

THE BAHAMAS FOOTBALL ASSOCIATION
Unaudited Financial Statements for The
Year Ended December 31, 2018
And Review Report

K E FERGUSON & CO

Chartered Accountants

9th July, 2019

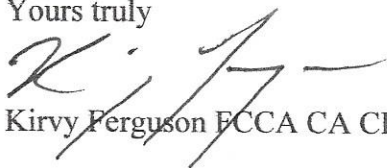
Mr Fred Lunn
Secretary General
The Bahamas Football Association
P O Box N 8434
Nassau, The Bahamas

Dear Mr Lunn,

Please find enclosed two bound and one unbound copy of the Association's financial statements for the year ended December 31, 2018 as per your request.

Thank you kindly for your patience and assistance.

Yours truly



Kirvy Ferguson FCCA CA CFE

Enc.

THE BAHAMAS FOOTBALL ASSOCIATION

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K E FERGUSON & CO

Chartered Accountants

REVIEW REPORT TO:

To the members of
The Bahamas Football Association:

Report on the Financial Statements

We have reviewed the accompanying financial statements of The Bahamas Football Association, which comprise the statement of financial position as at December 31, 2018, and the related statement of income and expenses, statement of changes in fund balance and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioners' Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements. We conducted our review in accordance with International Standard on Review Engagements (ISRE) 2400 (Revised), Engagements to Review Historical Financial Statements. ISRE 2400 (Revised) requires us to conclude whether anything has come to our attention that causes us to believe that the financial statements, taken as a whole, are not prepared in all material respects in accordance with the applicable financial reporting framework. This Standard also requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with ISRE 2400 (Revised) 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.

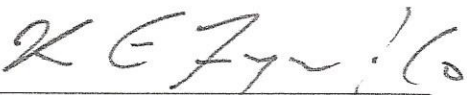
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of The Bahamas Football Association as at December 31, 2018, and its financial performance and cash flows for the year then ended, in accordance with the International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our report, we draw attention to Note 5 regarding the continued operations of the Association. With a net current liability of \$62,244 at December 31, 2018, the Association's continuance and ability to meet its obligations are dependent primarily on the funding of its operations from its International Affiliate and the Government of The Bahamas.


K E FERGUSON & CO
CHARTERED ACCOUNTANTS
NASSAU, BAHAMAS
Date: July 8, 2019

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Financial Position

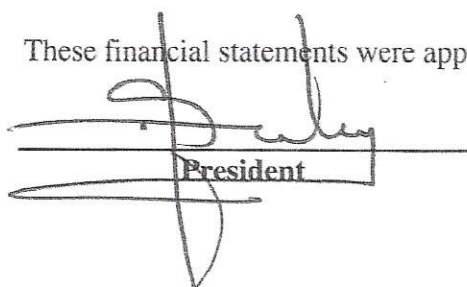
December 31, 2018

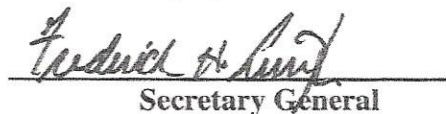
(Expressed in Bahamian Dollars)

		2018 \$	2017 \$ Restated (Note 12)
ASSETS	NOTES		
Cash and cash equivalents	(6)	549,447	274,904
Accounts receivable	(10)	5,951	12,411
Deposits and prepayments		2,350	2,350
Total current assets		557,748	289,665
 FIXED ASSETS	 (4)	 3,531,515	 3,780,705
TOTAL ASSETS		<u>4,089,263</u>	<u>4,070,370</u>
 LIABILITIES AND FUND BALANCE			
Current Liabilities			
Accounts payable	(5)	119,992	1,841,011
Current portion of long-term debt	(7)	500,000	40,000
Total current liabilities		619,992	1,881,011
TOTAL LIABILITIES		<u>619,992</u>	<u>1,881,011</u>
 FUND BALANCE:			
Designated funds	(8)	4,068,854	4,068,854
Accumulated Deficit		(599,583)	(1,879,495)
Total fund balance		3,469,271	2,189,359
TOTAL LIABILITIES AND ACCUMULATED FUND		<u>4,089,263</u>	<u>4,070,370</u>

See notes to unaudited financial statements

These financial statements were approved on behalf of the Board on July 8, 2019



President

Secretary General

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Income and Expenses

December 31, 2018

(Expressed in Bahamian Dollars)

INCOME	NOTES	2018	2017
		\$	\$ Restated (Note 12)
Federation International de Football Association			
FIFA Beach Soccer World Cup	(8)	1,700,000	1,475,709
FIFA Forward Operation		503,000	500,000
FIFA Forward Project		19,521	611,925
FIFA CFU		77,032	-
Government Grants		40,000	40,000
CONCACAF		225,000	245,971
Sponsorship		-	53,715
League and other fees		30,140	35,400
Other income		40,621	27,210
Interest income		274	2
TOTAL INCOME		2,635,588	2,989,932

(Continued)

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Income and Expenses

December 31, 2018

(Expressed in Bahamian Dollars)

	NOTES	2018 \$	2017 \$
EXPENSES			
FIFA Beach Soccer World Cup		-	3,744,693
CONCACAF tournament		-	176,009
Bahamas Cup		102,046	-
Nations League		285,761	-
Depreciation	(4)	249,190	249,190
Administrative salaries	(10)	219,082	175,342
Repairs and maintenance		155,195	89,593
Development program		108,565	83,763
Professional fees		70,891	31,929
Insurance		34,444	10,282
Travel and transportation		26,191	72,944
Other expenses		26,626	86,216
Utilities		22,906	45,646
Bank charges		22,885	9,328
Equipment and uniforms		14,558	16,273
Office supplies		6,827	5,431
Dues and subscriptions		5,306	1,267
Freight and duty		3,631	1,884
Interest Expense		1,463	5,837
Awards and donations		109	6,360
TOTAL EXPENSES		1,355,677	4,811,987
NET INCOME OVER EXPENSES		1,279,912	(1,822,055)

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Changes in Fund Balance

December 31, 2018

(Expressed in Bahamian Dollars)

	<u>Designated</u> <u>Fund</u>	<u>(Deficit)/</u> <u>Accumulated Fund</u>	<u>Total</u>
Balance as at December 31, 2016 - As previously reported	\$ 2,074,653	\$ (57,440)	\$ 2,017,213
Transfer of funding to designated fund (Note 8)	1,994,201	-	1,994,201
Net Expenses over Income - Restated	-	(1,822,055)	(1,822,055)
Balance at December 31, 2017 - Restated	<u>4,068,854</u>	<u>(1,879,495)</u>	<u>2,189,359</u>
Net Income over Expenses	-	1,279,912	1,279,912
Balance at December 31, 2018	\$ <u>4,068,854</u>	\$ <u>(599,583)</u>	\$ <u>3,469,271</u>

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Cash Flows

December 31, 2018

(Expressed in Bahamian Dollars)

		2018 \$	2017 \$
	NOTES		Restated (Note 12)
Cash Flows from (used in) Operating Activities:			
Net income over expenses		1,279,912	(1,822,055)
Adjustments to reconcile net income to net cash flow from operating activities			
Depreciation	(4)	249,190	249,190
Cash provided by (used in) Operations before Changes in Operating Assets & Liabilities		1,529,102	(1,572,865)
Decrease in accounts receivable		8,412	40,667
(Decrease)/increase in accounts payable		(1,721,021)	1,819,478
Net Cash provided by operating activities		(183,507)	287,280
Cash Flows from Investing Activities:			
Increase in fixed assets		-	(1,994,203)
Net Cash used for investing activities		-	(1,994,203)
Cash Flows from Financing Activities:			
Government funding	(7)	1,500,000	-
Refund of Government funding	(7)	(1,000,000)	-
Allocation of FIFA funding-stadium construction	(8)	-	1,994,203
Decrease in long-term loan		(40,000)	(40,000)
Net Cash from financing activities		460,000	1,954,203
Net Increase in Cash and Cash Equivalents		276,493	247,279
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR		267,504	20,225
CASH & CASH EQUIVALENTS, END OF YEAR		543,997	267,505
CASH & CASH EQUIVALENTS COMPRISE			
Cash at bank		543,997	267,504
Bank overdraft		-	-
TOTAL CASH & CASH EQUIVALENTS		543,997	267,504

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

1. GENERAL INFORMATION

The Bahamas Football Association (the “Association”) began operations on January 1, 1999. On September 16, 1999, the Association was incorporated as a non-profit organization. The principal activity of the Association is to promote, regulate and control the development of soccer in The Bahamas. The registered office of the Association is located at Alexiou, Knowles & Co., St. Andrews Court, Frederick Street Steps.

2. CHANGE IN ACCOUNTING POLICIES

Adoption of new and Revised International Financial Reporting Standards

The accounting policies adopted are consistent with those used in the previous financial year. The following International Accounting Standards (IAS) issued by the International Accounting Standards Board (IASB) and International Financial Reporting Standards (IFRS) issued by the International Financial Reporting Interpretations Committee (IFRIC) are relevant to the Company.

New standards, amendments and interpretations adopted by the Association

Effective 1 January 2018, the Association adopted IFRS 9 Financial Instruments (IFRS 9). The adoption of IFRS 9 resulted in changes in the Association’s accounting policies for recognition, classification, measurement and impairment of financial assets, however, these changes did not impact amounts previously recognised in the financial statements. There were no changes in relation to financial liabilities.

Other standards and amendments and interpretations to published standards that became effective for the Association’s financial year beginning on January 1, 2018 were either not relevant or not significant to the Association’s operations and accordingly did not have a material impact on the Association’s accounting policies or financial statements.

New standards, amendments and interpretations not yet adopted by the Association

With the exception of IFRS 16 Leases (IFRS 16), the application of new standards and amendments and interpretations to existing standards that have been published but are not yet effective are not expected to have a material impact on the Association’s accounting policies or financial statements in the financial period of initial application. IFRS 16 results in lessees accounting for most leases within the scope of the standard in a manner similar to the way in which finance leases are currently accounted for under IAS 17 Leases (IAS 17). Lessees will recognise a ‘right of use’ asset and a corresponding financial liability on the statement of financial position. The asset will be amortised over the length of the lease and the financial liability measured at amortised cost. Lessor accounting remains substantially the same as in IAS 17. The Association has not yet assessed the full impact of adopting IFRS 16, which is effective for financial periods beginning on or after January 1, 2019.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

3. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Association are prepared in accordance with International Financial Reporting Standards. The preparation of the financial statements in conformity with International Financial Reporting Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The significant accounting policies of the Association are summarized below:

a. Basis of accounting - These financial statements have been prepared on the accrual basis except for donations, which are recognized as revenue when received.

b. Cash and cash equivalents - Cash and cash equivalents are represented by cash and deposits with banks.

c. Fixed assets - Fixed assets are recorded at cost less accumulated depreciation. Depreciation is calculated on a straight-line basis to write assets off over their estimated useful lives as follows:

Soccer field development	20 years
Soccer Stadium	20 years
Furniture and fixtures	5 years
Computer equipment	3 years

d. Foreign currency translation - Transactions in foreign currencies have been converted into Bahamian dollars at the rate of exchange prevailing at the date of each transaction. Balance sheet accounts denominated in foreign currencies are converted at rates of exchange as at December 31, 2017.

e. Contributions – In common with other non-profit organizations, the Association records income from donations only when received as this is when revenue can be measured reliably.

f. Related parties - Related parties include officers and directors who are related through having authority and responsibility for directing and controlling the activities of the Association.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

4. FIXED ASSETS - NET

Fixed assets, net, as at December 31, 2018 are comprised of the following:

	Beach Soccer Stadium	Soccer Field Development	Furniture, fixture and equipment	Computer equipment	Total
	\$	\$	\$	\$	\$
Cost:					
Balance as at December 31, 2016 - As previously reported	321,619	2,635,366	24,858	15,532	2,997,375
Additions net (Note 12)	1,994,201	-	-	-	1,994,201
Balance at December 31, 2017 - Restated	2,315,820	2,635,366	24,858	15,532	4,991,576
Additions	-	-	-	-	-
Balance at December 31, 2018	2,315,820	2,635,366	24,858	15,532	4,991,576
Accumulated depreciation:					
Balance at December 31, 2016	-	931,657	14,492	15,532	961,681
Depreciation	115,791	132,318	1,081	-	249,190
Balance at December 31, 2017	115,791	1,063,975	15,573	15,532	1,210,871
Depreciation	115,791	132,318	1,081	-	249,190
Balance at December 31, 2018	231,582	1,196,293	16,654	15,532	1,460,061
Carrying Value:					
December 31, 2017	2,200,029	1,571,391	9,285	-	3,780,705
December 31, 2018	2,084,238	1,439,073	8,204	-	3,531,515

During 2016 the Association entered into arrangement with the Government of The Commonwealth of the Bahamas for the improvement of the Beach Soccer Stadium. During 2018, the Government of the Bahamas advanced amounts totaling \$ Nil (2017: \$2,920,000) towards the stadium cost. These funds were paid directly to the relevant suppliers by the Government. Addition to Fixed Assets are shown net of Government Grant.

5. FINANCING OF OPERATIONS

The Association has a net current liability position of \$62,244 (2017: \$1,591,346) as at December 31, 2017. The Association is dependent on funding from its International Affiliate and the Government of The Bahamas. In June 2018, the Association received funding in the amount of \$1.7 million from Federation International de Football Association to settle outstanding liabilities arising from the hosting of FIFA Beach Soccer World Cup.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

6. BANK OVERDRAFT

The Association has a \$40,500 (2017: \$40,500) bank overdraft facility at a local financial institution which is secured by its fixed deposits that total \$67,687 (2017: \$67,687). The interest charge on the overdraft is prime plus 2.00% totaling 6.75% (2017: 6.75%).

7. LONG TERM DEBT

Long term debt is comprised of the following:

	2018	2017
Loan payable to Bank in monthly installments	-	\$40,000
Government Loan	\$500,000	-
	<u>\$500,000</u>	<u>\$40,000</u>

The Bank loan bears interest at a rate of prime plus 2.00% per annum. The loan is payable on demand but until such demand is made the facility is reduced by monthly interest and principal payments of \$20,000 bi-annually based on a 120 month amortization. The loan is collateralized by a Commitment letter from the Government of The Bahamas to support the Association via principal payments in the amount of \$40,000 per annum. There is also a Guarantee and Postponement of claim of \$500,000 and a Collateral Security Agreement in the amount of \$61,391.

During 2018 the Association received a loan from The Government of the Bahamas to assist with outstanding expenses incurred during the hosting of the FIFA Beach Soccer World Cup 2017. As at 31 December 2018 The Association has repaid \$1,000,000 of the sum advanced. There is no stated interest rate on repayment date.

8. DESIGNATED FUNDS

The Association receives primary funds, other fees and special projects funding from the Federation International de Football Association (FIFA). These funds may only be used for the purpose outlined as per the agreement with FIFA.

During 2002, the Association received \$576,206 that was utilized to develop a soccer field in New Providence. An additional \$475,200 was received in 2007 to develop a second soccer field in New Providence. In 2011, the Association received \$295,664 for the development of a third soccer field, Beach Soccer/FUTSAL. Funding of \$229,583 was obtained in 2012 for the completion of the third soccer field.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

8. DESIGNATED FUNDS (continued)

During 2015 the Association received donation of seating and platform facilities valued at \$498,000 from FIFA as part of its Goal Project; FIFA paid the supplier directly; the Association paid for the related freight and duties incurred amounting to \$57,205. The total value of the seating and platform facilities has been included in Fixed Assets.

During 2017 FIFA contributed \$3,469,910 towards the Association hosting of the FIFA Beach Soccer World Cup. \$1,994,201 of the funds provided was used towards the construction of the Beach Soccer Stadium. The \$1,994,201 is reflected as part of Designated Funds.

9. COMMITMENTS

Rent

Commitment

The Association had a lease commitment for two years which expired August 31, 2012, with the option to renew. The lease was not renewed, and the association moved into a rent free facility.

Land Lease

During 2002, the Association entered into a 100 year lease of land from The Bahamas Government. The land has been utilized for development of a soccer field.

10. RELATED PARTY BALANCES AND TRANSACTIONS

Related party balances and transactions include amounts due from staff and executives of the association. As at December 31, amounts outstanding and included in Accounts Receivable were as follows:

	2018	2017
Accounts Receivable	<u>\$4,975</u>	<u>\$2,325</u>

11. RISK MANAGEMENT

Due to the nature of its operations, the Association has limited risk exposure to financial instruments. Cash is maintained with approved and licensed financial institutions. Advances and other receivables are made to employees for limited amounts. Advances and the submission of expense reports and subsequent repayments of funds are monitored by management.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2018

12. RESTATEMENT OF FINANCIAL STATEMENT

During 2017, funding was received from The Bahamas Government relating to the construction of the national stadium amounting to \$2,920,000. Originally the funding was reflected as part of operational revenues of the Association, management has reviewed this treatments in accordance with IAS 20, Accounting for Government Grant, and as a result, the treatment of the funding provided has been revised and is now reflected as a deduction from fixed assets and is being amortised over the life of the stadium.

During 2017, amounts contributed by FIFA were either used for operational cost associated with hosting the FIFA Beach Soccer World Cup or, for the construction of the Beach Soccer Stadium. Management has subsequently determined that the amounts received used for the construction of the stadium totaling \$1,994,201 should be treated as a movement in Equity rather than as part of operational revenues.

The impact of the restatements on each affected line on the Association's Statement of Financial Position is summarized in the following table:

	As of December 31 2017		
	As Reported	Adjustments	As Restated
Fixed Assets	6,538,281	(2,757,576)	3,780,705
Total Assets	6,825,715	(2,755,345)	4,070,370
Designated funds	2,074,653	1,994,201	4,068,854
Accumulated fund (deficit)	2,872,282	(4,751,777)	(1,879,495)

The impact of the restatements on each affected line on the Association's Statement of Comprehensive Income is summarized in the following table:

	Year ended December 31 2017		
	As Reported	Adjustments	As Restated
INCOME			
FIFA Beach Soccer World Cup	3,469,910	(1,994,201)	1,475,709
EXPENSE			
Depreciation	411,622	(162,432)	249,190
Net Income over Expenses	2,929,722	(4,751,777)	(1,822,055)