


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

**Consolidated Financial Statements &  
Supplemental Schedules**

**For the Year Ended December 31, 2021**



## TABLE OF CONTENTS

Independent Auditor's Report . . . . .	1
Consolidated Statement of Financial Position . . . . .	4
Consolidated Statement of Activities and Changes in Net Assets . . . . .	5
Consolidated Statement of Functional Expenses . . . . .	6
Consolidated Statement of Cash Flows . . . . .	7
Notes to Consolidated Financial Statements . . . . .	8
Consolidating Statement of Financial Position . . . . .	23
Consolidating Statement of Activities and Changes in Net Assets . . . . .	24



## INDEPENDENT AUDITOR'S REPORT

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

### **Opinion**

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, 2021, 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.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organizations as of December 31, 2021, 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 required to be independent of the Organizations, and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the organizations' ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 it is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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, misinterpretations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- 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 organizations' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the combined financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial

doubt about the organizations' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

#### **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, 2020, and expressed an unmodified audit opinion on those audited financial statements in our report dated March 17, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*McMillen & Company, PLLC*

Colorado Springs, Colorado  
March 19, 2022

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidated Statement of Financial Position  
December 31, 2021  
(With Comparative Amounts for 2020)

	<u>ASSETS</u>	
	<u>2021</u>	<u>2020</u>
<b>CURRENT ASSETS:</b>		
Cash and cash equivalents	\$ 3,307,780	\$ 2,098,767
Bequest receivable	1,910,775	
Grant receivable	300,000	
Accounts and pledges receivable, net	136,934	36,413
Prepaid expenses and other assets	<u>489,917</u>	<u>280,086</u>
Total current assets	6,145,406	2,415,266
<b>LONG-TERM INVESTMENTS</b>	3,229,423	2,548,721
<b>PROPERTY AND EQUIPMENT:</b>		
Athletic equipment and fields	943,053	943,053
Software	234,789	234,789
Computer equipment	205,008	179,020
Signage and branding	122,052	122,052
Office furniture	34,451	34,451
Leasehold improvement	101,330	8,256
Less accumulated depreciation	<u>(1,534,617)</u>	<u>(1,471,560)</u>
Property and equipment - net	<u>106,066</u>	<u>50,061</u>
<b>TOTAL ASSETS</b>	<u>\$ 9,480,895</u>	<u>\$ 5,014,048</u>
<u>LIABILITIES AND NET ASSETS</u>		
<b>CURRENT LIABILITIES:</b>		
Accounts payable	\$ 43,874	\$ 24,990
Accrued liabilities	319,627	83,195
Deferred revenue	<u>2,452,684</u>	<u>1,348,640</u>
Total liabilities	2,816,185	1,456,825
<b>NET ASSETS:</b>		
Without donor restrictions	3,983,591	3,433,448
With donor restrictions	<u>2,681,119</u>	<u>123,775</u>
Total net assets	<u>6,664,710</u>	<u>3,557,223</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 9,480,895</u>	<u>\$ 5,014,048</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, 2021  
(With Comparative Totals for 2020)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2021 Consolidated Totals	2020 Consolidated Totals
<b>REVENUES, GAINS, &amp; OTHER SUPPORT:</b>				
Registration fees	\$ 3,174,660	\$	\$ 3,174,660	\$ 2,215,310
Donations & bequests	174,530	2,246,097	2,420,627	115,997
Membership dues	1,249,047	11,357	1,260,404	1,369,300
USOPC support, including in-kind support of \$11,502 and \$34,431	641,383		641,383	771,446
Grants	181,989	400,000	581,989	53,989
Investment income, net of fees of \$1,835 and \$1,693	506,504		506,504	383,070
Paycheck Protection Program	372,670		372,670	396,388
Other fees	325,590		325,590	404,034
In-kind contributions	204,865		204,865	119,862
Rebates	152,791		152,791	129,712
Corporate sponsorship	97,000		97,000	218,457
Sales revenue	24,962	34,290	59,252	37,358
Licensing	27,000		27,000	7,000
Umpire fees	23,800		23,800	49,800
Other income	6,852		6,852	3,854
Advertising				4,600
Net assets released from restriction	134,400	(134,400)		
<b>Total revenue, gains, &amp; other support</b>	<b>7,298,043</b>	<b>2,557,344</b>	<b>9,855,387</b>	<b>6,280,177</b>
<b>EXPENSES:</b>				
<b>Program services:</b>				
Olympic & sport development	2,710,353		2,710,353	1,859,225
International teams	2,218,031		2,218,031	1,767,699
Member services	453,462		453,462	348,470
<b>Total program services</b>	<b>5,381,846</b>		<b>5,381,846</b>	<b>3,975,394</b>
<b>Supporting services:</b>				
General & administrative	1,087,756		1,087,756	933,088
Marketing & communication	236,830		236,830	300,117
Fundraising	41,468		41,468	43,610
Volunteer administration				9,843
<b>Total supporting services</b>	<b>1,366,054</b>		<b>1,366,054</b>	<b>1,286,658</b>
<b>Total expenses</b>	<b>6,747,900</b>		<b>6,747,900</b>	<b>5,262,052</b>
<b>CONSOLIDATED CHANGE IN NET ASSETS</b>	<b>550,143</b>	<b>2,557,344</b>	<b>3,107,487</b>	<b>1,018,125</b>
<b>NET ASSETS, beginning of year</b>	<b>3,433,448</b>	<b>123,775</b>	<b>3,557,223</b>	<b>2,539,098</b>
<b>NET ASSETS, end of year</b>	<b>\$ 3,983,591</b>	<b>\$ 2,681,119</b>	<b>\$ 6,664,710</b>	<b>\$ 3,557,223</b>

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, 2021

	Program Services				Supporting Services			Total Supporting Services	2021 Total
	Olympic & Sport Development	International Teams	Member Services	Total Program Services	General & Administrative	Marketing & Communication	Fundraising		
Salaries & wages	\$ 231,257	\$ 556,404	\$ 139,354	\$ 927,015	\$ 417,828	\$ 134,782	\$ 20,000	\$ 572,610	\$ 1,499,625
Contract services	745,173	358,532		1,103,705	41,308	4,488		45,796	1,149,501
Travel & transportation	506,579	388,815	2,763	898,157	35,592	7,748	2,696	46,036	944,193
Facilities rental	360,329	58,550		418,879	6,706			6,706	425,585
Fees/visas/registrations	297,391	23,224		320,615	1,402		172	1,574	322,189
Insurance	5,838	3,658	158,830	168,326	128,899		2,184	131,083	299,409
Stipends		253,943		253,943					253,943
Meals & per diem	134,570	87,648	552	222,770	9,792	1,763	884	12,439	235,209
Value in kind	123,795	92,571		216,366					216,366
Employee benefits	33,522	69,962	10,793	114,277	63,774	19,540		83,314	197,591
Equipment	86,649	86,392	811	173,852	9,824	610		10,434	184,286
Bank charges	8,100	303		8,403	168,293		229	168,522	176,925
Web fees	1,420	387	103,846	105,653	202	1,528		1,730	107,383
Supplies	17,980	73,000		90,980	5,832	6,738	277	12,847	103,827
Payroll taxes	15,707	37,160	5,057	57,924	28,381	9,155		37,536	95,460
Professional services			28,080	28,080	51,953		5,980	58,844	86,924
Software	18,666	41,236	1,500	61,402	15,992	127	8,250	24,369	85,771
Miscellaneous	7,970	1,671	80	9,721	23,219	42,591	64	65,874	75,595
Uniforms	23,147	25,565		48,712	837			837	49,549
Depreciation	3,478	52,254	578	56,310	6,409	337		6,746	63,056
Rent					48,708			48,708	48,708
Postage & freight	36,526	846	1	37,373	2,166	354	732	3,252	40,625
Telephone & fax	2,886	4,092	500	7,478	13,844	1,463		15,307	22,785
Gifts & awards	15,065	823		15,888	2,494	380		2,874	18,762
Parking fees	12,113	319	79	12,511	940			1,030	13,541
Hospitality	9,552			9,552		3,488		3,488	13,040
Advertising & promotion	6,515			6,515		534		534	7,049
Utilities	3,095			3,095	1,393			1,393	4,488
Photocopying & printing	837	550	638	2,025	1,818	203		2,021	4,046
Grant expense	2,150			2,150					2,150
Investment fees					1,835			1,835	1,835
Repairs & maintenance		126		126	150			150	276
Office Education	43			43					43
	<u>2,710,353</u>	<u>2,218,031</u>	<u>453,462</u>	<u>5,381,846</u>	<u>1,089,591</u>	<u>236,830</u>	<u>41,468</u>	<u>1,367,889</u>	<u>6,749,735</u>
Less: investment fees					(1,835)			(1,835)	(1,835)
Total expenses, as reported on the statement of activities	<u>\$ 2,710,353</u>	<u>\$ 2,218,031</u>	<u>\$ 453,462</u>	<u>\$ 5,381,846</u>	<u>\$ 1,087,756</u>	<u>\$ 236,830</u>	<u>\$ 41,468</u>	<u>\$ 1,366,054</u>	<u>\$ 6,747,900</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, 2021  
(With Comparative Amounts for 2020)

	<u>2021</u>	<u>2020</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 3,107,487	\$ 1,018,125
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Paycheck Protection Program	(372,670)	(396,388)
Depreciation	63,056	79,101
Realized and unrealized (gains) losses on investments	(470,518)	(359,405)
(Increase) decrease in current operating assets:		
Bequest receivable	(1,910,775)	
Grants receivable	(300,000)	
Accounts receivable, net	(100,521)	191,834
Prepaid expenses and other assets	(209,831)	279,547
Increase (decrease) in current operating liabilities:		
Accounts payable	18,884	(43,687)
Accrued liabilities	236,432	(131,212)
Deferred revenue	1,104,044	(2,049,076)
Total adjustments	<u>(1,941,899)</u>	<u>(2,429,286)</u>
Net cash provided (used) by operating activities	1,165,588	(1,411,161)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in USOE investments	(209,200)	102,729
Gross proceeds from sale of other investments	7,302	4,862
Gross purchases of other investments	(8,286)	(6,475)
Acquisition of property and equipment	<u>(119,061)</u>	<u>(9,914)</u>
Net cash provided (used) by investing activities	(329,245)	91,202
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from the Paycheck Protection Program	<u>372,670</u>	<u>396,388</u>
Net cash provided by financing activities	<u>372,670</u>	<u>396,388</u>
NET INCREASE (DECREASE) IN CASH	1,209,013	(923,571)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,098,767</u>	<u>3,022,338</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 3,307,780</u>	<u>\$ 2,098,767</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, 2021

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 Authoritative Pronouncements - Not Yet Adopted

In September 2020, the FASB issued ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets (Topic 958)*. This ASU allows for the presentation and disclosure of contributions of nonfinancial assets to be more transparent in not-for-profit entities' financial statements. The new guidance will require not-for-profit entities to add a separate line item to the statement of activities, and to include various disaggregated disclosures by category, for contributions of nonfinancial assets. ASU 2020-07 is to be applied retrospectively and would be effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. Management is evaluating the impact of the adoption of ASU 2020-07 on its financial statements.

In February 2016, the Financial Accounting Standards Board (FASB) issued *Accounting Standards Update (ASU) 2016-02 -*

United States Field Hockey Association, Inc.  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

*Leases*, which created a new topic section of the Accounting Standards Codification (ASC), ASC 842. This guidance requires the recognition of all leases as rights and obligations to be presented on the statement of financial position as assets and liabilities. The standard further defines the proper initial and subsequent recognition and required disclosure of leases based on the type of lease, as defined under the new ASC 842. For nonpublic entities, the update is effective for fiscal years beginning after December 15, 2021. Management is evaluating the impact this standard will have on its financial statements.

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 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.

United States Field Hockey Association, Inc.  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

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, 2021 and 2020.

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, 2021 and 2020, receivables were recorded net of an allowance for doubtful accounts of \$0 and \$4,750, 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, 2021 and 2020, amounted to \$63,056 and \$79,101, 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

United States Field Hockey Association, Inc.  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

Standards Board's (FASB) ASC Topic 606, *Revenue from Contracts with Customers*. 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 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 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

United States Field Hockey Association, Inc.  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

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, 2021 and 2020, the Organizations' supporting service expenses amounted to 14% and 21%, 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 19, 2022, 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 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, 2020, 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, 2021 and 2020, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

United States Field Hockey Association, Inc.  
 United States Field Hockey Foundation  
 Notes to Financial Statements  
 December 31, 2021

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 3,307,780	\$ 2,098,767
Contribution receivable	1,910,775	
Grant receivable	300,000	
Accounts receivable	<u>136,934</u>	<u>36,413</u>
Total	<u>\$ 5,655,489</u>	<u>\$ 2,135,180</u>

The Association and Foundation also have investments of \$3,229,423 and \$2,548,721 as of December 31, 2021 and 2020, 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, \$2,681,119 and \$123,775 are subject to donor-imposed purpose or time restrictions (Note F), as of December 31, 2021 and 2020, 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 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



United States Field Hockey Association, Inc.  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

input that is significant to the fair value measurement in its entirety.

The Organizations' investments 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 Organizations may request partial withdrawals (including allocation gains and interest once allocations are approved) following a 30-day notification period. The Organizations 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 Organizations, consist of hedge equity funds, limited partnerships, real estate funds, private equity funds, bond fund trusts, and fund of funds.

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.

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2021 and 2020, respectively:

Assets at Fair Value as of December 31, 2021

	<u>Level 1</u>	<u>Level 2</u>	<u>Level3</u>	<u>Total</u>
USOE pooled funds	\$	\$ 2,740,383	\$	\$ 2,740,383
USOE Shelley Fund		335,322		335,322
Mutual funds:				
Fixed income	89,460			89,460
Equities	37,374			37,374
Alternative assets	4,524			4,524
Domestic equities	13,728			13,728
Cash and money market	8,632			8,632
	<u>\$ 153,718</u>	<u>\$ 3,075,705</u>	<u>\$</u>	<u>\$ 3,229,423</u>

Assets at Fair Value as of December 31, 2020

	<u>Level 1</u>	<u>Level 2</u>	<u>Level3</u>	<u>Total</u>
USOE pooled funds	\$	\$ 2,402,305	\$	\$ 2,402,305
Mutual funds:				
Fixed income	87,544			87,544
Equities	34,864			34,864
Alternative assets	3,737			3,737
Domestic equities	12,589			12,589
Cash and money market	7,682			7,682
	<u>\$ 146,416</u>	<u>\$ 2,402,305</u>	<u>\$</u>	<u>\$ 2,548,721</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, 2021:

Alternative investments	34.33%
Domestic equities	24.71
Domestic bonds	22.83
International equities	14.98
Cash and cash equivalents	<u>3.15</u>
	<u>100.00%</u>

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

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

	<u>2021</u>	<u>2020</u>
Realized gains	\$ 305,654	\$ 218,172
Unrealized gains	164,864	142,926
Interest and dividends	36,060	23,665
Investment fees	<u>(1,835)</u>	<u>(1,693)</u>
Investment income	<u>\$ 506,504</u>	<u>\$ 383,070</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 \$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, 2021 and 2020, respectively:

	<u>2021</u>	<u>2020</u>
Other registrations	\$ 890,005	\$ 467,250
Membership	815,759	591,780

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

Nexus (f.k.a. Futures)	461,920	266,235
Indoor qualifiers	<u>260,000</u>	<u>23,375</u>
	<u>\$ 2,427,684</u>	<u>\$ 1,348,640</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, 2021 and 2020, consist of contributions received for the following purpose and time period:

	<u>2021</u>	<u>2020</u>
Shelly fund	\$ 2,246,097	\$
Women National Team	300,000	
Scholarships	109,115	92,868
Greg Gephardt fund	17,566	17,566
2021 operations	<u></u>	<u>5,000</u>
Total	<u>\$ 2,672,778</u>	<u>\$ 115,434</u>

In addition to the time and purpose restrictions listed above, permanently restricted net assets of \$8,340 at December 31, 2021 and 2020, are held in perpetuity, the income of which is expendable to support any activity of the Association.

As of December 31, 2021, the Association has received a significant bequest of \$2,496,097 as a restricted gift for the development of the Women National Team. The bequest was received through multiple disbursements. As of December 31, 2021, the Association had received a total of \$335,322, and a balance of \$1,910,775 was accrued as a contribution receivable. The remaining balance of \$250,000 is held by the executor as a reserve and may be disbursed after all fiduciary fees and other taxes are paid.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2021 and 2020, net assets were released from restrictions by satisfying the following restricted purposes:

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

	<u>2021</u>	<u>2020</u>
Women National Team	\$ 100,000	\$
Greg Gephardt fund		2,462
Scholarships	29,400	100
2021 operations	<u>5,000</u>	<u></u>
Total	<u>\$ 134,400</u>	<u>\$ 2,562</u>

G. LINE OF CREDIT

In January 2021, the Association executed an agreement with a commercial bank to secure a \$500,000 revolving line of credit for working capital. Interest accrues on any outstanding balance at a rate of 1.44% over the Prime Rate (unless subject to a higher default rate). The Association makes monthly payments equal to the amount of accrued interest plus 1/100 of unpaid balance 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 monthly interest and principal payments equal to the greater of \$250 or the aggregate sum of accrued interest plus 1/60 of the unpaid principal balance. As of December 31, 2021, the Association had no outstanding principal balance on the line of credit.

H. 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, consist of the following project categories:

	<u>2021</u>	<u>2020</u>
High performance	\$ 340,000	\$ 554,600
Media content license	150,000	150,000
Other grants	139,881	32,415
Value-in-kind	<u>11,502</u>	<u>34,431</u>
	<u>\$ 641,383</u>	<u>\$ 771,446</u>

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

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

I. 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 \$29,424 and \$21,956 for the years ended December 31, 2021 and 2020, respectively.

J. CONCENTRATION OF CREDIT RISK

Certain financial instruments potentially subject the 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.

K. 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.

L. 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; and it leases a copy machine for \$204 per month until 2024. This lease began March 1, 2020, and ends August 31, 2021. Rent expense under the operating leases are \$48,708 and \$60,609 for the years ended December 31, 2021 and 2020, respectively.

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

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

2022	\$ 42,992
2023	27,570
2024	26,182
2025	4,314

M. 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 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, 2021, 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

United States Field Hockey Association, Inc  
United States Field Hockey Foundation  
Notes to Financial Statements  
December 31, 2021

allowed for additional funding under the PPP for certain entities. During the year ended December 31, 2021, the Association received additional support of \$372,670 under the modified PPP, which it used for purposes that would result in forgiveness of the loan. Therefore, it has recorded the revenue in the year ended December 31, 2021, applying the provisions of ASC 958-605.

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.



UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidating Statement of Financial Position  
December 31, 2021

	USA Field Hockey	United States Field Hockey Foundation	Eliminating Entries	2021 Consolidated Totals
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 3,206,199	\$ 101,581	\$	\$ 3,307,780
Bequest receivable	1,910,775			1,910,775
Grant receivable	300,000			300,000
Accounts and pledges receivable, net	274,324	6,348	(143,738)	136,934
Prepaid expenses and other assets	466,616	23,301		489,917
Total current assets	6,157,914	131,230	(143,738)	6,145,406
LONG-TERM INVESTMENTS	489,040	2,740,383		3,229,423
PROPERTY AND EQUIPMENT:				
Athletic equipment and fields	943,053			943,053
Software	234,789			234,789
Computer equipment	205,008			205,008
Signage and branding	122,052			122,052
Office furniture	34,451			34,451
Leasehold improvements	101,330			101,330
Less accumulated depreciation	(1,534,617)			(1,534,617)
Property and equipment - net	106,066			106,066
OTHER ASSET:				
Beneficial interest in net assets of United States Field Hockey Foundation	2,707,059		(2,707,059)	
<b>TOTAL ASSETS</b>	<b>\$ 9,460,079</b>	<b>\$ 2,871,613</b>	<b>\$ (2,850,797)</b>	<b>\$ 9,480,895</b>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 48,058	\$ 2,535	\$ (6,719)	\$ 43,874
Grants payable		137,019	(137,019)	
Accrued liabilities	319,627			319,627
Deferred revenue	2,427,684	25,000		2,452,684
Total liabilities	2,795,369	164,554	(143,738)	2,816,185
NET ASSETS:				
Without donor restrictions	3,983,591	2,707,059	(2,707,059)	3,983,591
With donor restrictions	2,681,119			2,681,119
Total net assets	6,664,710	2,707,059	(2,707,059)	6,664,710
<b>TOTAL LIABILITIES, MEMBERS' EQUITY, AND NET ASSETS</b>	<b>\$ 9,460,079</b>	<b>\$ 2,871,613</b>	<b>\$ (2,850,797)</b>	<b>\$ 9,480,895</b>

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.  
UNITED STATES FIELD HOCKEY FOUNDATION  
Consolidating Statement of Activities and Changes in Net Assets  
For the Year Ended December 31, 2021

	<u>USA Field Hockey</u>	<u>United States Field Hockey Foundation</u>	<u>Reallocation/ Eliminating Entries</u>	<u>2021 Consolidated Totals</u>
<b>REVENUE, GAINS, &amp; OTHER SUPPORT:</b>				
Registration fees	\$ 3,174,660	\$	\$	\$ 3,174,660
Bequest	2,246,097			2,246,097
Membership dues	1,260,404			1,260,404
USOPC support, including in-kind	641,383			641,383
Grants	769,032		(187,043)	581,989
Investment income net of fees at \$1,835 and \$1,693	9,213	497,291		506,504
Paycheck Protection Program	372,670			372,670
Other fees	325,590			325,590
In-kind contributions	204,865			204,865
Donations & fundraising events	79,872	94,658		174,530
Rebates	152,791			152,791
Corporate sponsorship	97,000			97,000
Sales revenue	59,252			59,252
Licensing	27,000			27,000
Umpire fees	23,800			23,800
Other income	6,852			6,852
Change in beneficial interest in net assets of United States Field Hockey Foundation	<u>359,414</u>		<u>(359,414)</u>	
Total revenue, gains, & other support	9,809,895	591,949	(546,457)	9,855,387
<b>EXPENSES:</b>				
<b>Program services:</b>				
Olympic & sport development	2,710,353			2,710,353
International teams	2,218,031			2,218,031
Member service	453,462			453,462
Support for United States Field Hockey Association, Inc.		<u>187,043</u>	<u>(187,043)</u>	
Total program services	5,381,846	187,043	(187,043)	5,381,846
<b>Supporting services:</b>				
General & administrative	1,082,756	25,492	(25,492)	1,082,756
Marketing & communication	236,830			236,830
Fundraising	<u>976</u>	<u>20,000</u>	<u>25,492</u>	<u>46,468</u>
Total supporting services	<u>1,320,562</u>	<u>45,492</u>		<u>1,366,054</u>
Total expenses	<u>6,702,408</u>	<u>232,535</u>	<u>(187,043)</u>	<u>6,747,900</u>
CHANGE IN NET ASSETS	3,107,487	359,414	(359,414)	3,107,487
NET ASSETS, beginning of year	<u>3,557,223</u>	<u>2,347,645</u>	<u>(2,347,645)</u>	<u>3,557,223</u>
NET ASSETS, end of year	<u>\$ 6,664,710</u>	<u>\$ 2,707,059</u>	<u>\$ (2,707,059)</u>	<u>\$ 6,664,710</u>