USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.

Consolidating Financial Statements

For the Year Ended August 31, 2024

Waugh & Goodwin, LLP
Certified Public Accountants

TABLE OF CONTENTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Hockey, Inc.
USA Hockey Foundation and subsidiaries
Hockey and Rink Protection, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidating financial statements of USA Hockey, Inc., USA Hockey Foundation and subsidiaries, and Hockey and Rink Protection, Inc. (non-profit organizations), which comprise the consolidating statement of financial position as of August 31, 2024, and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, based on our audit and the report of other auditors, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of USA Hockey, Inc., USA Hockey Foundation and subsidiaries, and Hockey and Rink Protection, Inc. as of August 31, 2024, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of USA Hockey, Inc., USA Hockey Foundation and subsidiaries, and Hockey and Rink Protection, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidating financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

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fair presentation of consolidating financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Hockey, Inc.'s, USA Hockey Foundation and subsidiaries', and Hockey and Rink Protection, Inc.'s ability to continue as going concerns within one year after the date that the financial statements are available to be issued.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether these consolidating financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We did not audit the financial statements of Hockey and Rink Protection, Inc., a wholly owned subsidiary, which statements reflect total assets of $5,584,730 as of August 31, 2024, and total support and revenues of $834,059 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hockey and Rink Protection, Inc., is based solely on the report of the other auditors.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 USA Hockey, Inc.'s, USA Hockey Foundation and subsidiaries', and Hockey and Rink Protection, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Hockey, Inc.'s, USA Hockey Foundation and subsidiaries', and Hockey and Rink Protection, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Report on Summarized Comparative Information

We have previously audited USA Hockey, Inc.'s August 31, 2023, consolidating financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 26, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2023, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
December 30, 2024

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidating Statement of Financial Position
August 31, 2024
(With Comparative Consolidated Totals for 2023)

	USA Hockey, Inc.	USA Hockey Foundation and Subsidiaries	Hockey and Rink Protection, Inc.	Eliminating Entries	Consolidated Totals 2024	Consolidated Totals 2023
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	$ 30,987,165	$ 3,178,115	$ 252,395	$	$ 34,417,675	$ 34,452,104
Restricted cash	292,164				292,164	284,944
Short-term investments			4,589,293		4,589,293	4,973,187
Accounts receivable	3,220,255	272,248			3,492,503	1,700,490
Grants receivable		695,988			695,988	913,522
Current portion of pledges receivable		50,000			50,000	50,000
Due from USA Hockey, Inc.		284,922		(284,922)		
Due from USA Hockey Foundation	1,557,162			(1,557,162)		
Due from USOPC	1,132,000				1,132,000	934,000
Inventory		258,858			258,858	200,139
Grants receivable from USA Hockey Foundation	1,653,487			(1,653,487)		
Prepaid expenses	2,449,182	629,427			3,078,609	2,772,186
Total current assets	41,291,415	5,369,558	4,841,688	(3,495,571)	48,007,090	46,280,572
LONG-TERM INVESTMENTS		20,444,732			20,444,732	17,492,794
INVESTMENTS HELD FOR OTHERS		4,823,404			4,823,404	4,081,370
PROPERTY AND EQUIPMENT - at cost	9,592,261	35,638,374			45,230,635	44,968,899
Less accumulated depreciation	(8,744,902)	(9,742,455)			(18,487,357)	(17,156,419)
Property and equipment, net	847,359	25,895,919			26,743,278	27,812,480
RIGHT-OF-USE ASSETS	2,123,724	14,143		(1,711,383)	426,484	493,694
OTHER ASSETS:						
Artwork		290,000			290,000	690,000
Other assets			743,042		743,042	120,639
Investment in HARP	750,000			(750,000)		
Intangible assets, net of amortization of $327,984 and $293,154		194,469			194,469	229,299
Total other assets	750,000	484,469	743,042	(750,000)	1,227,511	1,039,938
TOTAL ASSETS	$ 45,012,498	$ 57,032,225	5,584,730	$ (5,956,954)	$ 101,672,499	$ 97,200,848

LIABILITIES AND NET ASSETS						
CURRENT LIABILITIES:						
Accounts payable and accrued liabilities	$ 4,156,690	$ 226,102	$ 1,285,039	$	$ 5,667,831	$ 5,086,046
Accrued payroll and related benefits	1,083,932	187,288			1,271,220	969,000
Deferred revenue	24,524,606	227,584			24,752,190	23,863,348
Due to USA Hockey, Inc.		1,557,162		(1,557,162)		
Due to USA Hockey Foundation	284,922			(284,922)		
Lease liability current portion	632,112	7,357		(461,158)	178,311	88,134
Grants payable to USA Hockey, Inc.		1,653,487		(1,653,487)		
Current portion of bonds payable		1,111,946			1,111,946	1,095,007
Total current liabilities	30,682,262	4,970,926	1,285,039	(3,956,729)	32,981,498	31,101,535
INVESTMENTS HELD FOR OTHERS		4,823,404			4,823,404	4,081,370
LONG-TERM LIABILITIES:						
Long-term lease liability	1,498,070	6,787		(1,250,225)	254,632	405,560
Bonds payable, net		5,230,291			5,230,291	6,334,880
Total liabilities	32,180,332	15,031,408	1,285,039	(5,206,954)	43,289,825	41,923,345
NET ASSETS:						
Net assets without donor restrictions	12,039,748	37,866,789	4,299,691	(750,000)	53,456,228	50,832,991
Net assets with donor restrictions	792,418	4,134,028			4,926,446	4,444,512
Total net assets	12,832,166	42,000,817	4,299,691	(750,000)	58,382,674	55,277,503
TOTAL LIABILITIES AND NET ASSETS	$ 45,012,498	$ 57,032,225	$ 5,584,730	$ (5,956,954)	$ 101,672,499	$ 97,200,848

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2024
(With Comparative Consolidated Totals for 2023)

	USA Hockey, Inc.	USA Hockey Foundation and Subsidiaries	Hockey and Rink Protection, Inc.	Eliminating Entries	Consolidated Totals 2024	Consolidated Totals 2023
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS						
SUPPORT AND REVENUE:						
Membership registrations and dues	$ 37,429,513	$	$	$	$ 37,429,513	$ 36,228,376
National Hockey League		9,575,000			9,575,000	9,400,000
Tournaments and exhibitions	6,086,788			(78,051)	6,008,737	2,832,979
Investment income, net	621,731	2,962,924	584,059		4,168,714	1,656,883
Corporate sponsorship	3,038,189				3,038,189	3,490,800
Plymouth income, net		2,835,843		(435,735)	2,400,108	1,973,922
Other income	912,475	90,733		(17,550)	985,658	735,470
Rental income, net		1,680,012		(717,500)	962,512	834,688
Contributions and other grants	2,143	580,841			582,984	410,585
Corporate sponsorship VIK	515,642				515,642	427,370
USOPC grants	428,000				428,000	400,000
Advertising and merchandise sales	61,274	305,073			366,347	375,557
USA Hockey Foundation grants	8,774,703			(8,774,703)		
Insurance premiums			250,000	(250,000)		
Loss on disposal of assets		(242,332)			(242,332)	
Satisfied program restrictions	1,053,459	516,381			1,569,840	1,022,987
Total support and revenue	58,923,917	18,304,475	834,059	(10,273,539)	67,788,912	59,789,617
EXPENSES:						
Program services:						
Membership services and development	13,997,727		435,716	(250,000)	14,183,443	13,214,595
International programs	13,186,971			(110,663)	13,076,308	11,126,816
Plymouth arena programs		4,428,822		(93,171)	4,335,651	3,907,032
National team development	4,880,916			(617,350)	4,263,566	3,815,430
Player development	3,043,498	9,364,461		(8,786,907)	3,621,052	3,143,656
Officials	3,210,111			(18,165)	3,191,946	3,189,528
American development model	2,291,490				2,291,490	2,059,234
Annual & Mid-Winter Meetings	1,370,684				1,370,684	1,372,123
Coaching	1,102,149				1,102,149	1,411,824
Youth program	1,020,878			(26,163)	994,715	891,423
Adult hockey	806,186				806,186	795,938
Junior program	728,459				728,459	651,585
Total program services	45,639,069	13,793,283	435,716	(9,902,419)	49,965,649	45,579,184

Supporting services:						
General and administrative	9,620,506	1,310,203		(369,300)	10,561,409	9,767,034
Marketing and fundraising	4,086,741	552,696		(1,820)	4,637,617	2,194,978
Total supporting services	13,707,247	1,862,899		(371,120)	15,199,026	11,962,012
Total expenses	59,346,316	15,656,182	435,716	(10,273,539)	65,164,675	57,541,196
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	(422,399)	2,648,293	398,343		2,624,237	2,248,421
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS:						
USOPC grants	1,301,000				1,301,000	1,280,024
Contributions		742,779			742,779	639,169
Investment income, net		6,995			6,995	4,476
Less satisfied program restrictions	(1,053,459)	(516,381)			(1,569,840)	(1,022,987)
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	247,541	233,393			480,934	900,682
CHANGE IN NET ASSETS	(174,858)	2,881,686	398,343		3,105,171	3,149,103
NET ASSETS, beginning of year	13,007,024	39,119,131	3,901,348	(750,000)	55,277,503	52,128,400
NET ASSETS, end of year	$ 12,832,166	$ 42,000,817	$ 4,299,691	$ (750,000)	$ 58,382,674	$ 55,277,503

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidated Statement of Functional Expenses
For the Year Ended August 31, 2024
(With Comparative Consolidated Totals for 2023)

	Membership Services & Development	International Programs	Plymouth Arena Programs	National Team Development	Player Development	Officials	American Development Model	Annual & Mid-Winter Meetings	Coaching
Advertising & promotion	$ 83,942	$	$ 181,261	$	$	$	$ 54,000	$	$
Audio/visual								285,189	
Building rent									
Computer maintenance & support	12,584			15,015			524		
Contract services	151,615	84,940	133,701	484,517	52,014	68,109	37,171	13,949	46,706
Corporate sponsor - VIK		345,945		95,307	39,850		5,693		
Cost of goods sold			383,269						
Credit losses			7,562						
Depreciation & amortization	70,132	41,704	992,573	62,925		21,511	30,945		19,587
Dues & subscriptions	40,571	114,012	2,645	7,723	1,333	23,665	7,564		1,130
Employee benefits	695,222	395,241	154,829	505,717	1,198	222,385	447,800		84,476
Equipment	202,887	431,190	252,705	13,109	5,793	12,259	11,309		10,488
Game costs			145,097						
Grants		2,537,501			1,809,263				
Honoraria	4,500	1,980,675		356,619	212,195	430,042	10,400		317,980
Ice rental	6,950	31,824		1,979	64,691	60,632	340		21,298
Insurance	8,436,441	521,017	100,592						
Interest			198,706						
Investment & bank fees	914,290	11,320	75,400		14,222	71,494			70,976
League expenses			73,320						
Other	9,207	158,301	10,366	7,228	14,365	81,286	8,720	9,864	6,479
Payroll taxes	149,430	94,693	82,825	107,439		49,888	93,679		12,250
Postage & freight	754,936	244,133	2,393	11,208	23,893	131,710	4,566	3,037	2,498
Printing & publications	347,735	805	13,375	80	8,195	81,060	6,365	1,639	19,800
Professional fees			71,351						
Property tax			331,438						
Repairs & maintenance				6,743					107
Salaries	1,823,795	1,220,950	1,319,069	1,400,288		602,519	1,145,305		121,982
Seminars & education			124,663						
Special events			247,247						
Supplies	6,227	160,329	101,508	388,113	86,458	18,077	5,865	3,371	11,590
Support for STAR									
Telephone	21,312	9,454	26,614	21,197	733	21,036	8,218	6,804	3,405
Travel	298,075	4,429,405	9,453	768,256	1,104,103	1,168,571	403,523	1,035,307	315,512
Trophies & awards	3,592	98,795		7,225	2,134	47,694		11,524	2,543
Uniforms	150,000	164,074	444	2,878	180,612	80,008	9,503		33,342
Utilities			580,160						
Vehicle expenses									
Total expenses by function	14,183,443	13,076,308	5,622,566	4,263,566	3,621,052	3,191,946	2,291,490	1,370,684	1,102,149
Less: costs of goods sold included with revenue on the statement of activities			(1,286,915)						
Total expenses reported by function in the statement of activities	$ 14,183,443	$ 13,076,308	$ 4,335,651	$ 4,263,566	$ 3,621,052	$ 3,191,946	$ 2,291,490	$ 1,370,684	$ 1,102,149

	Youth Program	Adult Hockey	Junior Program	2024 Total Consolidated Program Services	General & Administrative	Marketing & Fundraising	2024 Consolidated Total Expenses	2023 Consolidated Total Expenses
Advertising & promotion	$	$ 20,127	$	$ 339,330	$ 35,135	$ 531,737	$ 906,202	$ 709,216
Audio/visual				285,189			285,189	310,224
Building rent					103,699		103,699	96,009
Computer maintenance & support	266		234	28,623	620,333		648,956	475,102
Contract services	3,491	137,032	1,102	1,214,347	1,411,542	417,879	3,043,768	2,442,128
Corporate sponsor - VIK			14,974	501,769	8,000	5,873	515,642	427,370
Cost of goods sold				383,269	760,040		1,143,309	1,013,779
Credit losses				7,562	825	72,500	80,887	115,869
Depreciation & amortization		6,621		1,245,998	129,771		1,375,769	1,463,415
Dues & subscriptions	321		750	199,714	79,551	1,138	280,403	288,878
Employee benefits	206,928	37,136		2,750,932	872,623	347,500	3,971,055	3,796,809
Equipment	3,703	152	7,545	951,140	240,324	32,600	1,224,064	966,523
Game costs				145,097			145,097	143,226
Grants			556,600	4,903,364			4,903,364	4,194,856
Honoraria			8,500	3,320,911	3,300	4,769	3,328,980	3,083,772
Ice rental	18,200	241,177		447,091	90,825	456,263	994,179	490,109
Insurance				9,058,050	721,474	1,783	9,781,307	8,864,062
Interest				198,706			198,706	227,434
Investment & bank fees		8,992		1,166,694	132,412	6,322	1,305,428	1,134,805
League expenses				73,320			73,320	80,267
Other	8,642	46,653	7,742	368,853	774,795	24,628	1,168,276	961,657
Payroll taxes	41,626	8,818		640,648	279,646	66,763	987,057	902,733
Postage & freight	3,941	5,054	13,663	1,201,032	28,830	19,541	1,249,403	1,165,679
Printing & publications		759		479,813	12,968	10,395	503,176	485,090
Professional fees				71,351	451,925	24,553	547,829	791,145
Property tax				331,438			331,438	314,464
Repairs & maintenance				6,850	97,302		104,152	113,187
Salaries	529,319	100,846		8,264,073	3,561,602	914,422	12,740,097	11,603,091
Seminars & education				124,663			124,663	96,058
Special events				247,247			247,247	216,215
Supplies	16,160		2,211	799,909	103,553	49,861	953,323	847,161
Support for STAR					125,000		125,000	125,000
Telephone	2,628	484	13	121,898	64,704	2,456	189,058	182,511
Travel	57,681	104,228	111,253	9,805,367	434,727	1,634,255	11,874,349	9,879,824
Trophies & awards	93,450	88,107		355,064	70,686	11,479	437,229	339,092
Uniforms	8,359		3,872	633,092	3,021	900	637,013	422,781
Utilities				580,160	89,428		669,588	689,395
Vehicle expenses					13,408		13,408	11,895
Total expenses by function	994,715	806,186	728,459	51,252,564	11,321,449	4,637,617	67,211,630	59,470,831
Less: costs of goods sold included with revenue on the statement of activities				(1,286,915)	(760,040)		(2,046,955)	(1,929,635)
Total expenses reported by function in the statement of activities	$ 994,715	$ 806,186	$ 728,459	$ 49,965,649	$ 10,561,409	$ 4,637,617	$ 65,164,675	$ 57,541,196

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.

Consolidating Statement of Cash Flows

For the Year Ended August 31, 2024

(With Comparative Consolidated Totals for 2023)

	USA Hockey, Inc.	USA Hockey Foundation and Subsidiaries	Hockey and Rink Protection, Inc.	Eliminating Entries	Consolidated Totals 2024	Consolidated Totals 2023
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in net assets	$ (174,858)	$ 2,881,686	$ 398,343	$	$ 3,105,171	$ 3,149,103
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:						
Depreciation and amortization	379,040	996,728			1,375,768	1,463,415
Amortization of bond issuance costs		7,357			7,357	7,356
Loss on disposal of asset		242,332			242,332	60,000
Realized (gains) losses on investments		(611,875)	87,261		(524,614)	(83,458)
Unrealized gains on investments		(1,986,034)	(403,448)		(2,389,482)	(834,091)
Decrease (increase) in assets:						
Accounts receivable	(1,730,719)	(61,733)			(1,792,452)	703,883
Grants receivable		217,973			217,973	204,961
Due from USOPC	(198,000)				(198,000)	
Inventory		(58,719)			(58,719)	(10,823)
Grants receivable from USA Hockey Foundation	227,176			(227,176)		
Prepaid expenses	(287,353)	(19,070)			(306,423)	(890,455)
Right of use asset	(981,497)	7,309		(699,924)	(1,674,112)	110,353
Other assets			97		97	84,234
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities	546,944	52,638	(640,297)		(40,715)	(1,361,279)
Accrued payroll and related benefits	256,464	45,757			302,221	(74,407)
Lease liability	987,955	(7,309)		699,924	1,680,570	(110,353)
Deferred revenue	848,972	39,870			888,842	1,259,773
Grants payable to USA Hockey, Inc.		(227,176)		227,176		
Net cash provided (used) by operating activities	(125,876)	1,519,734	(558,044)		835,814	3,678,212

CASH FLOWS FROM INVESTING ACTIVITIES:						
Net proceeds from sale of assets		157,668			157,668	
Acquisition of property and equipment	(181,746)	(89,989)			(271,735)	(590,515)
Purchase of long-term and available for sale investments		(1,472,018)	(334,919)		(1,806,937)	(1,544,103)
Proceeds from long-term and available for sale investments		1,117,988	1,035,000		2,152,988	1,283,269
Net cash provided (used) by investing activities	(181,746)	(286,351)	700,081		231,984	(851,349)
CASH FLOWS FROM FINANCING ACTIVITIES:						
Due to/from USA Hockey, Inc.		193,500		(193,500)		
Due to/from USA Hockey Foundation	(193,500)			193,500		
Principal payments on bonds payable		(1,095,007)			(1,095,007)	(1,065,737)
Net cash used by financing activities	(193,500)	(901,507)			(1,095,007)	(1,065,737)
NET INCREASE (DECREASE) IN CASH	(501,122)	331,876	142,037		(27,209)	1,761,126
CASH AND CASH EQUIVALENTS, beginning of year	31,780,451	2,846,239	110,358		34,737,048	32,975,922
CASH AND CASH EQUIVALENTS, end of year	$ 31,279,329	$ 3,178,115	$ 252,395	$	$ 34,709,839	$ 34,737,048

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.

Notes to Consolidating Financial Statements

For the Year Ended August 31, 2024

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of USA Hockey, Inc. (the Corporation) are being presented on a consolidated basis with the USA Hockey Foundation (the Foundation) and subsidiaries, and Hockey and Rink Protection, Inc. (HARP) in order to conform to the requirements of FASB ASC 958. The standard requires consolidation when one nonprofit has an economic interest and controls the appointment of a majority of the Board of Directors of another nonprofit entity. The entities are collectively referred to as the Organizations.

Transactions between the entities are shown as eliminating entries and removed in order to properly reflect consolidated totals.

Organization

The Corporation is the national governing body for ice hockey, making it responsible for the conduct and administration of amateur ice hockey in the United States.

The Foundation was incorporated in 1989. The purpose of the Foundation is to raise funds and acquire assets that will enable the Corporation to encourage, improve, and promote amateur ice hockey in the United States.

During the year ended August 31, 2015, the Foundation formed Plymouth AC, LLC (Plymouth AC), a single member LLC, for the purpose of purchasing and maintaining a hockey arena in Michigan. The purpose of the hockey arena is to provide a wholly owned home for the National Team Development Program. The Foundation is the sole member of Plymouth AC.

The purchase of the arena also included a restaurant and concession activities. Beck Road Concessions, LLC (Beck Road), also a single member LLC, was formed for the purpose of conducting those operations.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Organization - continued

HARP was formed on May 18, 2004, in the State of Vermont as a mutual benefit corporation of which the Corporation is the sole member. HARP commenced operations on September 1, 2004. HARP provides general liability coverage to ice hockey participants, coaches, officials, and volunteers associated with the Corporation.

Income Taxes

The Corporation and the Foundation qualify as tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal income tax. Neither entity is a private foundation. HARP qualifies under the provisions of Section 501 of the Internal Revenue Code to be exempt from federal income taxes. Accordingly, no tax provision has been recorded.

The Organizations' Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date they were filed. Management of the Organizations believe that it does not have any uncertain tax positions that are material to the financial statements.

Plymouth AC and Beck Road, as single-member LLCs, are considered disregarded entities for income tax reporting purposes. Accordingly, their activity is reported on the Foundation's tax return.

Profits that are generated from activities unrelated to the exempt purposes of the Organizations could be subject to income tax.

Joint Venture

During the year ended August 31, 2000, the Corporation entered into a joint venture with the U.S. Figure Skating Association to form Serving the American Rinks (STAR). STAR, which is a tax-exempt organization under 501(c)(6), was established to design and implement programs to foster the development, growth, and success of ice-skating rinks and inline facilities.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organizations' cash balances in their respective checking and money market accounts.

The Organizations maintain their cash and cash equivalents at commercial banks and in money market funds managed by a brokerage firm. In the event of a bank or fund failure, they could suffer a loss to the extent deposits exceeded the respective bank or brokerage firm's insurance limits.

Restricted Cash

The Corporation has segregated restricted cash into a separate account. The account is restricted for collateral for letters of credit required by the Corporation's insurance carrier.

Accounts Receivable

During the year ended August 31, 2024, the Organizations implemented Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit losses (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASU 2016-13). This ASU was issued in June 2016 by the Financial Accounting Standards Board (FASB) and revises the accounting requirements related to the measurement of credit losses and requires organizations to measure all expected credit losses for financial assets based on historical experience, current conditions, and reasonable and supportable forecasts about collectability. On September 1, 2023, the Organizations adopted the new accounting standard and all of the related amendments. There was no impact of the adoption of ASU 2016-13 on the accompanying consolidating financial statements. The Organizations do not expect ASU 2016-13 to have a significant impact on its financial condition or results of operations on an ongoing basis.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Accounts receivable are presented net of an allowance for credit losses, when applicable, which is an estimate of amounts that may not be collectible.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable - continued

Management provides for probable uncollectible amounts through an allowance so that the net amount reflects the amount that management expects to collect. In developing that allowance, management determines statistics for the probability of loss. These statistics are based on the Organizations' historical collection experience, adjusted for management's expectations about current and future economic conditions.

Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for credit losses was necessary at August 31, 2024 and 2023.

Accounts receivable recognized by the Corporation and the Foundation include amounts from contracts with customers. Receivables from contracts with customers at the beginning and end of the period were $1,196,569 and $2,983,056, respectively.

Investments

The Corporation and the Foundation account for their investments in accordance with FASB ASC 958, "Not-for-Profit Entities". All of the Corporation and Foundation investments are recorded at quoted market values. Unrealized gains and losses are reported as revenue in the accompanying Consolidating Statement of Activities and Changes in Net Assets. Realized gains and losses on investments sold, determined on a specific identification basis, are also included in revenue.

HARP accounts for its investments in accordance with FASB ASC 321, "Investments - Equity Securities". Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in holding gains and losses in the statement of activities. HARP accounts for such impairments for equity securities in accordance with FASB ASC 321. For equities with readily determinable fair values, securities are marked to market through operations, with no further assessment for impairment. HARP does not hold any equities without readily determinable fair values as of August 31, 2024 and 2023.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Inventory

Inventories consist of food and merchandise and are stated at the lower of first-in, first-out (FIFO) cost or net realizable value.

Depreciation and Amortization

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Capital expenditures exceeding $10,000 are capitalized and depreciated over the appropriate term according to the policies in place. Depreciation is recorded using the straight-line method over estimated useful lives of three to 10 years for furniture and equipment, and 50 years for buildings.

Amortization is recorded on the licenses acquired and startup costs related to Plymouth AC and Beck Road, using the straight-line method over a period of 15 years.

Intangible expenditures exceeding $10,000 are capitalized and amortized over the appropriate term according to the Corporation's policies.

Depreciation and amortization expense amounted to $1,375,679 and $1,463,415 for the years ended August 31, 2024 and 2023, respectively.

Supplemental Cash Flow Disclosure

Cash flows from operating activities reflect interest paid of $193,406 and $204,680 for the years ended August 31, 2024 and 2023, respectively. No income taxes were paid during either year.

Deferred Revenue

Deferred revenue, a contract liability, recognized by the Corporation and the Foundation represent amounts from contracts with customers. This revenue is deferred as of year-end because the performance obligations relating to this revenue have not yet been completed by the entities. Deferred revenue from contracts with customers at the beginning and end of the period were $23,863,348 and $24,752,190, respectively.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

USOPC and National Hockey League (NHL) grants are considered contributions. Contributions also include government programs that qualify as grants.

Reserve for Unpaid Losses

HARP's reserve for unpaid losses includes case basis estimates of reported losses, plus supplemental reserves for incurred but not reported losses calculated based upon loss projections utilizing the Corporation's historical loss history and industry data. In establishing this reserve, HARP utilizes the findings of a third party consulting actuary.

Management believes that its liability for unpaid losses at year end represents its best estimate, based on the available data, of the amount necessary to cover the ultimate cost of losses; however, because of the nature of the insured risks and limited historical experience, actual loss experience may not conform to the assumptions used in determining the estimated amounts for such liability at the statement of financial position date.

Accordingly, the ultimate liability could vary significantly from amounts indicated in these financial statements. The effect of changes in such estimated reserves are included in the results of operations in the period in which the estimates are changed. Such changes may be material to the results of operations and could occur in a future period.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

Membership registrations and dues - Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Corporation expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term.

Corporate sponsorship - The Corporation recognizes revenue from contracts with both sponsors and suppliers of the Corporation. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation will recognize revenue over time. The Corporation has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.

Therefore, sponsorship revenue from contracts with customers will be recognized on a straight-line basis over the term of the agreement.

Tournaments and exhibitions - The Corporation receives revenue from sales related to various sporting events. The revenue is recognized at the time of the event when the performance obligations are satisfied.

Plymouth Income:

Restaurant and Concession Sales - Beck Road operates a restaurant that offers dining and beverage services to the public. Revenue is recognized from sales of food and beverages as these services are paid for by customers and performance obligations are satisfied by the restaurant.

Beck Road also operates a concession stand within the Hockey Arena owned and operated by Plymouth AC. The concession stand is open during hockey games and other specified times and concessions are offered to the public. Revenue is recognized as sales are made and as the performance obligations of the concession stand are met.

Restaurant and concession sales are recognized net of costs of sales in the consolidating statement of activities.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Plymouth Income - continued:

Rental income - Plymouth AC leases office and training space to the Corporation and leases restaurant and concession space to Beck Road, pursuant to respective lease agreements. Note Q goes on to further describe this revenue source from contracts with customers.

Rental income is recognized ratably across the term of the respective lease as the contracted space is made available for use by the tenants. Rental income is recognized net of the cost of rental expenses.

Drive-in - Plymouth AC operates a drive-in movie service that is available to the public. Revenue is recognized as drive-in sales are completed and the services are provided to the customers. Drive-in sales are recognized net of the cost of sales in the consolidating statement of activities.

Pro Shop - Plymouth AC owns and maintains an onsite hockey pro shop that sells hockey apparel, equipment, and accessories to the public. Revenue is recognized as services and products are sold and as the related services and products are provided to the members.

Pro shop sales are recognized net of costs of sales in the consolidating statement of activities.

Other Arena Activities - As previously stated, Plymouth AC owns and operates a hockey arena and conducts numerous activities within the space.

Plymouth AC sells season and general admission tickets to the developmental national team games. At times Plymouth AC rents its facilities out to third parties for various special events and activities such as high school commencements and other hockey events. Plymouth AC also sells ice time to groups as needed for hockey practices or events.

Revenue from Other Arena Activities include ticket revenue, naming rights, special events, skating fees, league revenue, and miscellaneous income.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Plymouth Income - continued:

Plymouth AC recognizes revenue from all these activities as the public pays for these services and the specified performance obligations are satisfied.

Advertising - The Corporation and the Foundation recognize revenue from contracts with sponsors and suppliers. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Corporation and the Foundation recognize revenue over time. The Corporation and the Foundation have concluded that the performance obligations within these contracts are substantially the same in most years and are satisfied ratably over the term of the agreement.

Merchandise sales - Revenue is recognized as services and products are sold and as the related services and products are provided to the members. Merchandise sales are recognized net of costs of sales in the consolidating statement of activities.

Insurance premiums - HARP insurance premiums written are earned on a pro rata basis over the related policy period. The portion of premiums that will be earned in the future is deferred and reported as deferred revenue on the statement of financial position. All of the policies are written on a fiscal year basis and therefore there is no unearned premium revenue at August 31, 2024 and 2023.

Functional Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Some of the expenses which are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries, which are allocated on the basis of time and effort estimates.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Investment Return

Net investment income consists of dividends, interest and other investment income, less direct investment expenses. Gains and losses on the sale of securities are determined using the specific identification method, and recorded as of the trade date.

The Foundation maintains pooled investment accounts for several affiliated organizations. Investment income and realized and unrealized gains and losses from securities in the pooled investment accounts are allocated to the individual accounts by the investment managers based on the relationship of the fair value of the interest of each account to the total fair value of the pooled investments accounts, as adjusted for additions to or deductions from those accounts.

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended August 31, 2023, from which the summarized information was derived.

Certain reclassifications have been made to conform to the current year's presentation. These reclassifications had no effect on the change in net assets.

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

In preparing the financial statements, management has evaluated events and transactions for potential recognition or disclosure through December 30, 2024, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Organizations' financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Cash and cash equivalents	$ 34,709,839
Accounts and grants receivable	4,188,491
Pledges receivable - current	50,000
Due from USOPC	1,132,000
Short-term investments	4,589,293
	44,669,623
Less assets with donor restrictions:	
Donor restrictions - temporary in nature	(4,750,570)
Donor restrictions - perpetual in nature	(175,876)
Financial assets available within one year	$ 39,743,177

The Corporation and the Foundation work to secure funding from contributions and grants throughout the year. The Foundation also has investment income, ticket sales, and ancillary sources of funding from other contracts. The Board meets regularly to monitor its liquidity needs. Simultaneously, the Board strives to maximize the investment of its available funds. The Corporation and the Foundation have cash and cash equivalents as a current source of liquidity at their disposal. The short-term investments are available for HARP's expenditures but would require approval of the Vermont Department of Financial Regulation prior to a distribution to the Corporation or the Foundation.

C. IN-KIND DONATIONS

The Corporation may record various types of in-kind contributions when received. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

C. IN-KIND DONATIONS - Continued

The Corporation received the following gifts-in-kind during the years ended August 31, 2024 and 2023:

	2024	2023
Apparel, equipment & supplies	$ 507,642	$ 427,370
Travel	8,000	
	$ 515,642	$ 427,370

Contributions of tangible assets are recognized at fair value when received. The Corporation has numerous volunteers, however there were no contributed services that met the above definition during the years ended August 31, 2024 and 2023.

D. FAIR VALUE MEASUREMENTS

The Organizations apply Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes 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 measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organizations have the ability to access at the measurement date.

- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.

D. FAIR VALUE MEASUREMENTS - Continued

- Level 3 inputs are unobservable inputs for the asset or liability. In these situations, inputs are developed using the best information available in the circumstances.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

When a decline in fair market value is deemed to be other than temporary, a provision for impairment is charged to earnings, included in net realized investment gains, and the cost basis of that investment is reduced.

For mutual funds, HARP's management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in an unrealized loss position, extent to which the fair value is less than cost, the financial condition and near term prospects of the issuer and HARP's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. No other than temporary impairments related to mutual funds were recorded in the years ended August 31, 2024 and 2023.

The following tables present assets that are measured at fair value on a recurring basis at August 31, 2024 and 2023:

Assets at Fair Value as of August 31, 2024

	Level 1	Level 2	Level 3	Total
Money market	$ 140,029	$	$	$ 140,029
Equity securities:				
Equitites	10,510,854			10,510,854
Mutual funds	7,866,317			7,866,317
Debt securities:				
Fixed income	7,072,526			7,072,526
Other investments:				
Private equity LP			1,488,110	1,488,110
USOPE pooled fund		2,779,593		2,779,593
	$ 25,589,726	$ 2,779,593	$ 1,488,110	$ 29,857,429

D. FAIR VALUE MEASUREMENTS - Continued

Assets at Fair Value as of August 31, 2023

	Level 1	Level 2	Level 3	Total
Money market	$ 128,392	$	$	$ 128,392
Equity securities:				
Equitites	8,638,984			8,638,984
Mutual funds	7,635,549			7,635,549
Debt securities:				
Fixed income	6,457,676			6,457,676
Other investments:				
Private equity LP			1,272,653	1,272,653
USOPE pooled fund		2,414,097		2,414,097
	$ 22,860,601	$ 2,414,097	$ 1,272,653	$ 26,547,351

Investments are shown in the statement of financial position as follows:

	2024	2023
Long-term investments	$ 20,444,732	$ 17,492,794
Short-term investments	4,589,293	4,973,187
Investments held for others	4,823,404	4,081,370
	$ 29,857,429	$ 26,547,351

Fair values for assets in Level 2 are calculated using the statements provided by the United States Olympic and Paralympic Endowment (USOPE) for the Foundation's portion of the pooled portfolio managed by the USOPE. The USOPE investment consists of units in a pooled portfolio managed by the USOPE. At August 31, 2024, the USOPE portfolio consisted of the following types of securities:

Alternative investments	38.70%
Domestic equitites	35.80%
International equitites	15.50%
Domestic bonds	7.50%
Cash and cash equivalents	2.50%
	100.00%

The process of measuring assets at fair value using significant unobservable inputs (Level 3) involves reliance on information provided by Chief Investment Officers, Hirtle Callaghan & Co., for the Select Equity Fund II LP. There were no purchases or transfers in Level 3 assets during the years ending August 31, 2024 and 2023.

D. FAIR VALUE MEASUREMENTS - Continued

The reconciliation of changes in value of Level 3 investments for the years ended August 31, 2024 and 2023 is as follows:

Fair value of Select Equity Fund II LP as of September 1, 2022	$ 1,146,842
Unrealized gain included in the statement of activities, investment income, for the year ending August 31, 2023	125,811
Fair value of Select Equity Fund II LP as of August 31, 2023	1,272,653
Unrealized gain included in the statement of activities, investment income, for the year ending August 31, 2024	215,457
Fair value of Select Equity Fund II LP as of August 31, 2024	$ 1,488,110

The other investments include hedge equity funds, private equity funds, real estate funds, and limited partnerships.

HARP's short-term investments are recorded at quoted market values and consist of mutual funds in the amount of $4,589,293 and $4,973,187 at August 31, 2024 and 2023, respectively.

Some investments are exposed to various risks that may cause reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the consolidated financial statements. Investments in equity securities fluctuate in value in response to many factors, such as the activities and financial condition of individual companies, general business and industry market conditions, and the state or perceived direction of the economy. The values of debt securities fluctuate in response to changing interest rates, credit worthiness of issuers, and overall economic policies that impact market conditions. The values of certain investments, such as hedge funds, can fluctuate in response to direct market conditions and other factors that may or may not have a high correlation to overall market direction. Though the market values of investments are subject to fluctuation, management and the investment committee believe that the investment policy is prudent for the long-term welfare of the Foundation and HARP.

E. PLEDGES RECEIVABLE

As of August 31, 2024, the Foundation had net pledges receivable of $50,000, representing unconditional promises to give made during the current and prior years. The pledge has been received by the Foundation during the year ended August 31, 2025. There was no discount on pledges receivable at August 31, 2024. If applicable, long-term portions of pledges receivable are discounted using a discount rate determined by the Foundation.

F. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31, 2024 and 2023:

	2024	2023
Buildings and improvements	$ 31,757,538	$ 31,749,074
Equipment, furniture, and technology	9,377,481	9,124,209
Land	3,295,000	3,295,000
Program equipment	800,616	800,616
Less accumulated depreciation	(18,487,357)	(17,156,419)
	$ 26,743,278	$ 27,812,480

G. LEASES

During the year ended August 31, 2023, the Organizations adopted Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. Beck Road and Plymouth AC have operating leases for office equipment, restaurant, and concession space. USA Hockey has operating leases for office space, warehouse space, a postage machine, and a vehicle.

The Organizations assess whether an arrangement qualifies as a lease at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. As the Organizations' leases do not provide an implicit rate, the Organizations have elected to use the risk-free discount rate based on the five-year Treasury bond rate as of the later of the initial date of the lease term in determination of the respective right-of-use (ROU) assets and liabilities.

During 1997, the Foundation constructed an office building on land owned by the Colorado Springs World Arena.

G. LEASES - Continued

The Foundation has a ground lease with the Colorado Springs World Arena for 99 years (commencing in 1997) at a lease rate of $1 per year. This amount has been paid in full. This lease is at below-market rate and therefore does not fall under Topic 842 for leases.

As discussed in Note Q, the Organizations have various related party leases. The Organizations consider related party leases recordable in line with ASU 2016-02 on the basis of legally enforceable terms and conditions of signed agreements. The related party leases have been eliminated from the accompanying consolidating financial statements and are not included in the disclosure tables below. Details on these leases are provided in Note Q.

USA Hockey, Inc. entered into an operating lease for warehouse space in 2008. The lease was renewed in 2013, 2018 and again in May 2023. The term of the lease is through August 2028. The base rent was $7,868 during the year ending August 31, 2024, with annual increases beginning in September of each year. The lease also requires payment of a pro rata share of snow removal, security, common area utilities and other shared charges. The pro rata share is 37.06%. The lease does not include any renewal options.

Plymouth AC entered into a lease for a copier during the year ended August 31, 2021. The lease expires in July 2026. The lease requires monthly payments of $619 throughout the life of this lease. The lease can be renewed for an additional year. The decision to exercise the renewal will be made shortly before the end of the initial term.

USA Hockey, Inc. entered into a lease for a vehicle during the year ended August 31, 2021. The lease expired in July 2024. The lease required monthly payments of $642 throughout the life of this lease. The Corporation had the option to purchase the vehicle for $28,963 plus fees and taxes but did not exercise the option.

USA Hockey, Inc. entered into a lease for a vehicle during the year ended August 31, 2024. The lease expires in September 2027. The lease requires monthly payments of $789. The vehicle may be purchased at the end of the lease term for $33,886 plus fees and taxes. The decision to purchase the vehicle will be made shortly before the end of the lease term.

G. LEASES – Continued

In September 2021, the Corporation also entered into a lease for a postage machine. The lease requires quarterly payments of $581 and expires in August 2025.

Maturities of lease liabilities, and the Weighted Average for the leases recorded on the consolidating statement of financial position are as follows as of August 31, 2024 and 2023:

	2024	2023
2024	$	$ 111,589
2025	119,115	109,646
2026	122,492	110,699
2027	117,514	108,045
2028	113,156	112,367
Total lease payments	472,277	552,346
Less: interest	(39,334)	(58,702)
Present value of lease liabilities	$ 432,943	$ 493,644

	2024	2023
Weighted Average Remaining Lease Term	3.90 years	4.82 years
Weighted Average Discount Rate	4.30%	4.22%

The following table represents lease expense for the years ended August 31, 2024 and 2023:

	2024	2023
Operating lease expense		
Supporting services	$ 114,453	$ 111,881
Variable payments		
Supporting services		3,499
Total lease expense	$ 114,453	$ 115,380

G. LEASES - Continued

Supplemental cash flow information for the years ended August 31, 2024 and 2023:

		2024		2023
Cash paid for amounts included in measurement of lease liabilities for operating leases	$	114,453	$	111,881
Right-of-use assets obtained in exchange for new operating lease liabilities	$	28,075	$	458,280

H. OTHER ASSETS

Intangible assets at August 31, 2024 include start-up costs and licenses incurred by the Foundation and subsidiaries of $522,453 less amortization of $327,984.

During the year ended August 31, 2007, the Foundation received a donation of two paintings with an appraised value of $400,000. These paintings were sold by the Foundation during the year ending August 31, 2024.

During the year ended August 31, 2019, 29 prints with an appraised value of $290,000 were donated to the Foundation. The prints are still held by the Foundation.

I. INVESTMENTS HELD FOR OTHERS

The Foundation has an investment program which allows affiliated organizations to pool their funds for investment with funds of the Foundation, pursuant to a written agreement between the parties. The Foundation holds these funds solely as agent for these organizations. These affiliated organizations may request partial withdrawals, including allocated gains and interest, following an agreed upon notification period. The Foundation believes it maintains sufficient liquidity to meet such partial or full withdrawal requests within the 90-day notification period. Investment income in the accompanying statement of activities does not include earnings or losses attributable to the participating affiliated organizations. Investments held for others represent the affiliated organizations' pro rata share of investments and earnings.

I. INVESTMENTS HELD FOR OTHERS - Continued

Net investment income and market appreciation or depreciation are allocated based on the ratio of the affiliated organizations' invested funds to total invested funds. Investment expenses and general and administrative expenses are not allocated to the affiliated organizations, as these costs are absorbed by the Foundation.

J. EMPLOYEE RETENTION CREDIT

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit of up to $7,000 per employee for eligible employers. The credits cover employment tax quarters in the calendar years 2020 and 2021.

The ERC is considered a conditional grant and is not recorded until the final condition is met for approval by the Internal Revenue Service (IRS).

During the year ended August 31, 2023, the Corporation applied to the Department of Treasury, IRS, for refunds and have not yet received approval. Therefore, the Corporation has not recorded revenue for these grants.

During the year ended August 31, 2022, the Foundation applied to the Department of Treasury, IRS for refunds under the Employee Retention Credit (ERC) program and received approval during the year ending August 31, 2022, and the respective grants and interest income were recognized as revenue by the Foundation. As of August 31, 2024, $58,412 of the credit recognized as revenue is still outstanding.

K. DEFERRED REVENUE

Deferred revenue consists of the following at August 31, 2024 and 2023:

	2024	2023
Registrations and tournament fees	$ 23,967,391	$ 23,111,070
Plymouth Arena programs	213,206	173,233
Seminar and clinic fees	210,830	58,145
Referee development support fee	164,915	158,400
Sponsor payment	106,000	178,750
Transfer card fees	62,200	89,500
Beck Road programs	14,378	14,481
Other	13,270	14,800
Insurance proceeds		64,969
	$ 24,752,190	$ 23,863,348

L. BONDS PAYABLE

On November 1, 1996, the Foundation entered into a loan agreement to obtain financing for construction of the national headquarters office building in Colorado Springs, CO that it leases to USA Hockey, Inc.

In connection with the purchase of an ice arena in Plymouth, Michigan during the year ended August 31, 2015, the Foundation and Plymouth AC entered into two new bond arrangements in the aggregate amount of $19,500,000 for the acquisition and construction improvements of this property.

The original 1996 borrowings for the office building was refinanced and retired as part of the new 2015 bond structure.

Colorado Educational and Cultural Facilities Authority (CECFA) issued Refunding and Improvement Revenue Bonds (USA Hockey Project - Plymouth AC, LLC), Series 2015A (2015A), in the original aggregate principal amount of $11,400,000 pursuant to the terms of an Indenture of Trust, dated as of March 1, 2015, with Wells Fargo Bank, NA as the Trustee.

The proceeds from the sale of these bonds were loaned to Plymouth AC pursuant to a loan agreement dated March 1, 2015.

L. BONDS PAYABLE - Continued

At the same time, CEFCA also issued bonds, Series 2015B, in the original principal amount of $8,100,000 pursuant to the terms of an Indenture of Trust, dated as of March 1, 2015, with Wells Fargo Bank, NA as the Trustee, and the proceeds of the Series 2015B bonds were loaned to the Foundation pursuant to a loan agreement dated March 1, 2015.

During the year ended August 31, 2018, the remaining balance owed on the Series 2015B bond arrangement, with an initial principal amount of $8,100,000, was paid in full.

The initial rate on the outstanding Series 2015A bonds was 2.89% through March 31, 2025, at which time the rate would adjust.

On December 1, 2021, Plymouth AC refinanced the Series 2015A bond with an outstanding balance of $9,206,261 as Series 2015A (2021 Reissuance). A fixed interest rate swap agreement was entered into in order to hedge the risk of interest rate fluctuations associated with a note payable on the arena.

Pursuant to the agreement, Plymouth AC received a fixed interest rate of 2.75%. The swap arrangement extended the term of the loan to April 1, 2030, and provided interest rate security.

The bonds may be redeemed in whole or in part on any interest payment date after the first day of the redemption period as defined in the Indenture of Trust and a declining redemption premium is due on any bond prepayment pursuant to the Indenture of Trust terms.

These bonds are secured by a First Leasehold Deed of Trust and assignment of rents on the national headquarters building in Colorado Springs, Colorado as well as a mortgage on the arena building in Plymouth, Michigan, and a Debt Service Reserve Fund in the amount of $1,000,000, held in a custodial account at Wells Fargo Bank, NA. The Foundation has also issued a guarantee of the loan to Plymouth AC.

L. BONDS PAYABLE - Continued

The Foundation, Plymouth AC, and USA Hockey, Inc. are required to obtain bank approval prior to incurring additional debt in excess of $100,000. Additional negative loan covenants restrict the Foundation from substantially altering its business activities, guaranteeing or incurring certain obligations, and changing certain investment policies.

At August 31, 2024 and 2023, the face amounts of the bonds were $6,350,829 and $7,445,836, respectively, and the unamortized debt issuance costs were $8,592 and $15,949, respectively.

Future minimum principal payments due for the years ending August 31 are as follows:

2025	$ 1,111,946
2026	1,062,973
2027	1,095,069
2028	1,128,119
2029	1,162,360
2030	790,362

M. MEMBER EQUITY

In accordance with the requirements of the Vermont Department of Financial Regulation (the Department), HARP must maintain a minimum capital and surplus of $250,000. As of August 31, 2024 and 2023, HARP has met the minimum capital requirement. Prior to distributions being paid to the Corporation, HARP must receive written approval from the Department. Member distributions were not declared nor paid during the years ended August 31, 2024 and 2023.

	Assets	Liabilities	Member Equity	Net Income
August 31, 2024				
Amount per annual statement, as filed	$ 5,475,567	$ 1,263,379	$ 4,212,188	$ 310,840
Adjustments for				
Changes in loss escrow	109,163	21,662	87,501	87,501
Rounding		(2)	2	2
Amount per accompanying financial statements	$ 5,584,730	$ 1,285,039	$ 4,299,691	$ 398,343

There were no material differences between the audited financial statements and the annual reports filed with the Department for the years ended August 31, 2024 and 2023.

N. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at August 31, 2024 and 2023, consist of the following:

	2024	2023
USOPC grants	$ 792,418	$ 543,877
Friends of Women's Hockey	699,454	565,665
James Johannson Legacy Fund	438,537	440,320
Brianna Decker Endowment Fund	358,339	362,544
National Team development	339,655	339,655
Arena Capital Campaign	334,736	
Youth hockey	334,699	370,317
Raise the Flag Campaign	242,806	174,734
Patty Kazmaier Memorial	209,488	222,597
B. Burke Internship	200,830	197,036
Membership relief fund	195,506	282,194
Ron DeGregorio Goaltending Fund	145,456	148,529
Walter Bush fund	65,476	65,476
Try Hockey for Free Equipment	55,556	55,556
Wisconsin Affiliate Fund	50,000	
Junior Goaltending Camp - Plymouth MI	50,000	50,000
Women's Sled Hockey Team	46,579	21,550
Resource library	33,885	33,885
DEI - Sherman Fairchild Foundation	25,000	
Disabled youth program	25,000	25,000
Atlantic affiliate assist fund	24,988	24,988
Sled Hockey Team - Paralympic	15,485	12,410
Brian Fishman Memorial	13,306	10,105
Wounded Warriors/disabled program	10,461	10,461
Heads Up Don't Duck program	10,000	10,000
Rink conversion program	8,511	8,511
Pass It Forward	7,863	7,863
Disabled athlete program	5,364	96,996
It Starts With A Stick	3,907	181,907
Men's National Team	3,000	
International player development	1,750	1,750
Hockey Hispana	1,595	5,790
Special Hockey National Team	820	820
Referee program	100	100
	$ 4,750,570	$ 4,270,636

N. NET ASSETS WITH DONOR RESTRICTIONS – TEMPORARY IN NATURE – Continued

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose.

During the years ended August 31, 2024 and 2023, net assets were released from restrictions by satisfying the following restricted purposes:

	2024	2023
USOPC grants	$ 1,053,459	$ 897,147
It Starts With A Stick	178,000	
Disabled hockey	105,000	
Membership relief fund	93,160	49,144
Youth hockey	57,542	4,681
Ron DeGregorio Goaltending Fund	30,875	22,694
Patty Kazmaier Memorial	27,609	25,119
Brianna Decker Endowment Fund	10,000	2,500
Hockey Hispana	9,195	5,000
James Johannson Legacy Fund	5,000	5,000
Pass It Forward		10,000
Underprivileged children		1,702
	$ 1,569,840	$ 1,022,987

O. NET ASSETS WITH DONOR RESTRICTIONS – PERPETUAL IN NATURE

Net assets with donor restrictions – perpetual in nature for the Foundation at August 31, 2024, consist entirely of the Brian Fishman Memorial fund, which is restricted in perpetuity (Note P).

Earnings on these net assets are subject to donor restrictions that stipulate that the original principal of the gift is to be held and invested by the Foundation indefinitely and income from the fund is to be used for support of the Brian Fishman Memorial internship.

At August 31, 2024 and 2023, the underlying assets of the endowment fund are included in the statement of financial position as cash.

P. ENDOWMENT FUNDS

In accordance with generally accepted accounting principles, net assets associated with endowment funds are classified as net assets with donor restrictions - temporary in nature and perpetual in nature are reported based on the existence of donor-imposed restrictions.

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are time restricted until the board of directors appropriates such amounts for expenditures. The net assets also are subject to purpose restrictions that must be met before reclassifying those net assets to net assets without donor restrictions.

The board of directors of the Foundation has interpreted SPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the perpetual endowment, (b) the original value of subsequent gifts to the perpetual endowment, and (c) accumulations to the perpetual endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund.

Additionally, in accordance with SPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (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 Foundation, and (7) the Foundation's investment policies.

P. ENDOWMENT FUNDS - Continued

Composition of Endowment

These funds are invested in cash and cash equivalents, pursuant to the Foundation's spending objectives of subjecting the fund to low investment risk and providing this program with current income.

	Temporarily Restricted	Perpetually Restricted	Total
Endowment net assets, August 31, 2022	$ 7,732	$ 172,376	$ 180,108
Contributions		1,500	1,500
Investment income	2,373		2,373
Endowment net assets, August 31, 2023	10,105	173,876	183,981
Contributions		2,000	2,000
Investment income	3,201		3,201
Endowment net assets, August 31, 2024	$ 13,306	$ 175,876	$ 189,182

Return Objectives and Risk Parameters

The Foundation has adopted objectives and parameters in its investment policy for the purpose of providing reasonably predictable earnings while preserving the required fair value of the Endowment's net assets with donor restrictions - perpetual in nature.

Spending Policy and Relation to Investment Objectives

To the extent that expenses satisfy donor stipulations, the Foundation considers the long-term expected return on the Endowment to determine appropriate distributions each year. Accordingly, over the long-term, the Foundation expects its spending policy to provide funding for its programs as well as preserve the required fair values of the Endowment's net assets with donor restrictions - perpetual in nature.

Strategies Employed for Achieving Objectives

The Foundation employs a total-return strategy to achieve its investment objectives, which utilizes current yield (interest). These assets are maintained in cash and cash equivalents to maintain an acceptable level of prudent risk.

Q. AFFILIATED ORGANIZATIONS

The United States Olympic and Paralympic Committee (USOPC) provides grants to the Corporation for sports development, international competition, and team preparation.

Total grants from the USOPC for the years ended August 31, 2024 and 2023, consist of the following project categories:

	2024	2023
Women's high performance funding	$ 1,012,000	$ 1,112,000
Paralympic high performance funding	642,000	400,000
Other grants	75,000	
Paralympic development grants		158,000
Sport performance grant		10,024
Funds granted	$ 1,729,000	$ 1,680,024

During the years ended August 31, 2024 and 2023, the International Ice Hockey Federation (IIHF) provided funding to the Corporation of $1,497,537 and $1,586,250, respectively. This amount is included in tournaments and exhibitions in the accompanying statement of activities.

During the year ended August 31, 2015, the Foundation was awarded an annual grant from the NHL in the amount of $1,200,000, for a period of 10 years.

USA Hockey, Inc. awarded a grant to the Foundation in the amount of $500,000 during the year ended August 31, 2023.

The Foundation leases an office building to the Corporation for $30,625 per month, pursuant to the second amendment to a sublease agreement that initially expired December 31, 2023. Pursuant to the terms of the lease, this lease automatically renewed for an additional five-year term, and will continue to renew for additional five-year terms unless notice is given at least 30 days prior to the expiration of the term. Effective January 1, 2021, and every two years of the sublease thereafter, rent then in effect shall be adjusted, if necessary, to an amount equal to the current market rental rate pursuant to the lease amendment. The current expiration date is December 31, 2028.

Q. AFFILIATED ORGANIZATIONS - Continued

Rental income is shown net of rental expenses of $62,079 and $63,479 for the years ended August 31, 2024 and 2023, respectively. During the years ended August 31, 2024 and 2023, the Foundation provided grants to the Corporation in the amount of $8,774,702 and $8,426,838, respectively.

At August 31, 2024 and 2023, the Foundation owed $1,653,487 and $1,880,663, respectively, to the Corporation for grants. The Corporation provides certain administrative and accounting services to the Foundation for an annual fee of $1,800. At August 31, 2024 and 2023, USA Hockey, Inc. owed the Foundation $284,922 and $373,465, respectively.

Plymouth AC leases office and training space to USA Hockey, Inc. for $29,167 base rent per month, pursuant to a lease agreement that ends March 31, 2025. Plymouth AC also leases restaurant and concession space to Beck Road for $18,283 per month, pursuant to a lease agreement beginning March 31, 2015, and ending March 31, 2025. Rental income is shown net of rental expenses in the amount of $841,567 and $852,377 for the years ended August 31, 2024 and 2023, respectively.

At August 31, 2024 and 2023, the Foundation owed $1,557,162 and $1,452,205 to the Corporation, respectively, for various program and administrative costs. At August 31, 2024 and 2023, Plymouth AC owed $1,190,333 and $1,172,246 to the Corporation, respectively, for program and administrative costs. At August 31, 2024 and 2023, Beck Road owed $366,829 and $279,959 to the Corporation, respectively, for program and administrative costs.

Plymouth AC provides ice time to the Corporation for various events and billed the Corporation $245,350 and $212,201 for the years ended August 31, 2024 and 2023, respectively. Beck Road provides food services to the Corporation for various events and billed the Corporation $190,385 and $193,503 for the years ended August 31, 2024 and 2023, respectively. Plymouth AC pays various fees for tournaments and exhibitions to the Corporation and paid $93,801 and $51,349 to the Corporation during the years ended August 31, 2024 and 2023, respectively.

On March 31, 2015, Beck Road entered into a lease agreement as the lessee with Plymouth AC as the lessor. The lease is for a restaurant area and two concession areas and is set to expire on March 31, 2025. There are no legally enforceable renewal options in the lease agreement. The respective

Q. AFFILIATED ORGANIZATIONS - Continued

right-of-use asset and liability does not include any amounts related to renewal subsequent to March 2025. The lease requires fixed monthly payments of $18,283.

Plymouth AC pays utilities, maintains the common areas and the grounds, as well as any additional costs associated with the building.

R. NATIONAL HOCKEY LEAGUE

The NHL support is based on past performance and specific objectives. A significant portion of their funding is intended to provide budget relief for existing costs associated with the national team development program and junior officiating development program.

The balance is to be directed to offset costs associated with new initiatives, specifically the American Development Model, Women's Hockey, and membership development, plus support for the United States Hockey League and College Hockey, Inc.

S. INSURANCE ACTIVITY

HARP provides occurrence-based deductible reimbursement general liability coverage to USA Hockey, Inc. and its member leagues, organizations, teams and individuals, USA Hockey affiliates and the Foundation (covered entities). Policy limits are $100,000 per occurrence with a $1,000,000 annual aggregate for the years ended August 31, 2024 and 2023. The policy covers indemnity only and no loss adjustment expenses.

In 2024 and 2023, HARP provides a package policy for excess sexual abuse, legal expense reimbursement, and accident and sickness coverage to the Corporation and its member leagues, organizations, teams and individuals, USA Hockey, Inc. affiliates and USA Hockey Foundation. The limits for excess sexual abuse under this policy are $2,000,000 per occurrence, with a $2,000,000 per person aggregate. Legal expense reimbursement coverage under this policy is $250,000 per occurrence, with a $250,000 annual aggregate. The limits for accident and sickness coverage under this policy are $1,000,000, in excess of a $3,500,000 deductible. The policy carries a $2,000,000 annual aggregate for all coverage.

S. INSURANCE ACTIVITY - Continued

The deductible reimbursement general liability coverage covers certified terrorism losses as defined under the Terrorism Risk Insurance Act of 2002 (TRIA) and the subsequent extensions of TRIA through 2027. As part of the 2007 modification and extension, TRIA was renamed as the Terrorism Risk Insurance Program Reauthorization Act (TRIPRA). TRIPRA provides for a system of shared public and private compensation for insured losses resulting from certified acts of terrorism.

TRIPRA protection is only triggered if there is a certified act of terrorism and losses reach an industry insured loss trigger ($200 million through 2027). The coverage provided by HARP is eligible under TRIPRA for co-insurance protection (80% through 2027) provided by the U.S. Treasury subject to a deductible equal to 20% of HARP's prior year direct earned premiums. HARP retains both the deductible and its remaining share of the certified terrorism losses.

The Corporation maintained an arrangement with K&K Insurance Group (K&K) for claims administration and incurred all costs prior to the 2021 policy year. The Corporation entered into an arrangement with Safehold Special Risk for the 2021 policy year and future policy years for claims administration and incurs all costs. Accordingly, HARP does not record any expenses or liabilities related to claims administration. As of August 31, 2024 and 2023, HARP recorded a loss escrow deposit of $633,699 and $120,364, respectively, with K&K and Safehold, which is to be used for payment of losses. Activity in the liability for unpaid losses, for the years ended August 31, 2024 and 2023, is summarized as follows:

	2024	2023
Balance at the beginning of the year	$ 1,266,773	$ 1,509,079
Incurred related to:		
Current year	303,855	269,515
Prior years	17,837	(76,821)
Total incurred	321,692	192,694
Paid related to:		
Current year	(1,500)	
Prior years	(356,814)	(435,000)
Total paid	(358,314)	(435,000)
Balance at the end of the year	$ 1,230,151	$ 1,266,773

S. INSURANCE ACTIVITY - Continued

The estimates for incurred losses on insured events in prior years increased and decreased by $17,837 and $76,821 in 2024 and 2023, respectively, which was a result of unfavorable and favorable loss development related to the deductible reimbursement general liability policy years.

HARP incorporates a variety of actuarial methods and judgments in its reserving process. These key inputs impact the potential variability in the estimate of the reserve for losses and loss expenses. HARP's liability for unpaid losses considers and reflects, in part, deviations resulting from differences between expected loss and actual loss reporting as well as judgments relating to the weights applied to the reserve levels indicated by the actuarial methods. Expected loss reporting patterns are based upon internal historical data including the Corporation's historic loss experience and industry data.

HARP measures claim frequency using claim counts and counts an insurance claim when either an indemnity amount has been paid, or at any period end, HARP recorded a case reserve.

Since inception, HARP has only experienced losses on the deductible reimbursement general liability coverage. The following tables present incurred and paid claims development, by accident year. Accident years prior to 2024 for incurred and paid losses as of August 31, 2024, represent supplementary information and are unaudited.

S. INSURANCE ACTIVITY - Continued

Deductible Reimbursement General Liability:

Incurred Losses and Allocated Loss Adjustment Expenses

Accident Year	For the Years Ended August 31, (Unaudited) 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	As of August 31, 2024: Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
2015	$ 589,232	$ 475,604	$ 596,256	$ 506,194	$ 503,725	$ 468,725	$ 459,295	$ 424,089	$ 424,089	$ 424,089	$	28
2016		431,861	318,361	333,928	364,778	482,705	477,961	519,362	519,363	519,363		35
2017			345,443	325,852	408,897	476,008	435,295	364,118	419,217	419,217		42
2018				383,317	502,887	611,175	554,388	522,305	604,904	591,990		45
2019					416,280	306,202	379,808	374,842	309,455	324,678	8,840	40
2020						354,214	312,347	436,129	381,123	282,415	17,665	30
2021							278,843	211,746	185,124	208,667	57,516	22
2022								261,230	193,626	182,169	119,658	12
2023									269,515	371,764	186,592	20
2024										303,855	242,355	7
									Total	$ 3,628,207		

Cumulative Paid Losses and Allocated Loss Adjustment

Accident Year	For the Years Ended August 31, (Unaudited) 2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
2015	$ 10,680	$ 100,089	$ 170,089	$ 200,089	$ 224,089	$ 424,089	$ 424,089	$ 424,089	$ 424,089	$ 424,089
2016		17,254	31,363	36,863	36,863	144,363	144,363	319,362	419,362	519,362
2017			9,041	43,216	166,716	279,216	279,216	294,216	369,216	369,216
2018				2,901	114,214	121,989	271,989	311,989	391,989	491,989
2019					5,249	30,249	90,249	115,337	265,337	300,837
2020						3,158	39,749	139,749	139,749	164,749
2021									30,000	106,151
2022										12,500
2023										7,663
2024										1,500
									Total	2,398,056
									Unpaid losses	$ 1,230,151

S. INSURANCE ACTIVITY - Continued

The average annual percentage payout of incurred claims by age is calculated using a weighted average of the paid losses and loss adjustment expenses to incurred losses and loss adjustment expenses for each age.

The following table presents the average annual percentage payout of incurred claims, by age, related to the deductible reimbursement general liability coverage as of August 31, 2024, and is required supplementary information and is therefore unaudited:

(Unaudited)

1st Year	2nd Year	3rd Year	4th Year	5th Year
1.2%	8.2%	15.4%	14.8%	14.7%
6th Year	7th Year	8th Year	9th Year	10th Year
15.0%	17.1%	6.4%	9.6%	0.0%

T. EVENT PARTICIPATION

Each year, the Corporation participates in or hosts events, and these events vary year to year. Some events do not occur each year; therefore, revenue may vary significantly from year to year.

U. RELATED PARTY TRANSACTIONS

HARP has an agreement with Aon Insurance Managers (USA) Inc. (Aon), whereby Aon provides accounting, administrative, and regulatory services. Management fees are expensed as incurred and have been recorded as general and administrative expenses in the statement of activities. These fees amounted to $53,986 and $54,137 for August 31, 2024 and 2023, respectively. A director and officer of HARP is also an employee of Aon.

V. INVESTMENT INCOME

Investment income consists of the following for the years ended August 31:

	2024	2023
Unrealized gains on securities	$ 2,389,482	$ 834,091
Realized gains on securities	524,614	83,458
Interest and dividends	1,344,427	830,312
Investment expenses	(82,814)	(86,502)
	$ 4,175,709	$ 1,661,359

W. RETIREMENT PLAN

The Corporation maintains a defined contribution, Section 403(b), retirement plan for its employees. To be eligible, an employee must be 21 years of age and have six months of continuous employment. Employees are able to make pre-tax contributions to the plan up to the dollar and percentage limits set by law. The Corporation makes matching contributions of up to 4% of the eligible compensation of each employee who elects to defer wages.

The Corporation also makes semi-annual discretionary contributions for all eligible employees. The Foundation and its subsidiaries' employees are also eligible to participate in this plan.

The Corporation also has a Section 457 deferred compensation plan that covers certain key employees. Eligible employees are allowed to make elective deferrals up to the maximum amount permitted by law. The Corporation does not make any matching contributions to this plan.

Total pension expense for the years ended August 31, 2024 and 2023, amounted to $686,659 and $662,671, respectively.

The Foundation and its subsidiaries maintain a defined contribution, Section 403(b) retirement plan for its employees by enrolling them in the Corporation retirement plan. Employees are immediately eligible for elective deferrals. Employees are able to make pre-tax contributions to the plan up to the dollar and percentage limits set by law.

W. RETIREMENT PLAN - Continued

The Foundation and its subsidiaries make matching contributions of up to 4% of the salary of each employee who elects to defer wages and has satisfied six months of service. The Foundation and its subsidiaries also make semi-annual discretionary contributions for all eligible employees. Total pension expense for the years ended August 31, 2024 and 2023, was $128,585 and $109,624, respectively.

X. COMMITMENTS AND CONTINGENT LIABILITIES

The Corporation has multi-year employment contracts with multiple key employees. In the event that an employee is terminated for cause (as defined in the contract), the Corporation is not obligated to pay any severance compensation.

Occasionally, in the normal conduct of business, the Corporation may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Corporation, as of August 31, 2024, are either without merit or will not exceed insurance limits.

Y. UNCERTAINTIES

With the rising cost of inflation and potential risk of recession, it is uncertain what effect these factors may have on the operations of the Corporation in the coming year.