

Cricket Canada
Financial Statements
For the Year Ended December 31, 2015

Independent Auditors' Report

To the Board of Directors of Cricket Canada:

We have audited the accompanying financial statements of Cricket Canada which comprise of the statement of financial position as at December 31, 2015 and the statement of operations and changes in general fund excess (deficiency), changes in net assets and cash flows for the year ended December 31, 2015, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Cricket Canada derives a portion of its revenue from donations and fundraising events, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and financial position.

Qualified Opinion

In our opinion, except for the possible effects of matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Cricket Canada as at December 31, 2015 and its operations, its changes in financial position, its net assets and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Other Matter

The financial statements as at and for the year ended December 31, 2014 were audited by another auditor, who expressed a qualified opinion on those financial statements dated May 26, 2015.

As part of our audit of the 2015 financial statements, we have also audited the adjustments described in Note 10 that were applied to restate the 2014 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2014 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion, or any other form of assurance on the 2014 financial statements taken as a whole

March 17, 2016
Markham, Ontario

BKG Professional Accountants
Chartered Accountants
Authorized to practice public accounting by the
Chartered Professional Accountants of Ontario

Cricket Canada
Statement of Financial Position
As at December 31, 2015

	2015	2014 (Note 10)
Assets		
Current		
Cash	389,556	193,036
Accounts receivable	28,950	41,939
Harmonized sales tax receivable	30,734	20,387
Prepaid expenses	-	68,545
	449,240	323,907
Capital assets (Note 3)	1,585	1,949
	450,825	325,856
Liabilities and Fund Excess		
Current		
Accounts payable and accrued liabilities	36,611	111,487
Deferred sponsorship revenue (Note 4)	42,400	82,986
Deferred rental income (Note 5)	68	69
	79,079	194,542
Net Assets		
Net Assets in restricted funds (Note 2)	42,403	82,989
Net Assets in invested in capital assets	1,585	1,949
Unrestricted Net Assets	327,758	46,376
	371,746	131,314
	450,825	325,856

Commitments (Note 9)

Approved on behalf of the Board

Director

Treasurer

The accompanying notes are an integral part of these financial statements

Cricket Canada

Statement of Operations and Changes in General Fund Excess (Deficiency)
For the year ended December 31, 2015

	2015	2014 (Note 10)
Revenue		
Funds from International Cricket Council (Note 8)	1,038,020	659,960
Corporate sponsorship	41,000	155,000
Funding from Sports Canada	10,000	78,000
Grant revenue	33,700	74,900
Provincial dues	50,400	49,800
Miscellaneous	26,049	31,006
Total revenue	1,199,169	1,048,666
Expenses		
Tournament costs, development, apparel and equipment	351,516	249,418
Management salaries and benefits	146,856	155,113
Advertising and promotion	6,508	10,997
Travel, accomdation, meals and tournaments per diem	174,087	47,449
Professional fees	43,802	68,956
Rent, parking and office costs	30,919	42,714
Players per diem and allowances	70,436	87,700
Office and miscellaneous	61,071	5,681
Interest and bank charges	1,339	9,148
Insurance	8,208	8,208
Meeting expenses	63,631	43,720
Amortization	364	364
Total expenses	958,737	729,468
Excess of revenue over expenses	240,432	319,198
General fund (deficiency), beginning of year	131,314	(187,884)
General fund excess, end of year	371,746	131,314

The accompanying notes are an integral part of these financial statements

Cricket Canada
Statement of Cash Flows
For the year ended December 31, 2015

	2015	2014
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	240,432	319,198
Amortization	364	364
	240,796	319,562
Changes in non-cash working capital		
Accounts receivable	12,989	75,314
Harmonized sales tax receivable	(10,347)	11,512
Prepaid expenses	68,545	(53,415)
Accounts payable and accrued liabilities	(74,876)	(69,958)
Deferred rental income	(1)	(3)
Deferred sponsorship revenue	(40,586)	32,986
	196,520	315,998
Financing activities		
Loan payable	-	(150,000)
Increase in cash	196,520	165,998
Cash, beginning of year	193,036	27,038
Cash, end of year	389,556	193,036

The accompanying notes are an integral part of these financial statements

Cricket Canada
Statement of Changes in Net Assets
As at December 31, 2015

	Restricted Funds	Investment in Capital Assets	Unrestricted Funds	2015	2014
Balance, beginning of year (Note 10)					
-As restated	82,989	1,949	46,376	131,314	(187,884)
Excess (deficiency) of revenue over expenses		(364)	240,796	240,432	319,198
Restricted funds for specific projects	(40,586)		40,586	-	-
Balance, end of year	42,403	1,585	327,758	371,746	131,314

The accompanying notes are an integral part of these financial statements

Cricket Canada
Notes to the Financial Statements
For the year ended December 31, 2015

1. Purpose, income taxes and basis of presentation

Cricket Canada (the "Organization") was registered as a non-profit association as per Letters Patent on April 1, 1968. The purpose of the Organization is to promote the game of Cricket throughout Canada and to provide a governing body to Provincial Cricket Organizations across Canada. The Organization also selects and forms a cricket team to represent Canada in the world of international cricket. It also manages an exchange of visits of representatives of cricket elevens to and from other countries and is responsible for all negotiations with official cricket organizations in connection with such visits. The Organization is a registered charity under the Income Tax Act, registration number 12768 1625 RR0001 and is exempt from income taxes under Section 149 of the Income Tax Act.

Any provincial cricket association that demonstrates effective control of organized competitive cricket within the province concerned in Canada will be considered a member with voting privileges at any Meeting of the members. As at December 31, 2015, the Organization has 10 (2014 – 10) voting members.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Fund accounting

The Organization follows the deferral method of accounting and uses fund accounting. The Organization maintains the general fund and restricted funds.

The general fund provides for the ongoing operations and transactions of the Organization.

Restricted funds consist of a balance at year end of \$82,989 (2014 - \$42,403). The restricted fund balance at year end is represented by an amount due from the general fund of \$3 (2014 - \$3).

Revenue recognition

The Organization recognizes unrestricted revenue from funding, corporate sponsorship and grants on an accrual basis when there is a reasonable assurance that the collection of the approved funds is probable.

Restricted revenue received is recognized in the period in which expenses related to restricted activities are carried out. Restricted funds received for activities to be carried out in future years are recorded as deferred sponsorship revenue.

Revenues from donations and fund raising activities are recorded upon collection of funds. Annual dues are recognized in the year to which they relate and there is a reasonable assurance that the collection of the dues is reasonable assured.

Donation-in-kind

The Organization records the donations of goods and services only when their fair market value is measurable and when the services are used in the normal course of operations and would otherwise have been purchased.

2. Significant accounting policies *(continued from previous page)*

Contributed services

Volunteers contribute their time to assist the Organization in carrying out its services. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

Cricket Canada recognizes its financial instruments when it becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CPA Canada Handbook-Accounting 3840 Related Party Transactions.

At initial recognition, the Organization may irrevocably elect to subsequently measure any financial instrument at fair value. The Organization has not made such an election during the year. The Organization subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or those are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Organization's performance or fund excess and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the statement of operations and changes in general fund excess (deficiency). Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at amortized cost.

The Organization's financial instruments include cash, harmonized sales tax receivable, accounts receivable and accounts payable and accrued liabilities. Cash is subsequently measured at their fair value, while the other financial assets and liabilities are subsequently measured at their amortized cost.

2. **Significant accounting policies** *(continued from previous page)*

Foreign currency translation

Monetary assets and liabilities are translated at exchange rates in effect at the statement of financial position date. Revenue and expense items are translated at the approximate exchange rates prevailing on the date of the transaction. Any foreign exchange gain or loss on the translation of the financial results is included in the statement of operations and changes in general fund excess (deficiency) and restricted funds.

Capital assets

The Organization owns a parcel of land in British Columbia. This land was donated to the Organization in 1985. The Organization carries the land at a nominal value of \$1,100.

Computer equipment is recorded at cost less accumulated amortization. Amortization is calculated using the declining balance method at an annual rate of 30% based on its estimated useful life.

Non-monetary transactions

The Organization enters into agreements with certain customers from whom the Organization obtains goods and services. Transactions involving the exchange of monetary consideration representing 10% or greater of the fair value of the arrangement are considered to be monetary transactions. Non-monetary transactions, for which the Organization's future cash flows have been significantly affected ("commercial substance"), are recorded at the fair value of the assets or services given up or received, whichever is more reliably measured.

3. **Capital assets**

Capital assets consist of the following:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Land	1,100	-	1,100	1,100
Computer equipment	1,213	728	485	849
	2,313	728	1,585	1,949

4. **Deferred sponsorship revenue**

Deferred sponsorship revenue relates to monies received in advance from sponsorships or advertising for matches to be held or services to be provided in the following year.

5. **Deferred rental income**

The Organization owns a parcel of land in British Columbia. In 1985 the Organization leased this property to Cowichan Cricket and Sports Club for the period of 99 years terminating on December 31, 2084 for a rental charge of \$1 per annum and received full consideration of \$99 for the term of the lease. Deferred rental income relates to unamortized portion of rent received for future years.

6. Related party transactions

In 1977, The Canadian Cricket Trust Fund was established to support the development of cricket in Canada. The donors wishing to contribute to the Canadian Cricket Trust Fund must specifically designate their donations, through the Organization. In fiscal 2015 and 2014, no funds were received or forwarded to the Cricket Canada Trust Fund.

The Organization is a beneficiary under an agreement with The Canadian Cricket Trust Fund. Under the terms of this agreement the assets are to be independently administered to provide an investment vehicle to make available a source of income for the purposes of the Organization separate and apart from Members' fees, grants and/or contributions.

Upon the winding up of the Canadian Cricket Trust Fund the assets shall be applied firstly to fulfilling any outstanding obligations of the Organization and the remainder of the assets shall be distributed equally among the schools identified in a schedule attached to the trust agreement.

7. Financial instruments

The Organization is exposed to the following risks related to its financial assets and liabilities:

Liquidity risk

Liquidity risk is the risk that the Organization will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to risk exposure for 2015.

Credit risk

The Organization is subject to credit risk through its receivables. Credit risk arises from the potential that counterparty will fail to perform its obligations. Credit risk with respect to the receivables is limited due to the nature of the Organization's activities.

Fair value

At December 31, 2015, management has estimated the fair value of harmonized sales tax recoverable, accounts receivable and accounts payable and accrued liabilities to be equal to their carrying amount.

Currency risk

Currency risk is the risk to the Organization's earnings that arises from fluctuations in foreign exchange rates and the degree of volatility of these rates. The Organization does not use derivative instruments to reduce its exposure to foreign currency risk, which is limited due to the nature of the Organization's activities in which one bank account is denominated in U.S. dollars. The U.S. dollar balance at year end was \$190,909 (2014 - \$105,563).

8. Economic dependence

Based on the current commitments and current level of operations, the Organization is economically dependent upon the continued support of International Cricket Council (ICC) to help fund operations.

Cricket Canada
Notes to the Financial Statements
For the year ended December 31, 2015

9. Commitments

The Organization has an office lease rental agreement which expires on May 31, 2016. The Organization has an obligation to pay \$5,500 in fiscal 2016 under this agreement.

10. Restatement of prior year's financial statements

The Organization's financial statements for the 2014 year end have been restated to correctly disclose the restricted funds which were previously included in the unrestricted funds as follows:

	Restricted Funds	Investment in Capital Assets	Unrestricted Funds	2014
Balance, as at December 31, 2014				
-As previously reported	3	1,949	129,362	131,314
To correct for a reclassification error	82,986	-	(82,986)	-
Balance, as restated	82,989	1,949	46,376	131,314