


**UNITED STATES FIELD HOCKEY  
ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION**

**Consolidated Financial Statements &  
Supplemental Schedules**

**For the Year Ended December 31, 2020**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
United States Field Hockey Association, Inc.  
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of United States Field Hockey Association, Inc. and United States Field Hockey Foundation (non-profit organizations), which comprise the consolidated statement of financial position as of December 31, 2020, and the related consolidated statements of activities and changes in net assets, functional expenses, and of cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of United State Field Hockey Association, Inc. and United States Field Hockey Foundation as of December 31, 2020, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Emphasis of Matter**

As described in Note A to the financial statements, in 2019, United State Field Hockey Association, Inc. and United States Field Hockey Foundation adopted Accounting Standards Update (ASU) 2018-13, *Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*. Our opinion is not modified with respect to this matter.

### **Emphasis of Other Matter**

As described in Note L, in March 2020, the World Health Organization declared a pandemic related to a fast-spreading novel strain of coronavirus. The outbreak caused significant global disruption in commercial and noncommercial activities. The disruption may have a significant impact on future financial performance; however, the ultimate impact of this global concern cannot be determined. Our opinion is not modified with respect to that matter.

### **Report on Summarized Comparative Information**

We have previously audited the United States Field Hockey Association, Inc.'s and the United States Field Hockey Foundation's consolidated financial statements for the year ended December 31, 2019 and expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McMillen & Company, PLLC*

Colorado Springs, Colorado  
March 17, 2021

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidated Statement of Financial Position  
December 31, 2020  
(With Comparative Amounts for 2019)

	<u>ASSETS</u>	
	2020	2019
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,098,767	\$ 3,022,338
Accounts and pledges receivable, net	36,413	228,247
Prepaid expenses and other assets	<u>280,086</u>	<u>559,633</u>
Total current assets	2,415,266	3,810,218
LONG-TERM INVESTMENTS	2,548,721	2,290,432
PROPERTY AND EQUIPMENT:		
Athletic equipment and fields	943,053	943,053
Software	234,789	234,789
Computer equipment	179,020	170,852
Signage and branding	122,052	122,052
Office furniture	34,451	34,451
Leasehold improvement	8,256	6,511
Less accumulated depreciation	<u>(1,471,560)</u>	<u>(1,392,460)</u>
Property and equipment - net	<u>50,061</u>	<u>119,248</u>
TOTAL ASSETS	<u>\$ 5,014,048</u>	<u>\$ 6,219,898</u>
	<u>LIABILITIES AND NET ASSETS</u>	
CURRENT LIABILITIES:		
Accounts payable	\$ 24,990	\$ 68,677
Accrued liabilities	83,195	214,407
Deferred revenue	<u>1,348,640</u>	<u>3,397,716</u>
Total liabilities	1,456,825	3,680,800
NET ASSETS:		
Without donor restrictions	3,433,448	2,427,252
With donor restrictions	<u>123,775</u>	<u>111,846</u>
Total net assets	<u>3,557,223</u>	<u>2,539,098</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 5,014,048</u>	<u>\$ 6,219,898</u>

See Notes to Financial Statements

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidated Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2020  
(With Comparative Totals for 2019)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2020 Consolidated Totals	2019 Consolidated Totals
<b>REVENUES, GAINS, &amp; OTHER SUPPORT:</b>				
Registration fees	\$ 2,215,310	\$	\$ 2,215,310	\$ 4,362,006
Membership dues	1,369,300		1,369,300	1,374,082
USOC support, including in-kind support of \$34,431 and \$54,900	771,446		771,446	1,096,917
Other fees	404,034		404,034	705,574
Investment income, net of fees fees of \$1,693 and \$1,578	383,070		383,070	385,677
Paycheck Protection Program	396,388		396,388	
Corporate sponsorship	218,457		218,457	325,033
Rebates	129,712		129,712	194,838
In-kind contributions	119,862		119,862	335,917
Donations	101,506	14,491	115,997	145,638
Sales revenue	37,358		37,358	219,205
Grants	53,989		53,989	214,217
Umpire fees	49,800		49,800	43,900
Licensing	7,000		7,000	40,020
Other income	3,854		3,854	30,512
Advertising	4,600		4,600	6,416
Net assets released from restriction	<u>2,562</u>	<u>(2,562)</u>		
Total revenue, gains, & other support	6,268,248	11,929	6,280,177	9,479,952
<b>EXPENSES:</b>				
Program services:				
Olympic & sport development	1,859,225		1,859,225	4,044,079
International teams	1,767,699		1,767,699	3,338,865
Member services	348,470		348,470	389,187
Total program services	<u>3,975,394</u>		<u>3,975,394</u>	<u>7,772,131</u>
Supporting services:				
General & administrative	933,088		933,088	1,137,299
Marketing & communication	300,117		300,117	319,899
Fundraising	43,610		43,610	212,553
Volunteer administration	9,843		9,843	27,840
Total supporting services	<u>1,286,658</u>		<u>1,286,658</u>	<u>1,697,591</u>
Total expenses	<u>5,262,052</u>		<u>5,262,052</u>	<u>9,469,722</u>
CONSOLIDATED CHANGE IN NET ASSETS	1,006,196	11,929	1,018,125	10,230
NET ASSETS, beginning of year	<u>2,427,252</u>	<u>111,846</u>	<u>2,539,098</u>	<u>2,528,868</u>
NET ASSETS, end of year	<u>\$ 3,433,448</u>	<u>\$ 123,775</u>	<u>\$ 3,557,223</u>	<u>\$ 2,539,098</u>

See Notes to Financial Statements

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidated Statement of Functional Expenses  
For the Year Ended December 31, 2020

	Program Services			Supporting Services				Total Supporting Services	2020 Total	
	Olympic & Sport Development	International Teams	Member Services	Total Program Services	General & Administrative	Marketing & Communication	Fundraising			Volunteer Admin.
Advertising & promotion	\$ 1,194	\$ 33,010	\$	\$ 34,204	\$	\$ 1,004	\$	\$	\$ 1,004	\$ 35,208
Bank charges		273		273	68,736		112		68,848	69,121
Contract services	436,906	215,721		652,627	27,929	12,336			40,265	692,892
Depreciation	3,379	41,709	578	45,666	19,237	14,198			33,435	79,101
Education	30			30						30
Employee benefits	40,706	62,724	5,705	109,135	46,475	19,857			66,332	175,467
Equipment	69,562	4,585		74,147	8,125	302			8,427	82,574
Facilities rental	236,077	9,116		245,193	4,817				4,817	250,010
Fees/visas/registration	209,162	43,168		252,330	1,812			5,000	6,812	259,142
Gifts & awards	18,170	1,087		19,257	6,023			293	6,330	25,587
Hospitality	67,791			67,791		17,808			17,917	85,708
Insurance		2,480	164,419	166,899	80,150		1,992		82,142	249,041
Investment fees					1,693				1,693	1,693
Meals & per diem	35,927	52,931		88,858	2,109	638	3,673		6,420	95,278
Miscellaneous	5,953	4,944	40,852	51,749	26,629	24,281			50,910	102,659
Office	3,198			3,198				170	170	3,368
Parking fees	4,348	1,232		5,580	118				118	5,698
Payroll taxes	34,481	53,129	4,832	92,442	39,367	16,820			56,187	148,629
Photocopying & printing	229	1,706	768	2,703	1,844	11,958			13,802	16,505
Postage & freight	22,176	1,491		23,667	3,184	7,042		60	11,047	34,714
Professional services	14,400	11,756	28,080	54,236	63,444	624	6,695	2,500	73,263	127,499
Rent					78,306			500	78,806	78,806
Repairs & maintenance		111		111	1,275				1,275	1,386
Salaries & wages	342,667	528,013	48,018	918,698	391,227	167,162	19,999		578,388	1,497,086
Software	3,491	20,089		23,580	6,790	367	9,078		16,235	39,815
Stipends		344,589		344,589						344,589
Supplies	10,039	8,802		18,841	8,843	1,116	612		10,571	29,412
Telephone & fax	3,812	6,034	400	10,246	22,533	1,453		758	24,744	34,990
Travel & transportation	180,990	238,168	391	419,549	15,727	1,935	364	562	18,588	438,137
Uniforms	36,207	5,646		41,853					215	42,068
Utilities					703				703	703
Value in kind	77,484	74,909		152,393	1,685				1,685	154,078
Web fees	846	276	54,427	55,549	6,000	1,202			7,202	62,751
	<u>\$ 1,859,225</u>	<u>\$ 1,767,699</u>	<u>\$ 348,470</u>	<u>\$ 3,975,394</u>	<u>\$ 934,781</u>	<u>\$ 300,117</u>	<u>\$ 43,610</u>	<u>\$ 9,843</u>	<u>\$ 1,288,351</u>	<u>\$ 5,263,745</u>
Less: investment fees					(1,693)				(1,693)	(1,693)
Total expenses, as reported on the statement of activities	<u>\$ 1,859,225</u>	<u>\$ 1,767,699</u>	<u>\$ 348,470</u>	<u>\$ 3,975,394</u>	<u>\$ 933,088</u>	<u>\$ 300,117</u>	<u>\$ 43,610</u>	<u>\$ 9,843</u>	<u>\$ 1,286,658</u>	<u>\$ 5,262,052</u>

See Notes to Financial Statements

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidated Statement of Cash Flows  
For the Year Ended December 31, 2020  
(With Comparative Amounts for 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 1,018,125	\$ 10,230
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Paycheck Protection Program	(396,388)	
Depreciation	79,101	89,675
Realized and unrealized (gains) losses on investments	(359,405)	(364,249)
(Increase) decrease in current operating assets:		
Accounts receivable, net	191,834	(3,272)
Prepaid expenses and other assets	279,547	(53,099)
Increase (decrease) in current operating liabilities:		
Accounts payable	(43,687)	16,191
Accrued liabilities	(131,212)	(27,859)
Deferred revenue	<u>(2,049,076)</u>	<u>40,646</u>
Total adjustments	<u>(2,429,286)</u>	<u>(301,967)</u>
Net cash used by operating activities	(1,411,161)	(291,737)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in USOE investments	102,729	120,071
Gross proceeds from sale of other investments	4,862	9,779
Gross purchases of other investments	(6,475)	(1,624)
Acquisition of property and equipment	<u>(9,914)</u>	<u>(93,870)</u>
Net cash provided by investing activities	91,202	34,356
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Paycheck Protection Program	<u>396,388</u>	<u>                    </u>
Net cash provided by financing activities	<u>396,388</u>	<u>                    </u>
NET DECREASE IN CASH	(923,571)	(257,381)
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,022,338</u>	<u>3,279,719</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,098,767</u>	<u>\$ 3,022,338</u>

See Notes to Financial Statements



UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION

Notes to Financial Statements

For the Year Ended December 31, 2020

A. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organizations

United States Field Hockey Association, Inc. (a non-profit organization) d/b/a USA Field Hockey (the Association) is the national governing body for the sport of field hockey and is responsible for the promotion and development of the sport in the United States and promotion of U.S. international participation. USA Field Hockey is an official member of the United States Olympic Committee (USOC). The Association has approximately 25,000 members and is responsible for the development of the boys, girls, high school, collegiate, club athletic programs, and ultimately the national teams representing the U.S. in international competitions. USA Field Hockey's national office is located in Colorado Springs, Colorado.

USA Field Hockey Foundation (the Foundation) was formed in 2002, as a Colorado non-profit corporation, and is a supporting organization for the Association. The Foundation's mission and principal activities are to provide financial and other assistance and support to the Association.

New Accounting Pronouncements

In August 2018, the FASB issued ASU 2018-13, *Fair Value Measurement: Disclosure Framework - Changes to the Disclosure Requirements for Fair Value Measurement (Topic 820)*. This ASU is effective for fiscal years beginning after December 15, 2019, with early adoption permissible. This ASU removes and modifies certain disclosures, adding disclosures related to fair value measurement. The Organizations adopted this standard during the year ended December 31, 2020.

Basis of Presentation

The financial statements of the Association are being presented on a consolidated basis with the Foundation, in accordance with generally accepted accounting principles in the United States of America. The accounting standards require consolidation when a non-profit organization has a controlling financial interest in other entities. All inter-organizational accounts have been eliminated in the accompanying consolidated financial

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statements.

Accordingly, net assets and changes therein are classified and reported as follows:

- Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association.
- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

#### Supplemental Cash Flow Disclosure

Cash and cash equivalents consist of the Organizations' checking and savings accounts. Cash flows from operating activities reflect no interest or income taxes paid for the years ended December 31, 2020 and 2019.

#### Accounts and Pledges Receivable

Accounts and pledges receivable are stated at the amount management expects to collect from balances outstanding at year-end. The Association provides an allowance for doubtful accounts which is based on management's assessment of the credit history with customers having outstanding balances and current relationships with them. Delinquent receivables are written off based on specific circumstances of the customer and other economic factors. As of December 31, 2020 and 2019, receivables were recorded net of an allowance for doubtful

accounts of \$4,750 and \$1,605, respectively.

#### Property and Equipment

All acquisitions of property and equipment in excess of \$500 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Donated property and equipment is recorded at fair market value at the date of donation. Purchased property and equipment is recorded at cost. Property and equipment is depreciated using the straight-line method over estimated useful lives of three to seven years. Depreciation expense for years ended December 31, 2020 and 2019 amounted to \$79,101 and \$89,675, respectively.

#### Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

#### Revenue Recognition

We have analyzed the provisions of the Financial Accounting Standards Board's (FASB) ASC Topic 606, *Revenue from Contracts with Customers*, and have concluded that no changes are necessary to conform with the new standard. The Association's revenue recognition policies are as follows:

- Registration fees and other event-related revenue - Registration fees and other event revenue are paid by both members and non-members for the different events that the Association holds during the year. These entail a specific delivery element and revenue is recognized at a single point in time when ownership, risks, and rewards transfer. Financial aid is reported as a reduction to the transaction price of registration fees. The Association recognizes revenue when it successfully conducts events.
- Membership dues - Membership dues revenue is recognized in an amount that reflects the consideration that the

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Association is entitled to in exchange for providing membership services. Registrations are recognized as revenue in the period in which the Association satisfies its performance obligation to its members. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, as defined by ASC 606. The Association's performance obligation for membership registration revenue is to provide membership services and benefits accessible only to members.

- Sponsorship revenue - Sponsorship revenue is recognized in an amount that reflects the consideration that the Association is entitled to in exchange for substantially fulfilling performance obligations specific to each contract. Sponsorships are recognized as revenue in the period in which the Association satisfies its performance obligation to its members. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, as defined by ASC 606. The Association's performance obligations for sponsorship revenue is to provide promotion and advertising opportunities as arranged under each contract. The Association has determined that performance obligations of existing multi-year contracts do not materially differ from year-to-year; and, it continues to evaluate each new contract for proper recognition under ASC 606.

#### Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. However, restricted contributions are reported as an increase in net assets without donor restrictions if the restriction is satisfied in the same reporting period in which the support is recognized.

When a restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, net assets with donor restrictions - temporary in nature, are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions.

#### In-kind Contributions

The Organizations received in-kind sponsorships and donations

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from various supporters, including affiliated organizations.

The Association also receives a substantial amount of donated services in carrying out its programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under generally accepted accounting principles.

Income Tax

The Association and Foundation are tax-exempt organizations under Section 501(c)(3) of the Internal Revenue Code and, accordingly, are not subject to federal income tax. Accordingly, no income tax provision has been recorded. The Organizations' Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by various taxing authorities, generally for three years after the date filed.

Management of the Organizations believe that they do not have any uncertain tax positions that are material to the financial statements.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to one or more program or supporting services of the Association. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Personnel expenses are allocated on the basis of estimates of time and effort spent by personnel in the various program and supporting services made by the Organizations' Management. For the years ended December 31, 2020 and 2019, the Organizations' supporting service expenses amounted to 21% and 18%, respectively, of total support and revenue.

Date of Management's Review

In preparing the financial statements, the Organizations have evaluated events and transactions for potential recognition or disclosure through March 17, 2021, the date that the financial statements were available to be issued.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or

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by natural and functional classification of expenses. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organizations' financial statements for the year ended December 31, 2019, from which the summarized information was derived.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Association and Foundation regularly monitor liquidity required to meet operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organizations have cash and cash equivalents as a primary source of liquidity at its disposal. In addition to currently held financial assets available to meet general expenditures over the next 12 months, the Association operates under a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

As of December 31, 2020 and 2019, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents	\$ 2,098,767	\$ 3,022,338
Accounts receivable, net	<u>36,413</u>	<u>228,247</u>
Total	<u>\$ 2,135,180</u>	<u>\$ 3,250,585</u>

The Association and Foundation also have investments of \$2,548,721 and \$2,290,432 as of December 31, 2020 and 2019, respectively. Although the Organizations do not intend to liquidate the investments for general expenditures over the next 12 months, the remaining funds are available, if necessary.

Of the amounts described above, \$123,775 and \$111,845 are subject to donor-imposed purpose or time restrictions (Note F), as of December 31, 2020 and 2019, respectively.

C. FAIR VALUE MEASUREMENT AND INVESTMENTS

GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The

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hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organizations have the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The Foundation's investment in the United States Olympic Endowment (USOE) portfolio is valued at fair value using the net asset value of the portfolio provided by the USOE. The Foundation's investment in this portfolio is classified as Level 2.

The Foundation may request partial withdrawals (including allocation gains and interest once allocations are approved) following a 30-day notification period. The Foundation may request full liquidation of its investments with the USOE effective at the end of any calendar month upon the giving of at least 90-days written notice or upon shorter notice acceptable to the USOE if the USOE determines that adequate liquidity exists in the portfolio to permit early termination.

The USOE portfolio contains certain alternative investments. The Endowment's alternative investments, including investments held solely as agent, for the Foundation, consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and fund of funds.

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Collectively, the managers of alternative investments invest in a variety of securities including, but not limited to, foreign and domestic publicly traded equity and debt securities, foreign and domestic fixed income investments, domestic commercial and residential real estate, options, warrants, derivatives, and contracts. When available, fair value is based on the last sale price for securities listed on national exchanges. For securities not listed on national exchanges, fair value is determined at the last bid or asking price depending on the long or short position of the security. Investments for which quotations are not available are valued at an estimated fair value by the fund managers using various models, comparisons, and assumptions. Consideration is given to several factors, including the type of investment, risks, marketability, restrictions on disposition, quotations from other market participants and values of similar investments.

There was no significant change to the valuation methodologies used during the year.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2020 and 2019, respectively:

Assets at Fair Value as of December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled funds \$		\$ 2,402,305	\$	\$ 2,402,305
Mutual funds:				
Fixed income	87,544			87,544
Equities	47,453			47,453
Alternative assets	3,737			3,737
Domestic equities				
Cash and money				
Market	<u>7,682</u>			<u>7,682</u>
	<u>\$ 146,416</u>	<u>\$ 2,402,305</u>	<u>\$</u>	<u>\$ 2,548,721</u>

Assets at Fair Value as of December 31, 2019

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
USOE pooled funds \$		\$ 2,154,077	\$	\$ 2,154,077
Mutual funds:				
Fixed income	80,198			80,198
Equities	32,010			32,010
Alternative assets	3,619			3,619



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Domestic equities	13,404			13,404
Cash and money				
Market	<u>7,124</u>			<u>7,124</u>
	<u>\$ 136,355</u>	<u>\$ 2,154,077</u>	<u>\$</u>	<u>\$ 2,290,432</u>

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the recorded amount of investments in the Foundation's financial statements. The allocation of the USOE investment pool to the Foundation consisted of the following at December 31, 2020:

Alternative investments	33.30%
Domestic bonds	23.66
Domestic equities	23.63
International equities	15.39
Cash and cash equivalents	<u>4.02</u>
	<u>100.00%</u>

Investment income consists of the following for the years ended December 31:

	<u>2020</u>	<u>2019</u>
Realized gains	\$ 218,172	\$ 102,760
Unrealized gains (losses)	142,926	263,067
Interest and dividends	23,665	21,428
Investment fees	<u>(1,693)</u>	<u>(1,578)</u>
Investment income	<u>\$ 383,070</u>	<u>\$ 385,677</u>

D. JOINT USE AGREEMENT AND RESTRICTED INVESTMENTS

In June 2001, the Association entered into a joint use and participation agreement with the City of Virginia Beach, Virginia, for the design and construction of a field hockey facility. Under the agreement, the Association was permitted to use the facility approximately 40% of the time and to maintain offices at the facility. In exchange, the Association became responsible for the purchase and installation of artificial turf on two playing fields, at a cost of \$376,562, and was obligated to maintain a reserve account in order to accumulate an amount equal to approximately 40% of the estimated replacement cost of the artificial turf. During 2013, the Association replaced one of the fields at a cost of

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\$268,859. During 2015, the Association replaced the second field at a cost of \$366,251.

In connection with the replacement of the field, the Association has the right to continue to use the facility on a limited basis for a period of four years ending December 31, 2017. Therefore, the cost of the replacement artificial turf incurred during 2013 was capitalized and was amortized over the four-year period. The cost of the replacement artificial turf incurred during 2015 was capitalized and was amortized over the remaining two-year period. The Association continues to use the facilities on an "as needed" basis.

E. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2020 and 2019, respectively:

	<u>2020</u>	<u>2019</u>
Membership	\$ 591,780	\$ 949,564
Other registrations	467,250	555,867
Futures	266,235	1,639,435
Indoor qualifiers	<u>23,375</u>	<u>252,850</u>
	<u>\$ 1,348,640</u>	<u>\$ 3,397,716</u>

Revenue from fees for membership is deferred and recognized over the periods to which the fees relate.

F. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, restricted for specific purposes or time periods, at December 31, 2020 and 2019, consist of contributions received for the following purpose and time period:

	<u>2020</u>	<u>2019</u>
Scholarships	\$ 92,868	\$ 91,478
Greg Gephardt fund	17,566	12,028
2021 operations	<u>5,000</u>	<u></u>
Total	<u>\$ 115,434</u>	<u>\$ 103,506</u>

In addition to the time and purpose restrictions listed above, permanently restricted net assets of \$8,340 at December 31, 2020 and 2019, are held in perpetuity, the income of which is

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expendable to support any activity of the Association.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2020 and 2019, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2020</u>	<u>2019</u>
Greg Gephardt fund	\$ 2,462	\$ 2,523
Scholarships	100	22,006
2019 operations	<u>          </u>	<u>5,000</u>
Total	<u>\$ 2,562</u>	<u>\$ 29,529</u>

G. AFFILIATED ORGANIZATIONS

The United States Olympic & Paralympic Committee (USOPC) provides grants to the Association for sports development, international competition, and team preparation. Total grants from the USOC during the years ended December 31, 2020 and 2019, respectively, consist of the following project categories:

	<u>2020</u>	<u>2019</u>
High performance	\$ 554,600	\$ 860,100
Media content license	150,000	150,000
Value-in-kind	34,431	54,900
Other grants	<u>32,415</u>	<u>31,917</u>
	<u>\$ 771,446</u>	<u>\$ 1,096,917</u>

The Association is economically dependent on support from the USOC in order to sustain its operations at current levels.

H. PENSION PLAN

The Association has a defined contribution pension plan pursuant to Section 403(b) of the Internal Revenue Code, covering substantially all employees. The Association matches employees' voluntary contributions up to 4% of the employee's compensation. Pension expense is \$21,956 and \$41,400 for the years ended December 31, 2020 and 2019, respectively.

I. CONCENTRATION OF CREDIT RISK

Certain financial instruments potentially subject the

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Association to concentration of credit risk. These financial instruments consist primarily of cash and investments. At times, cash deposit may exceed amounts insured by the Federal Deposit Insurance Corporation.

J. INTERCOMPANY TRANSACTIONS

The Association receives grants and reimbursements for certain administrative functions with the Foundation. And, the Association occasionally receives contributions or other revenue intended for the Foundation, which are owed back to the Foundation. These intercompany transactions and the amounts owed to/from the Organizations have been eliminated in the consolidated financial statements.

K. OPERATING LEASE AGREEMENTS

The Association has an operating lease agreement for office space which expired in 2020. As a result, the Association signed a new lease that is effective on January 1, 2021 until February 28, 2025. The monthly rates start at \$1,994 in January 2021, and will increase thereafter to reach a monthly payment of \$2,157 by February 2025. The Association also leases a building in Pennsylvania with monthly payments of \$2,009 per month. This lease began March 1, 2020, and ends August 31, 2021. Rent expense under the operating leases are \$78,806 and \$60,609 for the years ended December 31, 2020 and 2019, respectively.

The future minimum annual lease payments for the years ended December 31 are as follows:

2021	\$	23,933
2022		24,475
2023		25,125
2024		25,775
2025		4,314

L. COVID-19 PANDEMIC & PAYCHECK PROTECTION PROGRAM

In March 2020, the World Health Organization declared a pandemic related to the fast-spreading COVID-19 virus. As a result of the global attention and concern arising from this disease, many event organizers have taken measures that are considered appropriate responses to limit the spread of the

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disease such as postponing events, including the 2020 Olympics and Paralympics. Impacts to the Association included disruptions or restrictions on the Association's ability to perform services and/or conduct events, which impeded its ability to secure sponsorships and other funding. The Association received special USOPC funding (Note G) to mitigate the financial damage from COVID-19.

In May 2020, the Association acquired a federal loan in the amount of \$396,388 pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020, further amended by the Paycheck Protection Program Flexibility Act. The PPP provides loans to qualifying businesses for amounts up to two months of the average monthly payroll expenses plus an additional 25% of that amount. The loans and accrued interest are forgivable after 24 weeks if the borrower uses the loan proceeds for qualified purposes, including payroll, benefits, rent and utilities, and maintains its payroll levels at certain prescribed levels. The amount of loan forgiveness will be reduced if the borrower terminates employees or reduces salaries below the prescribed level during the 24-week period. During the year ended December 31, 2020, the Association satisfied the forgiveness requirements of the program. Therefore, it has recorded the revenue in the year ended December 31, 2020, applying provisions of ASC 958-605.

In December 2020, Congress passed the Consolidated Appropriations Act, which included the Economic Aid to Hard-Hit Small Businesses, Nonprofits, and Venues Act. This legislation allowed for additional funding under the PPP for certain entities. Subsequent to the year ended December 31, 2020, the Association applied for additional support of \$372,670 under the modified PPP, which it expects to use for purposes that would result in forgiveness of the loan.

Management continues to evaluate options for appropriate response to this global concern within the context of its operations and events. However, the ultimate impact of the COVID-19 outbreak is unknown.

**M. SUBSEQUENT EVENTS**

In January 2021, the Association executed an agreement with a commercial bank to secure a \$500,000 revolving line of credit

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for working capital. Interest accrues on any outstanding balance at a rate of 1.44% over the Bank's prime rate (unless subject to a higher default rate). The Association makes monthly payments equal to the amount of accrued interest plus 1/10 of principal or \$100, whichever is greater (not to exceed the outstanding balance). The revolving line of credit, requiring interest-only payments, is available to the Association until the final availability date, which is determined by notice in writing at the sole discretion of the bank. As of the final availability date, no further advances under the note will be available and the note would convert to a term note, requiring interest and principal payments equal.

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
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Consolidating Statement of Financial Position  
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	USA Field Hockey	United States Field Hockey Foundation	Eliminating Entries	2020 Consolidated Totals
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 2,032,644	\$ 66,123	\$	\$ 2,098,767
Accounts and pledges receivable, net	156,184	15,505	(135,276)	36,413
Prepaid expenses and other assets	279,988	98		280,086
Total current assets	2,468,816	81,726	(135,276)	2,415,266
LONG-TERM INVESTMENTS	146,416	2,402,305		2,548,721
PROPERTY AND EQUIPMENT:				
Athletic equipment and fields	943,053			943,053
Software	234,789			234,789
Computer equipment	179,020			179,020
Signage and branding	122,052			122,052
Office furniture	34,451			34,451
Leasehold improvements	8,256			8,256
Less accumulated depreciation	(1,471,560)			(1,471,560)
Property and equipment - net	50,061			50,061
OTHER ASSET:				
Beneficial interest in net assets of United States Field Hockey Foundation	2,347,645		(2,347,645)	
TOTAL ASSETS	<u>\$ 5,012,938</u>	<u>\$ 2,484,031</u>	<u>\$ (2,482,921)</u>	<u>\$ 5,014,048</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 23,880	\$ 16,271	\$ (15,161)	\$ 24,990
Grants payable		120,115	(120,115)	
Accrued liabilities	83,195			83,195
Deferred revenue	1,348,640			1,348,640
Total liabilities	1,455,715	136,386	(135,276)	1,456,825
NET ASSETS:				
Without donor restrictions	3,438,448	2,342,645	(2,347,645)	3,433,448
With donor restrictions	118,775	5,000		123,775
Total net assets	3,557,223	2,347,645	(2,347,645)	3,557,223
TOTAL LIABILITIES, MEMBERS' EQUITY, AND NET ASSETS	<u>\$ 5,012,938</u>	<u>\$ 2,484,031</u>	<u>\$ (2,482,921)</u>	<u>\$ 5,014,048</u>

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
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Consolidating Statement of Activities and Changes in Net Assets  
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	USA Field Hockey	United States Field Hockey Foundation	Reallocation/ Eliminating Entries	2020 Consolidated Totals
REVENUE, GAINS, & OTHER SUPPORT:				
Registration fees	\$ 2,215,310	\$	\$	\$ 2,215,310
Membership dues	1,369,300			1,369,300
USOC support, including in-kind support of \$34,341	771,446			771,446
Other fees	404,034			404,034
Paycheck Protection Program	396,388			396,388
Investment income net of fees at \$1,693 and \$1,578	11,763	371,307		383,070
Corporate sponsorship	218,457			218,457
Rebates	129,712			129,712
In-kind contributions	119,862			119,862
Donations & fundraising events	53,957	62,040		115,997
Sales revenue	37,358			37,358
Grants	184,104		(130,115)	53,989
Umpire fees	49,800			49,800
Licensing	7,000			7,000
Other income	3,854			3,854
Advertising	4,600			4,600
Change in beneficial interest in net assets of United States Field Hockey Foundation	261,314		(261,314)	
Total revenue, gains, & other support	6,238,259	433,347	(391,429)	6,280,177
EXPENSES:				
Program services:				
Olympic & sport development	1,859,225			1,859,225
International teams	1,767,699			1,767,699
Member service	348,470			348,470
Support for United States Field Hockey Association, Inc.		130,115	(130,115)	
Total program services	3,975,394	130,115	(130,115)	3,975,394
Supporting services:				
General & administrative	933,088	21,919	(21,919)	933,088
Marketing & communication	300,117			300,117
Fundraising	1,692	19,999	21,919	43,610
Volunteer administration	9,843			9,843
Total supporting services	1,244,740	41,918		1,286,658
Total expenses	5,220,134	172,033	(130,115)	5,262,052
CHANGE IN NET ASSETS	1,018,125	261,314	(261,314)	1,018,125
NET ASSETS, beginning of year	2,539,098	2,086,331	(2,086,331)	2,539,098
NET ASSETS, end of year	\$ 3,557,223	\$ 2,347,645	\$ (2,347,645)	\$ 3,557,223