

CRICKET CANADA
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2011

ARUN LUTHRA
PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT

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ARUN LUTHRA PROFESSIONAL CORPORATION

CHARTERED ACCOUNTANT

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AUDITOR'S REPORT

To the Board of Directors of Cricket Canada

I have audited the statement of financial position of Cricket Canada December 31, 2011, the statement of operations and changes in general fund net (deficiency) for the year then ended. These financial statements are the responsibility of the Association's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement except for the effect of the following. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as, evaluating the overall financial statement presentations.

In common with many charitable and not for profit organizations, the association derives part of the revenues from donations and fund raising activities. The completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the association. I was not able to determine whether adjustments might be necessary to contributions, excess (deficiency) of revenues over expenses, current assets and net assets (deficiency).

In my opinion, except for the effect of adjustments, if any, which I might have determined to be necessary had I been able to satisfy myself concerning the completeness of the donations and fundraising activities referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2011 and the results of its operations for the year then ended in accordance with Canadian generally accepted accounting principles.



RICHMOND HILL
MARCH 28, 2012

ARUN LUTHRA PROFESSIONAL CORPORATION
CHARTERED ACCOUNTANT
Authorized to Practice Public Accounting by the
Institute of Chartered Accountants of Ontario

CRICKET CANADA

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2011

	<u>2011</u>	<u>2010</u>
<u>ASSETS</u>		
Cash	\$ 7,933	\$ 90,834
Accounts Receivable	127,976	94,741
HST receivable	34,646	28,477
Prepaid expenses	<u>11,122</u>	<u>22,352</u>
	181,677	236,404
PROPERTY (Note 4)	<u>1,100</u>	<u>1,100</u>
	<u>182,777</u>	<u>237,504</u>
<u>LIABILITIES</u>		
Accounts payable and accrued liabilities	238,320	243,193
Deferred sponsorship revenue (Note 5)	22,716	5,000
Deferred rental income (Note 6)	<u>73</u>	<u>74</u>
	<u>261,109</u>	<u>248,267</u>
CONTINGENCIES (Note 8)		
NET (DEFICIENCY)	<u>\$ (78,332)</u>	<u>\$ (10,763)</u>
NET (DEFICIENCY) ABOVE IS REPRESENTED BY:		
Restricted funds, Balance (Note 9)	\$ 3	\$ 3
General Fund Net (Deficiency)	<u>(78,335)</u>	<u>(10,766)</u>
	<u>\$ (78,332)</u>	<u>\$ (10,763)</u>

Approved on behalf of the Board

 Director

 Director

CRICKET CANADA

STATEMENTS OF OPERATIONS AND CHANGES IN GENERAL FUND NET (DEFICIENCY)

	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2011</u>	<u>2010</u>
REVENUES		
Funds from International Cricket Council (ICC)	\$ 1,195,152	\$ 1,246,407
Funding from Sports Canada (Note 7)	-	185,000
Corporate sponsorships	152,781	131,693
Tournament revenue	23,539	28,465
Provincial dues	35,880	36,408
Fund raising activities	6,767	4,922
Miscellaneous	48,479	17,105
Sanctioning fees	-	<u>12,500</u>
	<u>1,462,598</u>	<u>1,662,500</u>
EXPENSES		
Domestic Competitions (Schedule 1)	90,434	82,982
International Competitions (Schedule 1)	570,317	718,061
High performance (Schedule 2)	341,133	389,718
Cricket development (Schedule 2)	122,728	51,144
General and administrative (Schedule 3)	405,555	422,439
Infrastructure Improvement	-	<u>(145,000)</u>
	<u>1,530,167</u>	<u>1,519,344</u>
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	(67,569)	143,156
GENERAL FUND NET (DEFICIENCY), BEGINNING OF YEAR	<u>(10,766)</u>	<u>(153,922)</u>
GENERAL FUND NET (DEFICIENCY), END OF YEAR	<u>\$ (78,335)</u>	<u>\$ (10,766)</u>

CRICKET CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

1. PURPOSE OF THE ASSOCIATION

Cricket Canada was registered as a non-profit association as per Letters Patent on April 1, 1968. The purpose of the association is to promote the game of Cricket throughout Canada and to provide a governing body to Provincial Cricket associations for the control of Cricket in Canada. The association also selects and forms a cricket team to represent Canada in the world of international cricket. It also manages an interchange 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 association 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.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the association are in accordance with Canadian generally accepted accounting principles. Outlined below are those policies considered particularly significant.

Revenue recognition

The Association recognizes revenue on an accrual basis when there is reasonable assurance that the collection of the approved funds is probable. Revenues from donations and fund raising activities are recorded on cash basis.

Donated materials and services

The work of the Association is dependent on the voluntary services and donated materials of many individuals and organizations. Because these materials and services are not normally purchased by the Association and because of the difficulty of determining their fair value, donated services and materials are not recognized in these statements.

Property

The association owns a parcel of land in British Columbia. This land was donated to the association in 1985. The assessed value of the property as per 2008 Provincial property tax assessment notice was \$ 594,500. In keeping with the accounting policies used by many not for profit organizations, the association carries the land at a nominal value of \$ 1,100.

Foreign currency translation

Monetary assets and liabilities are translated at exchange rates in effect at the balance sheet date. Revenue and expense items are translated at the approximate exchange rates prevailing on the date of the transaction.

CRICKET CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent 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.

3. FINANCIAL INSTRUMENTS

The association's financial instruments consist of cash, accounts receivable, HST receivable, prepaid expenses, accounts payable and accrued liabilities, deferred sponsorship revenue and deferred rental income. It is management's opinion that the association is not exposed to significant interest rate, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying values.

4. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Total</u> <u>2011</u>	<u>Net Total</u> <u>2010</u>
Property	\$ 1,100	\$ -	\$ 1,100	\$ 1,100

5. DEFERRED SPONSORSHIP REVENUE

Deferred Sponsorship Revenue relates to monies received in advance from sponsorships for matches to be held in the following year.

6. DEFERRED RENTAL INCOME

The association owns a parcel of land in British Columbia. In 1985 the association 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 \$ 1.00 per annum and received full consideration of \$ 99.00 for the term of the lease. Deferred rental income relates to unamortized portion of rent received for future years.

7. FUNDING FROM SPORTS CANADA

In December 2011, the association applied for a grant from Sports Canada for \$ 78,000. This grant was approved subsequent to the year end and it will be included in income in the following year.

CRICKET CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

8. CONTINGENCIES

During the previous year Ontario Cricket Association has filed a statement of claim for damages against Cricket Canada for :

- a) An injunction preventing the expulsion of the Plaintiff from the Defendant organization;
- b) A declaration and injunction preventing the Defendant from interfering in the operations and management of the Plaintiff organization;
- c) The sum of \$ 1,000,000 for damages arising from the intentional interference in the Plaintiff's contractual relations.

Cricket Canada has filed a statement of defence and counter claims for \$ 250,000 for damages. No provision for any losses or gains is made in these financial statements as the outcome of these lawsuits is not determinable at present.

9. RESTRICTED FUNDS

Restricted funds consist of the following

Donald King Fund	\$ 51,000
Junior Tour Fund	25,000
Stan Wells Fund	<u>50,000</u>
	126,000
Less: Transferred to General Fund in 2006	<u>(125,997)</u>
Restricted funds balance, beginning of year	\$ <u>3</u>
Restricted funds balance, end of year	\$ <u>3</u>
Restricted funds balance is represented by:	
Due from General fund, beginning of year	\$ <u>3</u>
Due from General fund, end of year	\$ <u>3</u>

CRICKET CANADA

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2011

10. STATEMENT OF CASH FLOWS

A statement of cash flows has not been prepared as it would not provide any additional useful information. Key components of changes in cash flows are as follows:

	<u>2011</u>	<u>2010</u>
OPERATING ACTIVITIES		
Excess (Deficiency) of revenues over expenses	\$ (67,569)	\$ 143,156
Item not affecting cash:		
Depreciation and amortization	<u>-</u>	<u>1,759</u>
	<u>(67,569)</u>	<u>144,915</u>
Changes in operating assets and liabilities		
Accounts receivables	(33,235)	137,652
HST Receivable	(6,169)	(14,704)
Prepaid expenses	11,230	7,364
Accounts payable and accrued liabilities	(4,874)	(240,729)
Deferred rental income	<u>17,716</u>	<u>5,000</u>
	<u>(15,332)</u>	<u>(105,417)</u>
(DECREASE) INCREASE IN CASH	<u>(82,901)</u>	<u>39,498</u>
CASH, BEGINNING OF YEAR	<u>90,834</u>	<u>51,336</u>
CASH, END OF YEAR	<u>\$ 7,933</u>	<u>\$ 90,834</u>

11. RELATED PARTY

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 association. The association then forwards the donation to the Canadian Cricket Trust Fund. During the year the association forwarded \$ Nil (2010 - \$ Nil) to the Canadian Cricket Trust Fund. During the year the association received \$ 4,270 (2010 - \$ Nil) from the Canadian Cricket Trust Fund.

The association is a beneficiary under an agreement with The Canadian Cricket Trust Fund. Under the terms of this agreement the endowed assets are to be independently administered to provide an investment vehicle to make available a source of income for the purposes of the association 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 association and the remainder of the assets shall be distributed equally among the schools identified in a schedule attached to the trust agreement.

12. ECONOMIC DEPENDENCE

Based on the current commitments and current level of operation, the association is economically dependent upon International Cricket Council (ICC) for continued financing of the activities.

13. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current years presentation, such reclassification is for presentation purpose only and has no effect on previously reported results.

CRICKET CANADA

Schedule - 1

YEARS ENDED DECEMBER 31, 2011 AND 2010

SCHEDULE OF DOMESTIC AND INTERNATIONAL COMPETITION EXPENSES

Nature of payment	Domestic Competition				International Competitions - Overseas						International Competition - Home				Total	Total
	Inter-Provincial Tournament	Under-19 Training Camp	Other	Caribbean	U-19	Men CWC	ICC Americas Division 1	ICC U-19 CWCQ	ICC ODI&ICUP	Winter Barbados Training Tour	ICC Canada vs Afghanistan	ICC Cup	Tri-Series Canada Summer Festival	Auty Cup Canada vs USA		
Amount paid to Players	-	-	-	540	-	1,500	3,710	-	19,128	-	-	11,544	4,650	2,645	835	\$ 76,654
Event Costs and Participation Fees	-	-	11,650	-	-	-	7,000	-	-	-	-	-	-	-	34,077	\$ 57,727
Umpiring, Scoring and Event Manager	-	3,000	-	-	-	-	-	-	-	-	-	6,837	3,039	720	-	\$ 13,596
Hotel Stay and Meals	18,035	6,835	-	9,457	2,232	2,835	15,310	12,634	16,618	16,618	27,744	32,038	3,625	-	\$ 156,406	
Paid to Provinces	15,250	-	-	-	-	-	-	-	-	-	-	-	-	-	15,250	\$ 15,250
Travel	27,537	-	-	20,627	25,297	23,386	7,394	24,172	18,774	18,774	12,556	13,823	-	6,502	\$ 189,762	
Coaches, Training and Courier	2,006	-	-	4,717	1,000	21,670	300	3,218	336	336	2,473	4,495	-	-	\$ 40,435	
Equipment and ground Rental and Clothing	2,822	3,300	-	4,798	1,216	47,166	8,633	9,768	1,373	1,373	28,287	14,110	5,803	1,138	\$ 135,402	
Banners & Display Boards	-	-	-	-	-	-	-	-	-	-	-	7,621	-	-	7,621	\$ 7,621
Total	\$ 65,650	\$ 13,135	\$ 11,650	\$ 40,139	\$ 41,556	\$ 95,954	\$ 29,872	\$ 49,688	\$ 51,444	\$ 37,101	\$ 89,441	\$ 79,776	\$ 12,793	\$ 42,552	\$ 660,751	\$ 801,043

Presented on Statement of Operations:

Domestic Competitions Expense

International Competitions -Overseas & Home -Expense

\$ 90,434 \$ 82,982

\$ 570,317 \$ 718,061

CRICKET CANADA

SCHEDULE OF CRICKET DEVELOPMENT AND HIGH PERFORMANCE EXPENSES

Schedule - 2

	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2011</u>	<u>2010</u>
CRICKET DEVELOPMENT		
Infrastructure improvement	\$ 73,220	\$ 10,319
Players training and coaching education	28,476	24,099
School programs for Junior Boys/Girls	<u>21,032</u>	<u>16,726</u>
	<u>\$ 122,728</u>	<u>\$ 51,144</u>
HIGH PERFORMANCE		
Players Salaries, Allowances & Match Fees	301,647	360,321
Domestic Training	11,089	26,806
Equipments	<u>28,397</u>	<u>2,591</u>
	<u>\$ 341,133</u>	<u>\$ 389,718</u>

CRICKET CANADA

SCHEDULE OF GENERAL AND ADMINISTRATIVE EXPENSES

Schedule - 3

	<u>YEARS ENDED DECEMBER 31,</u>	
	<u>2011</u>	<u>2010</u>
Advertising and promotion	\$ 3,914	\$ 13,273
Salaries and benefits	211,682	245,818
Depreciation and amortization	-	1,759
Bad debts	-	9,900
Insurance	5,045	11,541
Interest and bank charges	5,494	4,952
Office supplies, rent, utilities, parking and general	28,799	18,453
Professional fees	52,415	35,970
Meetings and travel	64,646	58,082
Internet and website	33,560	22,691
	<hr/>	<hr/>
	\$ <u>405,555</u>	\$ <u>422,439</u>