

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

**Consolidated Financial Statements &
Supplemental Schedules**

For the Year Ended December 31, 2023




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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, 2023, 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, 2023, 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, 2022, and expressed an unmodified audit opinion on those audited financial statements in our report dated April 24, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited financial statements from which it has been derived.

McMillen & Company, PLLC

Colorado Springs, Colorado
April 30, 2024

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.
UNITED STATES FIELD HOCKEY FOUNDATION
Consolidated Statement of Financial Position
December 31, 2023
(With Comparative Amounts for 2022)

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,588,363	\$ 2,544,317
Accounts and pledges receivable, net	67,948	214,139
Grant receivable	100,000	448,000
Prepaid expenses and other assets	724,518	628,260
Operating lease ROU assets - current portion	29,596	
Total current assets	2,510,425	3,834,716
LONG-TERM INVESTMENTS	4,400,391	4,604,208
OPERATING LEASE - RIGHT OF USE		53,594
PROPERTY AND EQUIPMENT:		
Athletic equipment and fields	965,909	945,902
Software	6,710	6,710
Computer equipment	84,734	71,739
Signage and branding	120,953	120,953
Office furniture	21,303	21,303
Leasehold improvement		94,819
Less accumulated depreciation	(1,154,871)	(1,193,464)
Property and equipment - net	44,738	67,962
TOTAL ASSETS	\$ 6,955,554	\$ 8,560,480
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 109,182	\$ 1,303
Accrued liabilities	206,555	304,314
Deferred revenue	2,308,964	2,172,697
Operating lease liability - current portion	29,596	
Total current liabilities	2,654,297	2,478,314
OPERATING LEASE		53,594
NET ASSETS:		
Without donor restrictions	1,968,816	3,117,386
With donor restrictions	2,332,441	2,911,186
Total net assets	4,301,257	6,028,572
TOTAL LIABILITIES AND NET ASSETS	\$ 6,955,554	\$ 8,560,480

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, 2023
(With Comparative Totals for 2022)

	Net Assets Without Donor Restrictions	Net Assets With Donor Restrictions	2023 Consolidated Totals	2022 Consolidated Totals
REVENUES, GAINS, & OTHER SUPPORT:				
Registration fees	\$ 5,041,551	\$	\$ 5,041,551	\$ 4,394,030
Membership dues	1,432,369		1,432,369	1,422,145
In-kind contributions	640,627		640,627	686,788
Other fees	613,706		613,706	601,805
Investment income, net of fees of \$1,638 and \$1,685	305,971	221,696	527,667	(576,003)
USOPC support, excluding in-kind	524,000		524,000	535,000
Donations & bequests	340,002	18,015	358,017	410,846
Sales revenue	125,367	80,415	205,782	128,797
Rebates	185,251		185,251	214,938
Corporate sponsorship	118,000		118,000	112,750
Other income	93,184		93,184	67,480
Other grants	57,965		57,965	1,065,323
Licensing	48,841		48,841	60,224
Government relief programs				252,312
Net assets released from restriction	<u>898,871</u>	<u>(898,871)</u>		
Total revenue, gains, & other support	10,425,705	(578,745)	9,846,960	9,376,435
EXPENSES:				
Program services:				
Olympic & sport development	4,944,603		4,944,603	4,293,818
International teams	4,328,848		4,328,848	3,639,989
Member services	<u>526,914</u>		<u>526,914</u>	<u>497,579</u>
Total program services	9,800,365		9,800,365	8,431,386
Supporting services:				
General & administrative	1,070,954		1,070,954	971,369
Marketing & communication	487,034		487,034	307,981
Fundraising	198,421		198,421	282,686
Volunteer administration	<u>17,501</u>		<u>17,501</u>	<u>19,151</u>
Total supporting services	1,773,910		1,773,910	1,581,187
Total expenses	<u>11,574,275</u>		<u>11,574,275</u>	<u>10,012,573</u>
CONSOLIDATED CHANGE IN NET ASSETS	(1,148,570)	(578,745)	(1,727,315)	(636,138)
NET ASSETS, beginning of year	<u>3,117,386</u>	<u>2,911,186</u>	<u>6,028,572</u>	<u>6,664,710</u>
NET ASSETS, end of year	<u>\$ 1,968,816</u>	<u>\$ 2,332,441</u>	<u>\$ 4,301,257</u>	<u>\$ 6,028,572</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, 2023

	Program Services			Supporting Services				Total Supporting Services	2023 Total	
	Olympic & Sport Development	International Teams	Member Services	Total Program Services	General & Administrative	Marketing & Communication	Fundraising			Volunteer Admin.
Salaries & wages	\$ 667,991	\$ 942,222	\$ 106,755	\$1,716,968	\$ 384,360	\$ 178,460	\$ 122,233	\$	\$ 685,053	\$ 2,402,021
Travel & transportation	1,040,675	1,212,612	4,379	2,257,666	53,871	19,065	17,742	15,204	105,882	2,363,548
Contract services	946,607	424,058		1,370,665	52,410	145,307	10,424		208,141	1,578,806
Fees/visas/registrations	694,356	95,348		789,704	7,710		428		8,138	797,842
Value in-kind	376,033	261,063		637,096	3,530				3,530	640,626
Meals & per diem	179,324	341,359	486	521,169	10,299	2,773	13,852	1,760	28,684	549,853
Facilities rental	427,411	53,059		480,470	6,177				6,177	486,647
Stipends		386,110		386,110						386,110
Insurance	2,773	10,794	175,963	189,530	134,369	21	3,685		138,075	327,605
Employee benefits	102,661	132,281	16,407	251,349		27,427	5,667		33,094	284,443
Uniforms	61,710	208,263		269,973	4,163	2,767			6,930	276,903
Bank charges	190	554		744	239,673		55		239,728	240,472
Equipment	141,930	17,840		159,770	7,728	6,102		525	14,355	174,125
Payroll taxes	49,863	69,522	7,969	127,354	25,280	13,321			38,601	165,955
Web fees			110,719	110,719		1,783			1,783	112,502
Hospitality	83,537			83,537		13,015			13,015	96,552
Miscellaneous	11,105	4,369	156	15,630	19,242	56,324			75,566	91,196
Postage & freight	50,943	26,800	62	77,805	4,239	3,635	562		8,436	86,241
Supplies	25,978	40,997	196	67,171	5,688	1,988	5,874		13,550	80,721
Software	7,421	34,067	1,125	42,613	21,234	2,609	9,364		33,207	75,820
Background checks	76		75,270	75,346						75,346
Professional services			25,272	25,272	42,669	284	6,395		49,348	74,620
Depreciation	3,846	48,322		52,168	1,127	2,931			4,058	56,226
Gifts & awards	28,221	3,836		32,057	6,165	1,649			7,814	39,871
Telephone & fax	8,648	11,336	2,100	22,084	11,139	3,032			14,171	36,255
Rent					28,725				28,725	28,725
Parking fees	16,235	2,224	55	18,514	991	245		12	1,248	19,762
Advertising & promotion	12,106			12,106		643			643	12,749
Photocopying & printing	4,652	1,812		6,464	165	1,493			1,658	8,122
Utilities	120			120		2,160			2,160	2,280
Fundraising events - direct costs							2,140		2,140	2,140
Investment fees					1,638				1,638	1,638
Education	191			191						191
	<u>4,944,603</u>	<u>4,328,848</u>	<u>526,914</u>	<u>9,800,365</u>	<u>1,072,592</u>	<u>487,034</u>	<u>198,421</u>	<u>17,501</u>	<u>1,775,548</u>	<u>11,575,913</u>
Less: investment fees					(1,638)				(1,638)	(1,638)
Total expenses, as reported on the statement of activities	<u>\$ 4,944,603</u>	<u>\$ 4,328,848</u>	<u>\$ 526,914</u>	<u>\$ 9,800,365</u>	<u>\$ 1,070,954</u>	<u>\$ 487,034</u>	<u>\$ 198,421</u>	<u>\$ 17,501</u>	<u>\$ 1,773,910</u>	<u>\$ 11,574,275</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, 2023
(With Comparative Amounts for 2022)

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (1,727,315)	\$ (636,138)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Government relief programs		(252,312)
Depreciation	56,226	60,162
Realized and unrealized (gains) losses on investments	(436,165)	624,974
(Increase) decrease in current operating assets:		
Bequest receivable		1,910,775
Grants receivable	348,000	(148,000)
Accounts receivable, net	146,191	(76,589)
Prepaid expenses and other assets	(96,258)	(138,343)
Operating lease - right of use	(23,998)	(22,900)
Increase (decrease) in current operating liabilities:		
Accounts payable	107,879	(43,187)
Accrued liabilities	(97,759)	(15,313)
Deferred revenue	136,267	(279,987)
Operating lease	<u>23,998</u>	<u>22,900</u>
Total adjustments	<u>164,381</u>	<u>1,642,180</u>
Net cash provided (used) by operating activities	(1,562,934)	1,006,042
CASH FLOWS FROM INVESTING ACTIVITIES:		
Change in USOE investments	644,085	(1,998,251)
Gross purchases of other investments	(4,103)	(1,508)
Acquisition of property and equipment	<u>(33,002)</u>	<u>(22,058)</u>
Net cash provided (used) by investing activities	606,980	(2,021,817)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from government relief programs	<u> </u>	<u>252,312</u>
Net cash provided by financing activities	<u> </u>	<u>252,312</u>
NET INCREASE (DECREASE) IN CASH	(955,954)	(763,463)
CASH AND CASH EQUIVALENTS, beginning of year	<u>2,544,317</u>	<u>3,307,780</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 1,588,363</u>	<u>\$ 2,544,317</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, 2023

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

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The ASU introduces a new expected credit loss model for the recognition and measurement of credit losses on financial assets measured at amortized cost, such as loans, receivables, debt securities, and net investments in leases. The ASU also modifies the accounting for available-for-sale debt securities and provides new guidance on the presentation and disclosure of credit losses.

In accordance with ASU 2016-13 and the related subsequent pronouncements, the Association and Foundation (collectively, the Organizations) have adopted the current expected credit

United States Field Hockey Association, Inc
United States Field Hockey Foundation
Notes to Financial Statements
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loss (CECL) model for measuring credit losses on financial instruments. This new standard has been applied using the modified retrospective approach, which requires a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the first reporting period in which the guidance is effective. The adoption of ASU 2016-13 has resulted in the following changes to the Organizations' financial statements:

1. The allowance for credit losses, if any, has been adjusted to reflect the Organizations' current estimate of expected credit losses over the life of the financial assets.
2. The significant categories of financial assets measured at amortized cost, along with the associated allowance for credit losses, are now presented separately on the Statement of Financial Position.
3. Enhanced disclosures have been provided in the notes to the financial statements, detailing the basis for measuring credit losses, if any, and the factors that influenced the Organizations' estimate of expected credit losses.

The adoption of ASU 2016-13 did not have a material impact on the financial statements and did not require any cumulative adjustment to beginning balances, since the Organizations do not currently report any financial instruments within the scope of the ASU 2016-13. However, the Organizations have reviewed and updated their policies and procedures to ensure compliance with the new standard and to maintain effective internal controls over financial reporting.

Basis of Presentation

The financial statements of the Association are being presented on a consolidated basis with the Foundation (collectively, the Organizations), 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.

United States Field Hockey Association, Inc
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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.

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, 2023 and 2022.

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, 2023 and 2022, receivables were recorded net of an allowance for doubtful accounts of \$0 and \$3,750, 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, 2023 and 2022, amounted to \$56,226 and \$60,162, 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

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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 G).

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

United States Field Hockey Association, Inc
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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 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, 2023 and 2022, the Organizations' supporting service expenses amounted to 18% and 17%, 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 30, 2024, the date that the financial statements were available to be issued.

United States Field Hockey Association, Inc
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Notes to Financial Statements
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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, 2022, 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, 2023 and 2022, the following financial assets could readily be made available within one year of the statement of financial position date to meet general expenditures:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 1,588,363	\$ 2,544,317
Grant receivable	100,000	448,000
Accounts receivable	67,948	214,139
Investments	<u>4,400,391</u>	<u>4,604,208</u>
Financial assets	6,156,702	7,810,664
Less: restricted net assets	<u>(2,332,441)</u>	<u>(2,911,186)</u>
Total financial assets available for general expenditures	<u>\$ 3,824,261</u>	<u>\$ 4,899,478</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:

- 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

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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.

The following table presents assets that are measured at fair value on a recurring basis at December 31, 2023 and 2022:

Assets at Fair Value as of December 31, 2023

	Level 1	Level 2	Level3	Total
USOE pooled funds	\$	\$ 2,299,549	\$	\$ 2,299,549
USOE Shelley Fund		1,952,943		1,952,943
Mutual funds/ETFs:				
Fixed income	84,422			84,422
Equities	37,222			37,222
Domestic equities	16,771			16,771
Cash and money market	9,484			9,484
	<u>\$ 147,899</u>	<u>\$ 4,252,492</u>	<u>\$</u>	<u>\$ 4,400,391</u>

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Assets at Fair Value as of December 31, 2022

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</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>

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, 2023:

Alternative investments	36.44%
Domestic equities	35.20
International equities	15.99
Domestic bonds	6.41
Fixed income	4.02
Cash and cash equivalents	<u>1.94</u>
	<u>100.00%</u>

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

	<u>2023</u>	<u>2022</u>
Realized gains	\$ 56,996	\$ 77,266
Unrealized gains/(losses)	379,169	(702,240)
Interest and dividends	93,140	50,656
Investment fees	<u>(1,638)</u>	<u>(1,685)</u>
Investment income	<u>\$ 527,667</u>	<u>\$ (576,003)</u>

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D. DEFERRED REVENUE

Deferred revenue consists of the following at December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Other registrations	\$ 727,270	\$ 1,131,220
Membership	1,318,444	748,327
Indoor qualifiers	<u>263,250</u>	<u>293,150</u>
	<u>\$ 2,308,964</u>	<u>\$ 2,172,697</u>

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

E. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, restricted for specific purposes or time periods, at December 31, 2023 and 2022, consist of contributions received for the following purpose and time period:

	<u>2023</u>	<u>2022</u>
Shelly fund - WNT	\$ 1,952,943	\$ 2,003,299
Scholarships	112,484	113,908
Women National Team	100,000	200,000
USPC - programs	83,674	137,639
Coach, Umpire, Player Dev.	75,000	75,000
USPC 2023 programs		348,000
2023 Rohrmax event		<u>25,000</u>
Total	<u>\$ 2,324,101</u>	<u>\$ 2,902,846</u>

In addition to the time and purpose restrictions listed above, permanently restricted net assets of \$8,340 at December 31, 2023 and 2022, are held in perpetuity, the income of which is expendable to support any activity of the Association.

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Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended December 31, 2023 and 2022, net assets were released from restrictions by satisfying the following restricted purposes:

	<u>2023</u>	<u>2022</u>
Women National Team	\$ 373,152	\$ 298,690
USPC - various programs	426,965	210,361
Greg Gephardt fund	8,000	17,566
Scholarships	<u>90,754</u>	<u>32,008</u>
Total	<u>\$ 898,871</u>	<u>\$ 558,625</u>

F. 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, 2023, the Association had no outstanding principal balance on the line of credit.

G. 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 years ended December 31:

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	<u>2023</u>	<u>2022</u>
Uniforms	\$ 404,144	\$ 359,183
Equipment	34,487	182,330
Labor	135,100	108,040
Rooms and lodging	56,556	35,381
Other	<u>10,340</u>	<u>1,854</u>
Total contributions in-kind	<u>\$ 640,627</u>	<u>\$ 686,788</u>

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>2023</u>	<u>2022</u>
High performance	\$ 363,000	\$ 385,000
Media content license	150,000	150,000
Other grants	11,000	
Value-in-kind	<u>56,556</u>	<u>35,381</u>
	<u>\$ 580,556</u>	<u>\$ 570,381</u>

The Association is economically dependent on support from the USOC in order to sustain certain 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 \$43,549 and \$29,833 for the years ended December 31, 2023 and 2022, 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 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

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activities which include the components of lease expense for the years ended December 31:

<u>Leases</u>	<u>Expense Classification</u>	<u>2023</u>	<u>2022</u>
Operating*	General & administrative	\$ 31,170	\$ 42,992
Net lease cost		<u>\$ 31,170</u>	<u>\$ 42,992</u>

* Includes short-term and small lease costs of \$6,045 and \$18,517 for 2023 and 2022, respectively.

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

	<u>2023</u>	<u>2022</u>
<u>Operating</u>		
Weighted average remaining lease term (years)	1.17	2.17
Weighted average discount rate	2.65%	2.65%

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

<u>Operating</u>	
2024	\$ 25,775
2025	<u>4,314</u>
Total lease payments	30,089
Less: interest	<u>(1,619)</u>
Present value of lease liabilities:	<u>\$ 28,470</u>

UNITED STATES FIELD HOCKEY ASSOCIATION, INC.
UNITED STATES FIELD HOCKEY FOUNDATION
Consolidating Statement of Financial Position
December 31, 2023

	USA Field Hockey	United States Field Hockey Foundation	Eliminating Entries	2023 Consolidated Totals
<u>ASSETS</u>				
CURRENT ASSETS:				
Cash and cash equivalents	\$ 1,574,346	\$ 14,017	\$	\$ 1,588,363
Accounts and pledges receivable, net	135,608	505	(68,165)	67,948
Grant receivable	214,977		(114,977)	100,000
Prepaid expenses and other assets	689,967	34,551		724,518
Operating lease - right of use	29,596			29,596
Total current assets	2,644,494	49,073	(183,142)	2,510,425
LONG-TERM INVESTMENTS	2,100,842	2,299,549		4,400,391
OTHER ASSETS:				
Beneficial interest in net assets of United States Field Hockey Foundation	2,165,480		(2,165,480)	
PROPERTY AND EQUIPMENT:				
Athletic equipment and fields	965,909			965,909
Software	6,710			6,710
Computer equipment	84,734			84,734
Signage and branding	120,953			120,953
Office furniture	21,303			21,303
Less accumulated depreciation	(1,154,871)			(1,154,871)
Property and equipment - net	44,738			44,738
TOTAL ASSETS	<u>\$ 6,955,554</u>	<u>\$ 2,348,622</u>	<u>\$ (2,348,622)</u>	<u>\$ 6,955,554</u>
<u>LIABILITIES AND NET ASSETS</u>				
CURRENT LIABILITIES:				
Accounts payable	\$ 109,182	\$ 68,165	\$ (68,165)	\$ 109,182
Grants payable		114,977	(114,977)	
Accrued liabilities	206,555			206,555
Operating lease liability	29,596			29,596
Deferred revenue	2,308,964			2,308,964
Total current liabilities	2,654,297	183,142	(183,142)	2,654,297
NET ASSETS:				
Without donor restrictions	2,043,816	2,090,480	(2,165,480)	1,968,816
With donor restrictions	2,257,441	75,000		2,332,441
Total net assets	4,301,257	2,165,480	(2,165,480)	4,301,257
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 6,955,554</u>	<u>\$ 2,348,622</u>	<u>\$ (2,348,622)</u>	<u>\$ 6,955,554</u>

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, 2023

	<u>USA Field Hockey</u>	<u>United States Field Hockey Foundation</u>	<u>Reallocation/ Eliminating Entries</u>	<u>2023 Consolidated Totals</u>
REVENUE, GAINS, & OTHER SUPPORT:				
Registration fees	\$ 5,041,551	\$	\$	\$ 5,041,551
Membership dues	1,432,369			1,432,369
In-kind contributions	640,627			640,627
Other fees	613,706			613,706
Investment income net of fees at \$1,685 and \$1,835	273,495	254,172		527,667
USOPC support, excluding in-kind	524,000			524,000
Donations & fundraising events	323,165	34,852		358,017
Sales revenue	205,782			205,782
Rebates	185,251			185,251
Corporate sponsorship	118,000			118,000
Other income	93,183	1		93,184
Grants	275,942		(217,977)	57,965
Licensing	48,841			48,841
Change in beneficial interest in net assets of United States Field Hockey Foundation	<u>(121,634)</u>		<u>121,634</u>	
Total revenue, gains, & other support	9,654,278	289,025	(96,343)	9,846,960
EXPENSES:				
Program services:				
Olympic & sport development	4,944,603			4,944,603
International teams	4,328,848			4,328,848
Member service	526,914			526,914
Support for United States Field Hockey Association, Inc.		<u>217,977</u>	<u>(217,977)</u>	
Total program services	9,800,365	217,977	(217,977)	9,800,365
Supporting services:				
General & administrative	1,070,954	30,924	(30,924)	1,070,954
Marketing & communication	487,034			487,034
Fundraising	5,739	161,758	30,924	198,421
Volunteer administration	<u>17,501</u>			<u>17,501</u>
Total supporting services	<u>1,581,228</u>	<u>192,682</u>		<u>1,773,910</u>
Total expenses	<u>11,381,593</u>	<u>410,659</u>	<u>(217,977)</u>	<u>11,574,275</u>
CHANGE IN NET ASSETS	(1,727,315)	(121,634)	121,634	(1,727,315)
NET ASSETS, beginning of year	<u>6,028,572</u>	<u>2,287,114</u>	<u>(2,287,114)</u>	<u>6,028,572</u>
NET ASSETS, end of year	<u>\$ 4,301,257</u>	<u>\$ 2,165,480</u>	<u>\$ (2,165,480)</u>	<u>\$ 4,301,257</u>