

FIELD HOCKEY CANADA

FINANCIAL STATEMENTS

March 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Field Hockey Canada

Qualified Opinion

We have audited the financial statements of Field Hockey Canada, (the "Organization"), which comprise the statement of financial position as at March 31, 2020, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2020, and its results of operations and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for profit organizations, the Organization derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, net revenue (expenditure) for the year, assets and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. 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 independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements of Field Hockey Canada for the year ended March 31, 2019 were audited by another auditor who expressed a qualified opinion on those statements on June 19, 2019.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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 a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our qualified opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Burgess Kilpatrick

Burgess Kilpatrick
Chartered Professional Accountants

Vancouver, B.C.
July 31, 2020

FIELD HOCKEY CANADA
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31 2020
(Expressed in Canadian Dollars)

	<u>2020</u>	<u>2019</u>
REVENUE		
Sport Canada - Reference Level	472,500	822,500
Sport Canada - Enhanced MNT Excellence	320,000	-
Sport Canada - Enhanced MNT- NextGen Excellence	80,000	107,500
Sport Canada - Gender Equity and Safety in Sport	66,000	-
COC Foundation	80,000	107,500
COC	20,000	22,000
Other Government	57,000	-
Membership Fees	153,997	179,777
National Programs Levies	566,349	401,575
Donations and Sponsorship	257,165	1,011,999
Masters	6,000	162,335
Domestic:		
National Championships	79,033	75,524
International Hosting	32,967	15,000
Other (CAC, Interest and other)	17,154	3,775
TOTAL REVENUE	<u>2,208,165</u>	<u>2,909,485</u>
EXPENDITURES		
National Programs		
Women National Program	584,554	994,536
Men National Program	889,314	1,110,466
Masters	47,842	155,686
National Programs Total	<u>1,521,710</u>	<u>2,260,688</u>
Corporate		
Employees and Contractors	255,446	341,259
Rent, Storage and Supplies	25,333	40,846
Office General and Admin	14,608	5,886
Bad Debt	-	7,523
Bank Charges	7,356	24,554
Meetings, Board and Legal	5,982	13,350
Professional Fee (including Gender Equity and Safe Sport)	35,279	40,689
Depreciation Expenses	3,119	9,618
Corporate Total	<u>347,123</u>	<u>483,725</u>
Domestic Programs		
Coach Education and Technical Officials	761	3,378
National Championships (including Gender Equity and Safe Sport)	76,243	78,586
International Hosting	72,636	-
Domestic Leagues, Development Camps (including Gender Equity and Safe Sport)	15,060	4,634
Insurance	75,810	91,715
International Membership Fees	12,916	4,446
Domestic Programs Total	<u>253,426</u>	<u>182,759</u>
Marketing and Communications		
Sponsorship, Fundraising and Awards	(2,035)	19,732
Translation	6,769	5,746
Communications	1,188	6,683
Marketing and Communications Total	<u>5,922</u>	<u>32,161</u>
TOTAL EXPENDITURES	<u>2,128,181</u>	<u>2,959,333</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>79,984</u>	<u>(49,848)</u>

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

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FIELD HOCKEY CANADA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31
(Expressed in Canadian Dollars)

	<u>2020</u>	<u>2019</u>
INTERNALLY RESTRICTED FOR INTERNATIONAL HOSTING PURPOSE		
Balance, beginning of year	\$ 142,608	\$ 142,608
Transfer to unrestricted fund	<u>(142,608)</u>	<u>\$ -</u>
Balance, end of year	<u>\$ -</u>	<u>\$ 142,608</u>
UNRESTRICTED		
Balance, beginning of year	\$ (219,822)	(169,975)
Excess of expenditures over revenue	<u>222,592</u>	<u>(49,847)</u>
Balance, end of year	<u>\$ 2,770</u>	<u>(219,822)</u>

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

FIELD HOCKEY CANADA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31
(Expressed in Canadian Dollars)

	<u>2020</u>	<u>2019</u>
ASSETS		
Current assets		
Cash (Note 3)	\$ 165,920	\$ -
Accounts receivable	89,131	55,990
GST receivable	1,316	1,632
Prepaid expenses	<u>118,824</u>	<u>73,095</u>
	375,191	130,717
Tangible capital assets (Note 4)	1,196	4,316
Investments		
Women's COC endowment fund (Note 5)	127,893	135,474
Men's COC endowment fund (Note 6)	209,210	203,866
	<u>\$ 713,490</u>	<u>\$ 474,373</u>
LIABILITIES		
Current liabilities		
Bank indebtedness (Note 3)	\$ -	\$ 96,210
Accounts payable and accrued liabilities (Note 7)	352,496	81,390
Deferred revenue	<u>-</u>	<u>24,000</u>
	352,496	201,600
FUNDS		
COC endowment funds		
Women's (Note 5)	149,014	146,121
Men's (Note 6)	209,210	203,866
	<u>710,720</u>	<u>551,587</u>
NET ASSETS (DEFICIENCY)		
Internally restricted for international hosting purpose	-	142,608
Unrestricted	<u>2,770</u>	<u>(219,822)</u>
	2,770	(77,214)
	<u>\$ 713,490</u>	<u>\$ 474,373</u>

Commitments (Note 8)

Approved and authorized by the Board:

Ann Doggett



Director

Peadar O Riain



Director

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

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FIELD HOCKEY CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31
(Expressed in Canadian Dollars)

	<u>2020</u>	<u>2019</u>
Cash flows from operating activities		
Excess expenditures over revenues for the year	\$ 79,984	\$ (49,847)
Revenue from restricted funds	8,237	(8,197)
 Item not affecting cash		
Amortization of tangible capital assets	3,120	9,618
Bad debt expenses	-	7,523
Net change in non-cash working capital items		
Accounts receivable	(32,825)	28,747
Prepaid expenses	(45,729)	87,587
Accounts payable	271,106	(82,312)
Deferred revenue	(24,000)	(118,045)
 Net cash change from operating activities	<u>259,893</u>	<u>(124,926)</u>
 Cash flows from investing activities		
Sale (purchase) of investments	2,237	8,197
Purchase of tangible capital assets	-	(3,189)
 Net cash change from investing activities	<u>2,237</u>	<u>5,008</u>
 CHANGE IN CASH AND BANK INDEBTEDNESS FOR THE YEAR	<u>262,130</u>	<u>(119,918)</u>
 Cash and bank indebtedness, beginning of year	(96,210)	23,708
 CASH AND BANK INDEBTEDNESS, END OF YEAR	<u>\$ 165,920</u>	<u>\$ (96,210)</u>
 Represented by:		
Scotiabank operating account	\$ 165,920	\$ (99,474)
Scotiabank operating account		1,965
Netbanx		299
Cash		1,000
	<u>\$ 165,920</u>	<u>\$ (96,210)</u>

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

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

1. PURPOSE OF THE ORGANIZATION

Field Hockey Canada, in collaboration with its members, provincial organizations, strategic partners, national and international sport communities, provides opportunities for all people to experience the pleasures, challenges and achievements of field hockey.

The Organization is incorporated under the Canada Corporations Act as a non-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

a) Estimates and assumptions

The preparation of financial statements in conformity with ASNPO, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the financial position date and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

Examples of significant estimates include:

- a) the collectability of receivables from athletes;
- b) the timing and recognition of revenue;
- c) estimated useful life of tangible capital assets; and
- d) asset impairment tests.

Assumptions are based on a number of factors including historical experiences, current events and actions that the Organization may undertake in the future, and other assumptions that are believed reasonable under the circumstances.

b) Women's and men's COC endowment funds

These funds were created by Canadian Women's Field Hockey Association and Canadian Field Hockey Association from money received from the Canadian Olympic Committee ("COC") prior to formation of the Organization. The funds are controlled by their own trustees and provide contributions to the Organization for women's and men's high performance initiatives.

c) Internally restricted fund for international hosting

This fund was created to provide for the hosting of International Hockey Federation ("FIH") international tournaments.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Revenue Recognition

i) Contributions

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when they are received or become receivable if the amount to be received can be reasonably estimated and collection can be reasonably assured. Membership fees are recognized as revenue over the period to which they relate.

The Organization receives donations of goods and services from time to time. If the value of these donations is known, their fair value is recognized in the financial statements. The value of the time and expertise donated by many volunteers has not been reflected in these financial statements.

ii) Grants and memberships received in advance

Grant and membership payments received in advance represent funding and membership fees received in the current year but related to the following year.

iii) Sport Canada contributions

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditures of the funds. The Organization's records are subject to audit by Sport Canada to identify instances, if any, in which amounts charged against contributions have not complied with the agreed terms and conditions and which, therefore, would be refundable to Sport Canada. In the event that adjustment to prior years' contributions is requested, they would be recorded in the year Sport Canada requests the adjustments.

Sport Canada works to advance sport within the context of the Government of Canada's priorities. Payments are subject to the appropriation of funds by Parliament and to the maintenance of current and forecasted program budget levels. Continued funding by Sport Canada is critical to the Organization's ongoing ability to meet its objectives.

e) Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis at the following annual rates:

Computer hardware	2 years
Office furniture and equipment	2 years
Leasehold improvements	Remaining term of lease

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Financial instruments

Investments in equity instruments quoted in an active market are initially recognized at fair value and are subsequently measured at the year-end fair value. Other financial instruments are initially recognized at fair value and are subsequently measured at cost, amortized cost or cost less appropriate allowances for impairment.

Financial assets subsequently measured at amortized cost include cash, accounts receivable and grants receivable.

Financial liabilities measured at amortized cost include the bank indebtedness and accounts payable and accrued liabilities.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal and the impairment not been recognized previously. The amount of reversal is recognized in income.

3. CASH AND BANK INDEBTEDNESS

	<u>2020</u>	<u>2019</u>
Cash on deposit	\$ 165,920	\$ -
Bank indebtedness	\$ -	\$ (96,210)
	<u>\$ 165,920</u>	<u>\$ (96,210)</u>

The Organization has a line of credit with Scotiabank, bearing interest of prime plus 2.25%. The limit was increased from \$140,000 to \$265,000 in fiscal year 2020, which is secured by a general security agreement over the assets of the Organization. This line of credit allows the Organization to continue to operate while restoring itself to sound financial health. The Organization's long term goal is to keep a positive cash balance of at least \$100,000 at the start of each fiscal year.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

4. TANGIBLE CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2020</u>	<u>2019</u>
Computer hardware	\$ 48,933	\$ 47,737	\$ 1,196	\$ 2,790
Office furniture and equipment	23,938	23,938	-	-
Leasehold improvements	<u>13,075</u>	<u>13,075</u>	<u>-</u>	<u>1,526</u>
	<u>\$ 85,946</u>	<u>\$ 84,750</u>	<u>\$ 1,196</u>	<u>\$ 4,316</u>

5. WOMEN'S COC ENDOWMENT FUND

	<u>2020</u>	<u>2019</u>
ASSETS		
Investment in Money Market Funds	127,893	135,474
Interfund receivable	<u>21,121</u>	<u>10,647</u>
	<u>149,014</u>	<u>146,121</u>
FUND BALANCE		
Balance, beginning of the year	146,121	144,393
Investment income	<u>2,893</u>	<u>1,728</u>
Balance, end of the year	<u>149,014</u>	<u>146,121</u>

6. MEN'S COC ENDOWMENT FUND

	<u>2020</u>	<u>2019</u>
ASSETS		
Cash	854	-
Equities	<u>208,356</u>	<u>203,866</u>
	<u>209,210</u>	<u>203,866</u>
FUND BALANCE		
Balance, beginning of the year	203,866	213,791
Receipts	7,051	-
Investment income (loss)	15,150	6,980
Unrealized gain (loss) on investment	(13,823)	-
Distributions	<u>(3,034)</u>	<u>(16,905)</u>
Excess (Deficiency) of revenue over distributions	<u>5,344</u>	<u>(9,925)</u>
Balance, end of the year	<u>209,210</u>	<u>203,866</u>

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2020</u>	<u>2019</u>
Accounts payable	336,667	43,023
Accrued liabilities	8,500	17,998
Payroll liabilities	<u>7,329</u>	<u>20,369</u>
	<u>352,496</u>	<u>81,390</u>

8. COMMITMENTS

The Organization has an obligation under the terms of an operating lease agreement in place until October 2019 for office premises. The Organization has secured a new lease for office premises under an agreement beginning November 1, 2019 and expiring October 31, 2021, with the option to renew for a further two year term. The lease included an office space rent and storage area.

Future minimum lease payments are as follows:

	<u>Office Rent</u>	<u>Storage Rent</u>
November 1, 2019 to October 31, 2020	\$ 9,360	\$ 1,800
November 1, 2020 to October 31, 2021	\$ 9,360	\$ 1,800

9. FINANCIAL INSTRUMENTS

Financial instruments of the Organization consist of cash, investments, accounts receivable, bank indebtedness and accounts payable.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant interest rate, currency, credit, liquidity or market risks arising from its financial instruments and the carrying amount of the financial instruments approximate their fair value.

Credit risk

The Organization's credit risk consists primarily of accounts receivable. The Organization also has credit risk with regards to cash and investments, which is minimized by the fact that these financial assets are held with reputable and major financial institutions.

Interest rate risk

The Organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject to the Organization to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

10. SUBSEQUENT EVENT

Subsequent to Mar 31, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy is not know at this time. However, the self funded program was cancelled or deferred due to the COVID-19 outbreak. Most of monies received would have been refunded to members subsequently to the year ended March 31, 2020.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
March 31, 2020

Schedule 1 - Sport Canada

REVENUES	
PCH Funding - Reference Level (Total Mainstream & AWAD)	472,500
PCH Funding - Enhanced Excellence (Total Mainstream & AWAD)	320,000
PCH Funding - Next Generation Initiative (50%) (Total Mainstream & AWAD)	80,000
PCH Funding Gender Equity and Safety in Sport (Total Mainstream & AWAD)	66,000
PCH Funding - Above Reference (Total Mainstream & AWAD)	-
Subtotal - PCH Funding	938,500
Other sources of revenues - Other government (Fed incl. other PCH., Prov., Terr., Mun.)	77,000
Other sources of revenues -COC/CPC - Next Generation Initiative (50%)	80,000
Other sources of revenues -Other cash revenues	1,112,665
Other sources of revenues -Other in-kind revenues	-
Shortfall	-
Subtotal - Other sources of revenue	1,269,665
Total Revenues	2,208,165
EXPENDITURES	
Contribution Blocks - Reference Level	
General Administration (Max. 10% of contribution)	234,490
Governance	10,000
Salaries, Fees and Benefits	199,500
Coaching Salaries and Prof. Dev. (Protected)	184,333
National Team Programs (NTP)	471,745
Official Languages (Protected)	6,769
Operations and Programming	172,208
Total - Reference-level	1,279,045
Contribution Blocks -Enhanced Excellence	-
General Administration (Max. 10% of contribution)	-
Salaries, Fees and Benefits (Staff salaries)	12,200
Coaching Salaries and Prof. Dev. (Protected)	181,018
National Team Programs (NTP) 2020/2022 & SSSM	202,210
	395,428
Contribution Blocks - Next Generation Initiative	
Coaching Salaries and Prof. Dev. (Protected)	70,837
National Team Programs (NTP) 2020/2022 & SSSM	315,943
	386,780
Contribution Blocks - Gender Equity and Safety in Sport	
Contribution Blocks - Gender Equity and Safety in Sport	66,928
Total Mainstream	2,128,181
Reserve funds for future projects	79,984

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

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