

**Cricket Canada**  
**Financial Statements**  
*For the Year Ended December 31, 2014*

## 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, 2014 and the statement of operations and changes in general fund excess (deficiency) and cash flows for the year ended December 31, 2014, 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 similar 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 donations, fundraising revenue, excess of revenue over expenses, assets and unrestricted net assets.

### *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, 2014 and its operations and its cash flows for the year then ended in accordance with Canadian accounting for not-for-profit organizations.

*Emphasis of Matter*

We draw attention to Note 9 to the financial statements which describes the correction of an accounting error. This correction has been applied retrospectively, impacting some comparative amounts for the prior period presented. Our opinion is not qualified in respect of this matter.

MNP LLP

Toronto, Ontario  
May 26, 2015

Chartered Professional Accountants  
Licensed Public Accountants

**Cricket Canada**  
**Statement of Financial Position**  
*As at December 31, 2014*

	2014	2013 (Note 9)
<b>Assets</b>		
<b>Current</b>		
Cash	193,036	27,038
Accounts receivable	41,939	117,253
Sales taxes recoverable	20,387	31,899
Prepaid expenses	68,545	15,130
	323,907	191,320
<b>Capital assets (Note 3)</b>	1,949	2,313
	325,856	193,633
<b>Liabilities and Fund Excess</b>		
<b>Current</b>		
Loan payable	-	150,000
Accounts payable and accrued liabilities	111,487	181,445
Deferred sponsorship revenue (Note 4)	82,986	50,000
Deferred rental income (Note 5)	69	72
	194,542	381,517
<b>Fund Excess</b>		
Restricted funds (Note 2)	3	3
General fund excess (deficiency)	131,311	(187,887)
	131,314	(187,884)
	325,856	193,633

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, 2014*

	2014	2013 (Note 9)
<b>Revenue</b>		
Funds from International Cricket Council ( <i>Note 8</i> )	659,960	1,103,538
Corporate sponsorship	155,000	302,635
Funding from Sports Canada	78,000	235,400
Grant revenue	74,900	5,000
Provincial dues	49,800	72,500
Miscellaneous	31,006	33,357
Fund raising activities	-	16,636
<b>Total revenue</b>	<b>1,048,666</b>	<b>1,769,066</b>
<b>Expenses</b>		
Tournament costs, apparel and equipment	165,637	269,729
Management salaries and benefits	138,632	442,287
Advertising and promotion	129,045	298,052
Meals and per diem	71,328	101,192
Professional fees	68,956	49,065
Rent and parking	53,284	51,872
Players salaries and allowances	48,765	341,550
Accommodations	23,154	69,505
Office and miscellaneous	12,236	202,099
Interest and bank charges	9,148	4,309
Insurance	8,208	7,325
Meeting and travel	711	117,774
Amortization	364	364
<b>Total expenses</b>	<b>729,468</b>	<b>1,955,123</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>319,198</b>	<b>(186,057)</b>
<b>General fund (deficiency), beginning of year as previously reported</b>	<b>(187,887)</b>	<b>(1,830)</b>
<b>General fund excess (deficiency), end of year</b>	<b>131,311</b>	<b>(187,887)</b>

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

**Cricket Canada**  
**Statement of Cash Flows**  
*For the year ended December 31, 2014*

	2014	2013
<b>Cash provided by (used for) the following activities</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenses	<b>319,198</b>	(186,057)
Amortization	<b>364</b>	364
	<b>319,562</b>	(185,693)
Changes in non-cash working capital		
Accounts receivable	<b>75,314</b>	(21,903)
Sales taxes recoverable	<b>11,512</b>	(8,285)
Prepaid expenses	<b>(53,415)</b>	(9,729)
Accounts payable and accrued liabilities	<b>(69,958)</b>	96,728
Deferred rental income	<b>(3)</b>	-
Deferred sponsorship revenue	<b>32,986</b>	-
	315,998	(128,882)
<b>Investing activities</b>		
Purchase of capital assets	-	(1,212)
<b>Financing activities</b>		
Loan payable	<b>(150,000)</b>	150,000
<b>Increase in cash</b>	<b>165,998</b>	<b>19,906</b>
<b>Cash, beginning of year</b>	<b>27,038</b>	<b>7,132</b>
<b>Cash, end of year</b>	<b>193,036</b>	<b>27,038</b>

**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.

**2. Significant accounting policies**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada 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 \$3 (2013 - \$3). The restricted fund balance at year end is represented by an amount due from the general fund of \$3 (2013 - \$3).

**Revenue recognition**

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

**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.

**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.

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

**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 deficiency for the current period. 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, sales taxes recoverable, 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:

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2014 Net book value</b>	<b>2013 Net book value</b>
Land	1,100	-	1,100	1,100
Computer equipment	1,213	364	849	1,213
	<b>2,313</b>	<b>1,213</b>	<b>1,949</b>	<b>2,313</b>

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 2014 and 2013, 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:

**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, 2014, management has estimated the fair value of sales taxes 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 \$105,563 (2013 - \$846).

**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, 2014*

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**9. Restatement**

The organization has restated its previously issued statement of financial position and statement of operation and general fund excess (deficiency) to correct for recognition of accounts receivable of \$43,750 as at December 31, 2012 and 2013 which was previously not recognized.

The impact of this adjustment on the balances for the year ended December 31, 2013 and as at December 31, 2012 is as follows

	Previously Reported	Effect of Change	Restated
Accounts Receivable			
As at December 31, 2013	73,503	43,750	117,253
General Funds Excess (Deficiency)			
As at December 31, 2013	(231,637)	43,750	(187,887)
As at December 31, 2012	(45,580)	43,750	(1,830)

**10. Contingent liability**

During the year, the Organization terminated the services of one of its executive. The executive has filed a law suit against the Organization seeking compensation for damages for approximately \$150,000. The outcome of this law suit is not determinable at this time and, accordingly, the Organization has not recorded any liability related to this outstanding litigation matter in these financial statements.