

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

EXECUTIVE SUMMARY

The Fiscal Year ending 31 March 2019 was financially challenging for Field Hockey Canada. The following factors contributed to this financial challenge:

- a. Program budgets were approved and employment contracts existed or were entered into for amounts that exceeded Field Hockey Canada's guaranteed revenues from government agencies and player levies and therefore were reliant upon fund raising efforts that were not guaranteed;
- b. Programs went over budget;
- c. National team players were not levied;
- d. Credit cards were issued to staff without adequate financial controls;
- e. Various staff and volunteers were committing Field Hockey Canada financially and approving invoice payments without an adequate level of centralized oversight and control; and
- f. Not enough money was raised from donations, sponsorships and strategic partnerships to cover all the costs incurred, in particular for the Men's National Programs.

The following actions have been taken to restore Field Hockey Canada to financial health:

- a. All Field Hockey Canada credit cards have been cancelled and fully paid off;
- b. Unaffordable employment contracts have been terminated;
- c. All new budgets must now be based on funds guaranteed from Government agencies, player levies and only those donations that have actually been received;
- d. Fundraising efforts have increased, with a new donation portal added to the Field Hockey Canada website;
- e. Coaches and Managers must now use their personal credit cards so that any spending that is over the budgeted cash amounts provided to them in advance of a tour or that is not otherwise approved in advance by the CEO will not be the responsibility of Field Hockey Canada;
- f. No financial commitments can be undertaken and no invoices are now paid without the prior approval of the CEO;
- g. A new QuickBooks Online accounting system has been set up and a new book keeping firm hired;
- h. A new Sportlomo team management and program system has been set up to better manage program enrolment, invoicing and payment tracking;
- i. Player levies will be reintroduced to the extent necessary for all programs;
- j. Efforts to collect all past due receivables have been stepped up; and

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

- k. The line of credit at Scotiabank was increased to allow Field Hockey Canada to continue to operate and meet all of its financial obligations.

Attached are expanded notes relating to the audited financial statements for the year ending 31 March 2019, a cash flow summary for each of the various Field Hockey Canada programs, a summary of the budgets, actuals and variances for both the 2018 and 2019 fiscal years, and reviews in graphic formats of revenues and expenditures in the current fiscal year and several past years.

The audited financial statements do not cover all of the activities undertaken in the name of Field Hockey Canada. For many years the indoor program centered in Ontario has maintained its own bank account and the income and expenditures relating to this program have not been included in the audited financial statements. Recently members of the Women's National Team and their supporters also independently raised significant funds and paid for several important program expenses directly, using their own bank accounts, and are to be congratulated and thanked for having done so. The amounts so raised and expended are also not included in the audited financial statements.

It is now felt that the finances of all activities undertaken in the name of Field Hockey Canada should be included in Field Hockey Canada's financial statements and be subject to audit, and efforts are being undertaken to ensure that this happens going forward.

Sincerely,

Patrick Oswald

Patrick Oswald, Treasurer

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

1. CHANGE IN CASH AND BANK INDEBTEDNESS

On 1 April 2018 Field Hockey Canada started the fiscal year with a positive cash balance of \$23,708, and ended the fiscal year on 31 March 2019 with bank indebtedness of \$96,210.00. This negative cash balance change of \$119,918 required the use of Field Hockey Canada's line of credit agreement with Scotiabank.

2. INCREASE IN SCOTIABANK LINE OF CREDIT

The limit to Field Hockey Canada's line of credit at Scotiabank was increased from \$120,000 to \$140,000 during the fiscal year, and further increased to \$265,000 after the end of the fiscal year. This line of credit allows Field Hockey Canada to continue to operate while restoring itself to sound financial health. Field Hockey Canada's long term goal is to have a positive cash balance of at least \$100,000 at the start of each fiscal year.

3. ACCOUNTS RECEIVABLE

Accounts Receivable of \$57,622 included the following:

a. Men's National Team Levies:	\$ 3,553
b. Women's National Team Levies:	\$ 2,971
c. Men's Junior Program Levies:	\$ 9,790
d. Women's Junior Program Levies:	\$ 250
e. Field Hockey BC Membership fees:	\$24,222
f. Field Hockey Alberta Membership fees:	\$ 7,168
g. 94 Forward:	\$ 2,004
h. GST Rebate:	\$ 1,632
i. Other:	\$ 6,032

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

4. PREPAID EXPENSES

Prepaid Expenses of \$73,095 included the following:

- | | |
|--|----------|
| a. Insurance: | \$10,902 |
| b. Men's National Team program: | \$43,263 |
| c. Women's National Team program: | \$14,591 |
| d. 2019 PAHF Membership Fee (USD \$2,000): | \$ 2,703 |
| e. 2019 FIH Membership Fee (USD \$1,210): | \$ 1,635 |

5. PROPERTY AND EQUIPMENT

A laptop computer and software for the Men's National Team cost \$3,189. Other equipment was also purchased but most was posted to specific programs and fully expensed, including a GPS training system for the Women's National Team.

6. WOMEN'S COC ENDOWMENT FUND

The purpose of the Women's COC Endowment Fund is to enhance the high performance of women's and girls' field hockey activities in Canada. The assets of the Fund were held and managed by Investors Group for many years and lately were invested in Money Market Funds. The Fund is required to maintain a minimum capital balance of \$125,000, with any income or capital value over that amount being available for distribution to programs in support of women's and girls' field hockey in Canada.

After the end of the current fiscal, on 15 April 2019, the assets of the Fund were moved to an account at Scotiabank and the minimum \$125,000 balance was invested in a GIC yielding 2.4%. The remaining \$10,495.16 was distributed to Field Hockey Canada to help pay expenses related to the Women's National Team program.

The principal amount of this fund, which cannot be distributed, has been pledged as security for the increased Scotiabank line of credit.

The reference in Note 6 in the financial statements to an Interfund Receivable refers to the fact that many years ago Field Hockey Canada borrowed \$50,000 from the Fund but only paid back \$40,000. The \$10,647 is the amount still repayable to the Fund by Field Hockey Canada. Once repaid this amount will be available for further distributions. It is expected that this amount will be repaid in the 2020 fiscal year.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

7. MEN'S COC ENDOWMENT FUND

The purpose of the Men's Olympic Endowment Fund is to enhance the high performance of men's and boy's field hockey activities in Canada. The assets of the Fund were held and managed for many years by CIBC Wood Gundy. In September 2018 the principal amount of \$204,950.69 was transferred to the Canadian Olympic Foundation. In November 2018 an additional \$306.00, representing dividends received by CIBC Wood Gundy after the transfer of the principal amount, was also transferred to the Canadian Olympic Foundation.

The Fund must maintain its capital value and can only distribute its net income each year.

In Fiscal 2019 donations totaling \$5,800 were received by the Fund.

In Fiscal 2019 distributions or payments of \$16,905 were made as follows:

a. Senior Men's Team Azlan Shaw tour:	\$9,000
b. Hawks/West Van joint Spring Skills camp:	\$1,556
c. Prior year payments captured in current fiscal:	\$6,349

8. CURRENT ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable of \$43,023 included the following:

a. Men's National Program:	\$27,940
b. Women's National Program:	\$11,064
c. Other:	\$ 4,019

Accrued liabilities of \$17,998 included the following:

a. Audit fees:	\$ 9,000
b. Women's National Team Business Club:	\$ 7,500
c. Other:	\$ 1,498

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

9. INTERNALLY RESTRICTED FOR INT'L HOSTING

The \$142,608 that is described as internally restricted for international hosting purposes is an historical amount that has already been spent hosting events over the past 15 years. An adjusting journal entry will be made in the 2020 fiscal year to return this balance to the unrestricted funds balance as no funds currently held by FHC are restricted for international hosting. This adjusting journal entry will also reduce the amount of the unrestricted net deficiency by the same amount (see paragraph 10 below).

10. UNRESTRICTED NET DEFICIENCY

The unrestricted net deficiency of \$219,822 represents the total amount of losses that have accumulated over the years. The accumulated loss at the end of the prior fiscal year was shown \$169,975. The loss for the 2019 fiscal year was \$49,847.

The amount of the unrestricted net deficiency is calculated as the sum of the following:

Current Assets:	\$130,717
Property & Equipment:	\$ 4,316
Internally Restricted for Int'l. Hosting:	-\$142,608
Current Liabilities:	-\$201,600
Amount owed to the Women's Endowment Fund:	<u>-\$ 10,647</u>
Total:	<u><u>-\$219,822</u></u>

Once the adjusting journal entry referred to in paragraph 9 above is made to transfer the balance shown as being Internally Restricted for International Hosting over to the unrestricted balance then the Unrestricted Net Deficiency will be reduced by \$142,608 to total \$77,214. And once the amount owed to the Women's Endowment Fund is repaid then the Unrestricted Net Deficiency will be further reduced to \$66,567.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

11. REVENUE FROM GOVERNMENT AGENCIES

Revenue of \$1,059,500 from Government agencies included the following:

a. Sport Canada core funding:	\$472,500
b. Sport Canada Enhanced Excellence for Senior Men:	\$350,000
c. Sport Canada for Men's Next Gen Initiative:	\$ 70,000
d. Sport Canada for Women's Next Gen Initiative:	\$ 37,500
e. COC matching funding for Men's Next Gen Initiative:	\$ 70,000
f. COC matching funding for Women's Next Gen Initiative:	\$ 37,500
g. Canadian Olympic Fund grants:	\$ 22,000

Note: an additional \$3,000 received from the Coaching Association of Canada is included in Domestic Programs revenue (see note 13 below).

12. REVENUE FROM PLAYER LEVIES

Revenue of \$401,575 from player levies included the following:

a. Senior Men:	nil
b. Junior Men:	\$246,343*
c. Senior Women:	nil
d. Junior Women:	\$155,232

*This amount includes \$9,000 raised by the Men's National Team to help pay for their tour to New Zealand. The amount was posted to junior men's levies in error.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

13. REVENUE FROM DOMESTIC PROGRAMS

Revenue of \$255,860 from Domestic Programs included the following:

a. Masters Athlete levies:	\$162,336
b. FH Alberta Fees for National Championship:	\$ 12,500
c. FHBC Fees for National Championships:	\$ 30,000
d. FH Ontario Fees for National Championships:	\$ 32,500
e. FH P.E.I. Fees for National Championships:	\$ 5,000
f. FH Quebec fees for National Championships:	\$ 12,500
g. Vendor Fees for National Championships:	\$ 1,050
h. Cost Recovery from FH Ontario for Nat'l Championships:	\$ 9,703
i. Disbursements charged against Revenue:	(\$ 27,729)
j. ViaSport hosting grant (MNT games - China & Pakistan):	\$ 15,000
k. Coaching Association of Canada grant:	\$ 3,000

14. DONATIONS AND FUNDRAISING

Total revenue from Donations and Fundraising was \$1,011,999.

Donations and Fundraising revenue for women's programs was \$759,057 and included the following:

a. 94 Forward Partnership for China Tour:	\$ 88,116
b. 94 Forward for Airfare:	\$ 650
c. Anonymous Donor 2019 pledge:	\$300,000
d. Anonymous Donor 2020 pledge advanced:	\$300,000*
e. Women's National Team Business Club:	\$ 65,075
f. Other:	\$ 5,216

* In 2017 a generous anonymous donor pledged to donate \$1,200,000 over four years to support Field Hockey Canada's women's programs. When it became clear that the major investment being made in the Canadian National Women's Team would far exceed the funds available the donor very kindly advanced the third instalment that would otherwise have been received by Field Hockey Canada in fiscal 2020. This amount will not therefore be available for Field Hockey Canada's women's programs in fiscal 2020.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

Donations and Fundraising revenue for men's programs was \$59,498 and included the following:

g. Men's National Team fund raiser:	\$ 8,550
h. Men's Endowment Fund for Azlan Shah:	\$ 9,000
i. Men's Alumni for Aslan Shah tournament:	\$ 38,000
j. Other:	\$ 3,948

*The Men's National Team raised an additional \$9,000 to help pay for the cost of their tour to New Zealand, but this amount was posted in error to Junior Men's Levies.

Donations and Fundraising revenue for general purposes was \$193,444 and included the following:

k. Merchandise Sales:	\$ 608
l. Vancouver Hawks for Turf	\$ 194
m. Hall of Fame:	\$ 2,148
n. Flight Center Sponsorship:	\$ 12,000
o. Gryphon Sponsorship:	\$ 10,000
p. Canada Gov. Summer Intern salary offset	\$ 3,795
q. Donation for travel to FIH Congress:	\$ 895
r. 94 Forward for CEO Search:	\$ 10,000
s. 94 Forward for Governance Workshop	\$ 1,800
t. 94 Forward for Governance Workshop	\$ 2,004
u. 94 Forward advance for Governance targets:	\$150,000

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

15. MEMBERSHIP FEES

Membership fees of \$179,777 were collected by the Provincial Sport Organizations as follows:

a. British Columbia:	\$128,249
b. Alberta:	\$ 33,518
c. Manitoba:	\$ 0
d. Saskatchewan:	\$ 0
e. Ontario:	\$ 10,957
f. Quebec:	\$ 350
g. Nova Scotia:	\$ 4,720
h. New Brunswick:	\$ 0
i. PEI:	\$ 2,471
j. Newfoundland:	\$ 0
k. Other (adjusting journal entry for fiscal 2015):	-\$ 488

16. MEN'S NATIONAL PROGRAM EXPENDITURES

The Men's National Program budget for the 2019 fiscal year that was approved at the 2018 AGM was \$1,013,800. Actual expenditures were \$1,110,466, or \$96,666 over budget. Of this amount the Senior Men's National Team Expenditures were \$694,342 included the following:

a. Coaching and Staff salaries and contracts:	\$247,089
b. Tours:	\$389,314
c. Training:	\$ 23,902
d. Insurance:	\$ 27,115
e. OTP Funding Application (travel, hotel, etc.):	\$ 3,314
f. Communications and Data:	\$ 975
g. Equipment:	\$ 2,389
h. Other:	\$ 244

The Junior Men's National Team Expenditures were \$416,124 included the following:

i. Coaching and Staff salaries and contracts:	\$ 29,767
j. Tours and camp:	\$334,344
k. Training:	\$ 52,013

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

17. WOMEN'S NATIONAL PROGRAM EXPENDITURES

The Women's National Program budget for the 2019 fiscal year that was approved at the 2018 AGM was \$685,000. Actual expenditures were \$994,536*, or \$309,536* over budget. Of this amount the Senior Women's National Team Expenditures of \$868,961* included the following:

a. Coaching and Staff salaries and contracts:	\$225,444
b. Tours (included taking JWNT team to China):	\$570,150*
c. Training:	\$ 15,932
d. Insurance:	\$ 27,115
e. 94 Forward Application consultant & travel	\$ 16,568
f. OTP Funding Application (travel, hotel, etc.):	\$ 2,681
g. Communications & Data:	\$ 329
h. Equipment:	\$ 10,742

Junior Women's National Team Expenditures of \$125,575 included the following:

i. Coaching and Staff salaries and contracts:	\$ 27,736
j. Tours:	\$ 15,000*
k. Training:	\$ 22,418
l. Chile Series of games at Shawnigan Lake:	\$ 60,421

* Most of the Junior Women's China tour costs were included in the Senior Women's tour costs. The \$15,000 shown above for Junior Women's Team Tours actually includes \$2,521 for Junior Men uniforms for the Youth Olympic Games that was posted incorrectly, and \$572 from the Junior Women's February 2018 tour to San Diego (i.e. a prior fiscal year expense) that was paid in April 2018 (and therefore captured in the current fiscal year). Additional tour expenses are not included in these financials because they were paid directly by players or by managers who collected funds from players but did not use Field Hockey Canada bank accounts.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

18. ADMINISTRATION EXPENSES

Administration Expenses of \$121,592 included the following:

a. Rent and storage:	\$ 40,846
b. Bank and Visa Fees and interest:	\$ 24,554
c. Audit:	\$ 9,000
d. Book Keeping & accounting:	\$ 31,689
e. Depreciation Expense:	\$ 9,617
f. Internet, Website, Teleconferencing, Other:	\$ 5,886

19. DOMESTIC PROGRAM EXPENSES

Domestic Program Expenses of \$86,597 included the following:

a. Travel for meetings with PSO's:	\$ 1,866
b. Capitis Consulting re Domestic programs:	\$ 2,768
c. Coaching Development:	\$ 3,377
d. National Championships:	\$78,586

20. MARKETING EXPENSES

Marketing Expenses of \$32,162 included the following:

a. Communications, Website, software:	\$ 6,555
b. Awards, Recognition, Hall of Fame:	\$ 5,731
c. MNT China/Pakistan series Banquet:	\$ 6,302
d. Women's National Team Business Club:	\$ 7,500
e. Indoor Program Golf Tournament:	\$ 200
f. English – French translation:	\$ 5,746
g. Merchandise:	\$ 128

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

21. MEETINGS & BOARD EXPENSES

Meetings and Board Expenses of \$13,350 included the following:

a. Momentum Teleconferencing charges:	\$ 2,579
b. Travel to PAHF & FIH meetings (net):	\$ 1,622
c. Travel to Sport Canada & OTP meetings:	\$ 4,058
d. Face to Face Board Meetings:	\$ 2,521
e. Marilyn Payne Consulting:	\$ 2,570

22. MEMBERSHIP EXPENSES

Membership Expenses of \$96,161 included the following:

a. Insurance:	\$91,715
b. PAHF & FIH Membership Fees (USD \$3,210):	\$ 4,196
c. True Sport Foundation – Sport Matters:	\$ 250

23. SPECIAL PROGRAMS EXPENSES (Masters, Grand Masters, Indoor Masters)

Special programs expenses of \$155,686 included the following:

a. Men's Masters:	\$ 47,967
b. Women's Masters:	\$ 48,511
c. Grand Masters:	\$ 54,968
d. Men's Indoor Masters	\$ 1,044
e. Women's Indoor Masters	\$ 3,044
f. Masters General Admin:	\$ 152

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

24. PROGRAM SUMMARIES

a. General Administration Income:		
i. Sport Canada (wages, meetings, audit):	\$ 262,700	
ii. Sport Canada (translation, merchandise):	\$ 10,500	
iii. Interest:	\$ 1,000	
iv. General Fundraising/sponsorship:	\$ 29,640	
v. 94 Forward (CEO Search, Governance):	\$163,804	
vi. Other:	-\$ 226	
vii. Members Fees:	<u>\$ 179,777</u>	\$647,195
b. General Administration Expenses:		
i. Rent, Audit, finance, other:	\$121,592	
ii. Salaries & Benefits:	\$341,259	
iii. Bad Debts	\$ 7,523	
iv. Marketing	\$ 32,162	
v. Meetings & Board	\$ 13,350	
vi. Members Expense:	<u>\$ 96,161</u>	\$612,047
c. General Administration Net:		<u>\$ 35,148</u>
d. Men's National Program Income:		
i. Sport Canada head coach allowance:	\$ 99,550	
ii. Sport Canada OTP:	\$350,000	
iii. COC Olympic Familiarization Grant:	\$ 11,000	
iv. Sport Canada Next Gen:	\$ 70,000	
v. COC Next Gen:	\$ 70,000	
vi. Levies:	\$246,343	
vii. Donations/Sponsorship:	<u>\$ 59,498*</u>	
Total Income:		\$ 906,391
e. Men's National Program Expenses:		<u>\$1,110,466</u>
f. Men's National Program Net:		<u>-\$ 204,075</u>

*The Men's National Team raised an additional \$9,000 to help pay for the cost of their tour to New Zealand, but this amount was posted in error to Levies.

**FIELD HOCKEY CANADA
TREASURER'S REPORT
FISCAL YEAR 1 APRIL 2018 TO 31 MARCH 2019**

g. Women's National Program Income:		
i. Sport Canada head coach allowance:	\$ 99,750	
ii. COC Olympic Familiarization Grant:	\$ 11,000	
iii. Sport Canada Next Gen:	\$ 37,500	
iv. COC Next Gen:	\$ 37,500	
v. Levies:	\$155,232	
vi. Donations/Sponsorship:	\$759,057	
Total Income:		\$1,100,039
h. Women's National Program Expenses:		\$ 994,536
i. Women's National Program Net:		<u>\$ 105,503</u>
j. Special Programs (Master's) Income:		
i. Levies:		\$ 162,336
k. Special Programs (Master's) Expenses:		<u>\$ 155,686</u>
l. Special Programs (Master's) Net:		<u>\$ 6,650</u>
m. Domestic Programs (National Championships) Income:		\$ 75,524
n. Domestic Programs (National Championships) Expenses:		<u>\$ 78,586</u>
o. Domestic Programs (National Championships) Net:		<u>-\$ 3,062</u>
p. Domestic Programs (Coaching/Leagues/Hosting) Income:		
i. CAC:	\$ 3,000	
ii. Via Sport:	\$ 15,000	\$ 18,000
q. Domestic Programs (Coaching/Leagues) Expenses:		<u>\$ 8,011</u>
r. Domestic Programs (Coaching/Leagues) Net:		\$ 9,989