

Amateur Hockey Association Illinois, Inc.

**Financial Statements
For the Year Ended May 31, 2024**

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

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MAZZONI AND ASSOCIATES, PC
CERTIFIED PUBLIC ACCOUNTANTS
255N BUFFALO GROVE ROAD
BUFFALO GROVE, IL 60089
PHONE: (847) 253-9310
FAX: (847) 807-1193

Steve Mazzoni, CPA, MST
Kathy Mazzoni, CPA

Independent Auditor's Report

To the Board of Directors
Amateur Hockey Association Illinois, Inc.
Warrenville, 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, 2024 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, 2024, 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

Buffalo Grove, Illinois
February 28, 2025

Type text

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Statement of Financial Position
May 31, 2024

Assets

Current assets	
Cash and cash equivalents	\$ 2,905
Restricted cash and cash equivalents	421,373
Short-term investments	5,024
Accounts receivable-officiating	85,830
Grants receivable	16,342
Prepaid expenses	<u>3,600</u>
Total current assets	<u>535,074</u>
Long-term investments	<u>573,660</u>
Equipment	
Equipment	26,181
Accumulated depreciation	<u>(26,181)</u>
Net equipment	<u>-</u>
Total assets	\$ <u><u>1,108,734</u></u>

Liabilities and Net Assets

Current liabilities	
Accounts payable	\$ 66,362
Accounts payable-officiating	98,391
Deferred revenue	<u>29,130</u>
Total current liabilities	<u>193,883</u>
Net assets	
Without donor restrictions	493,478
With donor restrictions	<u>421,373</u>
Total net assets	<u>914,851</u>
Total liabilities and net assets	\$ <u><u>1,108,734</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, 2024

	Without Restrictions	With Restrictions	Total
Revenue and support			
Registration fees	\$ 367,958	\$ -	\$ 367,958
Participation fees	368,969		368,969
Grants and donations	97,630	407,154	504,784
Officiating fees	2,808,635		2,808,635
Investment return, net of expenses	50,940		50,940
Miscellaneous	69,897		69,897
Net assets released from restrictions	317,538	(317,538)	
Total revenue and support	<u>4,081,567</u>	<u>89,616</u>	<u>4,171,183</u>
Expenses			
Program services			
Events and programs for members	3,816,087		3,816,087
Supporting services			
Management and general	315,061		315,061
Fundraising	26,447		26,447
Total expenses	<u>4,157,595</u>	<u>-</u>	<u>4,157,595</u>
Change in net assets	(76,028)	89,616	13,588
Net assets, beginning of year	<u>569,506</u>	<u>331,757</u>	<u>901,263</u>
Net assets, end of year	<u>\$ 493,478</u>	<u>\$ 421,373</u>	<u>\$ 914,851</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, 2024

	Events and Programs for Members	Management and General	Fundraising	Total
Awards	\$ 54,289	\$ 3,594	\$	\$ 57,883
Bank charges		18,952		18,952
Computer services	20,409	2,032		22,441
Donations			12,600	12,600
Hospitality	50,223	3,811		54,034
Ice fees	291,955			291,955
Insurance		614		614
Jerseys and equipment	59,546			59,546
Legal fees		46,120		46,120
Meeting expenses	22,119	35,966		58,085
Miscellaneous expense	11,308	8,681		19,989
Officials	2,715,530			2,715,530
Official development	853			853
One Goal grant	8,124			8,124
Player development	11,375			11,375
Postage and mailing	2,677	3,019		5,696
Printed materials	6,703	6,090	685	13,478
Professional fees	331,353	51,588		382,941
Rental	11,116	7,194		18,310
Registrations	28,395			28,395
Supplies	13,010	4,184		17,194
Telephone	7,210	5,520		12,730
Travel	109,865	46,969		156,834
Wages and payroll taxes	60,027	70,727	13,162	143,916
Total expenses	\$ 3,816,087	\$ 315,061	\$ 26,447	\$ 4,157,595

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, 2024

Cash flows from operating activities	
Change in net assets	\$ 13,588
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Realized gains on investments	(15,210)
Unrealized losses on investments	128
(Increase) decrease in assets:	
Accounts receivable	22,961
Grants receivable	4,567
Prepaid expenses	26,511
Increase (decrease) in liabilities:	
Accounts payable	32,959
Deferred revenue	7,515
Net cash provided by operating activities	<u>93,019</u>
Cash flows from investing activities	
Sales of short-term investments	3,326
Purchases of long-term investments	(56,994)
Sales/maturities of long-term investments	<u>20,506</u>
Net cash (used in) investing activities	<u>(33,162)</u>
Net increase in cash and cash equivalents	59,857
Cash and cash equivalents, beginning of year	<u>364,421</u>
Cash and cash equivalents, end of year	<u><u>\$ 424,278</u></u>
Cash and cash equivalents consists of the following:	
Cash and cash equivalents	\$ 2,905
Restricted cash and cash equivalents	<u>421,373</u>
Total cash and cash equivalents	<u><u>\$ 424,278</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, and money market accounts. For the purpose of the statement of cash flows, the Organization considers all highly liquid instruments purchased with a maturity of three months or less to be cash 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 and allowance for credit losses

The Organization treats uncollectible contributions and accounts receivable balances as credit losses. Methods, inputs, and assumptions used to evaluate when accounts receivable is considered uncollectible include closely monitoring of outstanding accounts receivable balances by management, payment history of outstanding accounts receivable balances, and susceptibility to factors outside the Organization's control. It is the opinion of the board of directors that the Organization will ultimately prevail and accordingly, no allowance for credit losses is deemed necessary as of May 31, 2024.

Grants receivable

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

Equipment

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 is recorded at cost. Depreciation is recorded using the straight-line method over five to seven years.

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, 2024 the Organization is no longer subject to examination by federal and state taxing authorities for periods ending before 2020.

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 February 28, 2025, the date that the financial statements were available to be issued.

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	\$ 5,024	\$ 5,024
U.S. Government note and bonds	46,473	41,770
U.S. Agency mortgage obligations	30,241	27,300
Mutual funds	119,466	103,513
Common stock	98,142	99,182
USA Hockey Foundation pooled fund	<u>200,000</u>	<u>301,895</u>
 Total investments	 <u>\$ 499,346</u>	 <u>\$ 578,684</u>

The following schedule summarizes investment returns for the year ended May 31, 2024:

Interest and dividend income	\$ 39,243
Advisory fees	(3,385)
Realized gains on investments	15,210
Unrealized (losses) on investments	<u>(128)</u>
 Total investment return, net of expenses	 <u>\$ 50,940</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, 2024.

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, 2024:

	Assets at Fair Value as of May 31, 2024			
	Level 1	Level 2	Level 3	Total
Short-term investments	\$ 5,024	\$	\$	\$ 5,024
U.S. Government securities	69,070			69,070
Mutual funds	103,513			103,513
Common stocks	99,182			99,182
USA Hockey Foundation pooled fund		301,895		301,895
Total investments	<u>\$ 276,789</u>	<u>\$ 301,895</u>	<u>\$</u>	<u>\$ 578,684</u>

The above categories include \$200,000 at May 31, 2024 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, 2024, the USAHF portfolio consisted of the following types of securities:

Equities	67.38%
Taxable bonds	31.86%
Cash & cash equivalents	<u>0.76%</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 – Net assets with donor restrictions

Net assets with donor restrictions at May 31, 2024, consist of the following:

Safe Sport Initiative	\$	2,458
Diversity (HIFE)		115,001
Goalkeeper Program		15,303
Cross Ice Program		10,224
Hornets Youth Sled Hockey		9,647
Blackhawks Warriors Hockey		71,419
Blackhawks Special Hockey		113,212
Blackhawks Blind Hockey		23,939
Blind Hockey USA		60,170
	\$	421,373

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

Note 6 – Support

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

Note 7 – 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 8 – Concentration of credit risk

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash and savings accounts in financial institutions, which from time to time exceed the Federal Depository Insurance Corporation limits. Amounts exceeding federally insured limits totaled approximately \$135,000 at May 31, 2024.

AMATEUR HOCKEY ASSOCIATION ILLINOIS, INC.

Notes to Financial Statements

Note 9 – 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. The Organization also has investments that can be accessed to meet cash needs. Refer to the statement of cash flows which identifies the sources and uses of the Organization's cash.

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	\$	424,278
Short-term investments		5,024
Accounts receivable		85,830
Grants receivable		16,342
Less cash and cash equivalents with donor restrictions		<u>(421,373)</u>
	\$	<u>110,101</u>

Note 10 – Contingency

The Organization is involved in one lawsuit in the normal course of business. Management cannot predict the outcome of the lawsuit or estimate the amount of any loss that may result. In the opinion of management, any loss 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 this lawsuit.