

# LAURA FELIÚ BÁEZ, CPA

---

Urb. Horizontes Calle Alegría #H 7, Gurabo, PR 00778  
TEL: 787-501-2583 / lafeliu27@gmail.com

## **FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S REPORT**

**FEDERACIÓN DE BALONCESTO DE PUERTO RICO**

**(A NON-PROFIT ORGANIZATION)**

**December 31, 2022**

FINANCIAL STATEMENTS AND INDEPENDENT AUDITOR'S  
**FEDERACIÓN DE BALONCESTO DE PUERTO RICO**  
December 31, 2022

CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS REPORT	3
FINANCIAL STATEMENTS:	
STATEMENT OF FINANCIAL POSITION	6
STATEMENT OF ACTIVITIES	7
STATEMENT OF FUNCTIONAL EXPENSES	8
STATEMENT OF CASH FLOW	9
NOTES TO FINANCIAL STATEMENT	10

# LAURA FELIÚ BÁEZ, CPA

---

Urb. Horizontes Calle Alegría #H 7, Gurabo, PR 00778  
TEL: 787-501-2583 / lafeliu27@gmail.com

## INDEPENDENT AUDITORS' REPORT

**To the Board of Directors of  
Federación de Baloncesto de Puerto Rico  
San Juan, Puerto Rico**

### Opinion

#### Report on the Financial Statements

I have audited the accompanying statement of financial condition of **Federación de Baloncesto de Puerto Rico** as of December 31, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to financial statements.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Federación as of December 31, 2022, and the results of their operations and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. I am required to be independent of the Federación and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are

free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Federación's ability to continue as a going concern within one (1) year after the date that the financial statements are available to be issued.

### **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 absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. 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. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- 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 Federación's internal control. accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Federación's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.



Laura Feliú Báez  
Lic 3497



## Federación de Baloncesto de Puerto Rico

### STATEMENT OF FINANCIAL POSITION

December 31, 2022

#### ASSETS

##### Assets

Cash	\$ 501,374
Accounts receivable	196,212
Other receivables	<u>7,938</u>
Total current assets	705,524

##### Other assets

	<u>404</u>
Total assets	\$ <u>705,928</u>

#### LIABILITIES AND NET ASSETS

##### Liabilities

Payroll related taxes payable	\$ 61,392
Deferred revenue	58,522
SBA Loan	<u>90,000</u>
Total liabilities	209,914

##### Net assets

Net assets without donor restrictions	<u>496,014</u>
Total liabilities and net assets	\$ <u>705,928</u>

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

## Federación de Baloncesto de Puerto Rico

### STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

Year ended December 31, 2022

#### Support and revenue

Contributions – National Teams	\$ 2,881,652
Contributions – Youth Division	905,308
Contributions and grants	106,905
In-kind contributions	595,591
Other income	<u>7,938</u>
 Total revenues	 4,497,394

#### EXPENSES

Program services	3,802,607
Management and general	<u>546,575</u>
 Total expenses	 <u>4,349,182</u>
 Changes in Net Assets	 148,212
 Net Assets at Beginning of Year, as Previously Reported	 347,802
Net assets at end of year	\$ <u>496,014</u>

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

## Federación de Baloncesto de Puerto Rico

### STATEMENT OF FUNCTIONAL EXPENSES

Year ended December 31, 2022

	<u>Program services</u>	<u>General &amp; Administrative</u>	<u>TOTAL</u>
<b>Expenditures</b>			
Events and tournamentas exp	\$ 1,561,447	-	\$ 1,561,447.00
Transportation expenses	281,207	-	281,207.00
Travel expense	337,991	-	337,990.96
Lodging expense	488,874	-	488,874.00
Professional services expense	1,054,679	269,621	1,324,300.00
Salaries and related taxes exp	-	76,437	76,437.00
Commision expense	-	35,000	35,000.00
Rent & Lease	15,506	14,480	29,985.63
Repairs & Maintenance	-	22,643	22,643.00
Equipment Rental Expense	22,684	-	22,684.00
Advertising Expense	-	72,701	72,701.44
Bank Charges	2,037	1,285	3,322.47
Charitable Contributions Exp	200	4,650	4,850.00
Office Supplies & Software	930	21,259	22,189.24
Insurance Expenses	19,497	10,823	30,319.86
Telephone Expenses	-	2,638	2,638.00
Utilities Expenses	-	8,537	8,537.30
Miscellaneous expense	17,555	6,500	24,055.28
<b>Total Expenditures</b>	<b>\$ 3,802,607</b>	<b>\$ 546,575</b>	<b>\$ 4,349,182</b>

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



**Federación de Baloncesto de Puerto Rico**

STATEMENT OF CASH FLOW

Year ended December 31, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets \$ 148,212

Adjustments to reconcile change in net assets  
to net cash provided by operating activities:

Accounts and grant receivables \$ (204,150)

Accrued expenses 58,656

Payroll taxes payable 2,842

Total Adjustments (142,652)

**NET CASH PROVIDED BY OPERATING ACTIVITIES** 5,560

**CASH FLOWS FROM FINANCING ACTIVITIES:**

Payment on loans payables (60,000)

**NET CASH USED BY FINANCING ACTIVITIES** (60,000)

Net decrease in cash and cash equivalents (54,440)

Cash and cash equivalents at beginning of year 555,814

Cash and cash equivalents at end of year \$ 501,374

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

## **Federación de Baloncesto de Puerto Rico**

### **NOTES TO FINANCIAL STATEMENTS**

Year ended December 31, 2022

#### **ORGANIZATION AND SUMMARY OF ACCOUNTING POLICIES**

##### ***Organization***

The Federación de Baloncesto de Puerto Rico. is a non – profit organization, operating under the laws of the Commonwealth of Puerto Rico and is exempt by law from all taxes. Is the national governing body for the sport of basketball and was established for the development of amateur basketball and international competition in Puerto Rico. Federación de Baloncesto de Puerto Rico is the Puerto Rico member of Federation International de Basketball (FIBA), the international governing body for basketball.

##### ***Basis of Presentation***

The financial statements of the Organization have been prepared on the accrual basis of accounting. To ensure observance of limitations and restrictions placed on the use or resources available to the Organization financial statements are prepared in accordance with the principles of fund accounting.

##### ***Maintenance, Capitalization and Disposal Policy***

Maintenance and repairs are charged to operations when incurred, betterments and renewals are capitalized. When property, plant, and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are removed, and any gain or loss is included in operations.

##### ***Depreciation and Amortization***

Property and equipment are stated at cost less accumulated depreciation. Depreciation expense is provided over the estimated useful life of the related assets on a straight-line basis.

### ***Cash Equivalents***

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

### ***Support and Revenue Recognition***

Legally enforceable pledges less an allowance for uncollectible are recorded as receivables in the year made. Pledges for support of current operations are recorded as operating fund support.

### ***Donated Services***

No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services; however, a substantial number of volunteers have donated amounts of their time in the Organization's program services and in its fund-raising campaigns.

### ***Net Assets***

For financial statement purposes, net assets consist of:

**Unrestricted:** Unrestricted net assets include those net assets whose use is not restricted by donors or programs, even though their use may be limited in other respects, such as by board designation. The Organization's unrestricted net assets are undesignated.

### ***Contributions***

Contributions are recognized as revenue when received or unconditionally promised. Contributions are recorded as unrestricted or temporarily restricted support depending upon the existence and/or nature of donor restrictions. Support that is restricted by the donor is reported as an increase in temporarily restricted net assets. Within temporarily restricted net assets, amounts are reclassified to unrestricted net assets when restrictions expire (that is, when a stipulated time restriction ends, or a purpose restriction is accomplished).

### ***ECONOMIC INJURY DISASTER LOAN***

On July 22, 2020, the Corporation received loan proceeds in the amount of \$150,000 from the Small Business Administration (SBA) under its Economic Injury Disaster Loan (EIDL) assistance program in light of the impact of the COVID -19 pandemic on the Company's

business. Pursuant to the loan agreement, installment payments, including principal and interest of \$641 monthly will begin monthly installments on May 1, 2022. The EIDL loan proceeds shall be used for working capital purposes. The balance of principal and interest will be payable thirty (30) years from the date of the promissory note. Interest will accrue at the rate of 3.75% per annum.

### ***COMMITMENTS AND CONTINGENCIES***

The Company is involved in various claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters is not expected to have a material adverse effect in the Company's financial position or results of operations. As of the December 31, 2022 the Federación has an agreement with Fiba Americas to purchase the building in which Puerto Rico offices are located.

### ***GOVERNMENTAL FUNDS REVENUES***

During 2022 the organization received income from various sources including governmental grants.

The governmental grants are listed below:

Sports and Recreation Department	\$ 475,000
Legislative Funds	60,000
Puerto Rico Lottery	150,000
Puerto Rico Tourism Company	142,000
San Juan Municipality	100,000
Puerto Rico Olympic Committee	<u>854,180</u>
Total revenue from governmental grants	\$ <u>1,781,180</u>

### ***GOVERNMENTAL FUNDS EXPENSES***

During 2022 the organization received income from various sources including governmental grants. Those grants were donor restricted and used for their restricted requirement. The total funds expenses related to the governmental donations \$1,781,180, these expenses are directly related to competitions and events for the National Teams and Youth Division.

**GOVERNMENTAL BODY**

<b>Nombre</b>	<b>Puesto</b>
Lcdo. Yum Ramos Perales	Presidente
Julio Sepulveda	Tesorero
Prof. Edmundo Baez	Secretario General
Sr. Hector Laboy	Sub Secretario / Director Liga Infantil y Juvenil Femenina
Sr. Juan J. Velazquez	Director Liga Intermedia
Sr. Luis Gabriel Miranda	Director BSNF
Sr. Osvaldo Rosa	Director Liga Juvenil/Presidente Region Este
Sr. Ivan Vázquez	Director Liga de Mini Baloncesto/Presidente Region Centro
Srta. Pamela Rosado	Representante de Interés Público
Lcdo. Alberto Arroyo	Representante de Interés Público
Sr. Angel Toro	Representante de Interés Público
Sr. Gerardo Zayas	Representante de Interés Público
Ferdinand Cedeño	Representante de Interés Público
Hipolito González	Representante de Interés Público
Roberto Cañada	Representante de Interés Público
Karen Colón	Representante de Interés Público
Sr. Gustavo Cañas	Representante de Entrenadores
Sr. Felipe Fillo Gandará	Representante Oficiales de Mesa
Sr. Roberto Ramirez	Representante Liga Afiliada (ACB)
Sr. William Lopez	Representante Liga Afiliada (IYB)
Sr. Luis E. Aguila	Representante Liga Afiliada (Jr. olympic)
Sr. Carlos Miguel Vázquez Santiago	Representante Liga Afiliada (Little Lads & Lassies)
Sr. Ruben Ortiz Laureano	Representante Liga Afiliada (PBO)
Sr. Noel González Quiñones	
Sr. Ricardo Dalmau	Representate Liga Afiliada (BSN)
Sr. Axel Coll	Representante Arbitros
Prof. Juan Figueroa	Representante Comisión Técnica
Srta. Michelle González	Representante de Atletas

***SUBSEQUENT EVENT***

Management has evaluated subsequent events through June 20, 2023, which is the date the financial statements were available to be issued. No significant events have been identified that would require adjustment or disclosure in the accompanying financial statements.