

Amateur Hockey Association Illinois, Inc.

**Financial Statements
For the Year Ended May 31, 2012**

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Statement of Financial Position, May 31, 2012	2
Statement of Activities and Changes in Net Assets For the Year Ended May 31, 2012	3
Statement of Cash Flows For the Year Ended May 31, 2012	4
Notes to Financial Statements	5-9
Schedule of Functional Expenses	10

MAZZONI AND ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
3601 ALGONQUIN ROAD – SUITE 300
ROLLING MEADOWS, IL 60008
PHONE: (847) 253-9310
FAX: (847) 253-9312

Steve Mazzoni, CPA, MST
John Manella, CPA, CFE

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, 2012, 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, 2012, 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.

Mazzoni and Associates

September 6, 2012

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Financial Position
May 31, 2012

Assets

Current assets

Cash	\$	735,503
Temporarily restricted cash		10,114
Accounts receivable		220
Accounts receivable-officiating		191,341
Grants receivable		5,491
Prepaid expenses		<u>62,514</u>

Total current assets		<u>1,005,183</u>
----------------------	--	------------------

Equipment, leasehold improvements and software

Equipment, leasehold improvements and software		231,663
Accumulated depreciation		<u>(220,902)</u>

Net equipment, leasehold improvements and software		<u>10,761</u>
--	--	---------------

Total assets	\$	<u><u>1,015,944</u></u>
--------------	----	-------------------------

Liabilities and Net Assets

Current liabilities

Accounts payable	\$	8,448
Accounts payable-officiating		161,954
Payroll tax liabilities		2,426
Deferred revenue		<u>37,821</u>

Total current liabilities		<u>210,649</u>
---------------------------	--	----------------

Net assets

Unrestricted		795,181
Temporarily restricted		<u>10,114</u>

Total net assets		<u>805,295</u>
------------------	--	----------------

Total liabilities and net assets	\$	<u><u>1,015,944</u></u>
----------------------------------	----	-------------------------

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, 2012

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Registration fees	\$ 353,839	\$	\$ 353,839
Participation fees	351,187		351,187
Grants and donations	292,313		292,313
Officiating fees	2,146,429		2,146,429
Gate receipts at events	40,364		40,364
Commissions	989		989
Interest income	836		836
Miscellaneous	62,212		62,212
	<hr/>	<hr/>	<hr/>
Total revenue and support	3,248,169		3,248,169
	<hr/>	<hr/>	<hr/>
Expenses			
Program services			
Events and programs for members	2,976,995		2,976,995
Supporting services			
Management and general	177,680		177,680
Fundraising	22,609		22,609
	<hr/>	<hr/>	<hr/>
Total expenses	3,177,284		3,177,284
	<hr/>	<hr/>	<hr/>
Change in net assets	70,885		70,885
Net assets, beginning of year	724,296	10,114	734,410
	<hr/>	<hr/>	<hr/>
Net assets, end of year	\$ 795,181	\$ 10,114	\$ 805,295
	<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, 2012

Cash flows from operating activities	
Change in net assets	\$ 70,885
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	6,823
(Increase) decrease in assets:	
Accounts receivable	(56,549)
Grants receivable	(401)
Prepaid expenses and other current assets	(5,727)
Increase (decrease) in liabilities:	
Accounts payable	31,756
Payroll tax liabilities	2,426
Deferred revenue	989
	<hr/>
Net cash provided by operating activities	50,202
	<hr/>
Cash flows from investing activities	
Purchase of equipment	(6,143)
	<hr/>
Net increase in cash	44,059
Cash, beginning of year	701,558
	<hr/>
Cash, end of year	\$ 745,617
	<hr/>
Cash consists of the following:	
Unrestricted cash	\$ 735,503
Temporarily restricted cash	10,114
	<hr/>
Total cash	\$ 745,617
	<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 money market 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, 2012.

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 organizations and many 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, 2012.

The Organization adopted the accounting for uncertainty in income tax guidance, which clarifies the accounting and recognition for tax positions taken on its income tax returns. In evaluating the Organization's tax provisions and accruals, the Organization believes that its estimates are appropriate and the Organization has no material unrecognized income tax positions. The Organization's tax filings are subject to audit by various taxing authorities. At May 31, 2012 the Organization is no longer subject to examination by federal and state taxing authorities for periods ending before 2008.

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.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

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

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.

Date of management's review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through September 6, 2012, 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, 2012 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, 2012 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, 2012:

Equipment	\$	171,222
Leasehold improvements		41,520
Software		18,921
		<hr/> 231,663
Accumulated depreciation		<hr/> 220,902
Net	\$	<hr/> <hr/> 10,761

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

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.

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, 2012, 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.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Schedule of Functional Expenses For the Year Ended May 31, 2012

	Events and Programs for Members	Management and General	Fundraising	Total
Advertising	\$ 10,000	\$ -	\$ -	10,000
Awards	54,641	5,274	-	59,915
Bank charges	3,805	12,763	-	16,568
Computer services	17,447	515	-	17,962
Depreciation	-	6,823	-	6,823
Donations	5,251	-	2,500	7,751
Cross Ice grants	7,500	-	-	7,500
Hospitality	42,454	6,097	15,624	64,175
Ice fees	196,474	600	-	197,074
Insurance	-	4,375	-	4,375
Jerseys and equipment	36,447	5,922	2,956	45,325
Legal fees	-	11,123	-	11,123
Meeting expenses	14,592	3,535	-	18,127
Miscellaneous expense	58,096	7,151	-	65,247
Newsletter production	61,575	-	-	61,575
Officials	2,039,640	-	-	2,039,640
Official development	3,940	-	-	3,940
One Goal grant	5,684	-	-	5,684
Player development	16,810	-	-	16,810
Postage and mailing	5,308	6,777	109	12,194
Printed materials	31,279	11,643	264	43,186
Professional fees	169,800	9,025	500	179,325
Rental	6,296	3,660	-	9,956
Registrations	6,381	-	-	6,381
Screening	32,411	-	-	32,411
Supplies	18,815	1,612	656	21,083
Telephone	7,652	14,963	-	22,615
Travel	57,050	6,614	-	63,664
Wages and payroll taxes	67,647	59,208	-	126,855
Total expenses	\$ 2,976,995	\$ 177,680	\$ 22,609	\$ 3,177,284