

**FIELD HOCKEY ONTARIO
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020**

FIELD HOCKEY ONTARIO
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YEAR ENDED AUGUST 31, 2020

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INDEPENDENT AUDITOR'S REPORT

To the Members of Field Hockey Ontario

Opinion

We have audited the financial statements of Field Hockey Ontario (the Organization), which comprise the statement of financial position as at August 31, 2020, and the statements of revenues and expenditures, changes in net assets 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 Organization as at August 31, 2020, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Organization in accordance with 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 opinion.

Other Matter

We draw attention to Note 4 in the financial statements, which indicates that the Company's prior year's financial statements have been restated.

We draw attention to Note 11 in the financial statements about the impact of COVID-19 on the Organization's future operations.

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 ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

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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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

OAKVILLE, ONTARIO
November 19, 2020

A handwritten signature in black ink that reads "Ignite CPA". The signature is stylized, with the "I" being a large loop and the "gnite" written in a cursive-like font.

PROFESSIONAL CORPORATION
Chartered Professional Accountants
Authorized to practise public accounting by
the Chartered Professional Accountants of Ontario

FIELD HOCKEY ONTARIO
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2020

	2020	2019 <i>Restated</i>
ASSETS		
CURRENT		
Cash	\$ 137,657	\$ 240,658
Restricted cash	61,294	60,000
Accounts receivable	9,501	25,416
Inventory	21,786	20,158
	<u>230,238</u>	346,232
CAPITAL ASSETS (Note 7)	<u>5,922</u>	7,402
	<u>\$ 236,160</u>	<u>\$ 353,634</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 4)	\$ 10,199	\$ 34,255
LONG TERM DEBT (Note 8)	<u>40,000</u>	-
	<u>50,199</u>	34,255
NET ASSETS		
Invested in capital assets	5,922	7,402
Women's fund	60,000	60,000
Unrestricted (Note 4)	120,039	251,977
	<u>185,961</u>	319,379
	<u>\$ 236,160</u>	<u>\$ 353,634</u>

ON BEHALF OF THE BOARD

_____*Director*

_____*Director*

See notes to financial statements

FIELD HOCKEY ONTARIO
STATEMENT OF REVENUES AND EXPENDITURES
YEAR ENDED AUGUST 31, 2020

	2020	2019 <i>Restated</i>
REVENUES		
Government grants	\$ 125,396	\$ 69,457
High Performance program fees	56,173	324,624
Ontario Summer Games fees (<i>Note 4</i>)	22,424	1,966
Membership fees (<i>Note 4</i>)	12,350	22,995
Clinic fees (<i>Note 4</i>)	5,957	1,080
Tournament fees (<i>Note 4</i>)	4,500	34,321
Other	3,863	4,177
	<u>230,663</u>	<u>458,620</u>
EXPENSES		
General and administrative	181,512	105,451
High Performance program (<i>Note 4</i>)	141,605	319,979
Interest and bank charges	1	-
Ontario Winter Games	25,335	-
Tournaments	14,148	46,677
Ontario Summer Games	-	1,273
Amortization	1,481	1,851
	<u>364,082</u>	<u>475,231</u>
DEFICIENCY OF REVENUES OVER EXPENSES	<u>\$ (133,419)</u>	<u>\$ (16,611)</u>

See notes to financial statements

FIELD HOCKEY ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
YEAR ENDED AUGUST 31, 2020

	Invested in capital assets	Women's Fund	Unrestricted	2020	2019 <i>Restated</i>
NET ASSETS - BEGINNING OF YEAR					
As previously reported	\$ 7,402	\$ 60,000	\$ 274,781	\$ 342,183	\$ 336,963
Prior period restatement (<i>Note 4</i>)	-	-	(22,804)	(22,804)	(973)
As restated	7,402	60,000	251,977	319,379	335,990
DEFICIENCY OF REVENUES OVER EXPENSES	(1,480)	-	(131,938)	(133,418)	(16,611)
NET ASSETS - END OF YEAR	\$ 5,922	\$ 60,000	\$ 120,039	\$ 185,961	\$ 319,379
Undistributed current year income (loss) of \$(1)					

See notes to financial statements

FIELD HOCKEY ONTARIO
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2020

	2020	2019 <i>Restated</i>
OPERATING ACTIVITIES		
Deficiency of revenues over expenses	\$ (133,419)	\$ (16,611)
Item not affecting cash:		
Amortization of capital assets	<u>1,481</u>	<u>1,851</u>
	<u>(131,938)</u>	<u>(14,760)</u>
Changes in non-cash working capital:		
Accounts receivable	15,915	23,971
Inventory	(1,628)	9,125
Accounts payable and accrued liabilities (<i>Note 4</i>)	<u>(24,056)</u>	<u>(63,487)</u>
	<u>(9,769)</u>	<u>(30,391)</u>
Cash flow used by operating activities	<u>(141,707)</u>	<u>(45,151)</u>
FINANCING ACTIVITY		
Proceeds from long term financing	<u>40,000</u>	<u>-</u>
DECREASE IN CASH FLOW	<u>(101,707)</u>	<u>(45,151)</u>
Cash - beginning of year	<u>300,658</u>	<u>345,809</u>
CASH - END OF YEAR	<u>\$ 198,951</u>	<u>\$ 300,658</u>
CASH CONSISTS OF:		
Cash	\$ 137,657	\$ 240,658
Restricted cash	<u>61,294</u>	<u>60,000</u>
	<u>\$ 198,951</u>	<u>\$ 300,658</u>

See notes to financial statements

FIELD HOCKEY ONTARIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

1. PURPOSE OF THE ORGANIZATION

Field Hockey Ontario (the "Organization") is incorporated, without share capital, under the laws of Ontario and is a non-profit provincial sports organization that provides support services to members. The Organization provides sports clinics, tournaments, newsletters and resource materials, for men, women and junior field hockey activities.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Revenue recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses 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. Amounts which have not been earned are recorded as deferred revenue.

League and tournament fees, membership fees, clinic fees and program fees are recognized in the period in which the services are provided, as evidenced by a fixed or determinable price and reasonably assured collectibility.

Government grants are recognized over the periods the grant funding is provided for.

Ontario Summer Games fees and Ontario Winter Games fees recognized in the year the Ontario Summer Games and Ontario Winter Games takes place, respectively.

Inventory

Inventory consist of uniforms and other clothing to be provided to members and participants. Inventory is valued at the lower of cost and replacement.

Capital assets

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows:

Equipment	20% declining balance method
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In the year of acquisition, the claim for amortization is reduced by one-half.

Callable debt

The Organization's demand loans are classified as current liabilities because the lender has the right to demand repayment within one year.

FIELD HOCKEY ONTARIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

4. PRIOR PERIOD RESTATEMENT

The Organization discovered that sales taxes collected on specific revenues during the prior year were incorrectly recorded to revenues and input tax credits on specific expenses were duplicated. Consequently, the previous year's financial statements were restated.

For the year ended August 31, 2019, the Ontario Summer Games fee revenue was decreased by \$256, the Membership fees was decreased by \$1,148, the Clinic fees revenue was decreased by \$69 and the Tournament fees revenue was decreased by \$1,141 and the accounts payable and accrued liabilities balance was increased by \$2,614.

For the year ended August 31, 2019, the accounts payable and accrued liabilities balance and high performance program expenses were increased by \$19,217.

As at August 31, 2019, the retained earnings balance was decreased by \$973 for August 31, 2018 sales taxes payable.

5. CASH

The Organization's bank accounts are held at two chartered banks. Interest is earned on various accounts at rates between 0.25% and 0.30% (2019: 0.70% and 0.80%).

6. RESTRICTED CASH

The restricted cash is an investment in a guaranteed investment certificate at 1.20% (2019: 2.15%) per annum maturing June 26, 2021. Interest income of \$nil (2019: \$nil) has been recognized in the statement of operations. The Organization's restricted cash is the Women's Fund restricted assets.

7. CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Equipment	\$ 18,321	\$ 12,399	\$ 5,922	\$ 7,402

FIELD HOCKEY ONTARIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

8. LONG TERM DEBT

Canada Emergency Business Account bearing interest at 0.00% per annum, with no set repayment terms during the initial term expiring December 31, 2022. Effective January 1, 2023 the loan will bear interest at 5.00% per annum with monthly interest only payments commencing January 31, 2023. If a minimum of 75% of the principal balance is repaid prior to December 31, 2022, remaining principal will be forgiven by the financial institution, otherwise the balance is due in full on, or before, the expiration of the extended term date on December 31, 2025.

Amounts payable within one year

	2020	2019
	\$ 40,000	\$ -
	-	-
	<u>\$ 40,000</u>	<u>\$ -</u>

Principal repayment terms are approximately:

2025	<u>\$ 40,000</u>
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9. WOMEN'S FUND

The Women's Fund will be administrated by a sub committee of Field Hockey Ontario. The fund will be used to provide financial assistance to women for travel, tournament, equipment or other related costs.

10. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of August 31, 2020.

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 Organization's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable.

There have not been any changes in the risk from the prior year.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting its obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its accounts payable.

The Organization's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions.

There have not been any changes in the risk from the prior year.

FIELD HOCKEY ONTARIO
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2020

11. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Minister of Heritage, Sport, Tourism and Culture Industries Grant

The Organization received \$13,160 in accordance with its amending agreement with Minister of Heritage, Sport, Tourism and Culture Industries on September 1, 2020.

The Organization further signed an amending agreement with Minister of Heritage, Sport, Tourism and Culture Industries to receive an additional \$28,086 dated October 30, 2020.

Jumpstart Sport Relief

The Organization's application for the Jumpstart Sport Relief application for restricted funds was approved subsequent to August 31, 2020 for \$10,699.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects of the on going pandemic due to increased restrictions (such as closures of non-essential organizations and activities, imposition of quarantines and social distancing) in Ontario and across Canada could have a material impact on the Organization's operations subsequent to August 31, 2020.

The Organization is of the opinion that no material uncertainty related to going concern exists due to the on going pandemic.