

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

**Consolidated Financial Statements &
Supplemental Schedules**

For the Year Ended December 31, 2022




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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
United States Field Hockey Association, Inc.
United States Field Hockey Foundation
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, 2022, 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, 2022, 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.

Responsibilities of Management 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, and for 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 Responsibilities for the Audit of the Financial Statements

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 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, misrepresentations, 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, 2021, and expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMillen & Company, PLLC

Colorado Springs, Colorado

April 24, 2023

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.
UNITED STATES FIELD HOCKEY FOUNDATION
Consolidated Statement of Financial Position
December 31, 2022
(With Comparative Amounts for 2021)

	<u>ASSETS</u>	
	<u>2022</u>	<u>2021</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 2,544,317	\$ 3,307,780
Bequest receivable		1,910,775
Grant receivable	448,000	300,000
Accounts and pledges receivable, net	214,139	137,550
Prepaid expenses and other assets	<u>628,260</u>	<u>489,917</u>
Total current assets	3,834,716	6,146,022
LONG-TERM INVESTMENTS	4,604,208	3,229,423
OPERATING LEASE - RIGHT OF USE	53,594	
PROPERTY AND EQUIPMENT:		
Athletic equipment and fields	945,902	943,053
Software	6,710	234,789
Computer equipment	71,739	205,008
Signage and branding	120,953	122,052
Office furniture	21,303	34,451
Leasehold improvement	94,819	101,330
Less accumulated depreciation	<u>(1,193,464)</u>	<u>(1,534,617)</u>
Property and equipment - net	<u>67,962</u>	<u>106,066</u>
TOTAL ASSETS	<u>\$ 8,560,480</u>	<u>\$ 9,481,511</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 1,303	\$ 44,490
Accrued liabilities	304,314	319,627
Deferred revenue	<u>2,172,697</u>	<u>2,452,684</u>
Total current liabilities	2,478,314	2,816,801
OPERATING LEASE	53,594	
NET ASSETS:		
Without donor restrictions	3,117,386	3,983,591
With donor restrictions	<u>2,911,186</u>	<u>2,681,119</u>
Total net assets	<u>6,028,572</u>	<u>6,664,710</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 8,560,480</u>	<u>\$ 9,481,511</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, 2022
(With Comparative Totals for 2021)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2022 Consolidated Totals	2021 Consolidated Totals
REVENUES, GAINS, & OTHER SUPPORT:				
Registration fees	\$ 4,394,030	\$	\$ 4,394,030	\$ 3,174,660
Membership dues	1,422,145		1,422,145	1,260,404
Grants	344,323	721,000	1,065,323	581,989
In-kind contributions	686,788		686,788	216,367
Other fees	601,805		601,805	325,590
USOPC support, excluding in-kind	535,000		535,000	629,881
Donations & bequests	142,731	268,115	410,846	2,418,365
Government relief programs	252,312		252,312	372,670
Rebates	214,938		214,938	152,791
Sales revenue	97,338	31,459	128,797	59,252
Corporate sponsorship	112,750		112,750	97,000
Other income	67,480		67,480	9,114
Licensing	60,224		60,224	27,000
Umpire fees				23,800
Investment income, net of fees of \$1,685 and \$1,835	(344,122)	(231,881)	(576,003)	506,504
Net assets released from restriction	<u>558,626</u>	<u>(558,626)</u>		
Total revenue, gains, & other support	9,146,368	230,067	9,376,435	9,855,387
EXPENSES:				
Program services:				
Olympic & sport development	4,293,818		4,293,818	2,710,353
International teams	3,639,989		3,639,989	2,218,031
Member services	<u>497,579</u>		<u>497,579</u>	<u>453,462</u>
Total program services	8,431,386		8,431,386	5,381,846
Supporting services:				
General & administrative	971,369		971,369	1,087,756
Marketing & communication	307,981		307,981	236,830
Fundraising	282,686		282,686	41,468
Volunteer administration	<u>19,151</u>		<u>19,151</u>	
Total supporting services	<u>1,581,187</u>		<u>1,581,187</u>	<u>1,366,054</u>
Total expenses	<u>10,012,573</u>		<u>10,012,573</u>	<u>6,747,900</u>
CONSOLIDATED CHANGE IN NET ASSETS	(866,205)	230,067	(636,138)	3,107,487
NET ASSETS, beginning of year	<u>3,983,591</u>	<u>2,681,119</u>	<u>6,664,710</u>	<u>3,557,223</u>
NET ASSETS, end of year	<u>\$ 3,117,386</u>	<u>\$ 2,911,186</u>	<u>\$ 6,028,572</u>	<u>\$ 6,664,710</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, 2022

	Program Services				Supporting Services				Total Supporting Services	2022 Total
	Olympic & Sport Development	International Teams	Member Services	Total Program Services	General & Administrative	Marketing & Communication	Fundraising	Volunteer Admin.		
Salaries & wages	\$ 419,851	\$ 823,284	\$ 103,263	\$1,346,398	\$ 391,096	\$ 183,151	\$ 102,983	\$	\$ 677,230	\$ 2,023,628
Travel & transportation	807,604	980,798	2,300	1,790,702	27,166	10,248	12,059	13,136	62,609	1,853,311
Contract services	926,099	364,638		1,290,737	35,653	6,370	12,475		54,498	1,345,235
Value in-kind	445,060	236,128		681,188	5,600				5,600	686,788
Fees/visas/registrations	571,242	40,352		611,594	1,657		259		1,916	613,510
Facilities rental	493,373	56,489		549,862	7,575				7,575	557,437
Meals & per diem	146,749	247,638	255	394,642	6,704	1,231	4,244	4,528	16,707	411,349
Stipends	500	342,535		343,035			2,000		2,000	345,035
Insurance	5,629	16,346	166,793	188,768	117,281		2,404		119,685	308,453
Uniforms	41,723	171,820		213,543	2,842	320	16,525		19,687	233,230
Bank charges	1,607	998		2,605	190,822		270		191,092	193,697
Employee benefits	52,253	87,769	12,851	152,873			22,792		34,718	187,591
Payroll taxes	30,663	59,171	7,541	97,375	25,400	13,375	6,998		45,773	143,148
Equipment	97,532	15,441		112,973	6,537		766		7,303	120,276
Web fees	64		110,768	110,832		1,296			1,296	112,128
Fundraising events										
- direct costs							91,399		91,399	91,399
Hospitality	75,904		260	76,164		14,108			14,108	90,272
Professional services		3,980	25,272	29,252	42,884	262	6,536		49,682	78,934
Miscellaneous	8,713	11,487		20,200	13,257	44,702			57,959	78,159
Postage & freight	52,664	16,777	29	69,470	2,903	581	781	17	4,282	73,752
Software	14,788	28,661	1,577	45,026	16,275	905	9,074		26,254	71,280
Background checks	72		65,490	65,562						65,562
Depreciation	3,262	54,073		57,335	1,082	1,745			2,827	60,162
Supplies	21,458	18,152	6	39,616	6,632	1,196	2,438		10,266	49,882
Advertising & promotion	11,634	31,839		43,473	3,324	313			3,637	47,110
Rent					41,067			1,410	42,477	42,477
Gifts & awards	28,824	2,630		31,454	8,170	159	279		8,608	40,062
Telephone & fax	4,001	5,201	900	10,102	13,909	1,225			15,134	25,236
Parking fees	17,451	4,015	265	21,731	835	419		60	1,314	23,045
Photocopying & printing	7,172	12,553	9	19,734	1,460	567	36		2,063	21,797
Utilities	7,426			7,426	874	2,250			3,124	10,550
Office		7,214		7,214						7,214
Investment fees					1,685				1,685	1,685
Education	500			500						500
Repairs & maintenance					364				364	364
	<u>4,293,818</u>	<u>3,639,989</u>	<u>497,579</u>	<u>8,431,386</u>	<u>973,054</u>	<u>307,981</u>	<u>282,686</u>	<u>19,151</u>	<u>1,582,872</u>	<u>10,014,258</u>
Less: investment fees					(1,685)				(1,685)	(1,685)
Total expenses, as reported on the statement of activities	<u>\$ 4,293,818</u>	<u>\$ 3,639,989</u>	<u>\$ 497,579</u>	<u>\$ 8,431,386</u>	<u>\$ 971,369</u>	<u>\$ 307,981</u>	<u>\$ 282,686</u>	<u>\$ 19,151</u>	<u>\$ 1,581,187</u>	<u>\$ 10,012,573</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, 2022

(With Comparative Amounts for 2021)

	<u>2022</u>	<u>2021</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (636,138)	\$ 3,107,487
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Government relief programs	(252,312)	(372,670)
Depreciation	60,162	63,056
Realized and unrealized (gains) losses on investments	624,974	(470,518)
(Increase) decrease in current operating assets:		
Bequest receivable	1,910,775	(1,910,775)
Grants receivable	(148,000)	(300,000)
Accounts receivable, net	(76,589)	(100,521)
Prepaid expenses and other assets	(138,343)	(209,831)
Operating lease - right of use	(22,900)	
Increase (decrease) in current operating liabilities:		
Accounts payable	(43,187)	18,884
Accrued liabilities	(15,313)	236,432
Deferred revenue	(279,987)	1,104,044
Operating lease	22,900	
Total adjustments	<u>1,642,180</u>	<u>(1,941,899)</u>
Net cash provided by operating activities	1,006,042	1,165,588
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in USOE investments	(1,998,251)	(209,200)
Gross proceeds from sale of other investments		7,302
Gross purchases of other investments	(1,508)	(8,286)
Acquisition of property and equipment	<u>(22,058)</u>	<u>(119,061)</u>
Net cash provided (used) by investing activities	(2,021,817)	(329,245)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from government relief programs	<u>252,312</u>	<u>372,670</u>
Net cash provided by financing activities	<u>252,312</u>	<u>372,670</u>
NET INCREASE (DECREASE) IN CASH	(763,463)	1,209,013
CASH AND CASH EQUIVALENTS, beginning of year	<u>3,307,780</u>	<u>2,098,767</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 2,544,317</u>	<u>\$ 3,307,780</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, 2022

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 Standards

In September 2020, the Financial Accounting Standards Board (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 requires 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 applied retrospectively and is effective for annual reporting periods beginning after June 15, 2021. The Organizations adopted ASU 2020-07 during the year ended December 31, 2022, requiring certain reclassifications in presentation and additional disclosure regarding contributed nonfinancial assets.

United States Field Hockey Association, Inc
United States Field Hockey Foundation
Notes to Financial Statements
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In February 2016, the FASB issued ASU 2016-02, *Leases (Topic 842)*, which supersedes existing guidance for accounting for leases under *Topic 840, Leases*. The FASB also subsequently issued the following additional ASUs, which amend and clarify Topic 842: ASU 2018-01, *Land Easement Practical Expedient for Transition to Topic 842*; ASU 2018-10, *Codification Improvements to Topic 842, Leases*; ASU 2018-11, *Leases (Topic 842): Targeted Improvements*; ASU 2018-20, *Narrow-scope Improvements for Lessors*; and ASU 2019-01, *Leases (Topic 842): Codification Improvements*; ASU 2020-05, *Leases (Topic 842): Lessors—Certain Leases with Variable Lease Payments*; and ASU 2021-09, *Leases (Topic 842): Discount Rate for Lessees That Are Not Public Business Entities*. The most significant change in the new leasing guidance is the requirement to recognize right-to-use (ROU) assets and lease liabilities for operating leases on the statement of financial position.

The Organizations adopted these ASUs effective January 1, 2022, and utilized all of the available practical expedients. The adoption had a material impact on the Organization's statement of financial position but did not have a material impact on the statement of activities. The most significant impact was the recognition of ROU assets and lease liabilities for operating leases. The Organizations had no finance leases. Adoption of the standard required the Organizations to restate amounts as of January 1, 2022, resulting in an increase in operating lease ROU assets of \$76,688, an increase in operating lease liabilities of \$76,688.

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

United States Field Hockey Association, Inc
United States Field Hockey Foundation
Notes to Financial Statements
December 31, 2022

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.

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, 2022 and 2021.

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, 2022 and 2021, receivables were recorded net of an allowance for doubtful accounts of \$3,750 and \$0, 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, 2022 and 2021, amounted to \$60,162 and

\$63,056, 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*. 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. 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 (Note H).

The Organizations' policy related to gifts-in-kind is to utilize the assets given to carry out the mission of the Organizations. If an asset is provided that does not allow the Organizations to utilize it in its normal course of business, the asset will be sold at its fair market value as determined by appraisal or other method depending on the type of asset.

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

United States Field Hockey Association, Inc
United States Field Hockey Foundation
Notes to Financial Statements
December 31, 2022

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, 2022 and 2021, the Organizations' supporting service expenses amounted to 17% and 14%, 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 April 24, 2023, 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

United States Field Hockey Association, Inc
 United States Field Hockey Foundation
 Notes to Financial Statements
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31, 2021, 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, 2022 and 2021, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 2,544,317	\$ 3,307,780
Bequest receivable		1,910,775
Grant receivable	448,000	300,000
Accounts receivable	214,139	137,550
Investments	<u>4,604,208</u>	<u>3,229,423</u>
Financial assets	7,810,664	8,885,528
Less: restricted net assets	<u>(2,911,186)</u>	<u>(2,681,119)</u>
Total financial assets available for general expenditures	<u>\$ 4,899,478</u>	<u>\$ 6,204,409</u>

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:

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- 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 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,

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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, 2022 and 2021, respectively:

Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level3</u>	<u>Total</u>
USOE pooled funds	\$	\$ 2,294,396	\$	\$ 2,294,396
USOE Shelley Fund		2,175,217		2,175,217
Mutual funds/ETFs:				
Fixed income	77,245			77,245
Equities	30,963			30,963
Alternative assets	3,299			3,299
Domestic equities	14,311			14,311
Cash and money market	8,777			8,777
	<u>\$ 134,595</u>	<u>\$ 4,469,613</u>	<u>\$</u>	<u>\$ 4,604,208</u>

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/ETFs:				
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>

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

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investments in the Foundation's financial statements. The allocation of the USOE investment pool to the Foundation consisted of the following at December 31, 2022:

Alternative investments	34.47%
Domestic equities	24.49
Domestic bonds	23.46
International equities	13.40
Cash and cash equivalents	<u>4.18</u>
	<u>100.00%</u>

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

	<u>2022</u>	<u>2021</u>
Realized gains	\$ 77,266	\$ 305,654
Unrealized gains/(losses)	(702,240)	164,864
Interest and dividends	50,656	36,061
Investment fees	<u>(1,685)</u>	<u>(1,835)</u>
Investment income	<u>\$(576,003)</u>	<u>\$ 504,744</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

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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, 2022 and 2021, respectively:

	<u>2022</u>	<u>2021</u>
Other registrations	\$ 1,131,220	\$ 890,005
Membership	748,327	815,759
Nexus (f.k.a. Futures)		461,920
Indoor qualifiers	<u>293,150</u>	<u>260,000</u>
	<u>\$ 2,172,697</u>	<u>\$ 2,427,684</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, 2022 and 2021, consist of contributions received for the following purpose and time period:

	<u>2022</u>	<u>2021</u>
Shelly fund - WNT	\$ 2,003,299	\$ 2,246,097
USPC - 2023 programs	348,000	
Women National Team	200,000	300,000
USPC - programs	137,639	
Scholarships	113,908	109,115
Coach, Umpire, Player Dev.	75,000	
2023 Rohrmax event	25,000	
Greg Gephardt fund		<u>17,566</u>
Total	<u>\$ 2,902,846</u>	<u>\$ 2,672,778</u>

In addition to the time and purpose restrictions listed above, permanently restricted net assets of \$8,340 at December 31, 2022 and 2021, are held in perpetuity, the income of which is 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

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ended December 31, 2022 and 2021, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2022</u>	<u>2021</u>
Women National Team	\$ 298,690	\$ 100,000
USPC - various programs	210,361	
Greg Gephardt fund	17,566	
Scholarships	32,008	29,400
2021 operations	<u> </u>	<u>5,000</u>
Total	<u>\$ 558,625</u>	<u>\$ 134,400</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, 2022, the Association had no outstanding principal balance on the line of credit.

H. DONATED GOODS AND SERVICES

The Organizations received in-kind sponsorships and donations from various supporters, including affiliated organizations. Donated goods and services consisted of the following goods and services recorded in the Statement of Activities for the year ended December 31:

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	<u>2022</u>
Uniforms	\$ 359,183
Equipment	182,330
Labor	108,040
Rooms and lodging	35,381
Other	<u>1,854</u>
Total contributions in-kind	<u>\$ 686,788</u>

I. 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>2022</u>	<u>2021</u>
High performance	\$ 385,000	\$ 340,000
Media content license	150,000	150,000
Other grants		139,881
Value-in-kind	<u>35,381</u>	<u>11,502</u>
	<u>\$ 570,381</u>	<u>\$ 641,383</u>

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

J. 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 \$29,833 and \$29,424 for the years ended December 31, 2022 and 2021, respectively.

K. 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.

L. 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.

M. 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 leased a building in Pennsylvania with monthly payments of \$2,009 per month through 2022; and it leases a copy machine for \$204 per month until 2024.

The Association assesses whether an arrangement qualifies as a lease (i.e., conveys the right to control the use of an identified asset for a period of time in exchange for consideration) at inception and only reassesses its determination if the terms and conditions of the arrangement are changed. Leases with an initial term of 12 months or less are not recorded on the statement of financial position; also, smaller leases with less than material impact to the statement of financial position, both individually and in aggregate, as determined by Management, are also not recorded as assets and liabilities. Lease expense is recognized for these leases on a straight-line basis over the lease term.

The lease discount rates are determined using the implicit rate within the lease noted from the escalation of lease payments. If that rate is unknown, the Association uses its incremental borrowing rate based on the information available at the commencement date in determining the present value of the lease payments.

The following summarizes the line items in the statements of activities which include the components of lease expense for the year ended December 31:

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<u>Leases</u>	<u>Expense Classification</u>	<u>2022</u>	<u>2021</u>
Operating*	General & administrative	\$ 42,992	\$ 48,708
Net lease cost		<u>\$ 42,992</u>	<u>\$ 48,708</u>

* Includes short-term and small lease costs of \$18,517 and \$26,553 for 2022 and 2021, respectively.

The following summarizes the weighted average remaining lease term and discount rate as of December 31:

	<u>2022</u>	<u>2021</u>
<u>Operating</u>		
Weighted average remaining lease term (years)	2.17	3.17
Weighted average discount rate	2.65%	2.65%

The maturities of lease liabilities as of December 31 were as follows:

<u>Operating</u>		
2023	\$	25,124
2024		25,775
2025		<u>4,314</u>
Total lease payments		55,213
Less: interest		<u>(1,619)</u>
Present value of lease liabilities:	\$	<u>53,594</u>

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.
UNITED STATES FIELD HOCKEY FOUNDATION
Consolidating Statement of Financial Position
December 31, 2022

	USA Field Hockey	United States Field Hockey Foundation	Eliminating Entries	2022 Consolidated Totals
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 2,520,365	\$ 23,952	\$	\$ 2,544,317
Grant receivable	448,000			448,000
Accounts and pledges receivable, net	244,339	602	(30,802)	214,139
Prepaid expenses and other assets	628,163	97		628,260
Total current assets	3,840,867	24,651	(30,802)	3,834,716
LONG-TERM INVESTMENTS	2,309,812	2,294,396		4,604,208
OTHER ASSETS:				
Operating lease - right of use	53,594			53,594
Beneficial interest in net assets of United States Field Hockey Foundation	2,287,114		(2,287,114)	
PROPERTY AND EQUIPMENT:				
Athletic equipment and fields	945,902			945,902
Software	6,710			6,710
Computer equipment	71,739			71,739
Signage and branding	120,953			120,953
Office furniture	21,303			21,303
Leasehold improvements	94,819			94,819
Less accumulated depreciation	(1,193,464)			(1,193,464)
Property and equipment - net	67,962			67,962
TOTAL ASSETS	\$ 8,559,349	\$ 2,319,047	\$ (2,317,916)	\$ 8,560,480
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 172	\$ 31,933	\$ (30,802)	\$ 1,303
Accrued liabilities	304,314			304,314
Deferred revenue	2,172,697			2,172,697
Total current liabilities	2,477,183	31,933	(30,802)	2,478,314
OTHER LIABILITIES:				
Operating lease	53,594			53,594
NET ASSETS:				
Without donor restrictions	3,192,386	2,212,114	(2,287,114)	3,117,386
With donor restrictions	2,836,186	75,000		2,911,186
Total net assets	6,028,572	2,287,114	(2,287,114)	6,028,572
TOTAL LIABILITIES, MEMBERS' EQUITY, AND NET ASSETS	\$ 8,559,349	\$ 2,319,047	\$ (2,317,916)	\$ 8,560,480

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, 2022

	USA Field Hockey	United States Field Hockey Foundation	Reallocation/ Eliminating Entries	2022 Consolidated Totals
REVENUE, GAINS, & OTHER SUPPORT:				
Registration fees	\$ 4,394,030	\$	\$	\$ 4,394,030
Membership dues	1,422,145			1,422,145
Grants	1,109,428		(44,105)	1,065,323
In-kind contributions	686,788			686,788
Other fees	601,805			601,805
USOPC support, excluding in-kind	535,000			535,000
Donations & fundraising events	204,483	206,363		410,846
Other income	303,017	16,775		319,792
Rebates	214,938			214,938
Sales revenue	128,797			128,797
Corporate sponsorship	112,750			112,750
Licensing	60,224			60,224
Investment income net of fees at \$1,685 and \$1,835	(248,983)	(327,020)		(576,003)
Change in beneficial interest in net assets of United States Field Hockey Foundation	(419,945)		419,945	
Total revenue, gains, & other support	9,104,477	(103,882)	375,840	9,376,435
EXPENSES:				
Program services:				
Olympic & sport development	4,293,818			4,293,818
International teams	3,639,989			3,639,989
Member service	497,579			497,579
Support for others		16,525	(16,525)	
Support for United States Field Hockey Association, Inc.		44,105	(44,105)	
Total program services	8,431,386	60,630	(60,630)	8,431,386
Supporting services:				
General & administrative	971,369	37,831	(37,831)	971,369
Marketing & communication	307,981			307,981
Fundraising	10,728	217,602	54,356	282,686
Volunteer administration	19,151			19,151
Total supporting services	1,309,229	255,433	16,525	1,581,187
Total expenses	9,740,615	316,063	(44,105)	10,012,573
CHANGE IN NET ASSETS	(636,138)	(419,945)	419,945	(636,138)
NET ASSETS, beginning of year	6,664,710	2,707,059	(2,707,059)	6,664,710
NET ASSETS, end of year	\$ 6,028,572	\$ 2,287,114	\$ (2,287,114)	\$ 6,028,572