

Amateur Hockey Association Illinois, Inc.

**Financial Statements
For the Year Ended May 31, 2022**

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Table of Contents

| | <u>Page</u> |
|---|-------------|
| Independent Auditor's Report | 1-2 |
| Statement of Financial Position, May 31, 2022 | 3 |
| Statement of Activities and Change in Net Assets For the Year Ended May 31, 2022 | 4 |
| Statement of Functional Expenses For the Year Ended May 31, 2022 | 5 |
| Statement of Cash Flows For the Year Ended May 31, 2022 | 6 |
| Notes to Financial Statements | 7-16 |

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

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

Independent Auditor's Report

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

Opinion

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, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2022, 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.

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 Amateur Hockey Association Illinois, 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 the 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 fair presentation of 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 Amateur Hockey Association Illinois, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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 Amateur Hockey Association Illinois, 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 Amateur Hockey Association Illinois, 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.

Mazzoni and Associates, P.C.

Mazzoni and Associates

Rolling Meadows, Illinois
August 11, 2022

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Financial Position May 31, 2022

Assets

Current assets

| | |
|--------------------------------------|--------------|
| Cash and cash equivalents | \$ 258,303 |
| Restricted cash and cash equivalents | 353,635 |
| Short-term investments | 6,897 |
| Accounts receivable | 3,970 |
| Accounts receivable-officiating | 99,650 |
| Grants receivable | 21,065 |
| Prepaid expenses | <u>8,756</u> |

| | |
|----------------------|----------------|
| Total current assets | <u>752,276</u> |
|----------------------|----------------|

| | |
|-----------------------|----------------|
| Long-term investments | <u>547,575</u> |
|-----------------------|----------------|

Equipment and leasehold improvements

| | |
|--------------------------------------|------------------|
| Equipment and leasehold improvements | 115,857 |
| Accumulated depreciation | <u>(111,355)</u> |

| | |
|--|--------------|
| Net equipment and leasehold improvements | <u>4,502</u> |
|--|--------------|

| | |
|--------------|----------------------------|
| Total assets | \$ <u><u>1,304,353</u></u> |
|--------------|----------------------------|

Liabilities and Net Assets

Current liabilities

| | |
|------------------------------|---------------|
| Accounts payable | \$ 73,927 |
| Accounts payable-officiating | 117,039 |
| Deferred revenue | <u>22,215</u> |

| | |
|---------------------------|----------------|
| Total current liabilities | <u>213,181</u> |
|---------------------------|----------------|

Net assets

| | |
|----------------------------|----------------|
| Without donor restrictions | 737,537 |
| With donor restrictions | <u>353,635</u> |

| | |
|------------------|------------------|
| Total net assets | <u>1,091,172</u> |
|------------------|------------------|

| | |
|----------------------------------|----------------------------|
| Total liabilities and net assets | \$ <u><u>1,304,353</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, 2022

| | Without Restrictions | With Restrictions | Total |
|---------------------------------------|-------------------------|-------------------|---------------------|
| Revenue and support | | | |
| Registration fees | \$ 402,615 | \$ - | \$ 402,615 |
| Participation fees | 271,917 | | 271,917 |
| Grants and donations | 86,835 | 214,637 | 301,472 |
| Officiating fees | 2,486,655 | | 2,486,655 |
| Gate receipts at events | 42,344 | | 42,344 |
| Investment return, net of expenses | (16,163) | | (16,163) |
| Miscellaneous | 42,878 | | 42,878 |
| Net assets released from restrictions | 244,349 | (244,349) | |
| | <u>3,561,430</u> | <u>(29,712)</u> | <u>3,531,718</u> |
| Total revenue and support | | | |
| Expenses | | | |
| Program services | | | |
| Events and programs | | | |
| for members | 3,457,132 | | 3,457,132 |
| Supporting services | | | |
| Management and general | 226,680 | | 226,680 |
| Fundraising | 16,917 | | 16,917 |
| | <u>3,700,729</u> | <u>-</u> | <u>3,700,729</u> |
| Total expenses | | | |
| Change in net assets | (139,299) | (29,712) | (169,011) |
| Net assets, beginning of year | 876,836 | 383,347 | 1,260,183 |
| Net assets, end of year | <u>\$ 737,537</u> | <u>\$ 353,635</u> | <u>\$ 1,091,172</u> |

The accompanying notes are an integral part of these financial statements

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Functional Expenses For the Year Ended May 31, 2022

| | Events and Programs for Members | Management and General | Fundraising | Total |
|-------------------------|---------------------------------------|---------------------------|-------------|--------------|
| Awards | \$ 60,262 | \$ 5,537 | \$ 352.00 | \$ 66,151 |
| Bank charges | 677 | 16,370 | | 17,047 |
| Computer services | 15,498 | 2,054 | | 17,552 |
| Depreciation | 1,288 | | | 1,288 |
| Donations | 1,219 | 2,000 | 3,500 | 6,719 |
| Hospitality | 13,346 | 7,711 | | 21,057 |
| Ice fees | 259,587 | | | 259,587 |
| Insurance | | 2,365 | | 2,365 |
| Jerseys and equipment | 61,498 | 1,586 | | 63,084 |
| Legal fees | | 51,512 | | 51,512 |
| Meeting expenses | 39,489 | 4,779 | | 44,268 |
| Miscellaneous expense | 13,608 | 12,734 | | 26,342 |
| Officials | 2,363,115 | | | 2,363,115 |
| Official development | 2,400 | | | 2,400 |
| GROW grant | 2,500 | | | 2,500 |
| One Goal grant | 31,962 | | | 31,962 |
| Player development | 540 | | | 540 |
| Postage and mailing | 2,501 | 1,065 | 105 | 3,671 |
| Printed materials | 20,435 | 5,086 | 473 | 25,994 |
| Professional fees | 245,822 | 13,357 | | 259,179 |
| Rental | 9,187 | 5,332 | | 14,519 |
| Registrations | 25,118 | 1,564 | | 26,682 |
| Screening | 345 | | | 345 |
| Supplies | 36,836 | 10,302 | | 47,138 |
| Telephone | 8,803 | 6,029 | | 14,832 |
| Travel | 114,971 | 23,526 | | 138,497 |
| Wages and payroll taxes | 126,125 | 53,771 | 12,487 | 192,383 |
| Total expenses | \$ 3,457,132 | \$ 226,680 | \$ 16,917 | \$ 3,700,729 |

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, 2022

| | |
|--|--------------------------|
| Cash flows from operating activities | |
| Change in net assets | \$ (169,011) |
| Adjustments to reconcile change in net assets to net cash (used in) operating activities | |
| Depreciation | 1,288 |
| Realized gains on investments | 38,684 |
| Unrealized (losses) on investments | (65,195) |
| (Increase) decrease in assets: | |
| Accounts receivable | 30,253 |
| Grants receivable | 343 |
| Prepaid expenses | 32,618 |
| Increase (decrease) in liabilities: | |
| Accounts payable | 36,221 |
| Deferred revenue | (13,170) |
| Net cash (used in) operating activities | <u>(107,969)</u> |
| Cash flows from investing activities | |
| Maturities of short-term investments | 9,575 |
| Maturities of long-term investments | 33,237 |
| Net cash provided by investing activities | <u>42,812</u> |
| Net (decrease) in cash and cash equivalents | (65,157) |
| Cash and cash equivalents, beginning of year | <u>677,095</u> |
| Cash and cash equivalents, end of year | <u><u>\$ 611,938</u></u> |
| Cash and cash equivalents consists of the following: | |
| Cash and cash equivalents | \$ 258,303 |
| Restricted cash and cash equivalents | <u>353,635</u> |
| Total cash and cash equivalents | <u><u>\$ 611,938</u></u> |

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.

Basis of presentation

The financial statements of AHAI have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require AHAI to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of AHAI's management and the board of directors.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of AHAI or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restriction in the statements of activities.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

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

Cash and cash equivalents

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

Investments

Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the statement of activities and change in net assets. Realized gains and losses on investments sold, determined on a specific identification basis, are also included in revenue. The Organization's investments are managed by a professional manager.

Accounts receivable

Accounts receivable are stated at the amount the Organization expects to collect from balances outstanding at year end. The Organization uses the allowance method to account for uncollectible contributions and accounts receivable balances. Under the allowance method, if needed, an estimate of uncollectible accounts receivable balances is made based upon expected actual write-offs. Accounts are considered past due once the unpaid balance is 90 days or more outstanding, unless payment terms are extended by contract. There was no allowance for doubtful accounts recorded as of May 31, 2022.

Grants receivable

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

Equipment and leasehold improvements

The Organization capitalizes purchased property and equipment in excess of \$2,000 to which it has title at cost. Donated assets are recorded as contributions at their estimated fair value. Such donations are reported as contributions without donor restrictions unless the donor has restricted the donated asset to a specific purpose. Equipment and leasehold improvements are recorded at cost. Depreciation is recorded using the straight-line method over the following estimated useful lives:

| | <u>Years</u> |
|------------------------|---------------|
| Leasehold improvements | Life of Lease |
| Equipment | 5 |

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

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

Contributions

Contributions received are recorded as net assets without donor restrictions or net assets with donor restrictions, depending on the existence and/or nature of any donor-imposed restrictions. Contributions that are restricted by the donor are reported as an increase in net assets without donor restrictions if the restriction expires in the reporting period in which the contribution is recognized. All other donor restricted contributions are reported as an increase in net assets with donor restrictions, depending on the nature of restriction. When a restriction expires (that is, when a stipulated time restriction ends or 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 net assets released from restrictions.

Contributed property and equipment are recorded at fair value at the date of donation. Contributions with donor-imposed stipulations regarding how long the contributed assets must be used are recorded as net assets with donor restrictions; otherwise, the contributions are recorded as net assets without donor restrictions. 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.

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 the accompanying statement of activities because the accounting criteria for recognition of such contributed services have not been satisfied.

Deferred revenue

Deferred revenue represents registration fees which are deferred because the performance obligations relating to this revenue have not yet been completed.

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 income taxes in the accompanying financial statements. Profits that are generated from activities unrelated to the exempt purposes could be subject to income tax. The Organization accounts for any potential interest or penalties related to the possible future liabilities for unrecognized income tax benefits as other expense. The Organization's tax filings are subject to audit by various taxing authorities. At May 31, 2022 the Organization is no longer subject to examination by federal and state taxing authorities for periods ending before 2018.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

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

Functional allocation of expenses

Expenses are summarized and categorized based upon their functional classification as either program or supporting services. Specific expenses that are readily identifiable to a single program or activity are charged directly to that function. Certain categories of expenses are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries and wages and payroll taxes, which are allocated on the basis of estimates of time and effort.

Estimates

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Date of management's review

The Organization evaluated all significant events or transactions that occurred through August 11, 2022, the date that the financial statements were available to be issued.

Uncertainty

The extent to which coronavirus impacts the Organization's results will depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the coronavirus and action taken to contain the coronavirus or its impact. It is difficult to determine at this time the financial impact this will have on the operations of the Organization going forward. Currently, the Organization has taken appropriate and measured actions to keep their workforce safe and ensure programs continue to operate on a limited basis.

Revenue and support

Revenue from contracts with customers should be recognized when an entity satisfies its obligation(s) under a contract by transferring the promised goods or services to the customer. The amount recognized is the amount the entity expects to be entitled to receive from the customer. Management has evaluated FASB ASC 606 and has found that it has not changed the manner of recognizing revenue from contracts with customers. The amount of revenue from customers during the year amounted to a nominal amount.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 3 – Investments

Investments at cost and at fair values described in Note 2 above are summarized as follows:

| | <u>Cost</u> | <u>Value</u> |
|-----------------------------------|-----------------------|-----------------------|
| Equity and debt securities | | |
| Short-term investments | \$ 6,897 | \$ 6,897 |
| U.S. Government note and bonds | 42,068 | 40,949 |
| U.S. Agency mortgage obligations | 28,387 | 27,221 |
| Mutual funds | 112,857 | 103,187 |
| Common stock | 95,425 | 103,854 |
| USA Hockey Foundation pooled fund | <u>200,000</u> | <u>272,364</u> |
| Total investments | <u>\$ 485,634</u> | <u>\$ 554,472</u> |

The following schedule summarizes investment returns for the year ended May 31, 2022:

| | |
|--|------------------------|
| Interest and dividend income | \$ 14,066 |
| Advisory fees | (3,718) |
| Realized gains on investments | 38,684 |
| Unrealized (losses) on investments | <u>(65,195)</u> |
| Total investment return, net of expenses | <u>\$ (16,163)</u> |

Note 4 – Fair value measurements

The Organization measures certain financial assets and liabilities at fair value in accordance with U.S. GAAP, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. U.S. GAAP also establishes a fair value hierarchy, which prioritizes the inputs to valuation techniques used to measure fair value into three broad levels. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). A financial instrument's categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the instrument's fair value measurement.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 4 – Fair value measurements, cont'd

The three levels within the fair value hierarchy are described as follows:

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

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

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

The assets or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at May 31, 2022.

Common stocks, U.S. government securities, and mutual funds: Valued at the closing prices reported on the active market on which the individual securities are traded.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 4 – Fair value measurements, cont'd

The following table sets forth by level, within the fair value hierarchy, the Organization's assets at fair value as of May 31, 2022:

| | Assets at Fair Value as of May 31, 2022 | | | |
|-----------------------------------|---|-------------------|-----------|-------------------|
| | Level 1 | Level 2 | Level 3 | Total |
| Short-term investments | \$ 6,897 | \$ | \$ | \$ 6,897 |
| U.S. Government securities | 68,170 | | | 68,170 |
| Mutual funds | 103,187 | | | 103,187 |
| Common stocks | 103,854 | | | 103,854 |
| USA Hockey Foundation pooled fund | | 272,364 | | 272,364 |
| Total investments | <u>\$ 282,108</u> | <u>\$ 272,364</u> | <u>\$</u> | <u>\$ 554,472</u> |

The above categories include \$200,000 at May 31, 2022 invested in a pooled portfolio managed by the USA Hockey Foundation (USAHF). The remainder of the Organization's investment portfolio is managed by the Fries Wealth Management Group and is invested with Merrill Lynch.

The investment consists of units in a pooled portfolio managed by the USAHF. At May 31, 2022, the USAHF portfolio consisted of the following types of securities:

| | |
|-------------------------|----------------|
| Equities | 65.52% |
| Taxable bonds | 33.90% |
| Cash & cash equivalents | <u>0.58%</u> |
| | <u>100.00%</u> |

The carrying value of the Organization's cash and cash equivalents, accounts receivable, grants receivable, other assets, accounts payable, and accrued expenses approximate their fair values because they are stated at net realizable value.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 5 – Equipment and leasehold improvements

The following is a summary of equipment and leasehold improvements as of May 31, 2022:

| | |
|--------------------------|------------------|
| Equipment | \$ 70,487 |
| Leasehold improvements | <u>45,370</u> |
| | 115,857 |
| Accumulated depreciation | <u>(111,355)</u> |
| Net | \$ <u>4,502</u> |

Note 6 – Net assets with donor restrictions

Net assets with donor restrictions at May 31, 2022, consist of the following:

| | |
|----------------------------|-------------------|
| A Step Ahead Concussion | \$ 6,764 |
| Safe Sport Initiative | 10,000 |
| Mite Initiatives | 5,672 |
| Opportunities in Hockey | 3,070 |
| Diversity (HIFE) | 144,899 |
| Hornets Youth Sled Hockey | 27,069 |
| Blackhawks Warriors Hockey | 61,216 |
| Blackhawks Special Hockey | 2,038 |
| Blackhawks Blind Hockey | 8,905 |
| Blind Hockey USA | 30,217 |
| Goalkeeper Program | 18,561 |
| Parents Education Program | 5,000 |
| GROW Initiative | 10,000 |
| Mite Development | 10,000 |
| Cross Ice Program | <u>10,224</u> |
| | \$ <u>353,635</u> |

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

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 7 – Support

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

Note 8 – License Agreement

AHAI obtains office and meeting space, as well as ice time, from an ice-skating facility through a license agreement which expires on June 30, 2027. Under the terms of the agreement, AHAI will not be charged rent for office and meeting space as long as AHAI purchases ice time from the facility as per the detailed ice schedule for each operating year defined as September 1st through August 31st. For the year ending May 31, 2022, the required ice usage rental time was met. Future ice usage time is expected to be similar.

Note 9 – Concentration of market risk

Some investments are exposed to various risks that may cause their reported fair values to fluctuate from period to period and could materially affect the recorded amount of investments in the 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. Though the market values of investments are subject to fluctuation, management and the Board of Directors believe that the investment policy is prudent for the long-term welfare of the Organization.

Note 10 – Liquidity and availability of financial assets

The Organization regularly monitors the availability of resources required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing activities of encouraging and improving amateur ice hockey in Illinois, as well as the conduct of services undertaken to support those activities to be general expenditures.

In addition to financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures and liabilities as they come due, not covered by donor-restricted resources. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 10 – Liquidity and availability of financial assets, cont'd

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

| | | |
|---|----|------------------|
| Cash and cash equivalents | \$ | 611,938 |
| Short-term investments | | 6,897 |
| Accounts receivable | | 103,620 |
| Grants receivable | | 21,065 |
| Less cash and cash equivalents with donor restrictions | | <u>(353,635)</u> |
| | \$ | <u>389,885</u> |

Note 11 – Contingencies

The Organization is involved in two lawsuits in the normal course of business. Management cannot predict the outcome of the lawsuits or estimate the amount of any loss that may result. In the opinion of management, any losses that may occur would be covered by their insurance company. Accordingly, no provisions for any contingent liabilities that may result have been made in the financial statements. Management denies the allegations and intends to vigorously defend itself against these lawsuits.