

**FINANCIAL STATEMENTS**  
**FIELD HOCKEY BC**

**August 31, 2022**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**Field Hockey BC**

### ***Opinion***

We have audited the financial statements of Field Hockey BC (the Society), which comprise the statement of financial position as at August 31, 2022, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at August 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Opinion***

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 Society 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 audit 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 Canadian accounting standards for not-for-profit organizations, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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## INDEPENDENT AUDITOR'S REPORT

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- 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 Society'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 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 Society 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

The comparative figures for the year ended August 31, 2021 were reported on by another firm of chartered professional accountants who expressed an qualified opinion thereon in their report dated December 15, 2021.

*Tompkins Wozny LLP*

Vancouver, Canada  
January 23, 2023

Chartered Professional Accountants

## STATEMENT OF FINANCIAL POSITION

As at August 31

	2022				2021	
	Society Fund \$	Capital Asset Fund \$	Restricted Gaming Fund \$	Other Restricted Funds \$	Totals \$	Totals \$
<b>ASSETS</b>						
<b>Current</b>						
Cash - unrestricted	609,812	—	—	—	609,812	576,637
- restricted	—	—	27	120,798	120,825	199,934
Term deposits [note 3]	48,141	—	—	—	48,141	48,088
Accounts receivable [note 4]	86,198	—	—	—	86,198	43,804
Inventory	89,193	—	—	—	89,193	87,008
Prepaid expenses	3,957	—	—	—	3,957	5,050
<b>Total current assets</b>	<b>837,301</b>	<b>—</b>	<b>27</b>	<b>120,798</b>	<b>958,126</b>	<b>960,521</b>
Security deposit - office lease	7,012	—	—	—	7,012	7,012
Capital assets [note 5]	—	6,134	—	—	6,134	7,777
	<b>844,313</b>	<b>6,134</b>	<b>27</b>	<b>120,798</b>	<b>971,272</b>	<b>975,310</b>
<b>LIABILITIES</b>						
<b>Current liabilities</b>						
Accounts payable and accruals [note 6]	249,968	—	—	—	249,968	194,692
Deferred revenue [note 7]	164,894	—	—	120,798	285,692	391,906
<b>Total current liabilities</b>	<b>414,862</b>	<b>—</b>	<b>—</b>	<b>120,798</b>	<b>535,660</b>	<b>586,598</b>
Canada Emergency Business Account loan [note 12]	30,000	—	—	—	30,000	30,000
<b>Total liabilities</b>	<b>444,862</b>	<b>—</b>	<b>—</b>	<b>120,798</b>	<b>565,660</b>	<b>616,598</b>
<b>NET ASSETS</b>	<b>399,451</b>	<b>6,134</b>	<b>27</b>	<b>—</b>	<b>405,612</b>	<b>358,712</b>
	<b>844,313</b>	<b>6,134</b>	<b>27</b>	<b>120,798</b>	<b>971,272</b>	<b>975,310</b>

Commitment [note 10]

Other [note 13]

See accompanying notes to the financial statements

On behalf of the Board:



Director



Director

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended August 31

	Society Fund \$	Capital Asset Fund \$	Restricted Gaming Fund \$	Other Restricted Funds \$	Total \$
<b>2022</b>					
<b>Balance, beginning of year</b>	350,935	7,777	—	—	358,712
Revenue over (under) expenses for the year	48,516	(1,643)	27	—	46,900
<b>Balance, end of year</b>	<b>399,451</b>	<b>6,134</b>	<b>27</b>	<b>—</b>	<b>405,612</b>
<b>Fund restrictions:</b>					
Internally restricted [note 9]	133,914	6,134	—	—	140,048
Externally restricted	—	—	27	—	27
Unrestricted	265,537	—	—	—	265,537
<b>Balance, end of year</b>	<b>399,451</b>	<b>6,134</b>	<b>27</b>	<b>—</b>	<b>405,612</b>
<b>2021</b>					
<b>Balance, beginning of year</b>	323,430	10,300	—	—	333,730
Revenue over (under) expenses for the year	27,505	(2,523)	—	—	24,982
<b>Balance, end of year</b>	<b>350,935</b>	<b>7,777</b>	<b>—</b>	<b>—</b>	<b>358,712</b>
<b>Fund restrictions:</b>					
Internally restricted	115,727	7,777	—	—	123,504
Unrestricted	235,208	—	—	—	235,208
<b>Balance, end of year</b>	<b>350,935</b>	<b>7,777</b>	<b>—</b>	<b>—</b>	<b>358,712</b>

*See accompanying notes to the financial statements*

## STATEMENT OF OPERATIONS

Year ended August 31

	2022				2021	
	Society Fund \$	Capital Asset Fund \$	Restricted Gaming Fund \$	Other Restricted Funds \$	Totals \$	Totals \$
<b>REVENUE</b>						
Grants	171,491	—	—	46,485	217,976	197,090
Gaming	—	—	267,411	—	267,411	95,698
Membership fees, insurance	296,117	—	—	—	296,117	240,970
FHBC program contributions	66,280	—	—	—	66,280	27,630
Sponsorships and donations	14,095	—	—	—	14,095	1,700
Interest and miscellaneous	527	—	—	—	527	91
Merchandise - sales and rentals	934	—	—	—	934	2,877
Coaching and umpire programs	5,795	—	—	—	5,795	6,790
Tournament and festivals	78,910	—	—	—	78,910	—
Athlete programs	125,874	—	—	—	125,874	49,526
BC Teams	111,640	—	—	—	111,640	—
Canada Emergency Wage Subsidy [note 13]	—	—	—	—	—	168,720
Rent assistance [note 13]	—	—	—	—	—	39,551
	<b>871,663</b>	<b>—</b>	<b>267,411</b>	<b>46,485</b>	<b>1,185,559</b>	<b>830,643</b>
<b>EXPENSES</b>						
Membership fees	134,910	—	—	—	134,910	117,557
Administrative [Schedule]	168,248	—	—	—	168,248	188,502
Staff [note 12]	189,321	—	129,000	10,821	329,142	361,635
Merchandise	177	—	—	—	177	2,162
Coaching programs	—	—	4,949	—	4,949	4,873
Umpiring programs	694	—	5,237	—	5,931	399
Player development	1,250	—	—	—	1,250	—
Tournament and festivals	105,067	—	38,312	—	143,379	—
Athlete programs	108,431	—	29,874	35,664	173,969	89,105
BC Teams	115,049	—	60,012	—	175,061	24,072
Amortization	—	1,643	—	—	1,643	2,523
Inventory write-down	—	—	—	—	—	14,833
	<b>823,147</b>	<b>1,643</b>	<b>267,384</b>	<b>46,485</b>	<b>1,138,659</b>	<b>805,661</b>
<b>Revenue over (under) expenses for the year</b>	<b>48,516</b>	<b>(1,643)</b>	<b>27</b>	<b>—</b>	<b>46,900</b>	<b>24,982</b>

See accompanying notes to the financial statements

**STATEMENT OF CASH FLOWS**

Year ended August 31

	2022	2021
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Revenue over expenses for the year	46,900	24,982
Amortization of capital assets	1,643	2,523
Changes in other non-cash working capital items		
Accounts receivable	(42,394)	55,172
Inventory	(2,185)	17,734
Prepaid expenses	1,093	17,880
Accounts payable and accruals	55,276	(36,057)
Deferred revenue	(106,214)	21,888
<b>Cash provided by (used in) operating activities</b>	<b>(45,881)</b>	<b>104,122</b>
<b>Increase (decrease) in cash for the year</b>	<b>(45,881)</b>	<b>104,122</b>
Cash, beginning of year	824,659	720,537
<b>Cash, end of year</b>	<b>778,778</b>	<b>824,659</b>
<b>Cash consists of:</b>		
Unrestricted	609,812	576,637
Externally restricted	120,825	199,934
Term deposits	48,141	48,088
	<b>778,778</b>	<b>824,659</b>

*See accompanying notes to the financial statements*

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2022

### 1. NATURE OF THE ORGANIZATION

Field Hockey BC is a non-profit Society registered under the B.C. Society Act on December 31, 1992. The Society has tax-exempt status under the Income Tax Act.

The purposes of the Society are:

- a) To foster, promote and encourage the development and organization of field hockey within the Province of British Columbia, from the recreational level of participation through to the pursuit of excellence.
- b) To develop, promote and administer programs that encourage the development of the sport of field hockey for players, coaches, umpires and volunteers within the Province of B.C.
- c) To make, maintain and enforce rules and regulations for the control and governance of Field Hockey in British Columbia.
- d) To be the official British Columbia representative at meetings of Field Hockey Canada, and to provide a liaison between Field Hockey Canada and the players, coaches, officials and volunteers in British Columbia who are involved in the game of field hockey.

### 2. SIGNIFICANT ACCOUNTING POLICIES

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

#### Use of Estimates

The preparation of financial statements in conformity with Canadian 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 date of the financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets. Actual results could differ from these estimates.

#### Fund Accounting

Revenues and expenses related to the program delivery and administrative activities are reported in the Society Fund.

Revenues and expenses related to specific programs and activities financed by the Province of B.C. are reported in the Restricted Gaming Fund and Other Restricted Fund.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets.



## NOTES TO FINANCIAL STATEMENTS

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August 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue Recognition

The Society 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Membership, player development, merchandise and other program revenues are recognized as revenue in the period in which they are earned.

Interest income is recognized when earned or received.

#### Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, restricted cash, term deposits and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accruals.

Financial assets measured at 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 had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Inventory

Inventory, consisting of various clothing and supplies held for distribution to teams and associated individuals, is stated at the lower of cost (first-in, first out) and net realizable value. Cost is defined as purchase price plus freight in. The net realizable value is the estimated selling price in the ordinary course of business.

#### Capital Assets

Capital assets are recorded at cost, less accumulated amortization. Amortization of capital assets is recorded at the following rates:

- Vehicles 5 years straight-line
- Computer equipment 3 years straight-line
- Office furniture and equipment 10 years straight-line

## NOTES TO FINANCIAL STATEMENTS

August 31, 2022

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Deferred Revenue

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

### 3. TERM DEPOSITS

Interest rates on term deposits are 0.75% [2021 - 0.05%] and matures in September 2022.

### 4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Operations	86,198	41,492
Allowance for doubtful accounts	—	—
	86,198	41,492

### 5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
<b>2022</b>			
Vehicles	32,742	32,742	—
Computer equipment	17,055	17,055	—
Office furniture and equipment	23,221	17,087	6,134
	73,018	66,884	6,134
<b>2021</b>			
Vehicles	32,742	32,742	—
Computer equipment	17,055	16,324	731
Office furniture and equipment	23,221	16,175	7,046
	73,018	65,241	7,777

## NOTES TO FINANCIAL STATEMENTS

August 31, 2022

### 6. ACCOUNTS PAYABLE AND ACCRUALS

	2022	2021
	\$	\$
Operations	84,693	23,416
Due to members	165,275	167,817
	<b>249,968</b>	<b>191,233</b>

Amounts due from members were amounts received by the members in prior years' but were not required to be paid. These amounts remain on record to be applied in subsequent years as members return to pre-pandemic participation in the Society's programs.

### 7. DEFERRED REVENUE

	2022	2021
	\$	\$
Membership fees received in advance	21,008	48,348
Deferred contributions - operating grants	143,886	143,886
- Gaming and other	120,798	199,672
	<b>285,692</b>	<b>391,906</b>

### 8. PERMANENT ENDOWMENT FUNDS - VANCOUVER FOUNDATION

The Society holds seven permanent endowment funds established with the Vancouver Foundation. The market value of these funds at August 31, 2022 is \$167,758 [2021 - \$187,953]. In accordance with the provisions of the Vancouver Foundation Act, the amounts are held permanently by the Vancouver Foundation. As the Society has the right to receive only the investment income on these funds and has no access to the contributed principal, the Society's financial statements do not reflect this amount as an asset.

### 9. INTERNALLY RESTRICTED NET ASSETS

During the fiscal year, an amount of \$18,187 [2021 - (\$3,267)] was net transferred to internally restricted net assets from the Society's operating surplus for the year. Internally restricted net assets are included under the Society Fund.

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2022

### 10. COMMITMENT

#### Lease of Premises

The Society is committed to an office premises lease which expires in September 2025, which will require annual basic and additional rent in the next four fiscal years as follows:

	\$
2023	84,399
2024	86,735
2025	86,947
2026	7,246
	<u>265,327</u>

### 11. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at August 31, 2022.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Society is exposed to credit risk with respect to its cash and accounts receivable. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive. The Society's cash is invested with a large financial institution.

#### Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Society is exposed to interest rate risk on its cash and term deposits.

## NOTES TO FINANCIAL STATEMENTS

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August 31, 2022

### 12. WAGES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Society is required to disclose wages and benefits paid to employees who are paid \$75,000 or more during the fiscal year. Wages and benefits expense includes \$107,253 [2021 - \$107,232] remunerated to one [2021 - one] employee during the year.

### 13. COVID-19

In March 2020, the outbreak of the coronavirus, also known as COVID-19, has spread across the globe and has impacted worldwide economic activity.

The measures put in place such as cancellation and postponement of sports events are having multiple impacts on provincial and local sports organization in B.C. The Society, as part of the sports community, is aware of and monitoring changes for sports operations to return to sport safely.

The Society has applied for and received the Canada Emergency Wage Subsidy (CEWS) as a subsidy for employee wages; Canada Emergency Rent Subsidy (CERS) as a subsidy to cover part of their commercial rent; and has also received and recently paid back in full a \$40,000 loan under the Canada Emergency Business Account (CEBA). The Federal Government served notice to the Society that the loan was required to be paid back in full - the Society upon post-COVID review was deemed to no longer be eligible for the funding.

Under the original CEBA eligibility terms, \$10,000 of the loan was to be forgiven and has been reported as revenue in 2020, leaving \$30,000 as a loan payable at August 31, 2022. As the loan was required to be paid back in full during fiscal year 2023, the \$10,000 that was previously reported as revenue in 2020 will be reversed in 2023.

### 14. COMPARATIVE FIGURES

The comparative figures for the year ended August 31, 2021 were reported on by another firm of chartered professional accountants who expressed an qualified opinion thereon in their report dated December 15, 2021.

Certain 2021 comparative figures have been reclassified where necessary to conform to the current year's presentation.

## SCHEDULE OF ADMINISTRATIVE EXPENSES

Year ended August 31

	2022	2021
	\$	\$
Awards & volunteer recognition	3,364	364
Bank charges	927	885
Credit card fees	2,420	1,777
Dues & subscriptions	272	1,630
Equipment	344	202
FHBC Foundation Bursaries	2,100	1,700
Internet	2,090	1,991
Meetings	2,330	37,377
Miscellaneous	3,195	543
Office	4,427	3,021
Office furniture & equipment	—	201
Insurance	5,975	5,869
Postage	352	232
Professional Services	18,854	15,236
Rent	85,563	81,974
Rent - Storage	14,038	15,700
Technical subscriptions	11,450	7,178
Telephone	6,607	6,625
Vehicle expenses	2,620	4,712
Website	1,320	1,285
	<b>168,248</b>	<b>188,502</b>

*See accompanying notes to the financial statements*