

THE BERMUDA OLYMPIC ASSOCIATION

Financial Statements

(With Independent Auditor's Report Thereon)

Year Ended October 31, 2024

INDEPENDENT AUDITORS' REPORT

To the Members of The Bermuda Olympic Association

Qualified Opinion

We have audited the financial statements of The Bermuda Olympic Association (**Association**), which comprise the statement of financial position as at October 31, 2024, and the statement of operations, changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Association as at October 31, 2024, and its financial performance and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (**ASNFP**).

Basis for Qualified Opinion

The Association derives \$110,978 (2023: \$14,025) of revenue from donations, the completeness of which is not subject to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to donation revenues, the statement of changes in revenues and expenses, changes in accumulated funds, cash flows from operations and current assets for the year ended October 31, 2024.

Other Matter

We expressed a qualified opinion on the financial statements of the Association for the year ended October 31, 2023. Our basis for the qualified opinion was reported as follows:

The Association derives \$14,025 (2022: \$5,892) of revenue from donations, the completeness of which is not subject to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to donation revenues, the statement of changes in revenues and expenses, changes in accumulated funds, cash flows from operations and current assets for the year ended October 31, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with CPA Canada Handbook – Part III, Accounting Standards for Not-for-Profit Organizations (**ASNPO**), 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.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 a guarantee that an audit conducted in accordance with Canadian and Bermudian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian and Bermudian generally accepted auditing standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. 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.
- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieved fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Baker Tilly

Chartered Professional Accountants

April 22, 2025

THE BERMUDA OLYMPIC ASSOCIATION

Statement of Financial Position

October 31, 2024

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents (Note 4)	\$ 619,960	\$ 514,765
Short-term deposits	20,000	20,000
Accounts receivable	18,639	117,365
Prepaid expense	<u>4,259</u>	<u>7,056</u>
Total current assets	662,858	659,186
Capital assets (Note 6)	<u>29,980</u>	<u>32,478</u>
Total assets	<u>\$ 692,838</u>	<u>\$ 691,664</u>
Liabilities		
Accounts payable and accrued expenses	\$ 23,750	\$ 48,650
Deferred funding for Elite Athletes (Note 4)	131,297	128,622
Deferred revenues (Note 5)	<u>230,492</u>	<u>193,504</u>
Total liabilities	<u>385,539</u>	<u>370,776</u>
Net assets		
Unrestricted net assets	<u>307,299</u>	<u>320,888</u>
Total liabilities and net assets	<u>\$ 692,838</u>	<u>\$ 691,664</u>

The accompanying notes are an integral part of the financial statements

Signed on behalf of the Board



President



Secretary General

THE BERMUDA OLYMPIC ASSOCIATION

Statement of Operations

Year Ended October 31, 2024

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Revenues		
International Olympic Committee ("IOC"), Pan American Sports Organisation ("PASO") and Commonwealth Games Federation ("CGF") (Notes 8 and 12)	\$ 718,612	\$ 650,536
Bermuda Government grant (Note 5)	114,583	100,000
Elite Athletes funding (Note 4)	147,326	136,996
Contribution income	111,853	32,681
Sale of pins and uniforms	60	20
Interest income	-	4
	<u>1,092,434</u>	<u>920,237</u>
Expenses		
Operational		
Games preparation expense	126,961	117,892
PASO programs	127,997	97,031
Elite Athlete expense	147,252	136,946
Elite disbursement – stipend	86,500	-
Olympic Solidarity Scholarship expense	82,165	87,252
Coaching expense	43,750	-
Women-In-Sport Expo	1,175	12,871
Unrestricted release	7,810	25,500
Olympic Day expense	225	3,386
TAFISA Membership	-	506
Strategic business plan	-	10,000
Books, subscriptions, reference	2,568	2,649
Staff development	521	-
	<u>626,924</u>	<u>494,033</u>
Total operational expenses	626,924	494,033
	<u>213,131</u>	<u>142,024</u>
Games expense (Note 7)	213,131	142,024
General and administrative expenses		
Payroll	106,329	164,043
Rent (Note 9)	60,086	55,280
Consultants	35,773	36,016
Amortisation of capital assets (Note 6)	2,498	11,476
Audit	16,229	15,700
Miscellaneous	8,258	6,837
Website	12,036	12,000
Office supplies and equipment	429	26,231
Telephone and internet	4,332	4,844
Lease equipment	4,536	4,791
Bank charges	1,950	1,653
Caribbean Association of National Olympic Committee dues	1,000	1,000
Travel and entertainment (Note 10)	12,512	15,849
	<u>265,968</u>	<u>355,720</u>
Total general and administrative expenses	265,968	355,720
	<u>1,106,023</u>	<u>991,777</u>
Total expenses	1,106,023	991,777
Deficiency of revenues over expenses	\$ (13,589)	\$ (71,540)

The accompanying notes are an integral part of the financial statements

THE BERMUDA OLYMPIC ASSOCIATION

Statement of Changes in Net Assets

Year Ended October 31, 2024

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Net assets, beginning of year	\$ 320,888	\$ 392,428
Deficiency of revenues over expenses	<u>(13,589)</u>	<u>(71,540)</u>
Net assets, end of year	\$ 307,299	\$ 320,888

The accompanying notes are an integral part of the financial statements

THE BERMUDA OLYMPIC ASSOCIATION

Statement of Cash Flows

Year Ended October 31, 2024

(Expressed in Bermuda Dollars)

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Deficiency of revenues over expenses	\$ (13,588)	\$ (71,540)
Adjustment for:		
Amortisation of capital assets	2,498	11,476
Changes in non-cash working capital:		
Accounts receivable	98,726	(106,901)
Prepaid expense	2,796	(2,797)
Accounts payable and accrued expenses	(24,900)	(230)
Deferred funding for Elite Athletes	2,675	(36,997)
Deferred revenues	<u>36,988</u>	<u>(14,363)</u>
Net cash provided (used) by operating activities	<u>105,195</u>	<u>(221,352)</u>
Increase (decrease) in cash and cash equivalents	105,195	(221,352)
Cash and cash equivalents, beginning of year	<u>534,765</u>	<u>756,117</u>
Cash and cash equivalents, end of year	<u>\$ 639,960</u>	<u>\$ 534,765</u>
Composition:		
Cash and cash equivalents	\$ 619,960	\$ 514,765
Short-term deposits	<u>20,000</u>	<u>20,000</u>
Cash and cash equivalents, end of year	<u>\$ 639,960</u>	<u>\$ 534,765</u>

The accompanying notes are an integral part of the financial statements

THE BERMUDA OLYMPIC ASSOCIATION

Notes to Financial Statements

October 31, 2024

1. Purpose of the Association

The Bermuda Olympic Association (the "Association") was established by the members, being various amateur sports governing bodies in Bermuda, to encourage and generally stimulate interest and participation by residents of Bermuda in international sport. The Association provides financial support to those athletes wishing to pursue their athletic dreams. The Association is a registered legally incorporated body under the laws of Bermuda and is a registered charitable and non-profit organisation under the Bermuda Charities Act 2014.

2. Basis of preparation

The Association presents financial statements in conformity with the requirements of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting Part III: Accounting Standards for Not-For-Profit Organisations ("ASNFPPO").

The directors, having made inquiries, believe that the Association has adequate resources to continue in operational existence for at least the next 12 months and that it is appropriate to continue to adopt the going concern basis in preparing the financial statements.

3. Significant accounting policies

These financial statements have been prepared in accordance with ASNFPPO and include the following significant accounting policies:

(a) Revenue recognition

The Association follows the deferral method of accounting for contributions. Restricted contributions are recognised as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognised as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions for which the related restrictions remain unfulfilled are accumulated as deferred contributions. Pledges are recorded as revenue when received. Grant funds utilised are deferred and recognised as revenue in the period to which they relate.

(b) Cash and cash equivalents

The Association considers all cash on hand and deposits with financial institutions that can be withdrawn without prior notice or penalty as equivalent to cash.

(c) Contributed services

The Association records donated services at their fair value at the date of contribution when fair value can be reasonably estimated, and the services are normally purchased and would be paid for if not donated.

Volunteers contribute substantial time and effort in assisting the Association each year. Because of the difficulty of determining fair value, contributed services are not recognised in the financial statements.

THE BERMUDA OLYMPIC ASSOCIATION

Notes to Financial Statements

October 31, 2024

3. Significant accounting policies (continued)

(d) Capital assets

Capital assets are stated at cost less accumulated amortisation. The Association records contributed capital assets at their fair value at the date of contribution with a corresponding amount recorded as deferred revenue which is recognised in contribution income as the contributed capital assets are amortised. Amortisation is computed on a straight-line basis over the estimated useful life of the asset commencing in the year of acquisition as follows:

Olympic wall	20 years
Furniture and fixtures	5 years

(e) Financial instruments

Financial instruments consist of cash and cash equivalents, short-term deposits, accounts receivable and accounts payable.

Accounts receivable are measured at amortised cost using the effective interest method, less any adjustment for impairment.

Accounts payable are measured at amortised cost using the effective interest method.

Financial assets are tested for impairment when there are indicators of impairment. The amount of the write-down is recognised in the statement of operations. Any previously recognised impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognised previously. The amount of the reversal is recognised in the statement of operations.

(f) Use of estimates

The preparation of these financial statements in conformity with ASNFPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current year. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

4. Deferred funding for Elite Athletes

The Association monitors and disburses Elite Athlete funding provided by the Bermuda Government. Bermudians classified as Elite Athletes are given stipends and reimbursed for expenses incurred in order to attend eligible international sporting events. During the year ended October 31, 2024, the Association received funds for Elite Athletes amounting to \$150,000 (2023 - \$100,000) and recognised revenue of \$147,326 (2023 - \$136,996). As at October 31, 2024, cash and cash equivalents of \$131,297 (2023 - \$78,622) represent cash held by the Association for Elite Athlete funding.

THE BERMUDA OLYMPIC ASSOCIATION

Notes to Financial Statements

October 31, 2024

5. Deferred revenues

During the year ended October 31, 2024 the Association signed an agreement with the Bermuda Government for a \$125,000 (2023 - \$100,000) Bermuda Government grant, and recognised revenue of \$114,583 (2023 - \$100,000). An amount of \$52,083 (2023 - \$41,667) has been accounted for as deferred revenues as it relates to future periods.

6. Capital assets

The capital assets held at October 31, 2024 and 2023 were as follows:

	2024			2023
	Cost	Accumulated amortisation	Net book value	Net book value
Olympic wall	\$ 49,966	\$ 19,986	\$ 29,980	\$ 32,478
Furniture and fixtures	64,446	64,446	-	-
	\$ 114,412	\$ 84,432	\$ 29,980	\$ 32,478

The cost and accumulated amortisation of capital assets as at October 31, 2024 were \$114,412 and \$84,432, respectively. Amortisation expense for the year was \$2,498 (2023 - \$11,476).

7. Games expense

The Association selects and enters persons to represent Bermuda at competitions held by international amateur sports federations or bodies sponsoring international games or sport festivals. The costs to the Association of selecting and entering such persons in these events were as follows:

	2024	2023
Olympic Games – Paris 2024	\$ 196,900	\$ -
Pan-Am Games	15,010	32,226
Commonwealth Games	1,221	19,274
Central American and Caribbean Games	-	90,524
Total games expense	\$ 213,131	\$ 142,024

8. Related party transactions

Included in International Olympic Committee (“IOC”), Pan American Sports Organisation (“PASO”) and Commonwealth Games Federation (“CGF”) funding of \$718,612 (2023: \$650,536) is \$393,974 (2023 – (\$379,245) recognised as revenue in relation to amounts received from PASO, of which the Association is a member.

All related party transactions are in the normal course of operations and are measured at the exchange amount, which is the consideration established and agreed between the related parties.

THE BERMUDA OLYMPIC ASSOCIATION

Notes to Financial Statements

October 31, 2024

9. Operating lease commitments

On October 12, 2022 The Association entered into a lease agreement with a term commencing on November 1, 2022 for a period of three years. During the first year of the lease, the Association is committed to paying a rent of \$33,002.00 per annum, in equal monthly instalments of \$2,750.17, in advance on the first day of each month. During the second year, the rent will increase to \$35,278.00 per annum, payable in equal monthly instalments of \$2,939.83 in advance on the first day of each month. During the third year, the rent will increase to \$37,554.00 per annum, payable in equal monthly instalments of \$3,129.50 in advance on the first day of each month. Additionally, the Association is committed to paying an initial service charge of \$13,656.00 per annum, payable in monthly instalments of \$1,138.00 in advance on the first day of each month.

10. Travel and entertainment

For the year ended October 31, 2024, the Association incurred travel and entertainment expense in the amount of \$12,364 (2023: \$15,849) of which \$8,666 (2023: \$15,269) was reimbursed under various subsidy programs.

11. Financial instruments

The fair value of cash and cash equivalents, short-term deposits, accounts receivable and accounts payable approximates their carrying value due to their relative short-term nature.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Association would actually realise in a current market exchange. However, any differences would not be expected to be material.

Credit risk

All cash and cash equivalents and short-term deposits are held by a single Bermuda-based bank. There are no other significant concentrations of credit risk. The Association's maximum exposure to credit risk is represented by the carrying values of its cash and cash equivalents, short-term deposits and accounts receivable balances. Management considers credit risk to be minimal, and no provision has been made for the impairment of accounts receivable.

Liquidity risk

The Association is dependent on funding, government grants and other contributions to maintain operational cash flows. The Association forecasts anticipated cash flow deficiencies and requests the necessary funding from government to manage this liquidity risk.

Market risk

The Association is not exposed to significant interest rate, currency or market price risk.

Capital disclosures

The Association defines capital as the total balance of its unrestricted net assets. The Association objective when managing capital is to meet its current operating budget with funding available from government grants, funding and other contributions. There are no externally imposed capital requirements.

12. Economic dependence

The Association is economically dependent upon contributions from the Government of Bermuda, IOC, PASO, and CGF for its daily operations and cash flow.

The Government of Bermuda through the Ministry of Youth, Sport and Recreation agreed to provide the Association with \$125,000 during the 2024 government fiscal year, which is released each quarter in allotments (2023 - \$100,000). The Association must comply with certain terms and conditions in order for the allotments to be released. The Association expects to comply with the associated terms and conditions required for allotments to be released.

During the year the following bodies provided the Association with funding:

	<u>2024</u>	<u>2023</u>
PASO	\$ 393,974	\$ 379,245
IOC	314,958	256,443
CGF	<u>9,680</u>	<u>14,848</u>
	<u>\$ 718,612</u>	<u>\$ 650,536</u>

13. Subsequent events

The Association has evaluated all events and transactions that occurred after October 31, 2024 through April 15, 2025, the date these financial statements were available to be issued, for recognition and disclosure and it was determined that there were no material events that would require recognition or disclosure in the Association's financial statements through that date.