

THE BAHAMAS FOOTBALL ASSOCIATION
Unaudited Financial Statements For The
Year Ended December 31, 2017
And Review Report

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, 2017, 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.

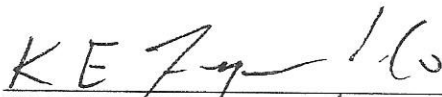
The procedures performed in a review are substantially less than those performed in an audit conducted in accordance with International Standards on Auditing. Accordingly, we do not express an audit opinion on these financial statements.

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, 2017, 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 \$1,591,346 at December 31, 2017, 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: June 29, 2018

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Financial Position

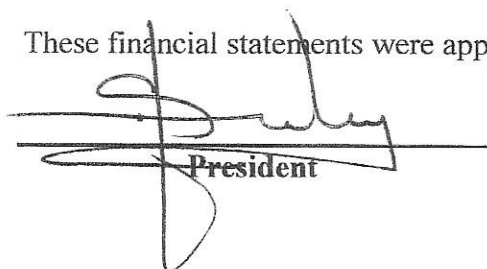
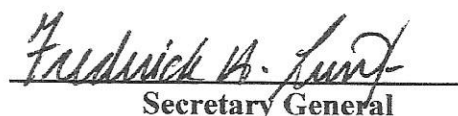
December 31, 2017

(Expressed in Bahamian Dollars)

		2017	2016
ASSETS	NOTES	\$	\$
Current Assets			
Cash and cash equivalents	(6)	267,504	42,981
Accounts receivable	(10)	17,580	59,124
Deposits and prepayments		2,350	2,350
Total current assets		287,434	104,455
 FIXED ASSETS	(4)	6,538,281	2,035,694
TOTAL ASSETS		<u>6,825,715</u>	<u>2,140,148</u>
 LIABILITIES AND FUND BALANCE			
Current Liabilities			
Bank overdraft	(6)	-	22,756
Accounts payable	(5)	1,838,780	20,179
Current portion of long-term debt	(7)	40,000	40,000
Total current liabilities		1,878,780	82,935
Long-term debt	(7)	-	40,000
TOTAL LIABILITIES		<u>1,878,780</u>	<u>122,935</u>
 FUND BALANCE:			
Designated funds	(8)	2,074,653	2,074,653
Accumulated Fund (Deficit)		2,872,282	(57,440)
Total fund balance		4,946,935	2,017,213
TOTAL LIABILITIES AND ACCUMULATED FUND		<u>6,825,715</u>	<u>2,140,148</u>

See notes to unaudited financial statements

These financial statements were approved on behalf of the Board on June 29, 2018


President
Secretary General

THE BAHAMAS FOOTBALL ASSOCIATION
Statement of Income and Expenses
December 31, 2017

(Expressed in Bahamian Dollars)

INCOME	NOTES	2017 \$	2016 \$
Federation International de Football Association			
FIFA Beach Soccer World Cup		3,469,910	-
FIFA Forward Operation		500,000	250,000
FIFA Forward Project		611,925	-
FIFA Bonus		-	250,000
FIFA CFU		-	48,755
Government Grants	(4)	2,960,008	349,118
CONCACAF		245,971	-
Sponsorship		53,715	21,500
League and other fees		35,400	14,921
Other income		27,210	19,897
Interest income		2	63
TOTAL INCOME		7,904,141	954,254

(Continued)

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Income and Expenses

December 31, 2017

(Expressed in Bahamian Dollars)

	NOTES	2017 \$	2016 \$
EXPENSES			
FIFA Beach Soccer World Cup		3,744,693	-
CONCACAF tournament		176,009	-
Development program		83,763	293,661
Administrative salaries	(10)	175,342	159,324
Depreciation	(4)	411,622	133,199
Accomodations		-	92,672
Other expenses		86,146	82,208
Travel and transportation		72,944	79,752
Repairs and maintenance		89,593	39,698
Utilities		45,646	30,917
Marketing		69	27,605
Insurance		10,282	24,685
Professional fees		31,929	18,754
Equipment and uniforms		16,273	11,230
Bank charges		9,328	10,249
Interest Expense		5,837	8,163
Awards and donations		6,360	8,059
Bad debt		-	6,188
Office supplies		5,431	5,985
Freight and duty		1,884	1,307
Dues and subscriptions		1,267	500
TOTAL EXPENSES		4,974,418	1,034,157
NET INCOME OVER EXPENSES		2,929,722	(79,903)

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Changes in Fund Balance

December 31, 2017

(Expressed in Bahamian Dollars)

	<u>Designated</u> <u>Fund</u>	<u>(Deficit)/</u> <u>Accumulated Fund</u>	<u>Total</u>
Balance at December 31, 2015	\$ 2,074,653	\$ 22,463	\$ 2,097,116
Net Expenses over Income	-	(79,903)	(79,903)
Balance at December 31, 2016	<u>2,074,653</u>	<u>(57,440)</u>	<u>2,017,213</u>
Net Income over Expenses	-	2,929,722	2,929,722
Balance at December 31, 2017	<u>\$ 2,074,653</u>	<u>\$ 2,872,282</u>	<u>\$ 4,946,935</u>

THE BAHAMAS FOOTBALL ASSOCIATION

Statement of Cash Flows

December 31, 2017

(Expressed in Bahamian Dollars)

	NOTES	2017 \$	2016 \$
Cash Flows from Operating Activities:			
Net income over expenses		2,929,722	(79,903)
Adjustments to reconcile net income to net cash flow from operating activities			
Depreciation	(4)	411,622	133,199
Government Contribution	(4)	(2,920,008)	-
Cash provided by Operations before Changes in Operating Assets & Liabilities		421,336	53,296
Decrease in accounts receivable		40,667	8,147
Increase/(Decrease) in accounts payable		1,819,478	(23,175)
Net Cash provided by operating activities		<u>2,281,481</u>	<u>38,268</u>
Cash Flows from Investing Activities:			
Increase in fixed assets		(1,994,203)	(321,618)
Net Cash used for investing activities		<u>(1,994,203)</u>	<u>(321,618)</u>
Cash Flows from Financing Activities:			
Decrease in long-term loan		(40,000)	(20,000)
Net Cash used for financing activities		<u>(40,000)</u>	<u>(20,000)</u>
Net Increase in Cash and Cash Equivalents		247,278	(303,350)
CASH & CASH EQUIVALENTS, BEGINNING OF YEAR		<u>20,225</u>	<u>323,575</u>
CASH & CASH EQUIVALENTS, END OF YEAR		<u><u>267,503</u></u>	<u><u>20,225</u></u>
CASH & CASH EQUIVALENTS COMPRISE			
Cash at bank		267,504	42,981
Bank overdraft		-	(22,756)
TOTAL CASH & CASH EQUIVALENTS		<u><u>267,504</u></u>	<u><u>20,225</u></u>

See notes to unaudited financial statements

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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 Suite 5, in the Trehl Plaza situated on Tonique Williams-Darling Highway.

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.

Amendments to the following standards did not have any impact on the accounting policies, financial position or performance of the Company:

- IAS 27 (Revised) – Separate Financial Statements
- IAS 28 (Revised) – Investments in Associates and Joint Ventures
- Amendment to IAS 1 – Presentation of Items of Other Comprehensive Income
- IAS 19 (Revised) – Employee Benefits
- Amendment to IAS 32 – Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 7 – Disclosures – Offsetting Financial Assets and Financial Liabilities
- Amendments to IFRS 1 – Government Loans
- IFRS 10 – Consolidated Financial Statements
- IFRS 11 – Joint Arrangements
- IFRS 12 – Disclosure of Interests in Other Entities
- IFRS 13 – Fair Value Measurement

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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, 2017

4. FIXED ASSETS - NET

Fixed assets, net, as at December 31, 2017 are comprised of the following:

	Beach Soccer Stadium	Soccer Field Development	Furniture, fixture and equipment	Computer equipment	Total
	\$	\$	\$	\$	\$
Cost:					
Balance at December 31, 2015	-	2,635,366	24,858	15,532	2,675,756
Additions	321,619	-	-	-	321,619
Balance at December 31, 2016	321,619	2,635,366	24,858	15,532	2,997,375
Additions	4,914,209	-	-	-	4,914,209
Balance at December 31, 2017	5,235,828	2,635,366	24,858	15,532	7,911,584
Accumulated depreciation:					
Balance at December 31, 2015	-	799,539	13,411	15,532	828,482
Depreciation	-	132,118	1,081	-	133,199
Balance at December 31, 2016	-	931,657	14,492	15,532	961,681
Depreciation	278,223	132,318	1,081	-	411,622
Balance at December 31, 2017	278,223	1,063,975	15,573	15,532	1,373,303
Carrying Value:					
December 31, 2016	-	1,835,827	11,447	-	1,847,274
December 31, 2017	4,957,605	1,571,391	9,285	-	6,538,281

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 2017, the Government of the Bahamas advanced amounts totaling \$2,920,008 (2016: \$321,619) towards the stadium cost. These funds were paid directly to the relevant suppliers by the Government.

5. FINANCING OF OPERATIONS

The Association has exposure for liabilities arising from the hosting of the FIFA Beach Soccer World Cup totaling \$1.7 million as at December 31, 2017. The Association has a net current liability position of \$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 the outstanding liabilities.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

6. BANK OVERDRAFT

The Association has a \$40,500 (2016: \$40,500) bank overdraft facility at a local financial institution which is secured by its fixed deposits that total \$67,687 (2016: \$67,628). The interest charge on the overdraft is prime plus 2.00% totaling 6.75% (2016: 6.75%).

	2017	2016
Bank overdraft	\$ <u>-</u>	\$ <u>22,756</u>

7. LONG TERM DEBT

Long term debt is comprised of the following:

	2017	2016
Loan payable to Bank in monthly installments	\$ 40,000	\$ 80,000
Less current portion	<u>-</u>	<u>40,000</u>
	\$ <u>40,000</u>	\$ <u>40,000</u>

The 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.

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.

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.

THE BAHAMAS FOOTBALL ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2017

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

	2017	2016
Accounts Receivable	<u>\$ 7,494</u>	<u>\$ 20,724</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.