

Amateur Hockey Association Illinois, Inc.

**Financial Statements
For the Year Ended May 31, 2013**

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

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Independent Auditor's Report

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

We have audited the accompanying financial statements of Amateur Hockey Association Illinois, Inc., (a nonprofit organization) which comprise the statement of financial position as of May 31, 2013, and the related statements of activities and change in net assets 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 Amateur Hockey Association Illinois, Inc. as of May 31, 2013, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mazzoni and Associates, P.C.

Mazzoni and Associates

Rolling Meadows, Illinois
September 9, 2013

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Financial Position
May 31, 2013

Assets

Current assets	
Cash	\$ 825,068
Temporarily restricted cash	11,292
Accounts receivable	418
Accounts receivable-officiating	115,850
Grants receivable	17,802
Prepaid expenses	<u>76,941</u>
Total current assets	<u>1,047,371</u>
Equipment, leasehold improvements and software	
Equipment, leasehold improvements and software	234,964
Accumulated depreciation	<u>(221,287)</u>
Net equipment, leasehold improvements and software	<u>13,677</u>
Total assets	\$ <u><u>1,061,048</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 5,545
Accounts payable-officiating	149,161
Deferred revenue	<u>12,714</u>
Total current liabilities	<u>167,420</u>
Net assets	
Unrestricted	
Unappropriated	879,061
Board designated	3,275
Temporarily restricted	<u>11,292</u>
Total net assets	<u>893,628</u>
Total liabilities and net assets	\$ <u><u>1,061,048</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, 2013

	Unrestricted	Temporarily Restricted	Total
Revenue and support			
Registration fees	\$ 374,227	\$	\$ 374,227
Participation fees	331,749		331,749
Grants and donations	346,003	3,105	349,108
Officiating fees	2,276,229		2,276,229
Gate receipts at events	41,985		41,985
Commissions	2,413		2,413
Interest income	565		565
Miscellaneous	21,416		21,416
Net assets released from restrictions	1,927	(1,927)	0
	<u>3,396,514</u>	<u>1,178</u>	<u>3,397,692</u>
Total revenue and support			
	<u>3,396,514</u>	<u>1,178</u>	<u>3,397,692</u>
Expenses			
Program services			
Events and programs for members	3,088,908		3,088,908
Supporting services			
Management and general	195,992		195,992
Fundraising	24,459		24,459
	<u>3,309,359</u>	<u></u>	<u>3,309,359</u>
Total expenses			
	<u>3,309,359</u>	<u></u>	<u>3,309,359</u>
Change in net assets	87,155	1,178	88,333
Net assets, beginning of year	795,181	10,114	805,295
	<u>795,181</u>	<u>10,114</u>	<u>805,295</u>
Net assets, end of year	\$ 882,336	\$ 11,292	\$ 893,628
	<u>\$ 882,336</u>	<u>\$ 11,292</u>	<u>\$ 893,628</u>

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, 2013

Cash flows from operating activities	
Change in net assets	\$ 88,333
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation	386
(Increase) decrease in assets:	
Accounts receivable	75,293
Grants receivable	(12,311)
Prepaid expenses and other current assets	(14,427)
Increase (decrease) in liabilities:	
Accounts payable	(15,696)
Payroll tax liabilities	(2,426)
Deferred revenue	(25,107)
	<hr/>
Net cash provided by operating activities	94,045
	<hr/>
Cash flows from investing activities	
Purchase of equipment	(3,302)
	<hr/>
Net increase in cash	90,743
Cash, beginning of year	745,617
	<hr/>
Cash, end of year	\$ 836,360
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 Cash consists of the following:	
Unrestricted cash	\$ 825,068
Temporarily restricted cash	11,292
	<hr/>
Total cash	\$ 836,360
	<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 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, 2013.

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, 2013.

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, 2013 the Organization is no longer subject to examination by federal and state taxing authorities for periods ending before 2009.

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 9, 2013, 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, 2013 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, 2013 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, 2013:

Equipment	\$	174,523
Leasehold improvements		41,520
Software		18,921
		<hr/> 234,964
Accumulated depreciation		<hr/> 221,287
Net	\$	<hr/> <hr/> 13,677

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, 2013, 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 – Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist primarily of cash and money market accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Corporation limits. At May 31, 2013, the Organization had deposits in excess of federally insured limits of approximately \$599,000.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Schedule of Functional Expenses For the Year Ended May 31, 2013

	Events and Programs for Members	Management and General	Fundraising	Total
Awards	\$ 59,440	\$ 668	\$ 2,956	\$ 63,064
Bank charges	475	10,224		10,699
Computer services	27,046	2,500		29,546
Depreciation		386		386
Donations	2,375	4,493	4,000	10,868
Cross Ice grants	38,350			38,350
Hospitality	39,547	6,362	16,137	62,046
Ice fees	217,849	427		218,276
Insurance		3,014		3,014
Jerseys and equipment	34,746	7,430		42,176
Legal fees	18	30		48
Meeting expenses	15,317	12,929	70	28,316
Miscellaneous expense	5,090	3,255		8,345
Newsletter production	60,475			60,475
Officials	2,132,478			2,132,478
Official development	7,807			7,807
Player development	6,534			6,534
Postage and mailing	3,663	9,434	101	13,198
Printed materials	28,090	13,196	259	41,545
Professional fees	186,210	9,000		195,210
Rental	7,140	2,284		9,424
Registrations	4,223			4,223
Screening	47,097			47,097
Supplies	36,924	7,425	936	45,285
Telephone	6,897	17,278		24,175
Travel	47,832	21,516		69,348
Wages and payroll taxes	73,285	64,141		137,426
Total expenses	\$ 3,088,908	\$ 195,992	\$ 24,459	\$ 3,309,359