

ALBERTA FIELD HOCKEY ASSOCIATION

Consolidated Financial Statements

Year Ended March 31, 2022

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Alberta Field Hockey Association

We have reviewed the accompanying consolidated financial statements of Alberta Field Hockey Association (the association) that comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statements of income, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying consolidated financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of consolidated financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of Alberta Field Hockey Association as at March 31, 2022, and the consolidated results of its operations and its consolidated cash flows for the year then ended in accordance with ASNPO.

Cascade
Chartered Professional Accountants LLP

Calgary, Alberta
December 16, 2022

ALBERTA FIELD HOCKEY ASSOCIATION

Consolidated Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
Current		
Cash	\$ 134,389	\$ 303,605
Casino cash reserve (Note 3)	22,897	77,032
Restricted cash (Note 4)	-	20,000
GIC investment (Note 5)	57,571	57,256
Accounts receivable	-	43,957
Prepaid expenses and deposits	19,775	23,597
	<u>234,632</u>	525,447
GIC investments (Note 5)	<u>150,052</u>	-
	<u>\$ 384,684</u>	<u>\$ 525,447</u>
LIABILITIES AND NET ASSETS		
Current		
Accounts payable and accrued liabilities	\$ 13,149	\$ 37,083
Deferred casino receipts (Note 3)	22,897	77,032
Deferred players levies (Note 7)	25,138	33,900
Other deferred contributions	-	20,000
	<u>61,184</u>	168,015
Net assets	<u>323,500</u>	357,432
	<u>\$ 384,684</u>	<u>\$ 525,447</u>

ON BEHALF OF THE BOARD

_____ Director

_____ Director

See notes to financial statements

ALBERTA FIELD HOCKEY ASSOCIATION

Consolidated Statement of Income

Year Ended March 31, 2022

	2022	2021
Receipts		
ASRPWF annual grant	\$ 89,967	\$ 89,967
CSS/STEP government grant	14,866	-
Calgary junior program <i>(Note 7)</i>	76,707	27,450
Casino receipts <i>(Note 3)</i>	54,135	12,932
Covid-19 emergency support fund grant	20,000	-
Investment income	1,729	2,793
Jumpstart sport relief grant	15,000	-
Membership fees	32,533	25,086
Miscellaneous receipts <i>(Note 7)</i>	7,836	11,215
Players and officials levies <i>(Note 7)</i>	25,321	7,789
	<u>338,094</u>	<u>177,232</u>
Expenditures		
Advertising and promotion	12,567	766
Amortization	-	217
Dues and memberships	14,517	15,419
Field rentals	43,804	5,865
High performance coaching	106,463	76,850
Hosting	-	(125)
Insurance	-	4,190
Interest and bank charges	7,298	5,855
Office	11,546	10,938
Office rental	9,800	10,138
Salaries and benefits	186,164	131,320
Talent ID training and competitions	12,040	7,259
Team equipment	15,754	22,676
Travel	3,776	693
	<u>423,729</u>	<u>292,061</u>
Deficiency of receipts over expenditures from operations	(85,635)	(114,829)
Other income		
Canada Emergency Wage Subsidy <i>(Note 6)</i>	<u>51,704</u>	<u>108,178</u>
Deficiency of receipts over expenditures	\$ (33,931)	\$ (6,651)

See notes to financial statements

ALBERTA FIELD HOCKEY ASSOCIATION
Consolidated Statement of Changes in Net Assets
Year Ended March 31, 2022

	2022	2021
Net assets - beginning of year		
As previously reported	\$ 357,431	\$ 356,648
Accrual of CEWS receivable	-	4,968
Accrual of prepaid expenses	-	2,466
	<u>357,431</u>	<u>364,082</u>
As restated	357,431	364,082
Deficiency of receipts over expenditures	<u>(33,931)</u>	<u>(6,651)</u>
Net assets - end of year	<u>\$ 323,500</u>	<u>\$ 357,431</u>

See notes to financial statements

ALBERTA FIELD HOCKEY ASSOCIATION

Consolidated Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
Operating activities		
Excess (deficiency) of receipts over expenditures	\$ (33,931)	\$ (6,651)
Item not affecting cash:		
Amortization of equipment	-	217
	<u>(33,931)</u>	<u>(6,434)</u>
Changes in non-cash working capital:		
Accounts receivable	43,957	(38,289)
Accounts payable and accrued liabilities	(23,935)	(51,341)
Deferred casino receipts	(54,135)	(12,932)
Prepaid expenses and deposits	3,822	7,647
Deferred players levies	(8,762)	31,665
Other deferred contributions	(20,000)	20,000
	<u>(59,053)</u>	<u>(43,250)</u>
Cash flow used by operating activities	<u>(92,984)</u>	<u>(49,684)</u>
Investing activities		
Reinvestment of interest income	(315)	(853)
Investment in GICs	(150,052)	-
Cash flow used by investing activities	<u>(150,367)</u>	<u>(853)</u>
Decrease in cash flow	(243,351)	(50,537)
Cash - beginning of year	400,637	451,174
Cash - end of year	\$ 157,286	\$ 400,637
Cash consists of:		
Cash	\$ 134,389	\$ 303,605
Casino cash reserve	22,897	77,032
Restricted cash	-	20,000
	<u>\$ 157,286</u>	<u>\$ 400,637</u>

See notes to financial statements

Purpose of the Association

Alberta Field Hockey Association (the "association") is a not-for-profit organization incorporated provincially under the Companies Act of Alberta. Management has determined that they are exempt from payment of income tax under Section 149(1) of the Income Tax Act.

The association is responsible for supporting field hockey in the province of Alberta and has been in operation since 1974. In partnership with the National Sports Organization (NSO), Field Hockey Canada (FHC), the association provides opportunities for Albertans to experience the challenges and rewards of the exciting sport of field hockey.

1. Summary of Significant Accounting Policies

Basis of presentation

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

Basis of consolidation

The association has elected to present consolidated financial statements that include its accounts and those of the controlled entity, Alberta Women's Field Hockey Association. Alberta Women's Field Hockey Association is a not-for-profit organization which supports Women's field hockey in the province of Alberta. As a not-for-profit organization, management has determined Alberta Women's Field Hockey Association is exempt from the payment of income tax under Section 149(1) of the Income Tax Act. All intercompany balances and transactions have been eliminated.

Cash and cash equivalents

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the reporting date.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of receipts and expenditures during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in excess of receipts over expenditures in the period in which they become known. Actual results could differ from these estimates. Areas of measurement uncertainty include accounts receivable, deferred player levies, accounts payable and accrued liabilities, and prepaid expenses and deposits.

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1. Summary of Significant Accounting Policies (*continued*)

Financial instruments

Initial and subsequent measurement

The association initially measures its financial assets and liabilities at fair value.

The association subsequently measures financial assets and liabilities at fair value, cost or amortized cost. Changes in the fair value of these financial instruments are recognized in the excess of receipts over expenditures in the period incurred.

Financial assets measured at amortized cost includes cash, casino cash reserve, restricted cash, accounts receivable, restricted GICs, GIC investments, prepaid expenses and deposits.

Financial liabilities measured at amortized cost includes accounts payable and accrued liabilities.

Transactions costs

Transaction costs related to financial instruments that will be subsequently measured at fair value are recognized in the excess of receipts over expenditures in the period incurred. Transaction costs related to financial instruments subsequently measured at amortized cost are included in the original cost of the asset or liability and recognized in the excess of receipts over expenditures over the life of the instrument using the straight-line method.

Impairment

For financial assets measured at cost or amortized cost, the association determines whether there are indications of possible impairment. When there is an indication of impairment, and the association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a writedown is recognized in the excess of receipts over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the excess of receipts over expenditures.

Revenue recognition

Alberta Field Hockey Association follows the deferral method of accounting for contributions.

Receipts from Calgary junior program, membership fees, miscellaneous receipts, and players and officials levies are recognized as program and materials are delivered.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributions from casino receipts are deferred and recognized as related expenditures are incurred.

Restricted contributions are deferred and recognized as expenditures are incurred.

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1. Summary of Significant Accounting Policies *(continued)***Government assistance**

Government assistance for acquiring fixed assets and related to expenses is recorded as deferred government assistance and is amortized on the same basis and according to the same rates as the related fixed assets or to income as eligible expenditures are incurred. Government assistance for current expenses is recorded as a receipt in the current year.

Contributed services

The operations of the association depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

2. Financial Instrument Risk

The association is exposed to various risks through its financial instruments. The following analysis provides information about the association's risk exposure and concentration as of March 31, 2022.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The association is exposed to credit risk from participants. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The association has a significant number of participants which minimizes concentration of credit risk.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The association is exposed to this risk mainly in respect of its receipt of funds from its participants and accounts payable and accrued liabilities. The association maintains a cash balance to mitigate liquidity risk.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The association is mainly exposed to interest rate risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the association manages exposure through its normal operating and financing activities. The association is exposed to interest rate risk primarily through its GIC investments, but this risk is mitigated by investing in a GIC with a locked in interest rate.

Unless otherwise noted, it is management's opinion that the association is not exposed to significant other price risks arising from these financial instruments.

3. Deferred Casino Receipts

	<u>2022</u>	<u>2021</u>
<u>Changes in deferred casino receipts</u>		
Opening balance	\$ 77,032	\$ 89,964
Casino receipts recognized in current period	<u>(54,135)</u>	<u>(12,932)</u>
	<u>\$ 22,897</u>	<u>\$ 77,032</u>

In the current year, the association received proceeds from casinos of \$nil (2021 - \$nil). The funds are designated for AGLC approved expenses including accounting fees, administrative costs, awards & trophies, equipment, grant funding, officials & judges fees, promotional activities, raffle, registration & affiliation fees, rent, resource materials, travel in the province, uniforms, volunteer conference & training. An amount equal to these deferred receipts is held in a separate bank account.

4. Restricted Cash

	<u>2022</u>	<u>2021</u>
Restricted cash	<u>\$ -</u>	<u>\$ 20,000</u>

Restricted cash consists of the amounts externally restricted for future operating expenditures.

5. GIC Investments

	<u>2022</u>	<u>2021</u>
Scotiabank GIC, 0.5%, maturing on April 1, 2022	\$ 57,571	\$ 57,256
Scotiabank GIC, 1.8%, maturing May 25, 2023	<u>150,052</u>	<u>-</u>
	<u>\$ 207,623</u>	<u>\$ 57,256</u>

6. Government Assistance

The association has received government assistance in the form of the Canada Emergency Wage Subsidy (CEWS). This assistance was given to organizations whose receipts decreased compared to the prior year in order to help keep Canadian workers employed. During the year, the association received \$51,704 for periods 14 to 21 (2021 - \$108,178 for periods 1 to 13) covered by the CEWS program.

ALBERTA FIELD HOCKEY ASSOCIATION

Notes to Consolidated Financial Statements

Year Ended March 31, 2022

7. Deferred Players Levies

	<u>2022</u>	<u>2021</u>
<u>Change in deferred players levies</u>		
Opening balance	\$ 33,900	\$ 2,235
Deposits received in the year	96,121	66,904
Deposits recognized as revenue - Calgary junior program	(76,707)	(27,450)
Deposits recognized as revenue - Players and officials levies	(25,321)	(7,789)
Deposits recognized as revenue - Equipment sales	(2,855)	-
	<u>\$ 25,138</u>	<u>\$ 33,900</u>

Deferred player levies are the result of program fees received as a deposit before the program is set to begin. Therefore, the program fees are deferred and recognized as receipts when the program takes place.
