



CIFA



CAYMAN ISLANDS FOOTBALL ASSOCIATION

FINANCIAL STATEMENTS FOR THE YEARS ENDED
DECEMBER 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT To the Executive Committee of Cayman Islands Football Association

Qualified Opinion

We have audited the financial statements of Cayman Islands Football Association (the "Association"), which comprise the balance sheet as at December 31, 2022 and 2021, the income statement, and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2022 and 2021, and its financial performance and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

This report, including the opinion, has been prepared for the Company's directors as a body for regulatory filing purposes only. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come, save where expressly agreed by our prior consent in writing.

Basis for Qualified Opinion

As outlined in note 9 to the financial statements, notification was received from Fidelity Bank (Cayman) Limited (the "Bank") indicating that interest of US\$245,445 (2021: US\$169,637) has accrued on the outstanding loan. The amounts presented in the balance sheet of US\$542,692 at December 31, 2022 and 2021 did not include the accrued interest, as the Executive Committee does not agree with the accrued interest notification provided by the Bank. The ultimate settlement of the amounts provided in the balance sheet may therefore be materially understated.

As stated in Note 4 of the financial statements, there exists a grant receivable amounting to \$182,927 from the Cayman Island's Government, as reflected in the balance sheet as at December 31, 2022 and 2021. However, our audit was impeded by limitations in scope, and as a result, we could not acquire sufficient and appropriate evidence regarding the recoverability of this receivable. Therefore, there exists a possibility that this balance may not be recoverable, thus leading to a potential material misstatement.

We conducted our audits in accordance with International Standards on Auditing ("ISAs"). 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 independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards)*, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to note 1 of the financial statements, which describes the economic dependency of the Association on the funding of various organizations.

We also draw attention to note 9 of the financial statements, which describes that the Association's mortgage loan has fallen into arrears with no payments being made during the year ending December 31, 2022 nor subsequently. The Association is currently in breach of its loan agreement.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with US GAAP, 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 Company'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 Company or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process

Auditor's Responsibilities 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 ISAs 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 ISAs, we exercise professional judgment and maintain professional skepticism 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 Company'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 Company'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 Company 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 achieves 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 audits.

Grant Thornton

George Town
Grand Cayman
April 5, 2023

Financial Statements

1.1 BALANCE SHEET

AS AT DECEMBER 31, 2022 AND 2021

(EXPRESSED IN UNITED STATES DOLLARS)

| As at December 31, | Note | 2022 | 2021 |
|---|------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Cash and cash equivalents | 3 | 187,655 | 407,468 |
| Accounts receivable, net | 4 | 208,049 | 1,072,075 |
| Other Current Assets | 5 | 41,172 | 322,658 |
| Total Current Assets | | 436,876 | 1,802,201 |
| Property and equipment, net | 6 | 3,442,373 | 2,766,462 |
| Total Assets | | 3,879,249 | 4,568,663 |
| LIABILITIES AND NET ASSETS | | | |
| Current Liabilities | | | |
| Bank overdraft | 8 | 65,638 | - |
| Accounts payable | 7 | 379,815 | 100,350 |
| Payroll Liabilities | | 10,655 | 10,655 |
| Undistributed Prize Monies & Grants | 10 | 43,983 | 37,432 |
| Mortgage Loan | 9 | 541,009 | 541,009 |
| Total Current Liabilities | | 1,041,100 | 689,446 |
| Other Facilities | | - | - |
| Total Liabilities | | 1,041,100 | 689,446 |
| Net Assets | | | |
| Net assets at the beginning of the year | | 3,879,217 | 3,878,139 |
| Change in net assets | | (1,041,068) | 1,078 |
| Net assets at the end of year | | 2,838,149 | 3,879,217 |
| Total Liabilities and Net Assets | | 3,879,249 | 4,568,663 |

Approved for issuance on behalf of the Cayman Islands Football Association's Executive Committee:

President: Alfredo Whittaker

Date: April 5, 2023

The accompanying notes form an integral part of these financial statements.

1.2 INCOME STATEMENT**FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021****(EXPRESSED IN UNITED STATES DOLLARS)**

| For Year Ended December 31, | Note | 2022 | 2021 |
|---|------|--------------------|--------------|
| Revenues and Support | | | |
| FIFA Financial Assistance Programme | 11 | 1,182,664 | 1,361,665 |
| CONCACAF- OCP | 15 | 195,000 | 137,500 |
| FIFA grants | 11 | 150,000 | 287,955 |
| CONCACAF Nations League | 15 | 75,000 | - |
| Other Revenue | 16 | 41,326 | 3,140 |
| Gate Receipts | | 39,372 | - |
| Caribbean Football Union Television Rights | | 33,800 | 181,158 |
| Caribbean Football Union Tournament Revenue | | 7,000 | - |
| Registration transfer fees and fines | | 734 | 8,201 |
| FIFA COVID-19 Relief | 11 | - | 250,000 |
| Government Grants | 17 | - | 219,512 |
| CONCACAF Grant | 15 | - | 99,973 |
| Annual Fee | | - | 10,366 |
| International Tournament Revenues | | - | 5,123 |
| Total Revenues and Support | | 1,724,896 | 2,564,593 |
| Expenses | | | |
| Programmes and Development Expenses | 13 | 982,144 | 893,483 |
| Office and administration expenses | 12 | 762,485 | 716,706 |
| International Tournament Expenses | | 413,173 | 511,277 |
| Depreciation | 6 | 112,893 | 90,632 |
| Trophies and awards | | 103,485 | 90,088 |
| Accounting & Auditing Fees | | 98,037 | 78,009 |
| Referee and linemen fees | | 97,111 | 93,723 |
| World Cup Expenses | | 83,634 | - |
| Office Maintenance Expense | | 53,073 | 35,170 |
| Field markings and maintenance | 14 | 35,027 | 21,666 |
| Professional Fees | | 8,311 | 4,499 |
| Bank Charges and interest | | 6,045 | 3,047 |
| Security Fees | | 5,445 | 3,046 |
| FIFA and Concacaf fees | | 2,391 | 2,000 |
| Forex (Gain)/Loss | | 2,710 | 29 |
| Bad debts | | - | 20,140 |
| Total Expenses | | 2,765,964 | 2,563,515 |
| Change In Net Assets | | (1,041,068) | 1,078 |

The accompanying notes form an integral part of these financial statements.

1.3 STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021
 (EXPRESSED IN UNITED STATES DOLLARS)

| For Year Ended December 31, | 2022 | 2021 |
|--|------------------|--------------------|
| Cash flows from operating activities | | |
| (Decrease) Increase in net assets | (1,041,068) | 1,078 |
| Adjustments to reconcile (decrease) increase in net assets to net cash provided by (used in) operating activities | | |
| Depreciation | 112,893 | 90,632 |
| Changes in operating assets and liabilities | | |
| Accounts receivable | 864,026 | (914,829) |
| Other Current Assets | 281,486 | (163,047) |
| Undistributed Prize Monies & Grants | 6,551 | (39,193) |
| Accounts payable & accrued expenses | 279,465 | 22,567 |
| Changes in payroll liabilities | - | 1,829 |
| Net cash provided by (used in) operating activities | 503,353 | (1,000,963) |
| Cash flow used in investing activities | | |
| Purchase of plant & equipment | (788,804) | (122,912) |
| Net cash used in investing activities | (788,804) | (122,912) |
| Net decrease in cash and cash equivalents | (285,451) | (1,123,875) |
| Cash and cash equivalents, beginning of year | 407,468 | 1,531,343 |
| Cash and cash equivalents, December 31, | 122,017 | 407,468 |

The accompanying notes form an integral part of these financial statements.

Notes to Financial Statements

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

1. Principal Activity and Status

The Cayman Islands Football Association (the “Association”, or “CIFA”) is a non-profit organization established to administer and promote the sport of association football in the Cayman Islands.

CIFA derives a significant portion of its annual funding from The International Federation of Association Football (FIFA) and from the Confederation of North, Central American and Caribbean Association Football (CONCACAF). Consequently, the Association is economically dependent on FIFA and CONCACAF for financial support in order to remain a going concern. Subsequent to the year end, the association has received US\$ 950,000 in funding from FIFA.

The Association also generates revenue from gate receipts and registration fees, grant funding from private donations, the Cayman Islands Government, and through sponsorships.

2. Summary of Significant Accounting Policies

The preparation of the financial statements in conformity with the accounting principles accepted in the United States of America requires the executive committee 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.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is calculated using the straight-line method and is based upon the estimated useful lives of the assets.

Capitalization

The initial cost of tangible acquisitions with material future economic benefits are capitalized as assets in the Association’s records along with any costs to bring such acquisition to a place and condition of use. Assets are depreciated in future years according to the periods outlined below.

| | |
|----------------------------------|----------|
| Leasehold Land | 99 Years |
| Buildings and Pitch | 30 Years |
| Furniture, fixtures and fittings | 10 Years |
| Automobiles | 10 Years |
| Equipment | 10 Years |
| IT Hardware & Software | 3 Years |

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

2. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

Cash and cash equivalents include balances due from banks and short-term deposits with original maturities of three months or less.

Taxation

There is no tax on income, profits, or capital gains in the Cayman Islands. Accordingly, no provision for tax is made in these financial statements.

Accounts Receivable

The Association extends credit to its members in the normal course of business and performs ongoing credit evaluations of its members, maintaining allowances for potential credit losses which, when realized, have been within management's expectations. It was assessed by management that all receivables at the end of the period were still collectable.

Contributions

Contributions are recognized when the donor makes a promise to give to the Association-that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Association uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made.

Revenue recognition

Tournament revenues, gate receipts and sponsorships are recognized in the period when associated games are played. Grants and donations are recognized in the period the Association is entitled to the funds, where there is certainty of receipt and the amounts can be reliably quantified. Grants from FIFA are accounted for in the period specified. Fines are recognized in the period levied. Other revenues are recognized on an accrual basis when the conditions attached to the income have been met.

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

2. Summary of Significant Accounting Policies (Continued)

Financial statement presentation

The Association elected to use Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets; unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Association is required to present a statement of cash flows.

The Association also elected to use SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. In accordance with SFAS No. 116, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor restrictions. The association mortgage loan is recognized at a mortised cost in the balance sheet.

Translation of foreign currencies

The financial statements for the year ended December 31, 2022, are presented in United States Dollars. In the year ended December 31, 2021, they were presented in Cayman Island dollars. As such the comparatives presented in these financial statements have been restated using a fixed rate of 0.82 KYD to 1 USD.

Mortgagees

The Association's mortgage loan is recognized at amortized cost in the balance sheet.

3. Cash and Cash Equivalents

As of December 31, 2022, cash and cash equivalents were comprised of the following:

| Description | December 31, 2022 | December 31, 2021 |
|--|-------------------|-------------------|
| CIS\$ accounts | 181,750 | 295,747 |
| US\$ account | 5,905 | 111,721 |
| | 187,655 | 407,468 |
| Less: Bank Overdraft | 65,638 | - |
| Total Cash & Cash Equivalents | 122,017 | 407,468 |

Notes to Financial Statements
DECEMBER 31, 2022 AND 2021
 (Expressed in United States dollars)

4. Accounts Receivable

| Description | December 31, 2022 | December 31, 2021 |
|---------------------------------------|--------------------------|--------------------------|
| Local Clubs receivable | 24,768 | 17,622 |
| International Grant receivable | 354 | 871,526 |
| Local Grant Receivable (CI Gov.) | 182,927 | 182,927 |
| Accounts Receivable Gross | 208,049 | 1,072,075 |
| Less: Provision for doubtful accounts | - | - |
| Net Accounts Receivable | 208,049 | 1,072,075 |

Of the outstanding receivables as of December 31, 2022, it was assessed by management to be collectable. No allowance has therefore been made in the accounts.

5. Other Current Assets

| Description | December 31, 2022 | December 31, 2021 |
|-------------------------------------|--------------------------|--------------------------|
| Security & Rental Deposits | 3,354 | 3,354 |
| Advance Payment to Supplier | 32,636 | 36,789 |
| Prepaid Expenses | 3,315 | - |
| Reimbursable Expenses | 1,867 | - |
| Deposit on vehicle graphics | - | 3,646 |
| Work-In-Progress - Lighting Project | - | 278,869 |
| Net Other Assets | 41,172 | 322,658 |

Notes to Financial Statements
DECEMBER 31, 2022 AND 2021
(Expressed in United States dollars)

6. Property Plant and Equipment (net)

| | Leasehold Land | Buildings & Pitch | Furnitures, Fixtures and Fittings | Automobiles | Equipment | IT Hardware & Software | Total |
|-------------------------------------|-------------------|----------------------|---|----------------|---------------|------------------------------|------------------|
| Cost: | | | | | | | |
| At December 31, 2021 | 914,634 | 2,564,087 | 83,141 | 147,703 | 61,398 | 23,327 | 3,794,291 |
| Additions | - | - | 334,530 | - | 3,892 | - | 338,422 |
| Disposals | - | - | - | - | - | - | - |
| At December 31, 2022 | 914,634 | 2,564,087 | 417,671 | 147,703 | 65,290 | 23,327 | 4,132,712 |
| Accumulated Depreciation: | | | | | | | |
| At December 31, 2021 | 147,822 | 743,341 | 50,399 | 51,098 | 55,243 | 19,433 | 1,067,336 |
| Depreciation charge for the year | 9,239 | 62,801 | 24,436 | 11,400 | 2,197 | 2,820 | 112,893 |
| Depreciation eliminated on disposal | - | - | - | - | - | - | - |
| At December 31, 2022 | 157,061 | 806,142 | 74,835 | 62,498 | 57,440 | 22,253 | 1,180,229 |
| Net Book Value | | | | | | | |
| At December 31, 2022 | 757,573 | 1,757,945 | 342,836 | 85,205 | 7,850 | 1,074 | 2,952,483 |
| At December 31, 2021 | 766,812 | 1,820,746 | 32,742 | 96,605 | 6,155 | 3,894 | 2,726,954 |

The Association obtained a valuation of the buildings and pitch in 2018 from an independent valuation expert firm. The report was prepared by BCQS International Chartered Surveyors and was issued on February 8, 2018. In their report, they estimated the fair value of these assets to be in the range of US\$1,580,000 and US\$1,845,000. As the net carrying value of these assets fell within the range, management was comfortable that no impairment was necessary as at December 31, 2018. Management further conducted an annual impairment analysis to December 31, 2022 and concludes no impairment was necessary.

Not included in the net balance above is work-in-progress for the construction of new fields to the value of US\$ 456,101 (2021: US\$ 5,719) and for a housing project to the value of US\$ 33,789 (2021: US\$ 33,789).

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

7. Accounts Payable

| Description | December 31, 2022 | December 31, 2021 |
|-----------------------------|-------------------|-------------------|
| Accrued Audit Fees | 19,750 | 41,165 |
| Accrued Volunteer Stipends | 244 | 26,288 |
| Accrued Other Expenses | 20,220 | 6,213 |
| Accrued CONCACAF Fees | - | 2,000 |
| Field Construction Project | 327,573 | 3,834 |
| Accounting Service Provider | 4,878 | - |
| Pension Providers | 7,150 | 7,149 |
| Stale dated cheques | - | 13,701 |
| Total | 379,815 | 100,350 |

8. Bank Overdraft

As at December 2022, two of the four bank accounts had uncashed checks over the bank balance totaling \$65,638 (2021: \$nil). There are no current agreements with the bank for an overdraft facility.

9. Mortgage Loan

As of December 31, 2022, the Association had an outstanding loan with Fidelity Bank (Cayman) Limited totaling \$541,009 (2021: \$541,009) at an interest rate of 9.75%. This is secured with personal guarantees by previous Executive Committee members who are now no longer with the Association.

During the year ended December 31, 2022 and 2021, the Association made no principal and interest repayments. The loan is in arrears as no subsequent repayments have been made. Further, the bank provided new information during the year ended December 31, 2022 that the unpaid interest accrued now stands at \$245,445 (2021: \$169,637). The Association has not accounted for the accrued interest as the Executives disagree with the amount accrued. The ultimate settlement may be materially higher than the amount carried in the balance sheets at December 31, 2022, and 2021. The Association is currently in breach of the loan agreement; however, the Association has engaged its legal counsel to have the balance extinguished by the bank as this was initially advanced through fraudulent activity perpetrated by the bank and by Executive Committee members who are no longer with the association. The counsel is of the opinion that the matter will be resolved and the Association will not be required to pay the outstanding balance.

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

10. Undistributed Prize Monies

This amount relates to prizes awarded to various clubs based on performance in league competitions. The amount shown relates to prize monies that were not paid over to respective clubs or applied to their account as at the fiscal year end. Any payment of prize money is first offset against accounts receivable from local clubs (see note 4.)

| Clubs & Associations | December 31, 2022 | December 31, 2021 |
|--------------------------------|-------------------|-------------------|
| Alliance | 6,002 | - |
| East End United Football Club | - | 726 |
| Cayman Brac Sports Club | 5,552 | 4,577 |
| Latinos Football Club | 22,547 | 23,468 |
| Northside Sports Club | 3,293 | 3,293 |
| Prospect Academy Football Club | 6,589 | 5,368 |
| | 43,983 | 37,432 |

11. FIFA Grant- FAP

This amount represents annual grant funding received from soccer's governing Body FIFA. In 2022, CIFA was allocated \$1,332,664 (2021: \$1,899,620).

12. Office and Administration Expenses

Office and administrative expenses include full-time staff salaries and benefits, utilities, supplies, professional services, and automobile expenses. The office and administration expenses for the year ended 2022 were \$762,485 (2021: \$716,706).

Pension Costs

The Association makes contributions to a defined contribution pension scheme on behalf of qualifying employees. Under the scheme, the Association contributes 5% of the wages and salaries paid to qualifying employees. The cost associated with contributions to the pension scheme is recognized as an expense in the Income Statement as incurred. The assets of the Pension Plan are held separately from the Association's funds and are independently administered by the Fidelity Pension Plan. Pension expense for 2022 was \$13,727 (2021: \$16,457).

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

13. Programs and Development Expenses

National Team expenses represent the costs incurred in preparation for major competitions. These costs include training camps, players training expenses, coaches' expenses, physiotherapy costs, players' accident insurance, laundry costs and equipment. The programs and development expenses for the year ended 2022 were \$982,144 (2021: \$893,493).

14. Field markings and maintenance

Field markings and maintenance represents the cost of marking the fields each week, grounds staff and cleaner's expenses. The field markings and maintenance expenses for the year ended 2022 were \$35,027 (2021: \$21,666).

15. CONCACAF Grant

This represents annual support from CONCACAF to each member association within CONCACAF to facilitate the Men's National Team competing in the CONCACAF Nations League and associated costs, and to promote the growth of grassroots football including regional tournaments, coaching, referee and administration courses, and balls and equipment. Support for 2022 totaled \$270,000 (2021: \$237,473).

16. Other Revenue

Other revenue consists primarily of legacy accounts payable balances owed by the Association which were written off after several years. It also includes amounts from world cup tickets sold.

17. Government Grants

In 2021, the Cayman Islands Government provided programme support to the Association by way of a \$182,927 funding grant and a special \$36,585 grant for COVID relief. The 2021 grant remains a receivable from the government.

18. Related Party Transactions

During the year ended December 31, 2022, the President of the Association was paid \$25,000 (2021: \$12,500) as an honorarium award funded by CONCACAF under the ONE CONCACAF program. Additionally, members of the board were paid stipends for their various roles within the association totaling \$135,669 (2021: \$91,282) as well as other reimbursement and allowances totaling \$309,250 (2021: \$270,013). All transactions were concluded at arm's length.

Notes to Financial Statements

DECEMBER 31, 2022 AND 2021

(Expressed in United States dollars)

19. Financial Instruments

Fair Value

At December 31, 2022, and 2021, the following methods and assumptions were used by management to estimate the fair value of each class of financial instruments:

- a) Cash and cash equivalents
The carrying amount approximates fair value.
- b) Accounts receivable and payable
The above items are substantially short term and do not bear interest. As such, their carrying amount approximates its fair value.
- c) Mortgage Loan
The carrying amounts approximates fair value and is repayable on demand. Interest is charged at 9.75% (see note 9).

Credit risk

The Association is party to financial instruments with concentration of credit risk in the normal course of business. Credit risk arises from the failure of the counterparties to perform according to the terms of a contract. To minimize this risk, the Association's cash and cash equivalents are held with reputable financial institutions in the Cayman Islands and is managed by the Association within the guidelines established by the Executive Committee. The accounts receivable are amounts due from local clubs and funding agents and have been reviewed by Management. Management does not anticipate any material losses as a result of these concentrations. The Association does not require collateral or other security to support financial instruments with credit risk.

The Association's exposure to credit risk is limited to the amounts recorded in the balance sheet.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations as they fall due. The Association manages its liquidity needs by carefully monitoring cash outflows. The Association maintains sufficient cash to meet its liquidity requirements. Subsequent to the year end, the Association has received US\$ 950,000 in cash which has buoyed their liquidity position.

Notes to Financial Statements**DECEMBER 31, 2022 AND 2021**

(Expressed in United States dollars)

20. Comparative information

Some comparative information has been reclassified for more meaningful disclosure.

21. Subsequent Events

The Executive has evaluated subsequent events to April 5, 2023, which is the date that the Financial Statements were made available to be issued and, other than the receipt of US\$ 950,000 disclosed in note 1, there is nothing further to disclose.

CIFA

