



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

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, Inc.
USA Hockey Foundation and subsidiaries
Hockey and Rink Protection, Inc.
Colorado Springs, Colorado

Opinion

We have audited the accompanying consolidating financial statements of USA Hockey, Inc., USA Hockey Foundation and subsidiaries, and Hockey and Rink Protection, Inc. (non-profit organizations), which comprise the consolidating statement of financial position as of August 31, 2025, and the related consolidating statements of activities and changes in net assets, functional expenses, and cash flows for the year then ended, and the related notes to the consolidating financial statements.

In our opinion, based on our audit and the report of other auditors, the consolidating financial statements referred to above present fairly, in all material respects, the financial position of USA Hockey, Inc., USA Hockey Foundation and subsidiaries, and Hockey and Rink Protection, Inc. as of August 31, 2025, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

maintenance of internal control relevant to the preparation and fair presentation of consolidating financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibility for the Audit of the Financial Statements

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

We did not audit the financial statements of Hockey and Rink Protection, Inc., a wholly owned subsidiary, which statements reflect total assets of \$5,933,966 as of August 31, 2025, and total support and revenues of \$605,114 for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for Hockey and Rink Protection, Inc., is based solely on the report of the other auditors.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis,

evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of USA Hockey, Inc.'s, USA Hockey Foundation and subsidiaries', and Hockey and Rink Protection, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about USA Hockey, Inc.'s, USA Hockey Foundation and subsidiaries', and Hockey and Rink Protection, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

Report on Summarized Comparative Information

We have previously audited USA Hockey, Inc.'s August 31, 2024, consolidating financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 30, 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, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidating Statement of Financial Position
August 31, 2025
(With Comparative Consolidated Totals for 2024)

	USA Hockey, Inc.	USA Hockey Foundation and Subsidiaries	Hockey and Rink Protection, Inc.	Eliminating Entries	Consolidated Totals 2025	Consolidated Totals 2024
ASSETS						
CURRENT ASSETS:						
Cash and cash equivalents	\$ 33,694,152	\$ 6,884,127	\$ 373,412		\$ 40,951,691	\$ 34,417,675
Restricted cash	297,170				297,170	292,164
Short-term investments			4,939,459		4,939,459	4,589,293
Accounts receivable	2,068,601	302,985			2,371,586	3,492,503
Grants receivable		2,778,748			2,778,748	695,988
Current portion of pledges receivable		680,000			680,000	50,000
Due from USA Hockey Foundation	1,289,786			(1,289,786)		
Due from USOPC	1,291,375				1,291,375	1,132,000
Inventory		253,065			253,065	258,858
Grants receivable from USA Hockey Foundation	7,410,062			(7,410,062)		
Prepaid expenses	<u>4,016,744</u>	<u>773,708</u>			<u>4,790,452</u>	<u>3,078,609</u>
Total current assets	50,067,890	11,672,633	5,312,871	(8,699,848)	58,353,546	48,007,090
LONG-TERM INVESTMENTS		22,538,029			22,538,029	20,444,732
LONG-TERM PLEDGES RECEIVABLE, RECEIVABLE, net		2,481,790			2,481,790	
INVESTMENTS HELD FOR OTHERS		5,664,098			5,664,098	4,823,404
PROPERTY AND EQUIPMENT - at cost	9,092,012	35,743,174			44,835,186	45,230,635
Less accumulated depreciation	<u>(8,468,653)</u>	<u>(10,709,188)</u>			<u>(19,177,841)</u>	<u>(18,487,357)</u>
Property and equipment, net	623,359	25,033,986			25,657,345	26,743,278
RIGHT-OF-USE ASSETS	4,708,436	6,787		(4,323,434)	391,789	426,484
OTHER ASSETS:						
Artwork		290,000			290,000	290,000
Other assets			621,095		621,095	743,042
Investment in HARP	750,000			(750,000)		
Intangible assets, net of amortization of \$362,774 and \$327,984		159,639			159,639	194,469
Total other assets	<u>750,000</u>	<u>449,639</u>	<u>621,095</u>	<u>(750,000)</u>	<u>1,070,734</u>	<u>1,227,511</u>
TOTAL ASSETS	<u>\$ 56,149,685</u>	<u>\$ 67,846,962</u>	<u>\$ 5,933,966</u>	<u>\$ (13,773,282)</u>	<u>\$ 116,157,331</u>	<u>\$ 101,672,499</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:

Accounts payable and accrued liabilities	\$ 6,014,603	\$ 275,720	\$ 1,399,731	\$	\$ 7,690,054	\$ 5,667,831
Accrued payroll and related benefits	945,089	158,659			1,103,748	1,271,220
Deferred revenue	28,270,140	217,005			28,487,145	24,752,190
Due to USA Hockey, Inc.		1,289,786		(1,289,786)		
Lease liability current portion	770,516	6,787		(652,451)	124,852	178,311
Grants payable to USA Hockey, Inc.		7,410,062		(7,410,062)		
Current portion of bonds payable		<u>1,062,973</u>			<u>1,062,973</u>	<u>1,111,946</u>
Total current liabilities	36,000,348	10,420,992	1,399,731	(9,352,299)	38,468,772	32,981,498
INVESTMENTS HELD FOR OTHERS		5,664,098			5,664,098	4,823,404
LONG-TERM LIABILITIES:						
Long-term lease liability	3,948,916			(3,670,983)	277,933	254,632
Bonds payable, net		<u>4,168,856</u>			<u>4,168,856</u>	<u>5,230,291</u>
Total liabilities	39,949,264	20,253,946	1,399,731	(13,023,282)	48,579,659	43,289,825
NET ASSETS:						
Net assets without donor restrictions	15,247,222	39,301,615	4,534,235	(750,000)	58,333,072	53,456,228
Net assets with donor restrictions	<u>953,199</u>	<u>8,291,401</u>			<u>9,244,600</u>	<u>4,926,446</u>
Total net assets	<u>16,200,421</u>	<u>47,593,016</u>	<u>4,534,235</u>	<u>(750,000)</u>	<u>67,577,672</u>	<u>58,382,674</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 56,149,685</u>	<u>\$ 67,846,962</u>	<u>\$ 5,933,966</u>	<u>\$ (13,773,282)</u>	<u>\$ 116,157,331</u>	<u>\$ 101,672,499</u>

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidating Statement of Activities and Changes in Net Assets
For the Year Ended August 31, 2025
(With Comparative Consolidated Totals for 2024)

	<u>USA Hockey, Inc.</u>	<u>USA Hockey Foundation and Subsidiaries</u>	<u>Hockey and Rink Protection, Inc.</u>	<u>Eliminating Entries</u>	<u>Consolidated Totals 2025</u>	<u>Consolidated Totals 2024</u>
CHANGE IN NET ASSETS WITHOUT						
DONOR RESTRICTIONS						
SUPPORT AND REVENUE:						
Membership registrations and dues	\$ 38,803,574	\$	\$	\$	\$ 38,803,574	\$ 37,429,513
National Hockey League		12,600,000			12,600,000	9,575,000
Tournaments and exhibitions	4,577,230			(8,960)	4,568,270	6,008,737
Corporate sponsorship	3,297,818				3,297,818	3,038,189
Investment income, net	468,136	2,146,690	355,114		2,969,940	4,168,714
Employee retention credit	2,434,594				2,434,594	
Plymouth income, net		2,626,672		(339,839)	2,286,833	2,400,108
Rental income, net		1,752,981		(717,500)	1,035,481	962,512
Other income	949,169	8,082		(17,780)	939,471	985,658
Advertising and merchandise sales	88,213	372,616			460,829	366,347
Contributions and other grants	73,564	275,269			348,833	582,984
Corporate sponsorship VIK	337,440				337,440	515,642
USA Hockey Foundation grants	11,702,441			(11,702,441)		
Insurance premiums			250,000	(250,000)		
USOPC grants						428,000
Loss on disposal of assets						(242,332)
Satisfied program restrictions	<u>1,819,281</u>	<u>356,015</u>			<u>2,175,296</u>	<u>1,569,840</u>
Total support and revenue	64,551,460	20,138,325	605,114	(13,036,520)	72,258,379	67,788,912
EXPENSES:						
Program services:						
Membership services and development	14,858,415		370,570	(250,000)	14,978,985	14,183,443
International programs	12,816,608			(144,294)	12,672,314	13,076,308
National team development	5,092,030			(541,382)	4,550,648	4,263,566
Plymouth arena programs		4,511,175		(26,740)	4,484,435	4,335,651
Officials	3,682,126			(4,163)	3,677,963	3,191,946
Player development	3,005,793	12,232,268		(11,702,441)	3,535,620	3,621,052
American development model	2,360,347				2,360,347	2,291,490
Coaching	1,541,741				1,541,741	1,102,149
Annual & Mid-Winter Meetings	1,371,811				1,371,811	1,370,684
Adult hockey	964,162				964,162	806,186
Youth program	917,048				917,048	994,715
Junior program	<u>811,298</u>				<u>811,298</u>	<u>728,459</u>
Total program services	47,421,379	16,743,443	370,570	(12,669,020)	51,866,372	49,965,649

Supporting services:						
General and administrative	9,047,665	1,388,167		(367,500)	10,068,332	10,561,409
Marketing and fundraising	<u>4,874,941</u>	<u>571,889</u>			<u>5,446,830</u>	<u>4,637,617</u>
Total supporting services	<u>13,922,606</u>	<u>1,960,056</u>		<u>(367,500)</u>	<u>15,515,162</u>	<u>15,199,026</u>
Total expenses	<u>61,343,985</u>	<u>18,703,499</u>	<u>370,570</u>	<u>(13,036,520)</u>	<u>67,381,534</u>	<u>65,164,675</u>
CHANGE IN NET ASSETS						
WITHOUT DONOR RESTRICTIONS	3,207,475	1,434,826	234,544		4,876,845	2,624,237
CHANGE IN NET ASSETS WITH						
DONOR RESTRICTIONS:						
Contributions		4,508,896			4,508,896	742,779
USOPC grants	1,980,061				1,980,061	1,301,000
Investment income, net		4,492			4,492	6,995
Less satisfied program						
restrictions	<u>(1,819,281)</u>	<u>(356,015)</u>			<u>(2,175,296)</u>	<u>(1,569,840)</u>
CHANGE IN NET ASSETS WITH						
DONOR RESTRICTIONS	<u>160,780</u>	<u>4,157,373</u>			<u>4,318,153</u>	<u>480,934</u>
CHANGE IN NET ASSETS	3,368,255	5,592,199	234,544		9,194,998	3,105,171
NET ASSETS, beginning of year	<u>12,832,166</u>	<u>42,000,817</u>	<u>4,299,691</u>	<u>(750,000)</u>	<u>58,382,674</u>	<u>55,277,503</u>
NET ASSETS, end of year	<u>\$ 16,200,421</u>	<u>\$ 47,593,016</u>	<u>\$ 4,534,235</u>	<u>\$ (750,000)</u>	<u>\$ 67,577,672</u>	<u>\$ 58,382,674</u>

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidated Statement of Functional Expenses
For the Year Ended August 31, 2025
(With Comparative Consolidated Totals for 2024)

	Membership Services & Development	International Programs	National Team Development	Plymouth Arena Programs	Officials	Player Development	American Development Model	Coaching	Annual & Mid-Winter Meetings
Advertising & promotion	\$ 14,463			\$ 189,659			\$ 54,000		\$ 296,632
Audio/visual								360	
Building rent									
Computer maintenance & support	3,617		33,510						
Contract services	202,170	86,001	492,669	103,379	267,667	38,996	45,231	238,336	12,550
Corporate sponsor - VIK		154,480	131,087			11,990	6,411		
Cost of goods sold				381,360					
Credit losses				16,300					
Depreciation & amortization	41,446	24,646	37,186	998,732	12,712		18,287	11,575	
Dues & subscriptions	23,299	178,940	7,273	3,581	34,203	1,266	11,329	2,720	
Employee benefits	596,160	336,541	554,153	317,646	174,973		391,274	54,265	
Equipment	28,347	506,816	14,195	240,045	53,658	1,377	13,116	92,192	557
Game costs				181,768					
Grants		1,835,726				1,773,242			
Honoraria		2,122,780	375,208		430,173	228,694	1,190	356,765	
Ice rental	5,255	54,891	6,949		39,551	83,847	405	2,195	
Insurance	9,459,141	176,223		109,760					
Interest				160,307					
Investment & bank fees	951,422	14,996		88,838	75,525	17,941	20	76,098	
League expenses				83,959					
Other	9,223	230,181	7,626	13,264	58,169	9,548	6,166	5,087	11,708
Payroll taxes	158,761	106,265	114,721	84,057	52,784		99,154	11,561	
Postage & freight	831,054	362,937	4,406	3,811	117,501	18,212	5,572	2,856	1,534
Printing & publications	379,562	410	500	16,986	137,418	10,442	127	15,098	2,663
Professional fees				69,311					
Property tax				344,239					
Repairs & maintenance			1,600					143	
Salaries	1,864,311	1,344,440	1,446,459	1,329,929	633,603		1,250,799	126,611	
Seminars & education				120,990					
Special events				192,436					
Supplies	4,500	194,809	373,268	99,440	19,941	77,302	17,916	46,085	6,686
Support for STAR									
Telephone	25,736	9,462	19,817	29,606	22,701	663	9,201	2,826	8
Travel	194,229	4,792,405	918,845	6,730	1,356,796	1,056,795	405,294	454,274	1,026,689
Trophies & awards	3,246	25,771	2,157		37,242	2,812			12,784
Uniforms	183,043	113,594	9,019	1,532	153,346	202,493	24,855	42,694	
Utilities				543,377					
Vehicle expenses									
Total expenses by function	14,978,985	12,672,314	4,550,648	5,731,042	3,677,963	3,535,620	2,360,347	1,541,741	1,371,811
Less: costs of goods sold included with revenue on the statement of activities				(1,246,607)					
Total expenses reported by function in the statement of activities	\$ 14,978,985	\$ 12,672,314	\$ 4,550,648	\$ 4,484,435	\$ 3,677,963	\$ 3,535,620	\$ 2,360,347	\$ 1,541,741	\$ 1,371,811

	2025				2025		2024	
	Adult	Youth	Junior	Total	General &	Marketing &	Consolidated	Consolidated
	Hockey	Program	Program	Consolidated	Administrative	Fundraising	Total Expenses	Total Expenses
				Program Services				
Advertising & promotion	\$ 26,679			\$ 284,801	\$ 58,795	\$ 419,586	\$ 763,182	\$ 906,202
Audio/visual				296,992			296,992	285,189
Building rent					108,595		108,595	103,699
Computer maintenance & support				37,127	734,761		771,888	648,956
Contract services	210,441	7,886	110	1,705,436	716,842	574,429	2,996,707	3,043,768
Corporate sponsor - VIK			25,738	329,706		7,734	337,440	515,642
Cost of goods sold				381,360	686,559		1,067,919	1,143,309
Credit losses				16,300			16,300	80,887
Depreciation & amortization	3,913			1,148,497	77,066		1,225,563	1,375,769
Dues & subscriptions		30	750	263,391	86,417	1,100	350,908	280,403
Employee benefits	25,131	118,446		2,568,589	945,431	264,704	3,778,724	3,971,055
Equipment	45,679	2,148	962	999,092	222,460	47,684	1,269,236	1,224,064
Game costs				181,768			181,768	145,097
Grants			660,430	4,269,398	2,000		4,271,398	4,903,364
Honoraria	12,024	3,200	10,400	3,540,434		61,493	3,601,927	3,328,980
Ice rental	201,109			394,202	40,000	467,283	901,485	994,179
Insurance				9,745,124	538,579	1,828	10,285,531	9,781,307
Interest				160,307			160,307	198,706
Investment & bank fees	18,231			1,243,071	147,202	5,828	1,396,101	1,305,428
League expenses				83,959			83,959	73,320
Other	72,445	79	986	424,482	782,929	108,334	1,315,745	1,168,276
Payroll taxes	10,948	45,794		684,045	302,438	81,580	1,068,063	987,057
Postage & freight	7,430	3,326	8,165	1,366,804	21,803	14,530	1,403,137	1,249,403
Printing & publications	3,146			566,352	9,392	13,798	589,542	503,176
Professional fees				69,311	485,828	58,499	613,638	547,829
Property tax				344,239			344,239	331,438
Repairs & maintenance				1,743	121,532		123,275	104,152
Salaries	127,289	564,793		8,688,234	3,798,807	1,056,699	13,543,740	12,740,097
Seminars & education				120,990			120,990	124,663
Special events				192,436			192,436	247,247
Supplies	1,326	11,140	5,009	857,422	106,238	51,209	1,014,869	953,323
Support for STAR					125,000		125,000	125,000
Telephone		3,067		123,087	49,220	2,081	174,388	189,058
Travel	87,662	54,075	96,128	10,449,922	419,841	2,195,384	13,065,147	11,874,349
Trophies & awards	109,651	101,775	253	295,691	69,649	9,243	374,583	437,229
Uniforms	1,058	1,289	2,367	735,290	1,775	3,804	740,869	637,013
Utilities				543,377	84,883		628,260	669,588
Vehicle expenses					10,849		10,849	13,408
Total expenses by function	964,162	917,048	811,298	53,112,979	10,754,891	5,446,830	69,314,700	67,211,630
Less: costs of goods sold included with revenue on the statement of activities				(1,246,607)	(686,559)		(1,933,166)	(2,046,955)
Total expenses reported by function in the statement of activities	\$ 964,162	\$ 917,048	\$ 811,298	\$ 51,866,372	\$ 10,068,332	\$ 5,446,830	\$ 67,381,534	\$ 65,164,675

See Notes to Consolidating Financial Statements

USA HOCKEY, INC.
USA HOCKEY FOUNDATION AND SUBSIDIARIES
HOCKEY AND RINK PROTECTION, INC.
Consolidating Statement of Cash Flows
For the Year Ended August 31, 2025
(With Comparative Consolidated Totals for 2024)

	USA Hockey, Inc.	USA Hockey Foundation and Subsidiaries	Hockey and Rink Protection, Inc.	Eliminating Entries	Consolidated Totals 2025	Consolidated Totals 2024
CASH FLOWS FROM OPERATING ACTIVITIES:						
Change in net assets	\$ 3,368,255	\$ 5,592,199	\$ 234,544	\$	\$ 9,194,998	\$ 3,105,171
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:						
Depreciation and amortization	224,000	1,001,563			1,225,563	1,375,769
Amortization of bond issuance costs		1,539			1,539	7,357
Loss on disposal of asset						242,332
Realized (gains) losses on investments		(1,196,340)			(1,196,340)	(524,614)
Unrealized gains on investments		(530,930)	(18,562)		(549,492)	(2,389,482)
Decrease (increase) in assets:						
Accounts receivable	1,151,654	(48,855)			1,102,799	(1,792,452)
Grants receivable		(2,064,642)			(2,064,642)	217,973
Pledges receivable		(3,111,790)			(3,111,790)	
Due from USOPC	(159,375)				(159,375)	(198,000)
Inventory		5,793			5,793	(58,719)
Grants receivable from USA Hockey Foundation	(5,756,575)			5,756,575		
Prepaid expenses	(1,567,562)	(144,281)			(1,711,843)	(306,423)
Right of use asset	(2,584,712)	7,356			(2,577,356)	(1,674,112)
Other assets					121,947	97
Increase (decrease) in liabilities:						
Accounts payable and accrued liabilities	1,857,913	20,989	114,692		1,993,594	(40,715)
Accrued payroll and related benefits	(138,843)				(138,843)	302,221
Lease liability	2,589,250	(7,356)			2,581,894	1,680,570
Deferred revenue	3,745,534	(10,579)			3,734,955	888,842
Grants payable to USA Hockey, Inc.		5,756,575		(5,756,575)		
Net cash provided by operating activities	2,729,539	5,271,241	452,621		8,453,401	835,815

CASH FLOWS FROM INVESTING ACTIVITIES:					
Net proceeds from sale of assets					157,668
Acquisition of property and equipment	(104,802)			(104,802)	(271,736)
Purchase of long-term and available for sale investments	(1,588,101)	(331,604)		(1,919,705)	(1,806,937)
Proceeds from long-term and available for sale investments	<u>1,222,074</u>			<u>1,222,074</u>	<u>2,152,988</u>
Net cash provided (used) by investing activities	(470,829)	(331,604)		(802,433)	231,983
CASH FLOWS FROM FINANCING ACTIVITIES:					
Due to/from USA Hockey, Inc.	17,546		(17,546)		
Due to/from USA Hockey Foundation	(17,546)		17,546		
Principal payments on bonds payable	<u>(1,111,946)</u>			<u>(1,111,946)</u>	<u>(1,095,007)</u>
Net cash provided (used) by financing activities	(17,546)	(1,094,400)		(1,111,946)	(1,095,007)
NET INCREASE (DECREASE) IN CASH	2,711,993	3,706,012	121,017	6,539,022	(27,209)
CASH AND CASH EQUIVALENTS, beginning of year	<u>31,279,329</u>	<u>3,178,115</u>	<u>252,395</u>	<u>34,709,839</u>	<u>34,737,048</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 33,991,322</u>	<u>\$ 6,884,127</u>	<u>\$ 373,412</u>	<u>\$ 41,248,861</u>	<u>\$ 34,709,839</u>

See Notes to Consolidating Financial Statements

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

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

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

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

Organization

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

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

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

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Organization - continued

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

Income Taxes

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

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

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

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

Joint Venture

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Cash and Cash Equivalents

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

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

Restricted Cash

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

Accounts Receivable

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

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Accounts Receivable - continued

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

Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that no allowance for credit losses was necessary at August 31, 2025 and 2024.

Accounts receivable recognized by the Corporation and the Foundation include amounts from contracts with customers. Receivables from contracts with customers at the beginning and end of the period were \$2,983,056 and \$1,858,926, respectively.

Investments

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

HARP accounts for its investments in accordance with FASB ASC 321, "Investments - Equity Securities". Investments in equity securities, with readily determinable fair values, are measured at fair value at the time of purchase, with subsequent changes in fair value included in holding gains and losses in the statement of activities. HARP accounts for such impairments for equity securities in accordance with FASB ASC 321. For equities with readily determinable fair values, securities are marked to market through operations, with no further assessment for impairment. HARP does not hold any equities without readily determinable fair values as of August 31, 2025 and 2024.

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

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

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

Depreciation and amortization expense amounted to \$1,225,563 and \$1,375,679 for the years ended August 31, 2025 and 2024, respectively.

Supplemental Cash Flow Disclosure

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.

Deferred Revenue

Deferred revenue, a contract liability, recognized by the Corporation and the Foundation represent amounts from contracts with customers. This revenue is deferred as of year-end because the performance obligations relating to this revenue have not yet been completed by the entities. Deferred revenue from contracts with customers at the beginning and end of the period were \$24,752,190 and \$28,487,145, 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.

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

Reserve for Unpaid Losses

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

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

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers

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

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

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

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

Insurance premiums - HARP insurance premiums written are earned on a pro rata basis over the related policy period. The portion of premiums that will be earned in the future is deferred and reported as deferred revenue on the statement of financial position. All of the policies are written on a fiscal year basis and therefore there is no unearned premium revenue at August 31, 2025 and 2024.

Plymouth Income:

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Plymouth Income - continued:

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.

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

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

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

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

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

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Revenue from Contracts with Customers - continued

Plymouth Income - continued:

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

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

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

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

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

Functional Expenses

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Net Investment Return

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

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

Use of Estimates in Preparation of Financial Statements

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

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset or functional expense class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended August 31, 2024, from which the summarized information was derived.

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

Notes to Consolidating Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Date of Management's Review

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

B. AVAILABLE RESOURCES AND LIQUIDITY

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

Cash and cash equivalents	\$ 40,875,449
Accounts and grants receivable	5,150,334
Pledges receivable - current and noncurrent	3,161,790
Due from USOPC	1,291,375
Short-term investments	<u>4,939,459</u>
	55,418,407
Less assets with donor restrictions:	
Donor restrictions - temporary in nature	(9,030,850)
Donor restrictions - perpetual in nature	<u>(175,876)</u>
Financial assets available within one year	<u>\$ 46,211,681</u>

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

C. IN-KIND DONATIONS

The Corporation may record various types of in-kind contributions when received. Contributed services are recognized if the services received create or enhance long-lived assets or require specialized skills, are provided by

Notes to Consolidating Financial Statements

C. IN-KIND DONATIONS - Continued

individuals possessing those skills and would typically need to be purchased if not provided by donation. The Corporation received the following gifts-in-kind during the years ended August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Apparel, equipment & supplies	\$ 337,440	\$ 507,642
Travel	<u> </u>	<u>8,000</u>
	<u>\$ 337,440</u>	<u>\$ 515,642</u>

Contributions of tangible assets are recognized at fair value when received. The Corporation has numerous volunteers, however there were no contributed services that met the above definition during the years ended August 31, 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	<u> </u>	<u> </u>
Total	3,416,500	50,000
Unamortized discount	<u>(254,710)</u>	<u> </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%.

E. 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

Notes to Consolidating Financial Statements

E. FAIR VALUE MEASUREMENTS - Continued

financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organizations have the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. These include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, and market-corroborated inputs.
- 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. Treasuries, and equities are valued at the closing price reported on the active market on which the individual securities are traded.

Notes to Consolidating Financial Statements

E. FAIR VALUE MEASUREMENTS - Continued

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.

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

For mutual funds, HARP's management reviews several factors to determine whether a loss is other than temporary, such as the length of time a security is in an unrealized loss position, extent to which the fair value is less than cost, the financial condition and near term prospects of the issuer, and HARP's intent and ability to hold the security for a period of time sufficient to allow for any anticipated recovery in fair value. No other than temporary impairments related to mutual funds were recorded in the years ended August 31, 2025 and 2024.

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	10,576,692			10,576,692
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>\$ 28,355,976</u>	<u>\$ 3,066,586</u>	<u>\$ 1,719,024</u>	<u>\$ 33,141,586</u>

Notes to Consolidating Financial Statements

E. FAIR VALUE MEASUREMENTS - Continued

<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:				
Equitites	10,510,854			10,510,854
Mutual funds	7,866,317			7,866,317
Debt securities:				
Fixed income	7,072,526			7,072,526
Other investments:				
Private equity LP			1,488,110	1,488,110
USOPE pooled fund		2,779,593		2,779,593
	<u>\$ 25,589,726</u>	<u>\$ 2,779,593</u>	<u>\$ 1,488,110</u>	<u>\$ 29,857,429</u>

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
Short-term investments	4,939,459	4,589,293
Investments held for others	<u>5,664,098</u>	<u>4,823,404</u>
	<u>\$ 33,141,586</u>	<u>\$ 29,857,429</u>

Fair values for assets in Level 2 are calculated using the statements provided by the United States Olympic and Paralympic Endowment (USOPE) for the Foundation's portion of the pooled portfolio managed by the USOPE. The USOPE investment consists of units in a pooled portfolio managed by the USOPE. At August 31, 2025, the USOPE portfolio consisted of the following types of securities:

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

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.

Notes to Consolidating Financial Statements

E. FAIR VALUE MEASUREMENTS - Continued

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	<u>215,457</u>
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	<u>230,914</u>
Fair value of Select Equity Fund II LP as of August 31, 2025	<u>\$ 1,719,024</u>

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

HARP's short-term investments are recorded at quoted market values and consist of mutual funds in the amount of \$4,939,459 and \$4,589,293 at August 31, 2025 and 2024, respectively.

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

Notes to Consolidating Financial Statements

E. FAIR VALUE MEASUREMENTS - Continued

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	\$ 549,492	\$ 2,389,482
Realized gains on securities	1,196,340	524,614
Interest and dividends	1,321,705	1,344,427
Investment expenses	<u>(93,105)</u>	<u>(82,814)</u>
	<u>\$ 2,974,432</u>	<u>\$ 4,175,709</u>

F. PROPERTY AND EQUIPMENT

Property and equipment consist of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Buildings and improvements	\$ 31,862,338	\$ 31,757,538
Equipment, furniture, and technology	8,877,232	9,377,481
Land	3,295,000	3,295,000
Program equipment	800,616	800,616
Less accumulated depreciation	<u>(19,177,841)</u>	<u>(18,487,357)</u>
	<u>\$ 25,657,345</u>	<u>\$ 26,743,278</u>

G. LEASES

Beck Road and Plymouth AC have operating leases for office equipment, a restaurant and concession space. USA Hockey has operating leases for office space, warehouse space, office equipment, a postage machine, and a vehicle.

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

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

Notes to Consolidating Financial Statements

G. LEASES - Continued

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

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

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

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

USA Hockey, Inc. entered into a lease for four copiers during the year ended August 31, 2025. The lease expires in April 2030. The lease requires monthly payments of \$1,438 throughout the life of this lease. The copiers can be purchased at fair market value at the end of the term. The decision to purchase the copiers will be made shortly before the end of the initial term.

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

Notes to Consolidating Financial Statements

G. LEASES - Continued

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

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

Maturities of lease liabilities, and the Weighted Average for the leases recorded on the consolidating statement of financial position are as follows as of August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
2025	\$	\$ 119,115
2026	137,426	122,492
2027	134,773	117,514
2028	130,415	113,156
2029	<u>17,259</u>	<u> </u>
Total lease payments	419,873	472,277
Less: interest	<u>(17,088)</u>	<u>(39,334)</u>
Present value of lease liabilities	<u>\$ 402,785</u>	<u>\$ 432,943</u>
	<u>2025</u>	<u>2024</u>
Weighted Average Remaining Lease Term	3.21 years	3.85 years
Weighted Average Discount Rate	4.66%	5.36%

Notes to Consolidating Financial Statements

G. LEASES - Continued

The following table represents lease expense for the years ended August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Operating lease expense		
Supporting services	\$ 131,325	\$ 117,705
Short-term leases		
Program services	218,840	41,950
Supporting services	<u>97,599</u>	<u>73,165</u>
Total lease expense	<u>\$ 447,764</u>	<u>\$ 232,820</u>

Supplemental cash flow information for the years ended August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Cash paid for amounts included in measurement of lease liabilities for operating leases	\$ 124,867	\$ 113,167
Right-of-use assets obtained in exchange for new operating lease liabilities	\$ 78,448	\$ 28,864

H. OTHER ASSETS

Intangible assets at August 31, 2025 include start-up costs and licenses incurred by the Foundation and subsidiaries of \$522,453 less amortization of \$362,774.

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

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

Notes to Consolidating Financial Statements

I. INVESTMENTS HELD FOR OTHERS

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

J. EMPLOYEE RETENTION CREDIT

The 2021 Coronavirus Aid, Relief, and Economic Security (CARES) act included a provision that created the employee retention credit, a refundable tax credit of up to \$7,000 per employee for eligible employers. The credits cover employment tax quarters in the calendar years 2020 and 2021. The ERC is considered a conditional grant and is not recorded until the final condition is met for approval by the Internal Revenue Service (IRS).

During the year ended August 31, 2022, the Foundation applied to the Department of Treasury, IRS for refunds under the Employee Retention Credit (ERC) program and received approval during that year; therefore, the respective grants and interest income were recognized as revenue by the Foundation. As of August 31, 2025, \$26,792 of the credit recognized as revenue was still outstanding.

During the year ended August 31, 2023, the Corporation applied for refunds and received approval during the year ended August 31, 2025. During the year ended August 31, 2025, the Corporation received payment of the credits, including interest, and recorded revenue for these grants.

Notes to Consolidating Financial Statements

K. DEFERRED REVENUE

Deferred revenue consists of the following at August 31, 2025 and 2024:

	<u>2025</u>	<u>2024</u>
Registrations and tournament fees	\$ 27,297,770	\$ 23,967,391
Plymouth Arena programs	195,087	213,206
Seminar and clinic fees	407,145	210,830
Referee development support fee	142,496	164,915
Sponsor payment	315,000	106,000
Transfer card fees	61,650	62,200
Beck Road programs	21,918	14,378
Other	46,079	13,270
	<u>\$ 28,487,145</u>	<u>\$ 24,752,190</u>

L. BONDS PAYABLE

On November 1, 1996, the Foundation entered into a loan agreement to obtain financing for construction of the national headquarters office building in Colorado Springs, CO that it leases to USA Hockey, Inc. In connection with the purchase of an ice arena in Plymouth, Michigan during the year ended August 31, 2015, the Foundation and Plymouth AC entered into two new bond arrangements in the aggregate amount of \$19,500,000 for the acquisition and construction improvements of this property. The original 1996 borrowings for the office building were refinanced and retired as part of the new 2015 bond structure.

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

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.

Notes to Consolidating Financial Statements

L. BONDS PAYABLE - Continued

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.

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.

Notes to Consolidating Financial Statements

L. BONDS PAYABLE - Continued

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

M. MEMBER EQUITY

In accordance with the requirements of the Vermont Department of Financial Regulation (the Department), HARP must maintain a minimum capital and surplus of \$250,000. As of August 31, 2025 and 2024, HARP has met the minimum capital requirement. Prior to distributions being paid to the Corporation, HARP must receive written approval from the Department. Member distributions were not declared nor paid during the years ended August 31, 2025 and 2024.

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

There were no differences between the audited financial statements and the annual reports filed with the Department for the years ended August 31, 2025 and 2024. The above table reconciles the financial statements to the report filed for August 31, 2024.

Notes to Consolidating Financial Statements

N. NET ASSETS WITH DONOR RESTRICTIONS - TEMPORARY IN NATURE

Net assets with donor restrictions - temporary in nature at August 31, 2025 and 2024, consist of the following:

	<u>2025</u>	<u>2024</u>
Arena Capital Campaign	\$ 3,102,342	\$ 334,736
Friends of Women's Hockey	1,283,429	699,454
USOPC grants	953,199	792,418
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 athlete program		5,364
	<u>\$ 9,068,724</u>	<u>\$ 4,750,570</u>

Notes to Consolidating Financial Statements

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

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

During the years ended August 31, 2025 and 2024, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2025</u>	<u>2024</u>
USOPC grants	\$ 1,819,281	\$ 1,053,459
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 Johansson Legacy Fund	5,000	5,000
Hockey Hispana	3,433	9,195
It Starts With A Stick		178,000
	<u>\$ 2,175,296</u>	<u>\$ 1,569,840</u>

O. 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 P).

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

At August 31, 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

P. ENDOWMENT FUNDS

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

Interpretation of Relevant Law

The Foundation is subject to the State Prudent Management of Institutional Funds Act (SPMIFA) and, thus, classifies amounts in its donor-restricted endowment funds as net assets with donor restrictions because those net assets are 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.

Notes to Consolidating Financial Statements

P. 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>3,201</u>
Endowment net assets, August 31, 2024	13,306	175,876	189,182
Contributions			
Investment income	<u>2,611</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.

Q. AFFILIATED ORGANIZATIONS

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

Notes to Consolidating Financial Statements

Q. AFFILIATED ORGANIZATIONS - Continued

Total grants from the USOPC for the years ended August 31, 2025 and 2024, consist of the following project categories:

	<u>2025</u>	<u>2024</u>
Women's high performance funding	\$ 1,304,500	\$ 1,012,000
Paralympic high performance funding	503,000	642,000
Other grants	<u>172,561</u>	<u>75,000</u>
Funds granted	<u>\$ 1,980,061</u>	<u>\$ 1,729,000</u>

During the years ended August 31, 2025 and 2024, the International Ice Hockey Federation (IIHF) provided funding to the Corporation of \$1,966,275 and \$1,497,537, respectively. This amount is included in tournaments and exhibitions and other income in the accompanying statement of activities.

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

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

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.

During the years ended August 31, 2025 and 2024, the Foundation provided grants to the Corporation in the amount of \$11,702,441 and \$8,774,702, respectively.

Notes to Consolidating Financial Statements

Q. AFFILIATED ORGANIZATIONS - Continued

At August 31, 2025 and 2024, the Foundation owed \$7,410,062 and \$1,653,487, respectively, to the Corporation for grants. The Corporation provides certain administrative and accounting services to the Foundation for an annual fee of \$1,800. At August 31, 2025 and 2024, USA Hockey, Inc. owed the Foundation \$639,587 and \$284,922, respectively.

Plymouth AC leases office and training space to USA Hockey, Inc. for \$29,167 base rent per month, pursuant to a lease agreement that ends March 31, 2025. The lease was renewed pursuant to a lease agreement that ends March 31, 2035, with a monthly base rent of \$29,167.

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 a 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.

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

At August 31, 2025 and 2024, the Foundation owed \$1,289,786 and \$1,557,162 to the Corporation, respectively, for various program and administrative costs. At August 31, 2025 and 2024, Plymouth AC owed \$1,365,206 and \$1,190,333 to the Corporation, respectively, for program and administrative costs. At August 31, 2025 and 2024, Beck Road owed \$564,167 and \$366,829 to the Corporation, respectively, for program and administrative costs.

Plymouth AC provides ice time to the Corporation for various events and billed the Corporation \$199,925 and \$245,350 for the years ended August 31, 2025 and 2024, respectively. Beck Road provides food services to the Corporation for various events and billed the Corporation \$139,914 and \$190,385 for the years ended August 31, 2025 and 2024, respectively. Plymouth AC pays various fees for tournaments and exhibitions to the Corporation and paid \$26,740 and \$93,801 to the Corporation during the years ended August 31, 2025 and 2024, respectively.

Notes to Consolidating Financial Statements

R. NATIONAL HOCKEY LEAGUE

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

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

S. INSURANCE ACTIVITY

HARP provides occurrence-based deductible reimbursement general liability coverage to USA Hockey, Inc. and its member leagues, organizations, teams and individuals, USA Hockey affiliates and the Foundation (covered entities). Policy limits are \$100,000 per occurrence with a \$1,000,000 annual aggregate for the years ended August 31, 2025 and 2024. The policy covers indemnity only and no loss adjustment expenses.

In 2025 and 2024, HARP provides a package policy for excess sexual abuse, legal expense reimbursement, and accident and sickness coverage to the Corporation and its member leagues, organizations, teams and individuals, USA Hockey, Inc. affiliates and USA Hockey Foundation. The limits for excess sexual abuse under this policy are \$2,000,000 per occurrence, with a \$2,000,000 per person aggregate. Legal expense reimbursement coverage under this policy is \$250,000 per occurrence, with a \$250,000 annual aggregate. The limits for accident and sickness coverage under this policy are \$1,000,000 in aggregate, in excess of a \$3,500,000 aggregate deductible. The policy carries a \$2,000,000 annual aggregate for all coverage parts.

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

Notes to Consolidating Financial Statements

S. INSURANCE ACTIVITY - Continued

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

The Corporation maintained an arrangement with K&K Insurance Group (K&K) for claims administration and incurred all costs prior to the 2021 policy year. The Corporation entered into an arrangement with Safehold Special Risk (Safehold) for the 2021 policy year and future policy years for claims administration and incurs all costs. Accordingly, HARP does not record any expenses or liabilities related to claims administration. As of August 31, 2025 and 2024, HARP recorded a loss escrow deposit of \$621,025 and \$742,862, respectively, with K&K and Safehold, which is to be used for payment of losses.

Activity in the liability for unpaid losses, for the years ended August 31, 2025 and 2024, is summarized as follows:

	<u>2025</u>	<u>2024</u>
Balance at the beginning of the year	\$ 1,230,151	\$ 1,266,773
Incurred related to:		
Current year	319,126	303,855
Prior years	<u>(84,847)</u>	<u>17,837</u>
Total incurred	234,279	321,692
Paid related to:		
Current year		(1,500)
Prior years	<u>(125,475)</u>	<u>(356,814)</u>
Total paid	<u>(125,475)</u>	<u>(358,314)</u>
Balance at the end of the year	<u>\$ 1,338,955</u>	<u>\$ 1,230,151</u>

Notes to Consolidating Financial Statements

S. INSURANCE ACTIVITY - Continued

The estimates for incurred losses on insured events in prior years decreased and increased by \$84,847 and \$17,837 in 2025 and 2024, respectively, which was a result of favorable and unfavorable loss development related to the deductible reimbursement general liability policy years.

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

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

Since inception, HARP has only experienced losses on the deductible reimbursement general liability coverage. The following tables present incurred and paid claims development, by accident year. Accident years prior to 2025 for incurred and paid losses as of August 31, 2025 represent supplementary information and are unaudited.

Notes to Consolidating Financial Statements

S. INSURANCE ACTIVITY - Continued

Deductible Reimbursement General Liability:

Incurred Losses and Allocated Loss Adjustment Expenses											As of August 31, 2025	
Accident Year	For the Years Ended August 31, (Unaudited)										Total of Incurred-but-Not-Reported Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025		
2016	431,861	318,361	333,928	364,778	482,705	477,961	519,362	519,363	519,363	\$ 519,362	\$	35
2017		345,443	325,852	408,897	476,008	435,295	364,118	419,217	419,217	419,217		42
2018			383,317	502,887	611,175	554,388	522,305	604,904	591,990	591,990		45
2019				416,280	306,202	379,808	374,842	309,455	324,678	300,837		40
2020					354,214	312,347	436,129	381,123	282,415	272,015	7,265	31
2021						278,843	211,746	185,124	208,667	119,567	13,416	22
2022							261,230	193,626	182,169	210,532	43,024	16
2023								269,515	371,764	317,023	113,340	24
2024									303,855	368,728	116,740	16
2025										<u>319,126</u>	251,116	12
									Total	<u>\$3,438,397</u>		

Cumulative Paid Losses and Allocated Loss Adjustment										
Accident Year	For the Years Ended August 31, (Unaudited)									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
2016	17,254	31,363	36,863	36,863	144,363	144,363	319,362	419,362	519,362	\$ 519,362
2017		9,041	43,216	166,716	279,216	279,216	294,216	369,216	369,216	369,216
2018			2,901	114,214	121,989	271,989	311,989	391,989	491,989	491,989
2019				5,249	30,249	90,249	115,337	265,337	300,837	300,837
2020					3,158	39,749	139,749	139,749	164,749	164,749
2021								30,000	106,151	106,151
2022									12,500	12,500
2023									7,663	57,663
2024									1,500	76,975
2025										
									Total	<u>2,099,442</u>
									Unpaid losses	<u>\$1,338,955</u>

Notes to Consolidating Financial Statements

S. INSURANCE ACTIVITY - Continued

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

The following table presents the average annual percentage payout of incurred claims, by age, related to the deductible reimbursement general liability coverage as of August 31, 2025, and is required supplementary information and is therefore unaudited:

(Unaudited)

1 st Year	2 nd Year	3 rd Year	4 th Year	5 th Year
0.9%	8.3%	16.9%	17.7%	14.4%
6 th Year	7 th Year	8 th Year	9 th Year	10 th Year
5.8%	17.1%	6.4%	9.6%	0.0%

T. EVENT PARTICIPATION

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

U. RELATED PARTY TRANSACTIONS

HARP has an agreement with Aon Insurance Managers (USA) Inc. (Aon), whereby Aon provides accounting, administrative, and regulatory services. Management fees are expensed as incurred and have been recorded as general and administrative expenses in the statement of activities. These fees amounted to \$52,708 and \$53,986 for August 31, 2025 and 2024, respectively. A director and officer of HARP is also an employee of Aon.

Notes to Consolidating Financial Statements

V. INVESTMENT INCOME

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

	<u>2025</u>	<u>2024</u>
Unrealized gains on securities	\$ 549,492	\$ 2,389,482
Realized gains on securities	1,196,340	524,614
Interest and dividends	1,321,705	1,344,427
Investment expenses	<u>(93,105)</u>	<u>(82,814)</u>
	<u>\$ 2,974,432</u>	<u>\$ 4,175,709</u>

W. RETIREMENT PLAN

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

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.

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

Total pension expense for the years ended August 31, 2025 and 2024, amounted to \$853,839 and \$815,244, respectively.

Notes to Consolidating Financial Statements

X. COMMITMENTS AND CONTINGENT LIABILITIES

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

Occasionally, in the normal conduct of business, the Corporation may be named defendant in a lawsuit or other form of legal action. In the opinion of management, any pending or threatened claims against the Corporation, as of August 31, 2025, are either without merit or will not exceed insurance limits.

Y. UNCERTAINTIES

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