

**USA HOCKEY FOUNDATION
BECK ROAD CONCESSIONS, LLC
PLYMOUTH AC, LLC**

**Consolidating Financial Statements
For the Year Ended August 31, 2025**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Hockey Foundation
Beck Road Concessions, LLC
Plymouth AC, LLC
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of USA Hockey Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC (non-profit organizations), which comprise the consolidating statement of financial position as of August 31, 2025, and the related statements of activities and changes in net assets, 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 USA Hockey Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC as of August 31, 2025, and the changes in 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 USA Hockey Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC, 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 USA Hockey Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC'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 a 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 USA Hockey Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC'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 Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC'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 Foundation, Beck Road Concessions, LLC and Plymouth AC, LLC's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated November 8, 2024. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
November 5, 2025

USA HOCKEY FOUNDATION
BECK ROAD CONCESSIONS, LLC
PLYMOUTH AC, LLC
Consolidating Statement of Financial Position
August 31, 2025
(With Comparative Consolidated Totals for 2024)

	<u>ASSETS</u>					
	<u>USA Hockey Foundation</u>	<u>Beck Road</u>	<u>Plymouth AC</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals 2025</u>	<u>Consolidated Totals 2024</u>
CURRENT ASSETS:						
Cash and cash equivalents	\$ 5,238,065	\$ 423,103	\$ 1,222,959	\$	\$ 6,884,127	\$ 3,178,115
Grants receivable	2,778,748				2,778,748	695,988
Accounts receivable		32,576	270,409		302,985	272,248
Due from USA Hockey, Inc.	639,587				639,587	284,922
Due from Plymouth AC, LLC	476,888			(476,888)		
Due from Beck Road, LLC	136,103		1,819,121	(1,955,224)		
Current portion of pledges receivable	680,000				680,000	50,000
Inventory		72,651	180,414		253,065	258,858
Prepaid expenses	<u>330,072</u>	<u>11,427</u>	<u>432,209</u>		<u>773,708</u>	<u>629,427</u>
Total current assets	10,279,463	539,757	3,925,112	(2,432,112)	12,312,220	5,369,558
LONG-TERM PLEDGES RECEIVABLE, net	2,481,790				2,481,790	
LONG-TERM INVESTMENTS	22,538,029				22,538,029	20,444,732
INVESTMENTS HELD FOR OTHERS	5,664,098				5,664,098	4,823,404
INVESTMENT IN PLYMOUTH AC, LLC	13,648,797			(13,648,797)		
PROPERTY AND EQUIPMENT - at cost:						
Land			3,295,000		3,295,000	3,295,000
Buildings and improvements	3,108,127		27,471,229		30,579,356	30,474,556
Furniture and equipment	59,980	61,889	1,746,949		1,868,818	1,868,818
Less accumulated depreciation	<u>(1,803,729)</u>	<u>(61,659)</u>	<u>(8,843,800)</u>		<u>(10,709,188)</u>	<u>(9,742,455)</u>
Property and equipment, net	1,364,378	230	23,669,378		25,033,986	25,895,919
RIGHT-OF-USE ASSETS		1,385,227	6,787	(1,385,227)	6,787	14,143
OTHER ASSETS:						
Artwork	290,000				290,000	290,000
Other intangibles, net	<u>150,472</u>	<u>9,167</u>			<u>159,639</u>	<u>194,469</u>
Total other assets	440,472	9,167			449,639	484,469
TOTAL ASSETS	<u>\$ 56,417,027</u>	<u>\$ 1,934,381</u>	<u>\$ 27,601,277</u>	<u>\$ (17,466,136)</u>	<u>\$ 68,486,549</u>	<u>\$ 57,032,225</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:						
Accounts payable and accrued liabilities	\$ 94,928	\$ 49,870	\$ 289,581	\$	\$ 434,379	\$ 413,390
Deferred revenue		21,918	195,087		217,005	227,584
Due to USA Hockey, Inc.		564,167	1,365,206		1,929,373	1,557,162
Due to Plymouth AC		1,819,121		(1,819,121)		
Due to USA Hockey Foundation		136,103	476,888	(612,991)		
Current portion of lease liability		136,499	6,787	(136,499)	6,787	7,357
Current portion of bonds payable			1,062,973		1,062,973	1,111,946
Grants payable to USA Hockey	<u>7,410,062</u>				<u>7,410,062</u>	<u>1,653,487</u>
Total current liabilities	7,504,990	2,727,678	3,396,522	(2,568,611)	11,060,579	4,970,926
INVESTMENTS HELD FOR OTHERS	5,664,098				5,664,098	4,823,404
LONG-TERM LEASE LIABILITY		1,248,728		(1,248,728)		6,787
BONDS PAYABLE, net			<u>4,168,856</u>		<u>4,168,856</u>	<u>5,230,291</u>
TOTAL LIABILITIES	13,169,088	3,976,406	7,565,378	(3,817,339)	20,893,533	15,031,408
NET ASSETS:						
Net assets without donor restrictions	34,956,538	(2,042,025)	20,035,899	(13,648,797)	39,301,615	37,866,789
Net assets with donor restrictions	<u>8,291,401</u>				<u>8,291,401</u>	<u>4,134,028</u>
Total net assets	<u>43,247,939</u>	<u>(2,042,025)</u>	<u>20,035,899</u>	<u>(13,648,797)</u>	<u>47,593,016</u>	<u>42,000,817</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,417,027</u>	<u>\$ 1,934,381</u>	<u>\$ 27,601,277</u>	<u>\$ (17,466,136)</u>	<u>\$ 68,486,549</u>	<u>\$ 57,032,225</u>

See Notes to Consolidating Financial Statements

USA HOCKEY FOUNDATION
 BECK ROAD CONCESSIONS, LLC
 PLYMOUTH AC, LLC
 Consolidating Statement of Activities and Changes in Net Assets
 For the Year Ended August 31, 2025
 (With Comparative Consolidated Totals for 2024)

	USA Hockey Foundation	Beck Road	Plymouth AC	Eliminating Entries	Consolidated Totals 2025	Consolidated Totals 2024
REVENUE:						
NHL Grants	\$ 12,600,000	\$	\$	\$	\$ 12,600,000	\$ 9,575,000
Investment income, net	2,098,140		48,550		2,146,690	2,962,924
Rental income, net	305,421		1,639,689	(192,129)	1,752,981	1,680,012
Restaurant and concession sales, net		1,119,785			1,119,785	1,123,164
Ticket revenue			647,353		647,353	666,179
Contributions	275,269				275,269	580,841
Special events			364,425		364,425	512,376
Advertising			372,616		372,616	305,073
Pro Shop, net			168,877		168,877	204,610
Skating fees			156,233		156,233	130,489
Naming rights			100,000		100,000	100,000
Drive-in, net			69,999		69,999	99,025
Miscellaneous income		713	7,369		8,082	90,733
Foundation grants			1,200,000	(1,200,000)		
Loss on disposal of assets						(242,332)
Satisfied program restrictions	356,015				356,015	516,381
Total revenue	15,634,845	1,120,498	4,775,111	(1,392,129)	20,138,325	18,304,475

EXPENSES:						
Program services:						
Support for USA Hockey	12,232,268				12,232,268	9,364,461
Plymouth Arena programs	<u>1,234,624</u>		<u>4,476,551</u>	<u>(1,200,000)</u>	<u>4,511,175</u>	<u>4,428,822</u>
Total program services	13,466,892		4,476,551	(1,200,000)	16,743,443	13,793,283
Supporting services:						
General and administrative	109,173	1,471,123		(192,129)	1,388,167	1,310,203
Other fundraising	548,800				548,800	525,089
Patty Kazmaier Memorial	<u>23,089</u>				<u>23,089</u>	<u>27,607</u>
Total supporting services	<u>681,062</u>	<u>1,471,123</u>		<u>(192,129)</u>	<u>1,960,056</u>	<u>1,862,899</u>
Total unrestricted expenses	<u>14,147,954</u>	<u>1,471,123</u>	<u>4,476,551</u>	<u>(1,392,129)</u>	<u>18,703,499</u>	<u>15,656,182</u>
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	1,486,891	(350,625)	298,560		1,434,826	2,648,293
NET ASSETS WITH DONOR RESTRICTIONS:						
Contributions	4,508,896				4,508,896	742,779
Investment income, net	4,492				4,492	6,995
Satisfied program restrictions	<u>(356,015)</u>				<u>(356,015)</u>	<u>(516,381)</u>
CHANGE IN NET ASSETS WITH DONOR RESTRICTIONS	<u>4,157,373</u>				<u>4,157,373</u>	<u>233,393</u>
CHANGE IN NET ASSETS	5,644,264	(350,625)	298,560		5,592,199	2,881,686
NET ASSETS, beginning of year	<u>37,603,675</u>	<u>(1,691,400)</u>	<u>19,737,339</u>	<u>(13,648,797)</u>	<u>42,000,817</u>	<u>39,119,131</u>
NET ASSETS, end of year	<u>\$ 43,247,939</u>	<u>\$ (2,042,025)</u>	<u>\$ 20,035,899</u>	<u>\$ (13,648,797)</u>	<u>\$ 47,593,016</u>	<u>\$ 42,000,817</u>

See Notes to Consolidating Financial Statements

USA HOCKEY FOUNDATION
BECK ROAD CONCESSIONS, LLC
PLYMOUTH AC, LLC
Consolidated Statement of Functional Expenses
For the Year Ended August 31, 2025
(With Comparative Totals for 2024)

	2025			<u>General & Administrative</u>	
	<u>Support for USA Hockey</u>	<u>Plymouth Arena Programs</u>	<u>Total Consolidated Program Services</u>	<u>Beck Road</u>	<u>Foundation</u>
Advertising & promotion	\$	\$ 189,659	\$ 189,659	\$ 14,434	\$
Contract services		103,379	103,379	38,576	1,898
Cost of sales		381,360	381,360	686,559	
Credit losses		16,300	16,300		
Depreciation & amortization		998,732	998,732	2,831	
Dues & subscriptions		3,581	3,581		3,188
Employee benefits		317,646	317,646	182,517	
Equipment		240,045	240,045	68,611	
Game costs		181,768	181,768		
Grants - other	529,827		529,827		
Grants - USA Hockey, Inc.	11,702,441		11,702,441		
Ice time/facility rental					
Insurance		109,760	109,760	14,893	35,541
Interest expense		160,307	160,307		
Investment & bank fees		88,838	88,838	49,941	5,566
League expenses		83,959	83,959		
Miscellaneous		13,264	13,264	27,595	119
Payroll tax		84,057	84,057	74,846	
Postage & shipping		3,811	3,811	134	
Printing		16,986	16,986		2,976
Professional fees		69,311	69,311	67,116	45,329
Property tax		344,239	344,239		
Salaries		1,329,929	1,329,929	689,401	
Seminars & education		120,990	120,990		
Special events		219,176	219,176		
Supplies		99,440	99,440	41,349	
Telephone		29,606	29,606	6,147	
Travel & lodging		6,730	6,730		14,556
Trophies & awards					
Uniforms		1,532	1,532	603	
Utilities		543,377	543,377		
Total expenses by function	12,232,268	5,757,782	17,990,050	1,965,553	109,173
Less: costs of goods sold included with revenue in the statement of activities		<u>(1,246,607)</u>	<u>(1,246,607)</u>	<u>(686,559)</u>	
Total expenses reported by function in the statement of activities	<u>\$ 12,232,268</u>	<u>\$ 4,511,175</u>	<u>\$ 16,743,443</u>	<u>\$ 1,278,994</u>	<u>\$ 109,173</u>

	Fundraising		2025	2025	2024
	Other Fundraising	Patty Kazmaier Memorial	Total Consolidated Supporting Services	Total Consolidated Expenses	Total Consolidated Expenses
Advertising & promotion	\$	\$	\$ 14,434	\$ 204,093	\$ 185,515
Contract services	71,723	350	112,547	215,926	232,309
Cost of sales			686,559	1,067,919	1,143,309
Credit losses				16,300	7,562
Depreciation & amortization			2,831	1,001,563	996,728
Dues & subscriptions			3,188	6,769	5,801
Employee benefits	79,163		261,680	579,326	352,890
Equipment	1,543	1,983	72,137	312,182	334,855
Game costs				181,768	145,097
Grants - other				529,827	589,759
Grants - USA Hockey, Inc.				11,702,441	8,774,702
Ice time/facility rental		4,275	4,275	4,275	
Insurance	1,828		52,262	162,022	152,971
Interest expense				160,307	198,706
Investment & bank fees	5,588		61,095	149,933	131,582
League expenses				83,959	73,320
Miscellaneous	7,711		35,425	48,689	35,305
Payroll tax	24,452		99,298	183,355	182,160
Postage & shipping	5,461	288	5,883	9,694	10,639
Printing	8,283	2,706	13,965	30,951	28,143
Professional fees	1,603		114,048	183,359	201,666
Property tax				344,239	331,438
Salaries	299,988		989,389	2,319,318	2,316,914
Seminars & education				120,990	124,663
Special events				219,176	340,418
Supplies	107	1,865	43,321	142,761	145,992
Telephone	600		6,747	36,353	32,968
Travel & lodging	38,796	6,950	60,302	67,032	35,262
Trophies & awards	1,954	4,672	6,626	6,626	10,729
Uniforms			603	2,135	1,574
Utilities				543,377	580,160
Total expenses by function	548,800	23,089	2,646,615	20,636,665	17,703,137
Less: costs of goods sold included with revenue in the statement of activities			(686,559)	(1,933,166)	(2,046,955)
Total expenses reported by function in the statement of activities	\$ 548,800	\$ 23,089	\$ 1,960,056	\$ 18,703,499	\$ 15,656,182

See Notes to Consolidating Financial Statements

USA HOCKEY FOUNDATION
BECK ROAD CONCESSIONS, LLC
PLYMOUTH AC, LLC
Consolidating Statement of Cash Flows
For the Year Ended August 31, 2025
(With Comparative Consolidated Totals for 2024)

	<u>USA Hockey Foundation</u>	<u>Beck Road</u>	<u>Plymouth AC</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals 2025</u>	<u>Consolidated Totals 2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in net assets	\$ 5,644,264	\$ (350,625)	\$ 298,560	\$	\$ 5,592,199	\$ 2,881,686
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:						
Loss on disposal of assets						242,332
Unrealized gains on investments	(530,930)				(530,930)	(1,986,034)
Realized gains on investments	(1,196,340)				(1,196,340)	(611,875)
Depreciation and amortization	94,909	2,831	903,823		1,001,563	996,728
Amortization of bond issuance costs			1,539		1,539	7,357
Decrease (increase) in assets:						
Grants receivable	(2,064,642)				(2,064,642)	217,973
Accounts receivable		(5,814)	(43,041)		(48,855)	(61,733)
Pledges receivable, net	(3,111,790)				(3,111,790)	
Inventory		(11,933)	17,726		5,793	(58,719)
Right of use asset		(1,257,809)	7,356	1,257,809	7,356	7,309
Prepaid expenses	(109,785)	9,571	(44,067)		(144,281)	(19,070)
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities	(6,722)	(20,243)	47,954		20,989	98,395
Lease liability		1,257,809	(7,356)	(1,257,809)	(7,356)	(7,309)
Deferred revenue		7,540	(18,119)		(10,579)	39,870
Grants payable to USA Hockey, Inc.	5,756,575				5,756,575	(227,176)
Net cash provided (used) by operating activities	4,475,539	(368,673)	1,164,375		5,271,241	1,519,734

CASH FLOWS FROM INVESTING ACTIVITIES:					
Net proceeds from sale of assets					157,668
Gross proceeds from sale of long-term investments	1,222,074			1,222,074	1,117,988
Purchases of long-term investments	(1,588,101)			(1,588,101)	(1,472,018)
Acquisition of property and equipment			(104,802)	(104,802)	(89,989)
Net cash used by investing activities	(366,027)		(104,802)	(470,829)	(286,351)
CASH FLOWS FROM FINANCING ACTIVITIES:					
Due to/from Beck Road	(95)		(157,080)	157,175	
Due to/from Plymouth AC	(76,720)	157,080		(80,360)	
Due to/from USA Hockey Foundation		95	76,720	(76,815)	
Due to/from USA Hockey, Inc.	(354,665)	197,338	174,873	17,546	193,500
Principal payments on bonds payable			(1,111,946)	(1,111,946)	(1,095,007)
Net cash provided (used) by financing activities	(431,480)	354,513	(1,017,433)	(1,094,400)	(901,507)
NET INCREASE (DECREASE) IN CASH	3,678,032	(14,160)	42,140	3,706,012	331,876
CASH AND CASH EQUIVALENTS, beginning of year	1,560,033	437,263	1,180,819	3,178,115	2,846,239
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 5,238,065</u>	<u>\$ 423,103</u>	<u>\$ 1,222,959</u>	<u>\$ 6,884,127</u>	<u>\$ 3,178,115</u>

See Notes to Consolidating Financial Statements

USA HOCKEY FOUNDATION
PLYMOUTH AC, LLC
BECK ROAD CONCESSIONS, LLC

Notes to Consolidating Financial Statements
For the Year Ended August 31, 2025

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The USA Hockey Foundation (the Foundation) was incorporated on February 7, 1989. The purpose of the Foundation is to raise funds and acquire assets that will enable USA Hockey, Inc. 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.

Basis of Presentation

The financial statements of the Foundation are being presented on a consolidated basis with its subsidiaries 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organizations' cash in their checking and money market accounts. They maintain their cash and cash equivalents at commercial banks. In the unlikely event of a bank failure, they might only be able to recover the amounts insured.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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, which is an estimate of amounts that may not be collectible. 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, 2025 and 2024.

Accounts receivable recognized by Beck Road and Plymouth AC include amounts from contracts with customers. Receivables from contracts with customers at the beginning and end of the period were \$269,809 and \$193,645, respectively.

Notes to Consolidating Financial Statements

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 completion or acquisition. Depreciation is recorded on the buildings using the straight-line method over an estimated useful life of 50 years and on the equipment using the straight-line method over an estimated useful life of three to 10 years.

Capital expenditures exceeding \$10,000 are capitalized and depreciated over the appropriate term according to the capitalization policies in place.

Depreciation expense for the years ended August 31, 2025 and 2024, amounted to \$966,733 and \$961,898, respectively.

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 Foundation's policies. Amortization expense for each of the years ended August 31, 2025 and 2024, amounted to \$34,830.

Deferred Revenue

Deferred revenue, a contract liability, recognized by Beck Road and Plymouth AC represents 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 Beck Road and Plymouth AC. Deferred revenue from contracts with customers at the beginning and end of the period were \$227,584 and \$217,005, respectively.

Notes to Consolidating Financial Statements

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. Contributions also include government programs that qualify as grants.

Total contributions recognized for the year ended August 31, 2025 are as follows:

Without donor restrictions	\$ 275,269
With donor restrictions	<u>4,508,896</u>
	<u>\$ 4,784,165</u>

Revenue from Contracts with Customers

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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Rental income

Plymouth AC leases office and training space to USA Hockey, Inc. and leases restaurant and concession space to Beck Road, pursuant to respective lease agreements.

Note E 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.

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 costs 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.

Advertising

Plymouth AC recognizes revenue from contracts with sponsors and suppliers. Performance obligations in such contracts are satisfied as services are rendered, and therefore, Plymouth AC recognizes revenue over time. Plymouth AC has 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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

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 the 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 includes ticket revenue, naming rights, special events, skating fees, league revenue, and miscellaneous income. Plymouth AC recognizes revenue from all these activities as the public pays for these services and the specified performance obligations are satisfied.

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.

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.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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 Foundation's financial statements for the year ended August 31, 2024, from which the summarized information was derived.

Supplemental Cash Flow Disclosures

Cash flows from operating activities reflect interest paid of \$169,256 and \$193,406 for the years ended August 31, 2025 and 2024, respectively. No income taxes were paid during either year.

Income Taxes

The Foundation qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded. The Foundation is not a private foundation.

The Foundation's Form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date filed.

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 Foundation's exempt purpose could be subject to income tax.

Management of the Foundation believes that it does not have any uncertain tax positions that are material to the financial statements.

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of 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 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. 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.

Date of Management's Review

In preparing the consolidating financial statements, management has evaluated events and transactions for potential recognition or disclosure through November 5, 2025, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

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

Cash and cash equivalents	\$ 6,884,127
Pledges receivable, net	3,161,790
Grants receivable	2,778,748
Accounts receivable	<u>302,985</u>
	13,127,650
Less assets with donor restrictions:	
Donor restrictions - temporary in nature	(8,115,525)
Donor restrictions - perpetual in nature	<u>(175,876)</u>
Financial assets available within one year	<u>\$ 4,836,249</u>

Notes to Consolidating Financial Statements

B. AVAILABLE RESOURCES AND LIQUIDITY - Continued

The Foundation works 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 Foundation has cash and cash equivalents, as well as grants, accounts, and pledges receivable as a current source of liquidity at its disposal.

C. IN-KIND DONATIONS

The Organizations 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.

Contributions of tangible assets are recognized at fair value when received.

The Organizations did not receive any gifts-in-kind during the years ended August 31, 2025 and 2024.

D. PLEDGES RECEIVABLE

Total pledges receivable at August 31, 2025 and 2024 were as follows:

Amounts due in:	<u>2025</u>	<u>2024</u>
Less than one year	\$ 680,000	\$ 50,000
One to five years	2,736,500	
More than five years		
Total	<u>3,416,500</u>	<u>50,000</u>
Unamortized discount	<u>(254,710)</u>	
Net pledges receivable	<u>\$ 3,161,790</u>	<u>\$ 50,000</u>

Pledges receivable beyond one year are discounted using a discount rate based upon the five-year Treasury rate as of the date of the pledge. Discount rates range from 3.97% to 4.17%.

Notes to Consolidating Financial Statements

E. RELATED PARTY TRANSACTIONS

The Foundation leases an office building to USA Hockey, Inc. 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.

Rental income is shown net of rental expenses in the amount of \$62,079 for each of the years ended August 31, 2025 and 2024.

USA Hockey, Inc. provides certain administrative and accounting services to the Foundation for an annual fee of \$1,800. At August 31, 2025 and 2024, USA Hockey, Inc. owed the Foundation \$639,587 and \$284,922, respectively.

During the years ended August 31, 2025 and 2024, the Foundation provided grants to USA Hockey, Inc. under the following programs:

	<u>2025</u>	<u>2024</u>
NHL grant	\$ 11,400,000	\$ 8,375,000
Membership relief fund	162,441	93,160
Disabled hockey events	65,000	65,000
Ron DeGregorio Goaltending Fund	50,000	30,000
Youth Hockey Fund	25,000	8,542
It Starts With A Stick		178,000
Research Project		25,000
	<u>\$ 11,702,441</u>	<u>\$ 8,774,702</u>

At August 31, 2025 and 2024, the Foundation owed USA Hockey, Inc. \$7,410,062 and \$1,653,487, respectively, under the above grant programs.

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 10-year period. The Foundation granted

Notes to Consolidating Financial Statements

E. RELATED PARTY TRANSACTIONS - Continued

Plymouth AC \$1,200,000 during each of the years ended August 31, 2025 and 2024, to assist with providing a wholly owned long-term home for the national team development program to train.

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, 2035.

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. The lease was renewed April 1, 2025, with monthly rent of \$12,830 and an expiration date of March 31, 2035. Rental income is shown net of rental expenses in the amount of \$803,168 and \$841,567 for the years ended August 31, 2025 and 2024, respectively.

As of August 31, 2025, intercompany payables consisted of \$476,888 due to the Foundation from Plymouth AC, \$136,103 due from Beck Road to the Foundation, and \$1,819,121 due from Beck Road to Plymouth AC.

All intercompany activity has been eliminated on the consolidating financial statements.

F. 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 Foundation has the ability to access at the measurement date.

Notes to Consolidating Financial Statements

F. FAIR VALUE MEASUREMENTS - Continued

- 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.
- 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.

The following is a description of valuation methodologies used for assets measured at fair value:

Money market funds, exchange-traded and closed-end funds, mutual funds, U.S. Treasurys, and equities are valued at the closing price reported on the active market on which the individual securities are traded.

U.S. Olympic & Paralympic Endowment (USOPE) portfolio: The Foundation has an undivided interest in a pool of assets. 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 Foundation may terminate its investment agreement with the USOPE effective at the end of any calendar month upon the giving of at least 90 days' written notice or upon shorter notice acceptable to the USOPE if the USOPE determines that adequate liquidity exists in the portfolio to permit early termination.

Notes to Consolidating Financial Statements

F. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at August 31, 2025 and 2024:

<u>Assets at Fair Value as of August 31, 2025</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 557,462	\$	\$	\$ 557,462
Equity securities:				
Equities	11,122,599			11,122,599
Mutual Funds	5,637,233			5,637,233
Debt securities:				
Fixed income	6,099,223			6,099,223
Other investments:				
Private equity LP			1,719,024	1,719,024
USOPE pooled fund		3,066,586		3,066,586
	<u>\$ 23,416,517</u>	<u>\$ 3,066,586</u>	<u>\$ 1,719,024</u>	<u>\$ 28,202,127</u>

<u>Assets at Fair Value as of August 31, 2024</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Money market	\$ 140,029	\$	\$	\$ 140,029
Equity securities:				
Equities	10,510,854			10,510,854
Mutual Funds	3,277,024			3,277,024
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
	<u>\$ 21,000,433</u>	<u>\$ 2,779,593</u>	<u>\$ 1,488,110</u>	<u>\$ 25,268,136</u>

The USOPE investment consists of units in a pooled portfolio managed by the USOPE. At August 31, 2025, the USOPE portfolio consisted of the following types of securities:

Alternative investments	37.82%
Domestic equities	35.49%
International equities	14.52%
Domestic bonds	7.72%
Cash & cash equivalents	<u>4.45%</u>
	<u>100.00%</u>

Notes to Consolidating Financial Statements

F. FAIR VALUE MEASUREMENTS - Continued

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, 2025 and 2024. The reconciliation of changes in value of Level 3 investments for the years ended August 31, 2025 and 2024, is as follows:

Fair value of Select Equity Fund II LP as of September 1, 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
Unrealized gain included in the statement of activities, investment income, for the year ending August 31, 2025	\$ 230,914
Fair value of Select Equity Fund II LP as of August 31, 2025	\$ 1,719,024

The other investments include hedge equity funds, private equity funds, real estate funds and limited partnerships. 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 Foundation's 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 value 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.

Notes to Consolidating Financial Statements

F. FAIR VALUE MEASUREMENTS - Continued

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

	<u>2025</u>	<u>2024</u>
Long-term investments	\$ 22,538,029	\$ 20,444,732
Investments held for others	<u>5,664,098</u>	<u>4,823,404</u>
	<u>\$ 28,202,127</u>	<u>\$ 25,268,136</u>

Investment income consists of the following for the years ended August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Unrealized gains on securities	\$ 530,930	\$ 1,986,034
Realized gains on securities	1,196,340	611,875
Interest and dividends	517,017	454,824
Investment expenses	<u>(93,105)</u>	<u>(82,814)</u>
	<u>\$ 2,151,182</u>	<u>\$ 2,969,919</u>

G. 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 organization's pro rata share of investments and earnings. 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.

Notes to Consolidating Financial Statements

H. LEASES

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

The Organizations have 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.

The Organizations assess whether an arrangement qualifies as a lease at inception and only reassess 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.

As discussed in Note E, 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.

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.

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 expired on March 31, 2025. There are no legally enforceable renewal options in the lease agreement. The lease requires fixed monthly payments of \$18,283. Plymouth AC pays for utilities, maintains the common areas and the grounds, as well as any additional costs associated with the building.

Notes to Consolidating Financial Statements

H. LEASES - Continued

The lease was renewed effective April 1, 2025. The lease will expire on March 31, 2035, and requires fixed monthly payments of \$12,830. There are no additional options to renew or extend the lease term.

The Organizations has short-term leases for equipment during the years ended August 31, 2025 and 2024.

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
2025	\$	\$ 7,428
2026	<u>6,809</u>	<u>6,809</u>
Total lease payments	6,809	14,237
Less: interest	<u>(22)</u>	<u>(94)</u>
Present value of lease liabilities	<u>\$ 6,787</u>	<u>\$ 14,143</u>
	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term	0.92 years	1.92 years
Weighted Average Discount Rate	0.66%	0.66%

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, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease rent, included in supporting service expenses	\$ 7,428	\$ 7,428
Short term lease rent, included in program service expenses	25,421	21,208
Short term lease rent, included in supporting service expenses	<u>4,247</u>	<u>4,627</u>
Total lease expense	<u>\$ 37,096</u>	<u>\$ 33,263</u>

Plymouth AC, as the lessor to Beck Road, received lease payments of \$192,129 and expects to receive \$153,960 of undiscounted future minimum rents from Beck Road under this lease during the year ended August 31, 2026. The lease does not include an option for the lessee to purchase the property. The property related to the lease with Beck Road has an overall carrying value of \$18,660,122.

Notes to Consolidating Financial Statements

H. LEASES - Continued

Plymouth AC leases the arena and office space in the building to USA Hockey. Plymouth AC received \$350,000 under this lease during the year ended August 31, 2025. Plymouth AC expects to receive the following in undiscounted future minimum rents from USA Hockey during the years ending August 31:

2026	\$	350,000
2027		350,000
2028		350,000
2029		350,000
2030		350,000
Thereafter		1,604,167

The Foundation leases office space to USA Hockey. The Foundation received \$367,500 under this lease during the year ended August 31, 2025. The Foundation expects to receive the following in undiscounted future minimum rents from USA Hockey during the respective fiscal years ending August 31:

2026	\$	367,500
2027		367,500
2028		367,500
2029		122,500

The office building being rented by the Foundation to USA Hockey, Inc. has a carrying value of \$3,103,937.

I. 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 were refinanced and retired as part of the new 2015 bond structure.

Notes to Consolidating Financial Statements

I. BONDS PAYABLE - Continued

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. 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.

Notes to Consolidating Financial Statements

I. 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, 2025 and 2024, the face amounts of the bonds were \$5,238,883 and \$6,350,829, respectively, and the unamortized debt issuance costs were \$7,053 and \$8,592, respectively.

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

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

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 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 ending August 31, 2022, the Organizations 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 were recognized as revenue by the Organizations. As of August 31, 2025, \$26,792 of the credit recognized as revenue was still outstanding.

Notes to Consolidating Financial Statements

K. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at August 31, 2025 and 2024, consist of pledges and amounts received that are restricted for the following programs:

	<u>2025</u>	<u>2024</u>
Arena Capital Campaign	\$ 3,102,342	\$ 334,736
Friends of Women's Hockey	1,283,429	699,454
Men's National Team	559,293	3,000
2026 Olympics	471,342	242,806
James Johansson Legacy Fund	435,037	438,537
Brianna Decker Endowment Fund	356,784	358,339
Youth hockey	349,629	334,699
National Team development	339,655	339,655
Patty Kazmaier Memorial	202,899	209,488
B. Burke Internship	202,711	200,830
Wisconsin Affiliate Fund	138,465	50,000
Ron DeGregorio Goaltending Fund	103,928	145,456
Women's Sled Hockey Team	97,529	46,579
Walter Bush fund	65,476	65,476
Women's goalie coach	60,000	
Try Hockey for Free Equipment	55,556	55,556
Junior Goaltending Camp - Plymouth MI	50,000	50,000
Resource library	33,885	33,885
Membership relief fund	33,526	195,506
Wounded Warriors/disabled program	27,364	10,461
Sled Hockey Team - Paralympic	25,567	15,485
DEI - Sherman Fairchild Foundation	25,000	25,000
Atlantic affiliate assist fund	24,988	24,988
Boston Bruins Assistance Fund	18,220	
Brian Fishman Memorial	15,917	13,306
Heads Up Don't Duck program	10,000	10,000
Rink conversion program	8,511	8,511
Pass It Forward	7,863	7,863
Hockey Hispana	4,032	1,595
It Starts With A Stick	3,907	3,907
International player development	1,750	1,750
Special Hockey National Team	820	820
Referee program	100	100
Disabled youth program		25,000
Disabled hockey		5,364
	<u>\$ 8,115,525</u>	<u>\$ 3,958,152</u>

Notes to Consolidating Financial Statements

K. 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, 2025 and 2024, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2025</u>	<u>2024</u>
Membership relief fund	\$ 162,441	\$ 93,160
Ron DeGregorio Goaltending Fund	53,000	30,875
Youth hockey	46,343	57,542
Disabled hockey	35,342	105,000
Patty Kazmaier Memorial	23,089	27,609
Brianna Decker Endowment Fund	14,000	10,000
Boston Bruins Assistance Fund	6,780	
Wisconsin Affiliate Fund	6,587	
James Johannson Legacy Fund	5,000	5,000
Hockey Hispana	3,433	9,195
It Starts With A Stick		178,000
	<u>\$ 356,015</u>	<u>\$ 516,381</u>

L. NET ASSETS WITH DONOR RESTRICTIONS - PERPETUAL IN NATURE

Net assets with donor restrictions - perpetual in nature for the Foundation at August 31, 2025, consist entirely of the Brian Fishman Memorial fund, which is restricted in perpetuity (Note M).

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, 2025 and 2024, the underlying assets of the endowment fund are included in the statement of financial position as cash.

Notes to Consolidating Financial Statements

M. 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 and 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 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.

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. The Foundation expends this fund's investment earnings for the restricted purpose.

Notes to Consolidating Financial Statements

M. ENDOWMENT FUNDS - Continued

	<u>Temporarily Restricted</u>	<u>Perpetually Restricted</u>	<u>Total</u>
Endowment net assets, August 31, 2023	\$ 10,105	\$ 173,876	\$ 183,981
Contributions		2,000	2,000
Investment income	<u>3,201</u>	<u> </u>	<u>3,201</u>
Endowment net assets, August 31, 2024	13,306	175,876	189,182
Contributions			
Investment income	<u>2,611</u>	<u> </u>	<u>2,611</u>
Endowment net assets, August 31, 2025	<u>\$ 15,917</u>	<u>\$ 175,876</u>	<u>\$ 191,793</u>

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 perpetually restricted net assets.

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.

N. RETIREMENT PLAN

The Organizations maintain a defined contribution, Section 403(b) retirement plan for its employees by enrolling them in the USA Hockey, Inc. retirement plan. To be eligible, an employee must be 21 years of age and they are immediately eligible to make elective deferrals.

Notes to Consolidating Financial Statements

N. RETIREMENT PLAN - Continued

Employees are able to make pre-tax contributions to the plan up to the dollar and percentage limits set by law.

The Organizations make matching contributions of up to 4% of the salary of each employee who elects to defer wages and meet the plan requirements. The Organizations also make semi-annual discretionary contributions for all eligible employees who also meet the plan requirements. Total pension expense for the years ended August 31, 2025 and 2024, was \$117,406 and \$128,585, respectively.

O. 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 Organizations in the coming year.