

**Amateur Hockey Association Illinois, Inc.**

**Financial Statements  
For the Year Ended May 31, 2011**

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

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Independent Auditors' Report

To the Board of Directors  
Amateur Hockey Association Illinois, Inc.  
Bensenville, Illinois

We have audited the accompanying statement of financial position of Amateur Hockey Association Illinois, Inc., as of May 31, 2011, and the related statements of activities and change in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Amateur Hockey Association Illinois, Inc. as of May 31, 2011, and the results of its changes in net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses is presented for purposes of additional analysis and is not a required part of the basic financial statements. This information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

October 18, 2011

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Financial Position  
May 31, 2011

Assets

Current assets

Cash	\$	691,444
Temporarily restricted cash		10,114
Accounts receivable		6,394
Accounts receivable-officiating		128,618
Grants receivable		5,090
Prepaid expenses		21,380
Deposits		<u>35,407</u>

Total current assets		<u>898,447</u>
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Equipment, leasehold improvements and software

Equipment, leasehold improvements and software		226,217
Accumulated depreciation		<u>(214,776)</u>

Net equipment, leasehold improvements and software		<u>11,441</u>
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Total assets	\$	<u><u>909,888</u></u>
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Liabilities and Net Assets

Current liabilities

Accounts payable	\$	6,946
Accounts payable-officiating		131,700
Deferred revenue		<u>36,832</u>

Total current liabilities		<u>175,478</u>
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Net assets

Unrestricted		724,296
Temporarily restricted		<u>10,114</u>

Total net assets		<u>734,410</u>
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Total liabilities and net assets	\$	<u><u>909,888</u></u>
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The accompanying notes are an integral part of these financial statements

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Statement of Activities and Change in Net Assets For the Year Ended May 31, 2011

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Registration fees	\$ 343,618	\$	\$ 343,618
Participation fees	348,976		348,976
Grants and donations	352,374	4,202	356,576
Officiating fees	2,011,322		2,011,322
Gate receipts at events	65,903		65,903
Commissions	11,405		11,405
Interest income	787		787
Miscellaneous	69,482		69,482
	<hr/>	<hr/>	<hr/>
Total revenue and support	3,203,867	4,202	3,208,069
	<hr/>	<hr/>	<hr/>
Expenses			
Program services			
Events and programs for members	2,870,970		2,870,970
Supporting services			
Management and general	164,215		164,215
Fundraising	19,277		19,277
	<hr/>	<hr/>	<hr/>
Total expenses	3,054,462		3,054,462
	<hr/>	<hr/>	<hr/>
Change in net assets	149,405	4,202	153,607
Net assets, beginning of year	574,891	5,912	580,803
	<hr/>	<hr/>	<hr/>
Net assets, end of year	\$ 724,296	\$ 10,114	\$ 734,410
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Cash Flows  
For the Year Ended May 31, 2011

Cash flows from operating activities	
Change in net assets	\$ 153,607
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	5,837
(Increase) decrease in assets:	
Accounts receivable	81,407
Grants receivable	2
Prepaid expenses and other current assets	(36,482)
Increase (decrease) in liabilities:	
Accounts payable	(49,487)
Deferred revenue	(5,724)
	<hr/>
Net cash provided by operating activities	149,160
	<hr/>
Cash flows from investing activities	
Purchase of equipment	(4,838)
	<hr/>
Net increase in cash	144,322
Cash, beginning of year	557,236
	<hr/>
Cash, end of year	\$ 701,558
	<hr/> <hr/>
Cash consists of the following:	
Unrestricted cash	\$ 691,444
Temporarily restricted cash	10,114
	<hr/>
Total cash	\$ 701,558
	<hr/> <hr/>

The accompanying notes are an integral part of these financial statements

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Notes to Financial Statements

### Note 1 – Organization and Nature of Activities

The Amateur Hockey Association Illinois, Inc. (AHAI), incorporated on December 15, 1975, is a not-for-profit corporation organized under the laws of the State of Illinois, and has been classified by the U.S. Internal Revenue Service as a 501(c)(3) not-for-profit organization. Its main purpose is to encourage and improve the standards and conduct of amateur ice hockey in the state of Illinois. In addition to its other programs, AHAI has formed a committee to oversee the assignment of officials to games for its various members. Revenues are derived principally from AHAI's programs.

### Note 2 – Summary of significant accounting policies

#### Basis of accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

#### Financial statement presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

#### Cash

Cash consists of checking, saving and certificate of deposit accounts. For the purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash.

#### Grants receivable

Grants receivable are expected to be collected within one year and are recorded at net realizable value.

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Notes to Financial Statements

### Note 2 – Summary of significant accounting policies, cont'd

#### Equipment, leasehold improvements and software

Equipment, leasehold improvement and software are recorded at cost. Depreciation is recorded using the straight-line method over the estimated useful lives, as follows:

	<u>Years</u>
Leasehold improvements	Life of Lease
Equipment	5
Software	3

#### Deferred revenue

Deferred revenue represents cash collected for membership registrations and other services that have not been earned at May 31, 2011.

#### Contributions

All contributions received are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

Conditional grants for which the conditions have not been met and unearned grant receipts are reported as liabilities until the conditions have been met or the revenues have been earned.



# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Notes to Financial Statements

### Note 2 – Summary of significant accounting policies, cont'd

#### Contributed services

The Organization receives donated services from several unpaid organizations and many unpaid individuals who volunteer their time and facilities and perform a variety of tasks that assist the Organization. The value of the contributed time by volunteers and other contributed resources is not reflected in these financial statements, since they do not meet the recognition criteria under SFAS No. 116.

#### Income taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and accordingly, has made no provision for federal income taxes in the accompanying financial statements. There was no unrelated business income for the year ended May 31, 2011.

#### Functional allocation of expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the schedule of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited according to their natural expenditure classification.

Supporting services are those services related to operating and managing AHAI and its programs on a day-to-day basis. Supporting services have been sub-classified as follows:

Management and general – includes all activities related to AHAI's internal management and accounting for program services.

Fundraising includes all activities related to the selling of merchandise and other similar projects related to the procurement of funds for AHAI's programs.

#### 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.

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Notes to Financial Statements

### Note 2 – Summary of significant accounting policies, cont'd

#### Date of management's review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 18, 2011, the date that the financial statements were available to be issued.

### Note 3 – Restrictions on net assets

Substantially all of the restrictions on net assets at the end of May 31, 2011 are related to restricted donations received for the Organization's special programs or services. These temporarily restricted assets are released from restriction by incurring expenses satisfying the restricted purpose or by occurrence of other events specified by the donor. At May 31, 2011 the Organization had no permanently restricted net assets.

### Note 4 – Equipment, leasehold improvements and software

The following is a summary of equipment, leasehold improvements and software as of May 31, 2011:

Equipment	\$	167,178
Leasehold improvements		39,420
Software		19,619
		<hr/> 226,217
Accumulated depreciation		<hr/> 214,776
Net	\$	<hr/> <hr/> 11,441

### Note 5 – Support

The Organization's support is provided by registration fees, participation fees, grants and other donations from individuals and businesses in the community.

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Notes to Financial Statements

### Note 6 - Lease

AHAI leases office and meeting space, as well as ice time, from an ice skating facility. The lease is a non-cancelable operating lease expiring on February 28, 2014. Under the terms of the lease, as long as AHAI rents 300 hours of ice time from the facility for each twelve-month period ending on May 31, it will not be charged rent for office and meeting space. If AHAI does not rent 300 hours of ice time, it will be required to pay the lessor \$24,000 for that year for the office and meeting space. For the year ending May 31, 2011, the minimum ice usage rental time was met; accordingly, no rental expense for office and meeting space was incurred. Future ice usage time is expected to be similar.

### Note 7 – Concentrations of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, money market and certificates of deposit accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Corporation insurance limits. Amounts exceeding federally insured limits totaled approximately \$126,000 at May 31, 2011.

# AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

## Schedule of Functional Expenses For the Year Ended May 31, 2011

	Events and Programs for Members	Management and General	Fundraising	Total
Advertising	\$ 595	\$ -	\$ -	595
Awards	52,848	2,019	-	54,867
Bank charges	15,170	310	-	15,480
Computer services	1,233	368	-	1,601
Depreciation	-	5,837	-	5,837
Donations	8,112	-	-	8,112
Cross Ice grants	2,500	-	-	2,500
Hospitality	45,447	7,391	15,036	67,874
Ice fees	219,722	-	-	219,722
Insurance	-	1,075	-	1,075
Jerseys and equipment	24,912	4,523	3,642	33,077
Legal fees	18	1,570	-	1,588
Meeting expenses	8,316	6,353	-	14,669
Merchandise	447	-	-	447
Miscellaneous expense	63,840	820	-	64,660
Newsletter production	60,887	-	-	60,887
Officials	1,915,273	-	-	1,915,273
Official development	9,426	-	-	9,426
One Goal grant	41,954	-	-	41,954
Player development	8,530	-	-	8,530
Postage and mailing	4,937	7,377	101	12,415
Printed materials	28,038	10,708	302	39,048
Professional fees	172,067	9,250	-	181,317
Rental	3,641	3,512	-	7,153
Registrations	5,143	-	-	5,143
Screening	35,130	-	-	35,130
Supplies	11,147	3,087	196	14,430
Telephone	7,613	14,407	-	22,020
Travel	56,433	26,344	-	82,777
Wages and payroll taxes	67,591	59,264	-	126,855
Total expenses	\$ 2,870,970	\$ 164,215	\$ 19,277	\$ 3,054,462