,000

The Organization has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Organization must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the Endowment assets are invested in money market funds to assume a low level of investment risk. To satisfy its long-term rate-of-return objectives, the Organization relies on a total return strategy in which investment returns are achieved through current yield (interest and dividends). The Organization targets an asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent risk constraints.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor of SPMIFA requires the Organization to retain as a fund of perpetual duration. There were no such deficiencies identified.

(6) Lease commitments

The Organization has entered into a lease with Lions Foundation of Arizona (LFA) to lease approximately 43.91 acres in Pinetop-Lakeside Arizona. The Organization uses the property primarily as a camp for disabled children and adults. The lease term expires in September 2025 with automatic extensions of the agreement unless cancelled in writing by either party with at least one year’s notice, unless both parties agree otherwise. The Organization agreed to pay Lions Foundation of Arizona $100 per month in lease payments. Due to the unique nature and use of the property the Organization is unable to determine an estimate of the fair value of rent for the property and has not recorded any amount of donated rent for the property for the year ended September 30, 2021.

(6) Lease commitments (continued)

Minimum future rental payments under non-cancellable operating leases having remaining terms in excess of one year at September 30, 2021, are as follows:

Years Ending December 31,		
2022	$	-
2023		1,200
2024		1,200
2025		1,200
Total minimum future lease payments	$	3,600

(7) Long-term debt

Long-term debt consists of:

	2020
In conjunction with the COVID-19 pandemic, the Organization received a $150,000 Economic Injury Disaster Loan through the Small Business Administration. The proceeds of the loan must be used as working capital to make regular payments of operating expenses, including payroll, rent, utilities and other ordinary operating expenses. The loan has a term of 30 years and bears interest at a fixed annual rate of 2.75%. Principal and interest payments are deferred during the first two years of the loan. Interest continues to accrue on the loan during the payment deferral period. Payments of principal and accrued interest are made annually over the remaining 28 years of the loan. The loan is secured by substantially all of the assets of the organization and there is no prepayment penalty.	150,000
Total long-term debt	150,000
Less: current maturities	-
Non-current maturities	$ 150,000

Years ended December 31,		
2022	$	-
2023		-
2024		3,430
2025		3,708
2026		3,811
Thereafter		139,051
Total long-term debt		150,000
Current portion of long term debt		-
Non-current portion of long term debt	$	150,000

A total of $5,072 of interest is accrued on this note payable at September 30, 2021, which is included in interest payable on the accompanying statement of assets, liabilities and net assets – modified cash basis.

(8) Paycheck Protection Program Awards

On March 12, 2021, the Organization was granted a $55,450 award under the Paycheck Protection Program (PPP) administered by a Small Business Administration (SBA) approved partner (2nd round award). The award is uncollateralized and is fully guaranteed by the Federal government. The Organization is eligible for forgiveness of up to 100% of the award, upon meeting certain requirements. The Organization has initially recorded the award as a refundable advance and will record the forgiveness in accordance with guidance for conditional contributions when there is no longer a measurable performance or other barrier and a right to return of the PPP award. Proceeds from the award are eligible for forgiveness if they are used for certain qualifying expenses of the program. The Organization will be required to repay any remaining balance, plus interest accrued at 1 percent, in monthly payments commencing upon notification of forgiveness or partial forgiveness. On December 17, 2021, the Organization was granted forgiveness by the SBA of the entire balance of the award.

During the year ended September 30, 2020, the Organization was granted a $58,451 award under the PPP. The Organization met the conditions of the award and received forgiveness of the entire balance of the award during year ended September 30, 2021. Accordingly, the Organization recognized $58,451 of contribution revenue related to this award during the year ended September 31, 2021.

(9) Net assets with donor restrictions

Net assets with donor restrictions consist of the following:		2021
Purpose restrictions:		
Harry's swing	$	2,290
Electronic equipment		1,895
Building and camp renovations		807
Perpetual restrictions:		
Endowment		20,000
Total net assets with donor restrictions	$	24,992

Net assets released from restrictions consist of the following:		2021
Purpose restrictions:		
Electronic equipment	$	23,105
Scholarships		15,000
Building and camp renovations		4,193
Total net assets released from restrictions	$	42,298

(10) Related party transactions

During the year ended September 30, 2009, the Organization entered into a note receivable with a related party. The principal balance of the note was $100,000 with an interest rate of 5%. During the year ended September 30, 2020, the entire principal amount of $100,000 was paid by the related party. As of September 30, 2021, approximately $54,280 is still owed for interest; however, it has not been recorded in the accompanying financial statements as they are prepared on the modified cash basis of accounting.

The Organization leases property from the Lions Foundation of Arizona (see Note 6).

(10) Related party transactions (continued)

The Organization received approximately $73,000 of its contributions from various Lions Clubs located in the state of Arizona.

The Organization has pledged its dining hall as collateral on a $75,000 note between a related party and another nonprofit organization.

(11) Future accounting pronouncements

In February 2016, the FASB issued ASU No. 2016-02, Leases (Topic 842), which requires recognition of rights and obligations from lease contracts longer than one year as assets and liabilities on the balance sheet. The new standard is effective for the Organization October 1, 2021. The Organization is evaluating the effect that ASU No. 2016-02 will have on its financial statements and related disclosures.

In September 2020, the FASB issued ASU No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets.* The standard modifies and increases the presentation and disclosure requirements for donated (in-kind) items. The new standards are effective for the Organization October 1, 2021. The Organization is evaluating the effect that ASU No. 2020-07 will have on its financial statements and related disclosures.

In June 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments,* which modifies how expected credit losses on financial instruments are developed. In November 2018, the FASB issued ASU No. 2018-19, *Codification Improvements to Topic 326, Financial Instruments – Credit Losses (Topic 326)* which provides amendments to ASU No. 2016-13 and defers the effective date to years beginning after December 15, 2021. The new standards are effective for the Organization October 1, 2022. The Organization is evaluating the effect that ASU No. 2016-13 and ASU No 2018-19 will have on its financial statements and related disclosures.