

ANNUAL REPORT 2020

MOVING FORWARD



Bermuda
sport anti-doping
authority

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ABOUT US

MISSION STATEMENT

To prevent, detect and deter the use of illicit drugs and banned doping practices by delivering education and testing services to the Bermuda Sporting Community.

BOARD MEMBERS

Michael Smith -Chairman
Dean Williams -Treasurer
Sheila Brown
Darrin Lewis
Dr. Desiree Spriggs
Dennis Wainwright

Anthony Roberts -Vice Chairman
Dr. Cindy Morris #
Jocene Harmon
Peter Rodger
Sean Tucker -Secretary
Jekon Edness - Ex-Officio

DISCIPLINARY PANEL MEMBERS

Janita Burke - Chairman
Cristen Suess—Vice Chairman
Dr. Melvyn Bassett
Dr. Mahesh Reddy
Dr. Basil Wilson

Carla George—Vice Chairman
Colin Blades
Dr. Constance Richards
Gerry Swan

APPEALS PANEL MEMBERS

Kevin Bean—Chairman
Christopher Swan—Vice Chairman
Dr. Burton Butterfield
Oscar Lightbourne
Calvin Simons

Marc Daniels—Vice Chairman
Donna Bradshaw
Dr. Margot Harvey
Dr. Amne Osseyran

STAFF

Deborah Hunter	Chief Executive Officer
Duncan Barclay	Results, Compliance & Investigations Manager
Carlrika Roser	Doping Control Manager
Deborah Lambert	Administrative Officer

- Resigned October 2019



MESSAGE FROM CHAIRMAN & CEO



Bermuda Sport Anti-Doping Authority (BSADA) commitment to clean sport and to servicing the Bermuda sporting community remains intact. Through testing athletes for illicit and performance enhancing substances, educational outreach, and sponsorship of local sporting events, BSADA continues to play a significant role fostering drug free competition in Bermuda.

BSADA's continued compliance with the World Anti-Doping Agency (WADA), recertification by the Bermuda National Standard Committee, clean audit by the Auditor General, is a testament to the diligence and hard work of the management and staff to ensure the organization continues to be an efficient, well run and effectively managed.

BSADA contracted events this year, which includes the ITU Triathlon and Bermuda National Athletics Association Triple Challenge, underscores the trust and professionalism the organization has for conducting drug testing at major international events held in Bermuda.

The implementation of the 2021 WAD Code effective January 2021 has required all National Anti-Doping Organizations, International Federations, Olympic Associations, Major Event Organizers, globally to navigate the compliancy process this the eventual stamp of approval being granted by WADA. This undertaking is crucial in BSADA and Bermuda continued involvement many international sporting events on our local shores, which positively impacts many factors of our island economically and socially.

Unfortunately, the COVID-19 pandemic has been significant with the cancellation of numerous international sporting events in Bermuda such as the 2020 Carifta Games, 2020 ITU World Series Events 2020 Tokyo Olympic Games, 2020 Para Olympic Games, to name a few and our many local events in which BSADA would have played an integral role in the overall anti-doping process.

While our passion is limitless in our quest to provide our many stakeholders with the resources required in providing a fair and equal opportunity in which to compete, BSADA is 100% committed to the health and safety practices of all involved in the process and has acquired the necessary personal protective equipment to enable the continuance of the sample collection process locally.

The global community is only beginning to comprehend the scope and impact of this situation; undoubtedly BSADA will be presented with numerous challenges in the upcoming fiscal year. While uncertainties abound, the Board, management and staff are steadfast in our commitment to serving Bermuda's sporting community.



Michael Smith—Chairman



Deborah Hunter—CEO

COMMITTEE MEMBERS

	Communications	Compliance	Education	Finance/ Audit	Governance/ Risk	Human Resources	Results
SHEILA BROWN				X		X	
JOCENE HARMON						X	
DARRIN LEWIS			X				
CINDY MORRIS resigned	X		X		X		
ANTHONY B. ROBERTS		X			X	X	
PETER RODGER					X		X
MICHAEL SMITH	X	X		X	X	X	
DESIREE SPRIGGS	X		X				X
SEAN TUCKER	X	X	X				
DENNIS WAINWRIGHT			X				
DEAN WILLIAMS				X			
DEBORAH HUNTER ex-officio	X	X		X	X	X	X
DUNCAN BARCLAY ex-officio	X	X			X		X
CARLNIKA ROSER ex-officio		X					X

RESULTS, COMPLIANCE & INVESTIGATIONS

The Fiscal Year ending March 2020 saw the completion of the World Anti-Doping Code 2021 as well as the review and amendments of the International Standards. The 2021 Code was approved at the World Conference in Katowice Poland in November 2019. With the new Code and International Standards coming into effect a of January 1, 2021 much of our work now moves to implementing the necessary changes mandated by these documents.

Result Management and Sanctions

Illicit Drug Program

There were no Illicit Drug breeches in the last year to report.

Anti-Doping Program

While there were no Anti-Doping Rules Violations (ADRV) to report for the period there were several Whereabouts Failures recorded against individual athletes.

Compliance

Compliance with the World Anti-Doping Code and its accompanying International Standards has been sustained throughout the year. With the approval of a new Code and International Standards much work is needed to ensure compliance is continuously met by the agency.

Quarterly compliance reports continue to be sent to the Department of Youth, Sport and Recreation to ensure that they are aware of NSGBs fulfilling their responsibilities.

Therapeutic Use Exemption (TUE)

Any Athlete that needs to use a Prohibited Substance due to a legitimate medical condition must apply for a TUE. The process for application can be found on our website and application forms must be accompanied by documents outlining medical history and diagnostic testing. TUEs approval by the BSADA TUE Committee are only valid in Bermuda. Anybody with questions regarding Therapeutic Use Exemption certificates are encouraged to contact BSADA to discuss their issues in detail.

ANTI-DOPING STATISTICS

Anti-Doping Tests by Sample Collection Authority April - March

Sample Collection Authority	2020				2019			
	URINE		BLOOD		URINE		BLOOD	
	In Comp	OoC	In Comp	OoC	In Comp	OoC	In Comp	OoC
Australia Sports Anti-Doping Authority (ASADA) *	-	1	-	1	-	1	-	1
Bermuda Sport Anti-Doping Authority (BSADA)	16	12	-	4	51	3	-	2
Canadian Center for Ethics in Sport (CCES) *	-	1	-	1	-	2	-	1
Clearidium*	-	1	-	-	-	-	-	-
Professional Worldwide Controls (PWC) *	-	1	-	1	-	1	-	1
South Africa Institute for Drug-Free Sport *	-	-	-	-	-	1	-	1
United Kingdom Anti-Doping (UKAD) *	-	1	-	-	-	4	-	1
United States Anti-Doping Agency (USADA) *	-	10	-	4	-	10	-	3
Sub Total	16	27	-	11	51	22	-	10
Total	43		11		73		10	

LEGEND: *In Comp*— *In Competition* *OoC*—*Out of Competition* * - *Overseas Partnerships*

ANTI-DOPING STATISTICS

Anti-Doping Tests By Sport April - March

Sport	2020				2019			
	URINE		BLOOD		URINE		BLOOD	
	In Comp	OoC	In Comp	OoC	In Comp	OoC	In Comp	OoC
Aquatics	-	2	-	1	8	2	-	1
Athletics	9	9	-	4	16	5	-	1
Body Building	-	-	-	-	6	-	-	-
Cycling	3	2	-	2	15	1	-	1
Equestrian	-	1	-	1	-	1	-	1
Paralympics	-	3	-	1	2	2	-	1
Sailing	-	4	-	1	-	2	-	1
Triathlon	4	6	-	1	4	9	-	4
Sub Total	16	27	-	11	51	22	-	10
Total	43		11		73		10	

LEGEND: *In Comp*— In Competition

OoC—Out of Competition

DOPING CONTROL

DOPING CONTROL TESTING TEAM

Bermuda Sport Anti-Doping Authority welcomed five (5) new doping control members (DCM) to our doping control family which now totals twelve (12). This year was a year of advancement as the incorporation of both the certification and re-certification contributed greatly to the development of the new members.

The Covid-19 pandemic impacted the operations of many WADA Accredited Laboratories and as equally our National Anti-Doping Organizations located overseas which were instrumental in the completion of our testing regime requirements. BSADA was vigilant during the 2020 Fiscal Year in ensuring that sample collection on all athletes of both our Anti-Doping and the Illicit programs were successful.

The protection, safety and health of our Doping Control Team is paramount and as we navigate the uncharted waters of the COVID-19 Pandemic. To this end, the organization is prepared with the necessary Personal Protective Equipment (PPE), ensuring that

David Bean Sr.
Nicole Blades
Marguerita Carter
Takawira Mubako
Debra Saltus
Marionette Zuill

Deborah Bean
Bradley Butterfield
Devena James
Ann-Tené Oldfield
Kirsten Saltus

Ryan Belboda
Whitney Butterfield
Gerald Lespere
John Payne
Greg Todd



ILLICIT STATISTICS

Illicit Tests by Sport April - March

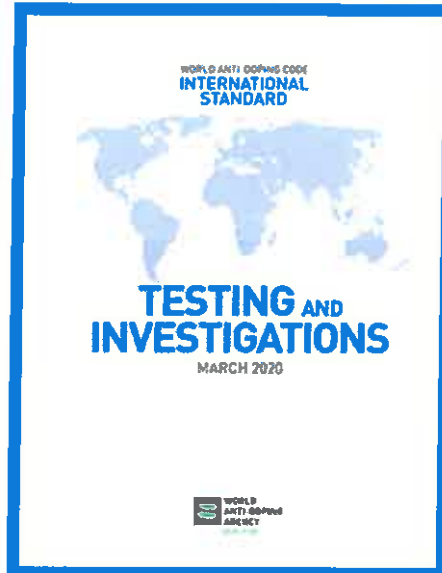
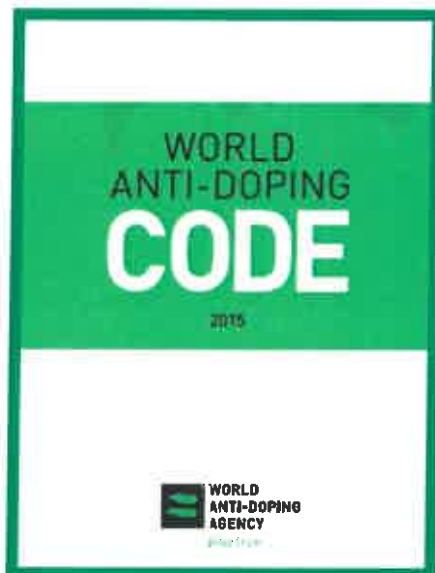
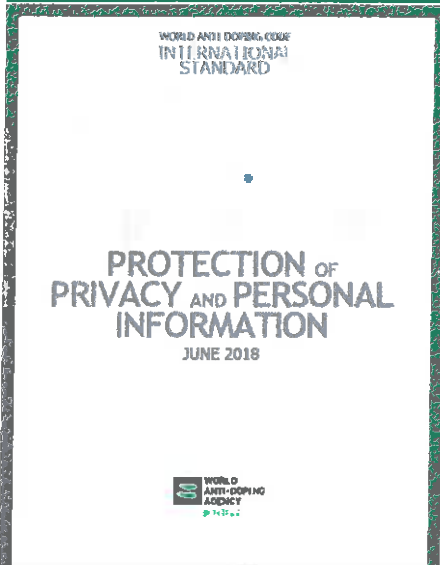
SPORT	2020	2019
Aquatics	20	34
Archery	-	3
Athletics	22	2
Badminton	-	-
Basketball	12	25
Boccia	-	3
Body Building	-	8
Bowling	20	14
Boxing	-	3
Canoe	-	10
Cricket	62	-
Cycling	8	3
Equestrian	-	-
Football	195	161
Golf	2	5
Gymnastics	-	-
Hockey	-	-
Lawn Tennis	6	20
Martial Arts	4	5
Netball	-	27
Rugby	76	86
Sailing	21	13
Squash	1	2
Triathlon	-	20
Volleyball	163	68
TOTAL	612	512

EDUCATION

April 2019 - March 2020

MONTH	NATIONAL SPORTS GOVERNING BODIES	OUTREACH EVENTS & PRESENTATIONS	SOCIAL MEDIA
April May June	Athletes tested during this quarter have already received education	Association of National Sports Governing Bodies	
July August September	Athletes tested during this quarter have already received education	Association of National Sports Governing Bodies Newsletter Bermuda National Standards Committee	
October November December	Athletes tested during this quarter have already received education	Association of National Sports Governing Bodies NTP1 Athletes Induction into ADAMS	
January February March	Athletes tested during this quarter have already received education	NTP1 Athletes Induction into ADAMS	

INTERNATIONAL STANDARDS





Office of the Auditor General

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INDEPENDENT AUDITOR'S REPORT

To the Minister of Youth, Culture and Sports

Opinion

I have audited the financial statements of the Bermuda Sport Anti-Doping Authority, which comprise the statement of financial position as at March 31, 2020, and the statements of operations and accumulated surplus, change in net financial assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Bermuda Sport Anti-Doping Authority as at March 31, 2020, and the results of its operations, changes in its net financial assets and its cash flows for the year then ended in accordance with public sector accounting standards generally accepted in Bermuda and Canada.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in Bermuda and Canada. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Bermuda Sport Anti-Doping Authority in accordance with the ethical requirements that are relevant to my audit of the financial statements in Bermuda, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 public sector accounting standards generally accepted in Bermuda and Canada, 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 Bermuda Sport Anti-Doping Authority'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 Bermuda Sport Anti-Doping Authority or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bermuda Sport Anti-Doping Authority's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in Bermuda and Canada 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 auditing standards generally accepted in Bermuda and Canada, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than from 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 Bermuda Sport Anti-Doping Authority'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 Bermuda Sport Anti-Doping Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Bermuda Sport Anti-Doping Authority 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.

I 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 I identify during the audit.

I also provide those charged with governance with a statement that I have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on my independence and, where applicable, related safeguards.

A further description of the auditor's responsibilities for the audit of the financial statements is located at the Office of the Auditor General website at: www.oagbermuda.bm. This description forms part of our auditor's report.

Hamilton, Bermuda
March 3, 2021



Heather Thomas, CPA, CFE, CGMA
Auditor General

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

FINANCIAL STATEMENTS

MARCH 31, 2020

THE BERMUDA SPORT ANTI-DOPING AUTHORITY
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2020

	2020	2019
	\$	\$
FINANCIAL ASSETS		
Cash	163,850	122,173
Accounts receivable	-	10,012
Rental security deposit (Note 10)	5,040	5,040
	168,890	137,225
LIABILITIES		
Accounts payable and accrued liabilities	28,120	22,120
Compensated absences (Note 6)	10,895	15,306
Due to the Government of Bermuda (Note 5)	5,679	7,907
	44,694	45,333
NET FINANCIAL ASSETS	124,196	91,892
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 4)	5,679	1,446
Prepaid expenses	7,289	6,631
	12,968	8,077
ACCUMULATED SURPLUS	137,164	99,969

CONTRACTUAL OBLIGATION (Note 10)

The accompanying notes are an integral part of these financial statements

THE BERMUDA SPORT ANTI-DOPING AUTHORITY
STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS
FOR THE YEAR ENDED MARCH 31, 2020

	2020 \$ Budget (Note 11)	2020 \$ Actual	2019 \$ Actual
REVENUES			
Government of Bermuda grant (Note 5)	650,000	650,000	650,000
Testing fees	2,500	22,720	23,056
Board members' fees (Note 5)	6,100	4,150	3,650
Miscellaneous income	-	-	1,426
	<u>658,600</u>	<u>676,870</u>	<u>678,132</u>
EXPENSES (Note 7)			
General administration	230,510	258,432	253,008
Performance enhancement testing program	275,789	254,766	271,590
Illicit drug screening program	152,301	126,477	133,407
	<u>658,600</u>	<u>639,675</u>	<u>658,005</u>
ANNUAL SURPLUS	<u>-</u>	<u>37,195</u>	<u>20,127</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR		<u>99,969</u>	<u>79,842</u>
ACCUMULATED SURPLUS, END OF YEAR		<u>137,164</u>	<u>99,969</u>

The accompanying notes are an integral part of these financial statements

THE BERMUDA SPORT ANTI-DOPING AUTHORITY
STATEMENT OF CHANGE IN NET FINANCIAL ASSETS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
	\$	\$
NET FINANCIAL ASSETS, BEGINNING OF YEAR	<u>91,892</u>	<u>70,117</u>
Annual surplus	37,195	20,127
Acquisition of tangible capital assets (Note 4)	(7,563)	(1,913)
Amortization of tangible capital assets (Note 4)	3,330	4,608
Change in prepaid expense	(658)	(1,047)
Increase in net financial assets	<u>32,304</u>	<u>21,775</u>
NET FINANCIAL ASSETS, END OF YEAR	<u>124,196</u>	<u>91,892</u>

The accompanying notes are an integral part of these financial statements

THE BERMUDA SPORT ANTI-DOPING AUTHORITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Annual surplus	37,195	20,127
Adjustment for items not affecting cash:		
Amortization of tangible capital assets	3,330	4,608
	<u>40,525</u>	<u>24,735</u>
Change in non-cash working capital:		
Decrease (increase) in accounts receivable	10,012	(10,012)
Increase in accounts payable and accrued liabilities	6,000	1,889
(Decrease) increase in compensated absences	(4,411)	3,173
(Decrease) increase in due to the Government of Bermuda	(2,228)	2,000
Decrease in lease obligation	-	(3,472)
Increase in prepaid expenses	(658)	(1,047)
Net cash provided by operating activities	<u>49,240</u>	<u>17,266</u>
CASH FLOWS FROM CAPITAL ACTIVITY		
Acquisition of tangible capital assets	(7,563)	(1,913)
NET INCREASE IN CASH	41,677	15,353
CASH, BEGINNING OF YEAR	122,173	106,820
CASH, END OF YEAR	<u>163,850</u>	<u>122,173</u>

The accompanying notes are an integral part of these financial statements

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

1. AUTHORITY

In January 2011, the Bermuda Sport Anti-Doping Authority ("BSADA") changed its name from The Bermuda Council for Drug-Free Sport, which at the time was incorporated as a registered charity to provide prevention and testing services to the sporting community for domestic illicit drug screening as well as performance enhancing testing for athletes on a global level. BSADA also provides services in results management, compliance, education, intelligence, investigations and research. On February 24, 2012, its status formally changed from a charity to a legislated entity under the Anti-Doping in Sport Act 2011.

2. SIGNIFICANT ACCOUNTING POLICIES

Pursuant to standards established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada"), BSADA is classified as an "other government organization". These financial statements are prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada and the accounting policies considered particularly significant are as follows:

a) Cash

Cash includes all cash on deposit with financial institutions that can be withdrawn without prior notice or penalty.

b) Tangible capital assets

Tangible capital assets are recorded at cost and amortized on a straight-line basis over their estimated useful lives:

Furniture and office equipment	3 years
Vehicle	5 years
Leasehold improvements	lease term

Capitalization of assets occurred for all capital purchases above \$500 in accordance with our Financial Policies manual.

Tangible capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the asset no longer contributes to BSADA's ability to provide goods and services, or the value of future economic benefits associated with the capital asset is less than its net book value. In either case, the cost of the tangible capital asset is reduced to reflect the decline in the asset's value.

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

c) Revenue recognition

Grant revenue is recognized when it has been received or receivable. Testing fees are recognized when the deposit is received prior to testing and the remaining balance when actual testing has occurred. Contributions approved but not yet received are recorded as due from the recipient donor.

d) Donated services

For donated services where, in the opinion of BSADA, an estimate of the fair value of such services can be made, BSADA records a value based on the costs associated with obtaining the equivalent service on the open market. The amount is included within expenses and a corresponding amount is included in revenues as donated services.

For donated services where, in the opinion of BSADA an estimate of fair value of such services cannot be reasonably made, no amount is recorded.

e) Accounts payable and accrued liabilities

Accounts payable and accrued liabilities are stated at their amortized cost.

BSADA recognizes a provision if a present obligation has arisen as a result of a past event, payment is probable, and the amount can be measured reliably. The amount recognized is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date, that is, the amount BSADA would rationally pay to settle the obligation to a third party.

f) Expenses

Expenses are recognized when, and to the extent that, the goods or services have been received. They are measured at the fair value of the consideration paid or payable.

g) Measurement uncertainty

These financial statements are prepared in accordance with public sector accounting standards generally accepted in Bermuda and Canada. These standards require 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 year. Significant areas requiring the use of estimates include the estimated useful lives of capital assets and accruals. Estimates are based on the best information available at the time of preparation of the financial statements and are reviewed annually to reflect new information as it becomes available. Actual results could differ from these estimates.

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current period and are not intended for sale in the normal course of operations.

i) Translation of foreign currencies

Assets and liabilities in foreign currencies are translated to Bermuda dollars at rates of exchange in effect at the statement of financial position date.

Revenues and expenses are translated at the exchange rate in effect at the transaction date.

j) Subsequent events

Post year end events that provide additional information about BSADA's position at the statement of financial position date (adjusting events) are reflected in the financial statements. Post year end events that are not adjusting events are disclosed in the notes to the financial statements when material.

k) Financial instruments

BSADA's financial instruments consist of cash, accounts receivable, rental security deposit, accounts payable and accrued liabilities, and due to the Government of Bermuda. These financial instruments are measured at cost or amortized cost.

Transaction costs related to financial instruments in the cost or amortized cost category are added to the carrying value of the instrument when initially recognized.

It is management's opinion that BSADA is not exposed to significant interest rate, currency or credit risks arising from these financial instruments.

3. ECONOMIC DEPENDENCE

BSADA is economically dependent upon legislated funds provided by the Government of Bermuda (the "Government") to fund its daily operations, cash flow and capital acquisitions.

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

5. RELATED PARTY TRANSACTIONS

BSADA is related to all Government agencies, departments, ministries, funds and quasi-autonomous non-governmental organizations under the common control of the Government. Also, BSADA is related to organizations that the Government jointly controls or significantly influences.

BSADA enters into transactions with these entities in the normal course of business and such transactions are measured at the exchange amount which is the amount of consideration established and agreed by the related parties.

BSADA relies on a funding grant from the Department of Youth, Sport and Recreation to meet its operational objectives. For the year ended March 31, 2020, BSADA received a grant of \$650,000 (2019 - \$650,000).

BSADA's board members' fees are paid directly to the board members by the Department of Youth, Sport and Recreation bi-annually. The Board chair and members' fees are paid \$100 and \$50, respectively, per attendance. The Board members' fee amounted to \$4,150 (2019 - \$3,650).

BSADA's Disciplinary Panel members' fees are paid directly to the relevant board members by the Bermuda Sport Anti-Doping Authority at the end of the current fiscal year. The Board chair and members are paid \$100 and \$50 respectively. The Disciplinary Panel member's fee amounted to \$100 (2019 - \$700).

BSADA had transactions with the Government such as payroll tax and social insurance. Payroll tax transactions totalled \$8,843 (2019 - \$8,982) of which \$4,422 (2019 - \$6,901) remains payable. Social insurance transactions totalled \$7,615 (2019 - \$7,332) of which \$1,257 (2019 - \$1,006) remains payable.

6. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES

a) Pension plan

BSADA has a defined contribution pension plan. Employee contributions to the plan are 5% (2019 - 5%) of gross salary, which are matched by BSADA. Pension expense for the year is included in the performance enhancement testing program and the illicit drug screening program totalling \$8,725 (2019 - \$9,348).

b) Compensated absences

Compensated absences include maternity leave, paternity leave, sick leave, and vacation days. All of these benefits are unfunded.

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

6. POST-EMPLOYMENT BENEFITS AND COMPENSATED ABSENCES (continued)

b) Compensated absences (continued)

Maternity and paternity leave do not accumulate or vest and therefore an expense and liability is only recognized when extended leave is applied for and approved. There were no maternity or paternity benefits applied for or approved during the current year and therefore no liability has been accrued in the accounts.

Sick leave does not accumulate or vest, and like maternity and paternity leave, a liability is recorded only when extended leave is applied for and approved. Extended sick leave was not applied for or approved during the current year and therefore a liability has not been accrued in the accounts.

Vacation days accumulate and vest and therefore a liability has been accrued at year end. The accrued vacation liability as of March 31, 2020 is \$10,895 (2019 - \$15,306) and is included in compensated absences, a separate line item in the liabilities section of the statement of financial position.

7. EXPENSE BY OBJECT

	2020			
	Performance Enhancement	Illicit Drug	General	Total
	Testing	Screening	Administration	
	\$	\$	\$	\$
Salaries and employee benefits	167,716	99,613	119,192	386,521
Testing	77,024	22,671	-	99,695
Rent	-	-	60,650	60,650
Repairs and maintenance	-	-	35,343	35,343
General	-	-	15,466	15,466
Audit	-	-	12,050	12,050
Education	4,193	4,193	2,388	10,774
Conference, workshops and seminars	5,208	-	-	5,208
Board members' fees	-	-	4,150	4,150
Amortization of tangible capital assets	-	-	3,330	3,330
Computer maintenance and software	-	-	2,891	2,891
Utilities	-	-	2,462	2,462
Bank charges	625	-	510	1,135
	<u>254,766</u>	<u>126,477</u>	<u>258,432</u>	<u>639,675</u>

THE BERMUDA SPORT ANTI-DOPING AUTHORITY

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

7. EXPENSE BY OBJECT (continued)

	2019			Total
	Performance	Illicit	General	
	Enhancement	Drug		
	Testing	Screening	Administration	
	\$	\$	\$	\$
Salaries and employee benefits	170,772	109,383	120,990	401,145
Testing	90,964	19,360	-	110,324
Rent	-	-	60,562	60,562
Repairs and maintenance	-	-	24,923	24,923
General	-	-	20,032	20,032
Education	4,664	4,664	1,864	11,192
Audit	-	-	10,000	10,000
Conference, workshops and seminars	4,690	-	-	4,690
Amortization of tangible capital assets	-	-	4,608	4,608
Board members' fees	-	-	3,650	3,650
Computer maintenance and software	-	-	3,399	3,399
Utilities	-	-	2,539	2,539
Bank charges	500	-	441	941
	<u>271,590</u>	<u>133,407</u>	<u>253,008</u>	<u>658,005</u>

8. FINANCIAL RISK MANAGEMENT

BSADA is exposed to various risks through its financial instruments. The Board members have overall responsibility for the establishment and oversight of its risk management framework. BSADA manages its risk and risk exposures through sound business practices. The following analysis provides a measure of the risks at the reporting date, March 31, 2020:

a) Credit risk

Credit risk arises from cash held with a bank and accounts receivable. The maximum exposure to credit risk is equal to the carrying values of these financial assets. The objective of managing counterparty credit risk is to prevent losses on financial assets. BSADA determines, on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value. It is management's opinion that BSADA is not exposed to significant credit risk.

There are no significant changes from the previous year in the exposure to risk or policies, procedures and methods to measure credit risk.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

8. FINANCIAL RISK MANAGEMENT (continued)

b) Liquidity risk

Liquidity risk is the risk that BSADA will not be able to meet its financial obligations as they fall due. BSADA's objective in managing liquidity is to ensure that it will always have sufficient funds to meet its commitments when due, without incurring unacceptable losses or risking damage to BSADA's reputation. BSADA manages exposure to liquidity risk by closely monitoring supplier and other liabilities, focusing on generating positive cash flows from operations and establishing and maintaining good relationships with various financial institutions.

The expected cash flows of financial liabilities for accounts payable and accrued liabilities and due to the Government of Bermuda are current.

There have been no changes from the previous year in the exposure to risk or policies, procedures and methods to measure liquidity risk.

c) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the fair value of recognized assets and liabilities or future cash flows of BSADA's results of operations. BSADA has minimal exposure to market risk.

i) Foreign exchange risk

BSADA's business transactions are mainly conducted in Bermuda dollars and, as such, it has minimal exposure to foreign exchange risk.

There have been no significant changes from previous year in the exposure to risk or policies, procedures and methods to measure market risk.

9. CAPITAL MANAGEMENT

BSADA's objective when managing capital is to hold sufficient accumulated surplus to enable it to withstand negative unexpected financial events. BSADA seeks to achieve this objective through receipt of grants from the Government and maintaining a surplus. BSADA maintains sufficient liquidity to meet its short-term obligations as they come due. BSADA is not subject to any externally imposed capital requirements.

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NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2020

10. CONTRACTUAL OBLIGATION

In August 2018, BSADA renewed its lease agreement with The Committee of 25 in respect to the office space currently occupied by BSADA, for a period of 3 years with effect from October 1, 2018 to September 30, 2021. Annual rent of \$60,650 and utilities of \$23,047 are paid in monthly installments of \$5,054 and \$1,921, respectively. The remaining obligation under this lease is \$125,546.

The lease agreement requires tenants to maintain a one-month rental security deposit amounting to \$5,040 which is included in rental security deposit in the statement of financial position.

11. BUDGET

The budget was approved by the Board on October 10, 2018.

12. FUTURE CHANGES IN ACCOUNTING STANDARDS

PSAB has issued the following pronouncements:

Asset Retirement Obligations, PS 3280	Effective April 1, 2021*
Revenue, PS 3400	Effective April 1, 2022*

The extent of the impact on adoption of these accounting standards is not known at this time.

*Effective dates of all upcoming standards were deferred by one year.

13. SUBSEQUENT EVENTS

The 2021 fiscal budget of \$650,000 was reduced by \$200,000 because of the severe economic impact of the COVID-19 pandemic on the Government's financial resources.

The organization has adopted to suspend the matching contributions for the national pension scheme and the social insurance scheme as recommended by the Government. For the national pension scheme, the suspension period runs from August 1, 2020 to June 30, 2021 resulting in a cost savings of \$7,998. For the social insurance scheme, the suspension period runs from July 1, 2020 to June 30, 2021 resulting in a cost savings of \$7,472. The significant reduction in the grant allocation prompted this decision.

Unfortunately, the COVID-19 pandemic has been significant with the cancellation of numerous international sporting events in Bermuda such as the 2020 Carifta Games, 2020 ITU World Series Events, 2020 Tokyo Olympic Games, 2020 Para Olympic Games, to name a few including many of the local events in which BSADA would have played an integral role in the overall anti-doping process. Management continues to monitor and evaluate the evolution of this pandemic and its effect on BSADA's operations.



Bermuda
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authority**

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