

PARK RIDGE SPORTS, INC.

December 31, 2021

PARK RIDGE SPORTS, INC.

INDEPENDENT AUDITOR'S REPORT

EXHIBIT I

STATEMENT OF FINANCIAL POSITION – Cash Basis
December 31, 2021

EXHIBIT II

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS – Cash Basis
For the Year Ended December 31, 2021

EXHIBIT III

STATEMENT OF FUNCTIONAL EXPENSES – Cash Basis
For the Year Ended December 31, 2021

NOTES TO FINANCIAL STATEMENTS



INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
Park Ridge Sports, Inc.

Opinion

We have audited the accompanying financial statements of Park Ridge Sports, Inc. (a nonprofit organization), which comprise the statement of financial position—cash basis as of June 30, 2021, and the related statements of activities and changes in net assets—cash basis and functional expenses—cash basis 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 Park Ridge Sports, Inc. as of December 31, 2021, and its changes in net assets for the year then ended in accordance with the cash basis of accounting as described in Note 2.

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 Park Ridge Sports, 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.

Basis of Accounting

We draw attention to Note 2 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 2, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Park Ridge Sports, 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 Park Ridge Sports, 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.

A handwritten signature in cursive script that reads "Callero + Callero, LLP". The signature is written in black ink and is positioned above the typed name and date.

Des Plaines, Illinois
October 19, 2022

PARK RIDGE SPORTS, INC.
STATEMENT OF FINANCIAL POSITION
December 31, 2021
(Prepared on the Cash Basis)

ASSETSCurrent Assets

Cash	\$	<u>91,137</u>
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TOTAL ASSETS	\$	<u><u>91,137</u></u>
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LIABILITIES AND NET ASSETSNet Assets

Without Donor Restrictions	\$	<u>91,137</u>
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TOTAL LIABILITIES AND NET ASSETS	\$	<u><u>91,137</u></u>
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PARK RIDGE SPORTS, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Year Ended December 31, 2021
(Prepared on the Cash Basis)

<u>Revenue and Public Support:</u>	<u>Without Donor Restrictions</u>
Program Service Revenue	
Registration Fees - Net	\$ 307,767
Miscellaneous	45,707
Total Program Service Revenue	<u>353,474</u>
TOTAL REVENUES AND OTHER SUPPORT	<u>353,474</u>
Expenses:	
Program Services	313,591
Supporting Services:	
Management and General	<u>66,774</u>
TOTAL EXPENSES	<u>380,365</u>
DECREASE IN NET ASSETS	(26,891)
Net Assets, Beginning of Year	<u>118,028</u>
Net Assets, End of Year	<u><u>\$ 91,137</u></u>

The accompanying notes are an integral part of these financial statements.

PARK RIDGE SPORTS, INC.
STATEMENT OF FUNCTIONAL EXPENSES
For the Year Ended December 31, 2021
(Prepared on the Cash Basis)

	Program Services	Supporting Services Management and General	Total
Cheerleading Expenses	\$ 116,589	\$ 0	\$ 116,589
Insurance	5,288	0	5,288
Meetings and Seminars	2,727	0	2,727
Advertising	0	32,680	32,680
Office Expense	0	16,795	16,795
Park District Head Tax	15,295	0	15,295
Professional Fees	0	17,299	17,299
Miscellaneous	3,700	0	3,700
Special Events	11,316	0	11,316
Travel Program Expense	24,537	0	24,537
Trophies and Awards	3,660	0	3,660
Referees Expense	23,752	0	23,752
Uniforms	59,694	0	59,694
Equipment	47,033	0	47,033
TOTAL EXPENSES	\$ 313,591	\$ 66,774	\$ 380,365

The accompanying notes are an integral part of these financial statements.

PARK RIDGE SPORTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021

(1) Organization

Park Ridge Sports, Inc. (the “Organization”), was organized on May 18, 1964, as an Illinois not-for-profit corporation to provide the youth of the Park Ridge area with an opportunity to participate in sports without regard to their ability and combat juvenile delinquency by educating the youth in sportsmanship and good citizenship.

(2) Summary of Significant Accounting Policies

Basis of Accounting:

The Organization prepares its financial statements on the cash basis of accounting. The cash basis of accounting differs from generally accepted accounting principles primarily in that receivables and payables are not recorded. Revenues are recognized when cash is received, and expenses are recognized when cash is paid.

The organization reports information regarding its financial position and activities according to one class of net assets.

Net Assets Without Donor Restrictions – Net assets that are not subject to or are no longer subject to donor-imposed stipulations.

Support and Revenue:

Football and cheerleader registration fees paid to the Organization generate most of the revenue necessary to provide the program services of the Organization.

Contributed Services:

Many individuals volunteer their time and perform a variety of tasks that assist the Organization. During the year ended December 31, 2021 the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

Contributed Materials:

The value of contributed materials meeting the requirements for recognition in the financial statements for the year ended December 31, 2021 was not material and has not been recorded.

Cash and Cash Equivalents:

The Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

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PARK RIDGE SPORTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(continued)

(2) Summary of Significant Accounting Policies (continued)

Contributions:

Contributions received are recorded as net assets either with or without donor restrictions depending on the existence or nature of any donor stipulations. For the year ended December 31, 2021 all contributions received were net assets without donor restrictions.

Financial Statement Presentation:

The Organization is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions. On December 31, 2021 the Organization's net assets were equal to its cash on hand balance, all of which is categorized as without donor restrictions.

Income Taxes:

The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

Advertising Costs:

The Organization uses advertising to promote its programs among the audience it serves. Advertising costs are expensed as incurred. The Organization incurred advertising costs of \$32,680 for the year ending December 31, 2021.

(3) Concentrations of Credit Risk

The Organization maintains cash balances at a financial institution in Illinois. Accounts are insured by the Federal Deposit Insurance Corporation and the up to \$250,000. At December 31, 2021 there was no uninsured cash balance.

(4) Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the accompanying Statement of Functional Expenses. All the Organization's expenses can be directly assigned to their functional classifications.

(continued)

PARK RIDGE SPORTS, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2021
(continued)

(5) Liquidity and Availability

The following reflects the Organization's financial assets as of December 31, 2021, reduced by amounts not available for general use because of contractual or donor-imposed restrictions within one year of the balance sheet date. There were no donor restrictions as of December 31, 2021.

Financial assets at year-end:

Cash	\$ <u>91,137</u>
Total Financial Assets	91,137

Less amounts not available to be used within twelve months	<u>0</u>
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Financial assets available to meet general expenditures over the next twelve months	<u>\$ 91,137</u>
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The Organization manages cash through its yearly budgeting process and monitors cash monthly against the budget.

(6) Subsequent Events

The Organization has evaluated subsequent events through October 19, 2022, the date the financial statements were available to be issued.