



**FIELD HOCKEY
CANADA**

HOCKEY SUR GAZON CANADA

**FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)**

FOR THE YEAR ENDED MARCH 31, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Field Hockey Canada

Qualified Opinion

We have audited the accompanying financial statements of Field Hockey Canada (the "Organization"), which comprise the statement of financial position as at March 31, 2019, and the statement of revenue and expenditures, cash flows, and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2019, and its financial performance and its cash flows for the year then ended in accordance with Accounting Standards for Not-for-Profit Organizations ("ASNFPPO").

Basis for Qualified Opinion

In common with similar organizations, the Organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to revenue, net revenue (expenditure) for the year, assets and net assets.

We conducted our audits 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 in our audits is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNFPPO, 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 qualified 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 qualified 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.

“DAVIDSON & COMPANY LLP”

Vancouver, Canada

Chartered Professional Accountants

June 19, 2019

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

	2019	2018
ASSETS		
Current		
Cash (Note 4)	\$ -	\$ 23,708
Accounts receivable	57,622	93,892
Prepaid expenses	<u>73,095</u>	<u>160,682</u>
	130,717	278,282
Property and equipment (Note 5)	4,316	10,745
Investments		
Women's COC endowment fund (Note 6)	135,474	133,746
Men's COC endowment fund (Note 7)	<u>203,866</u>	<u>213,791</u>
	339,340	347,537
	<u>\$ 474,373</u>	<u>\$ 636,564</u>
LIABILITIES		
Current		
Bank indebtedness (Note 4)	\$ 96,210	\$ -
Accounts payable and accrued liabilities (Note 8)	81,390	163,702
Deferred revenue	<u>24,000</u>	<u>142,045</u>
	201,600	305,747
FUNDS		
COC endowment funds		
Women's (Note 6)	146,121	144,393
Men's (Note 7)	<u>203,866</u>	<u>213,791</u>
	<u>551,587</u>	<u>663,931</u>
NET ASSETS (DEFICIENCY)		
Internally restricted for international hosting purposes	142,608	142,608
Unrestricted	<u>(219,822)</u>	<u>(169,975)</u>
	<u>(77,214)</u>	<u>(27,367)</u>
	<u>\$ 474,373</u>	<u>\$ 636,564</u>

Commitments (Note 9)

Approved and authorized by the Board:

Jan Baggott

Director

Patrick Oswald

Director

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

FIELD HOCKEY CANADA
STATEMENTS OF REVENUE AND EXPENDITURES
(Expressed in Canadian Dollars)
FOR THE YEARS ENDED MARCH 31

	2019	2018
REVENUE		
Contributions		
Sport Canada	\$ 930,000	\$ 1,181,200
Canadian Olympic Committee	129,500	80,000
National team levies		
Men's	246,343	165,412
Women's	155,232	92,232
Domestic program	255,860	184,517
Donations and fundraising	1,011,999	405,425
Interest	1,000	5,328
Membership fees	179,777	199,236
Other	(226)	1,139
	<u>2,909,485</u>	<u>2,314,489</u>
EXPENDITURES		
National team		
Men's	1,110,466	799,988
Women's	994,536	769,561
Administration and facilitation	121,592	109,717
Administration salaries	341,259	287,043
Bad debt expense	7,523	12,191
Domestic programs	86,597	120,609
Marketing	32,162	21,694
Meetings and Board	13,350	26,844
Membership expenses	96,161	68,324
Special programs	155,686	103,265
	<u>(2,959,332)</u>	<u>(2,319,236)</u>
EXCESS (DEFICIENCY)		
OF REVENUE OVER EXPENDITURES FOR THE YEAR	<u>\$ (49,847)</u>	<u>\$ (4,747)</u>

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

FIELD HOCKEY CANADA
STATEMENTS OF CASH FLOWS
(Expressed in Canadian Dollars)
FOR YEARS ENDED MARCH 31

	2019	2018
OPERATING ACTIVITIES		
Excess expenditures over revenues for the year	\$ (49,847)	\$ (4,747)
Revenue from restricted funds	(8,197)	5,438
Item not affecting cash		
Amortization of property and equipment	9,618	13,311
Bad debt expense	7,523	12,191
Unrealized (gain) loss on endowment fund investments	-	682
Net change in non-cash working capital items		
Accounts receivable	28,747	82,209
Prepaid expenses	87,587	(28,452)
Accounts payable	(82,312)	(52,445)
Deferred revenue	<u>(118,045)</u>	<u>117,395</u>
Net change from operating activities	<u>(124,926)</u>	<u>145,582</u>
INVESTING ACTIVITIES		
Sale (purchase) of investments	8,197	6,120)
Purchase of property and equipment	<u>(3,189)</u>	<u>(8,805)</u>
Net change from investing activities	<u>5,008</u>	<u>(14,925)</u>
CHANGE IN CASH AND BANK INDEBTEDNESS FOR THE YEAR	(119,918)	130,657
Cash and bank indebtedness, beginning of year	<u>23,708</u>	<u>(106,949)</u>
CASH AND BANK INDEBTEDNESS, END OF YEAR	<u>\$ (96,210)</u>	<u>\$ 23,708</u>

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

FIELD HOCKEY CANADA
STATEMENTS OF CHANGES IN NET ASSETS
 (Expressed in Canadian Dollars)
FOR YEARS ENDED MARCH 31

	2019	2018
INTERNALLY RESTRICTED FOR INTERNATIONAL HOSTING PURPOSES		
Balance, beginning of year	\$ 142,608	\$ 142,608
Transfer from unrestricted Fund	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 142,608</u>	<u>\$ 142,608</u>

UNRESTRICTED

Balance, beginning of year	\$ (169,975)	\$ (165,228)
Excess of expenditures over revenue	<u>(49,847)</u>	<u>(4,747)</u>
Balance, end of year	<u>\$ (219,822)</u>	<u>\$ (169,975)</u>

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

1. PURPOSE OF THE ORGANIZATION

The Organization, 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 not-for-profit organization and is a Registered Canadian Amateur Athletic Association under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the Canadian Accounting Standards for Not-For-Profit Organizations (“ANSPO”) and include the following significant accounting policies:

Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure 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 property and equipment; and
- d) asset impairment tests.

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.

Internally restricted fund for international hosting

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

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 measured at amortized cost include cash and accounts receivable.

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

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.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
 (Expressed in Canadian Dollars)
 MARCH 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (cont'd...)

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. Amortization is provided on the straight line basis at the following annual rates:

Computers	2 years
Equipment	2 years
Leasehold improvements	Remaining term of lease

Revenue recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditure is 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.

Sport Canada contributions

Contributions received from Sport Canada are subject to specific terms and conditions regarding the expenditure 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.

3. FINANCIAL INSTRUMENTS

Financial instruments of the Organization consist of cash, investments, accounts receivable, bank overdraft 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.

4. CASH AND BANK INDEBTEDNESS

	2019	2018
Cash on deposit	\$ -	\$ 23,708
Bank indebtedness	<u>(96,210)</u>	<u>-</u>
	<u>\$ (96,210)</u>	<u>\$ 23,708</u>

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
MARCH 31, 2019

4. CASH AND BANK INDEBTEDNESS (cont'd...)

The Organization has utilized \$96,210 of the line of credit of \$140,000 which is secured by a general security agreement over the assets of the Organization.

5. PROPERTY AND EQUIPMENT

	2019			2018	
	Cost	Accumulated Amortization	Net	Net	
Computers	\$ 48,933	\$ 46,142	\$ 2,791	\$ 6,604	
Equipment	23,938	23,938	-	-	
Leasehold improvements	13,075	11,550	1,525	4,141	
Total	\$ 85,946	\$ 81,630	\$ 4,316	\$ 10,745	

Amortization of \$9,618 (2018 - \$13,311) is included in Administration expenditures.

6. WOMEN'S COC ENDOWMENT FUND

	2019	2018
ASSETS		
Investment in Money Market funds	\$ 135,474	\$ 133,746
Interfund receivable	10,647	10,647
	\$ 146,121	\$ 144,393
FUND BALANCE		
Balance, beginning of the year	\$ 144,393	\$ 143,666
Investment income	1,728	727
Balance, end of year	\$ 146,121	\$ 144,393

7. MEN'S COC ENDOWMENT FUND

	2019	2018
ASSETS		
Cash	\$ -	\$ 948
Bankers Acceptance	-	177,803
Equities	203,866	35,040
	\$ 203,866	\$ 213,791

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
MARCH 31, 2019

7. MEN'S COC ENDOWMENT FUND (cont'd...)

	2019	2018
FUND BALANCE		
Balance, beginning of the year	\$ 213,791	\$ 209,080
Investment income (loss)	6,980	5,393
Unrealized gain (loss) on investments	-	(682)
Distributions	<u>(16,905)</u>	<u>-</u>
Excess (deficiency) of revenue over distributions	<u>(9,925)</u>	<u>4,711</u>
Balance end of year	<u>\$ 203,866</u>	<u>\$ 213,791</u>

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
Accounts payable	\$ 43,023	\$ 122,774
Accrued liabilities	17,998	10,498
Payroll liabilities	<u>20,369</u>	<u>30,430</u>
	<u>\$ 81,390</u>	<u>\$ 163,702</u>

9. COMMITMENTS

The organization has an obligation under the terms of an operating lease agreement in place until October 2019 for office premises. The minimum annual payment for the next year under the remaining lease term is \$23,245.

FIELD HOCKEY CANADA
NOTES TO THE FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
MARCH 31, 2019

National Sport Organization Schedule of Revenues and Expenditures – Sport Canada Contribution
Fiscal Year: March 31, 2019

Revenues:

Source of Funding	Amount
Government:	
Federal – PCH Funding (Reference Level & Enhanced Excellence)	822,500
Federal – PCH Funding Next Generation Initiative	107,500
COC Next Generation Initiative	107,500
Other government – (Federal incl. other PCH , Provincial, Territorial, Municipal)	25,000
Subtotal - Government	1,062,500
Other Type of Funding:	
Other cash revenues	1,846,985
Shortfall	49,847
Subtotal – Other Type of Funding	1,896,832
Total Revenues:	2,959,332

Expenditures:

Expenditures by Category	Total Cost
Mainstream Program	
General Administration	96,965
Governance	13,350
Salaries, Fees & Benefits	375,775
Coaching Salaries and Professional Development (Protected)	434,356
National Team Programs	1,210,500
Next Generation Initiative	484,195
Official Languages (Protected)	5,746
Operations and Programming	338,444
Subtotal - Mainstream Program	2,959,332
Total Expenditures:	2,959,332