

# **USA Cricket**

Financial Statements

December 31, 2023, and December 31, 2022

## **KNAV CPA LLP**

**Certified Public Accountants**  
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America Counts on CPAs

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# Independent Auditor's Report

To the Board of Directors of  
USA Cricket

## **Opinion**

We have audited the accompanying financial statements of USA Cricket (a non-profit organization) (the "Organization"), which comprise the statements of financial position as of December 31, 2023, and December 31, 2022, and the related statements of activities and cash flows for the years then ended, and the related notes to financial statements.

In our opinion, the accompanying financial statements referred to in the first paragraph present fairly, in all material respects, the financial position of the Organization as of December 31, 2023, and December 31, 2022, and the changes in its net deficiency and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Basis for opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Substantial doubt about the company's ability to continue as a going concern**

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note I to the financial statements, the Organization had a net asset deficiency, negative cash flows from operating activities, and also total current liabilities exceed total current assets. The ability of the Company to continue as a going concern is dependent upon management's plan as described in Note I. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our conclusion is not modified with respect to this matter.

## **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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **Auditor's responsibilities for the audit of the financial statements**

Our 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 our 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, we:

- 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 the Organization'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 our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are 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 we identified during the audit.

KNAV CPA LLP

Atlanta, Georgia  
June 28, 2024

**USA Cricket**

Financial Statements

December 31, 2023 and December 31 2022

# **Financial Statements**

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### Statements of financial position

*(All amounts are in United States Dollars, unless otherwise stated)*

|  | As at             |                   |
|--|-------------------|-------------------|
|  | December 31, 2023 | December 31, 2022 |
| <b>ASSETS</b>                                    |                   |                   |
| <b>Current assets</b>                            |                   |                   |
| Cash and cash equivalents                        | 52,533            | 232,692           |
| Contributions and other accounts receivable, net | 505,689           | 142,489           |
| Travel advances                                  | 2,409             | 24,105            |
| Prepaid expenses                                 | 18,450            | 14,058            |
| <b>Total current assets</b>                      | <b>579,081</b>    | <b>413,344</b>    |
| <b>Non-current assets</b>                        |                   |                   |
| Property and equipment - net                     | 2,013             | 3,810             |
| <b>Total assets</b>                              | <b>581,094</b>    | <b>417,154</b>    |
| <b>LIABILITIES AND NET DEFICIENCY</b>            |                   |                   |
| <b>Current liabilities</b>                       |                   |                   |
| Accounts payable                                 | 123,549           | 310,825           |
| Accrued liabilities                              | 41,561            | 347,659           |
| Short-term note payable                          | 450,000           | 450,000           |
| <b>Total current liabilities</b>                 | <b>615,110</b>    | <b>1,108,484</b>  |
| <b>Non-current liabilities</b>                   |                   |                   |
| Long-term note payable                           | 92,000            | 92,000            |
| <b>Total liabilities</b>                         | <b>707,110</b>    | <b>1,200,484</b>  |
| <b>NET DEFICIENCY</b>                            |                   |                   |
| Without donor restrictions                       | (126,016)         | (783,330)         |
| With donor restrictions                          | -                 | -                 |
| <b>Total net deficiency</b>                      | <b>(126,016)</b>  | <b>(783,330)</b>  |
| <b>Total liabilities and net deficiency</b>      | <b>581,094</b>    | <b>417,154</b>    |

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

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### Statements of activities

*(All amounts are in United States Dollars, unless otherwise stated)*

|  | For the year ended |                   |
|--|--------------------|-------------------|
|  | December 31, 2023  | December 31, 2022 |
| <b>Operating activities</b>                        |                    |                   |
| <b>Revenue and other support</b>                   |                    |                   |
| Contributions                                      | 1,793,062          | 2,056,036         |
| Event sanctioning fees                             | 669,912            | 142,500           |
| Sponsorship  | 102,300            | 316,959           |
| Contract revenue                                   | 439,297            | 422,000           |
| Membership dues                                    | 158,210            | 170,803           |
| Fundraising services                               | -                  | 48,078            |
| Training fees                                      | 22,075             | 24,373            |
| Other income                                       | 37,783             | 66,471            |
| Ticket income                                      | -                  | 10,217            |
| In kind contribution                               | 6,050              | -                 |
| <b>Total revenue and other support</b>             | <b>3,228,689</b>   | <b>3,257,437</b>  |
| <b>Expenses</b>                                    |                    |                   |
| <b>Program services</b>                            |                    |                   |
| Men's international tournaments                    | 1,130,405          | 1,751,191         |
| Women's international tournaments                  | 291,934            | 428,446           |
| Domestic tournaments and cricket development       | 300,750            | 201,584           |
| <b>Total program services</b>                      | <b>1,723,089</b>   | <b>2,381,221</b>  |
| <b>Supporting services</b>                         |                    |                   |
| General and administrative                         | 848,286            | 1,019,679         |
| <b>Total supporting services</b>                   | <b>848,286</b>     | <b>1,019,679</b>  |
| <b>Total expenses</b>                              | <b>2,571,375</b>   | <b>3,400,900</b>  |
| <b>Change in net deficiency during the year</b>    | 657,314            | (143,463)         |
| <b>Net deficiency at the beginning of the year</b> | <b>(783,330)</b>   | <b>(639,867)</b>  |
| <b>Net deficiency at the end of year</b>           | <b>(126,016)</b>   | <b>(783,330)</b>  |

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

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### Statements of functional expenses

*(All amounts are in United States Dollars, unless otherwise stated)*

For the year ended December 31, 2023

| Particulars                               | Program services                |                                   |  | Programs total   | General and administrative | Grand total 2023 |
|---|---------------------------------|-----------------------------------|--|------------------|----------------------------|------------------|
|   | Men's international tournaments | Women's international tournaments | Domestic tournaments and cricket development |                  |                            |                  |
| Accommodations, meals & travel            | 383,716                         | 117,819                           | 112,130                                      | 613,665          | 95,628                     | 709,293          |
| Athlete payments & support                | 490,436                         | 68,813                            | 14,920                                       | 574,169          | 1,619                      | 575,788          |
| Event costs                               | 91,578                          | 10,013                            | 155,423                                      | 257,014          | 45,994                     | 303,008          |
| Coaches, contractors, & professional fees | 131,390                         | 94,470                            | 6,659  | 232,519          | 64,436                     | 296,955          |
| In kind contribution expense              | 6,050                           | -                                 | -  | 6,050            | -                          | 6,050            |
| Payroll & benefits                        | -                               | -                                 | -  | -                | 245,102                    | 245,102          |
| Accounting & legal fees                   | -                               | -                                 | -  | -                | 198,895                    | 198,895          |
| Insurance                                 | 1,003                           | 633                               | -  | 1,636            | 83,583                     | 85,219           |
| Office & administration costs             | -                               | -                                 | -  | -                | 56,394                     | 56,394           |
| IT & telephone related costs              | 15,480                          | -                                 | -  | 15,480           | 9,463                      | 24,943           |
| Depreciation expense                      | -                               | -                                 | -  | -                | 3,042                      | 3,042            |
| Other miscellaneous cost                  | 10,752                          | 186                               | 11,618                                       | 22,556           | 44,130                     | 66,686           |
| <b>Grand total</b>                        | <b>1,130,405</b>                | <b>291,934</b>                    | <b>300,750</b>                               | <b>1,723,089</b> | <b>848,286</b>             | <b>2,571,375</b> |



## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### Statements of functional expenses

*(All amounts are in United States Dollars, unless otherwise stated)*

For the year ended December 31, 2022

| Particulars                               | Program services                |                                   |  | Programs total   | General and administrative | Grand total 2022 |
|---|---------------------------------|-----------------------------------|--|------------------|----------------------------|------------------|
|   | Men's international tournaments | Women's international tournaments | Domestic tournaments and cricket development |                  |                            |                  |
| Accommodations, meals & travel            | 647,266                         | 96,149                            | 92,244                                       | 835,659          | 41,517                     | 877,176          |
| Payroll & benefits                        | 211,643                         | -                                 | -  | 211,643          | 475,253                    | 686,896          |
| Athlete payments & support                | 551,878                         | 116,948                           | 11,209                                       | 680,035          | -                          | 680,035          |
| Coaches, contractors, & professional fees | 104,953                         | 147,127                           | 5,707  | 257,787          | 85,204                     | 342,991          |
| Event costs                               | 191,061                         | 47,634                            | 71,234                                       | 309,929          | 4,077                      | 314,006          |
| Insurance                                 | 4,700                           | -                                 | -  | 4,700            | 187,684                    | 192,384          |
| IT and telephone related costs            | 8,243                           | -                                 | 120  | 8,363            | 90,171                     | 98,534           |
| Accounting & legal fees                   | -                               | -                                 | -  | -                | 64,990                     | 64,990           |
| Office & administration costs             | 3,114                           | -                                 | 159  | 3,273            | 40,076                     | 43,349           |
| Depreciation expense                      | -                               | -                                 | -  | -                | 3,470                      | 3,470            |
| Other miscellaneous cost                  | 28,333                          | 20,588                            | 20,911                                       | 69,832           | 27,237                     | 97,069           |
| <b>Grand total</b>                        | <b>1,751,191</b>                | <b>428,446</b>                    | <b>201,584</b>                               | <b>2,381,221</b> | <b>1,019,679</b>           | <b>3,400,900</b> |

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### Statements of cash flows

*(All amounts are in United States Dollars, unless otherwise stated)*

For the year ended

**December 31, 2023    December 31, 2022**

#### Cash flows from operating activities

|                           |         |           |
|---------------------------|---------|-----------|
| Changes in net deficiency | 657,314 | (143,463) |
|---------------------------|---------|-----------|

#### Adjustments to reconcile change in net deficiency to net cash used by operating activities:

|              |       |       |
|--------------|-------|-------|
| Depreciation | 3,042 | 3,470 |
|--------------|-------|-------|

|                              |        |   |
|------------------------------|--------|---|
| Provision for doubtful debts | 42,390 | - |
|------------------------------|--------|---|

|                              |          |   |
|------------------------------|----------|---|
| Sundry balances written back | (20,388) | - |
|------------------------------|----------|---|

#### Changes in net operating assets and liabilities

|  |           |        |
|--|-----------|--------|
| Contributions and other accounts receivable, net | (405,590) | 58,288 |
|--|-----------|--------|

|          |   |       |
|----------|---|-------|
| Deposits | - | 8,953 |
|----------|---|-------|

|                 |        |        |
|-----------------|--------|--------|
| Travel advances | 21,696 | 19,715 |
|-----------------|--------|--------|

|                  |         |         |
|------------------|---------|---------|
| Prepaid expenses | (4,392) | 102,327 |
|------------------|---------|---------|

|                  |           |           |
|------------------|-----------|-----------|
| Accounts payable | (166,888) | (144,225) |
|------------------|-----------|-----------|

|                     |           |          |
|---------------------|-----------|----------|
| Accrued liabilities | (306,098) | (32,965) |
|---------------------|-----------|----------|

|                  |   |           |
|------------------|---|-----------|
| Deferred revenue | - | (153,620) |
|------------------|---|-----------|

|  |                  |                  |
|--|------------------|------------------|
| <b>Net cash used in operating activities</b> | <b>(178,914)</b> | <b>(281,520)</b> |
|--|------------------|------------------|

#### Cash flows from investing activities

|                                    |         |   |
|------------------------------------|---------|---|
| Purchase of property and equipment | (1,245) | - |
|------------------------------------|---------|---|

|  |                |          |
|--|----------------|----------|
| <b>Net cash used in investing activities</b> | <b>(1,245)</b> | <b>-</b> |
|--|----------------|----------|

#### Cash flows from financing activities

|                             |   |         |
|-----------------------------|---|---------|
| Proceeds from notes payable | - | 392,000 |
|-----------------------------|---|---------|

|   |          |                |
|---|----------|----------------|
| <b>Net cash flows from financing activities</b> | <b>-</b> | <b>392,000</b> |
|---|----------|----------------|

|   |                  |                |
|---|------------------|----------------|
| <b>Net (decrease) increase in cash and cash equivalents</b> | <b>(180,159)</b> | <b>110,480</b> |
|---|------------------|----------------|

|  |         |         |
|--|---------|---------|
| Cash and cash equivalents at the beginning of the year | 232,692 | 122,212 |
|--|---------|---------|

|   |               |                |
|---|---------------|----------------|
| <b>Cash and cash equivalents at the end of the year</b> | <b>52,533</b> | <b>232,692</b> |
|---|---------------|----------------|

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

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

# Notes to Financial Statements

## NOTE A - ORGANIZATION AND PURPOSE

USA Cricket (a non-profit organization) is recognized by the International Cricket Council (ICC) as the governing body for the sport of cricket in the United States. It is responsible for governing, regulating, developing, and promoting the sport at all levels in the United States.

The Organization is a not-for-profit entity as described in the US Internal Revenue Code.

## NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies applied in the preparation of the accompanying financial statements is as follows:

### *a) Basis of accounting and preparation*

- i.* The accompanying financial statements are prepared under the historical cost convention on the accrual basis of accounting in accordance with the accounting and reporting requirements of generally accepted accounting principles in the US ("US GAAP").
- ii.* The financial statements are prepared for the year ended December 31, 2023 and December 31, 2022. Certain reclassifications, regroupings, and reworking have been made in the financial statements of the prior year to conform to the classifications used in the current year. These changes had no impact on previously reported statements of activities, net deficiency and the cash flows.
- iii.* All amounts are stated in United State Dollars, except as otherwise specified.

### *b) Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles 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. Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Actual results could differ from these estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Any revision to accounting estimates is recognized prospectively in the current and future periods.

### *c) Cash and cash equivalents*

The Organization considers all investments with original maturities of ninety days or less to be cash and cash equivalents. Cash and cash equivalents consist of the Organization's checking accounts.

### *Supplemental cash flow information*

During the years ended December 31, 2023 and December 31 2022, the Organization did not pay any income taxes or interest.

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### *d) Contributions and other accounts receivable, net*

Contributions and other accounts receivable include amounts from contracts with customers and contributions postmarked before the end of the year. Contributions and other accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. The allowance estimate is derived from a review of the Organization's historical losses based on the aging of the receivables. The estimate is adjusted for the management's assessment of the current conditions, reasonable and supportable forecasts regarding future events, and any other factors deemed relevant by the Organization. The Organization provides for the uncollectable amounts when specific credit problems are identified. In doing so, the Organization analyzes historical bad debt trends, customer credit worthiness, current economic trends and changes in customer payment patterns when evaluating the adequacy of the allowance for the expected credit losses on customer accounts. Credit loss expense was \$42,390 and \$Nil during the years ended December 31, 2023 and December 31, 2022 respectively.

### *e) Property and equipment*

Property and equipment are carried at cost less accumulated depreciation and impairment. The cost of addition and betterments are capitalized and expenditures for repairs and maintenance are expensed in the period incurred. Items with useful lives greater than one-year and initial costs equal to or more than \$1,500 are capitalized. Assets are recorded at cost or fair market value if donated and depreciated or amortized using the straight-line method over estimated useful lives. The estimated useful life used to determine depreciation is:

|                        |              |
|------------------------|--------------|
| Computer and equipment | 2 to 5 years |
|------------------------|--------------|

### *f) Net assets (deficiency) classification*

Net assets (deficiency), revenues, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets (deficiency) and changes therein are classified and reported as follows:

Net assets (deficiency) without donor restrictions – Net assets (deficiency) available for use in general operations and not subject to donor restrictions.

Net assets (deficiency) with donor restrictions – Net assets (deficiency) subject to donor-imposed restrictions. Donor-imposed restrictions may be temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates those resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resources was restricted has been fulfilled, or both.

### *g) Revenue recognition*

Revenues comprise of contributions received. The Organization follows Accounting Standard Codification Subtopic 958-606, to recognize cash and gift-in kind contributions from corporations. These contributions, including unconditional promises, are recognized as revenue when the donor's unconditional commitment is received. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted.

When a temporary restriction expires, restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions with restrictions which are fulfilled in the time period in which the contribution is received are recorded as unrestricted contributions in the financial statements. Conditional promises to give are recognized only when the conditions on which they depend are substantially met.

## USA Cricket

### Financial Statements

December 31, 2023 and December 31, 2022

#### Revenue from contracts with customers

1. Contributions – The Organization receives contributions from the International Cricket Council (ICC). Revenue is recognized when the right to receive the revenue has been established.
2. Sponsorship – The Organization recognizes revenue from contracts with sponsors. Performance obligations in such contracts are satisfied as services are rendered, and therefore, the Organization will recognize revenue over time till the events take place. The Organization has concluded that the performance obligations within these contracts are substantially the same in each year and are satisfied ratably over the term of the agreement.
3. Event sanctioning fees - The Organization receives revenue from sanctioning of various tournaments held at domestic level. These sanctioning fees typically include an application fee, a base fee and a development fee varying by the type of tournament held. Revenue is recognized at a point in time when sanctions are approved for the tournament, which signifies the completion of the Organization's performance obligations
4. Contract revenue – The Organization derives revenue from a contractual arrangement entered into with American Cricket Enterprises (ACE). Revenue from this contract is recognized when the right to receive the revenue has been established and performance obligations have been met.
5. Membership dues – Revenue from contracts with members for annual dues is reported at the amount that reflects the consideration to which the Organization expects to be entitled in exchange for providing membership to its members. Revenue is recognized as performance obligations are satisfied, which is ratably over the membership term. Membership dues are nonrefundable.
6. Fundraising services, training fees, ticket income etc. - The Organization receives revenue from sales related to various events and activities held for members. The revenue is recognized at the time of the event, which recognizes the completion of the Organization's performance obligations.

#### b) In kind contributions

The Organization receives donated clothing and other sporting equipment's which are recorded at the respective fair values of the goods received. The donated items are distributed to the players as soon as received by the Organization. In addition, volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles. Contributed goods are recorded at fair value at the date of donation. During the year ended December 31, 2023, and December 31, 2022, the Organization received \$6,050 and \$Nil worth of in-kind contributions

#### i) *Functional allocation of expenses*

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Certain expenses are allocated such as salaries, on the basis of time and effort estimates.

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## USA Cricket

### Financial Statements

December 31, 2023 and December 31, 2022

#### *j) Fair value measurements*

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities that the Organization has the ability to access as of the measurement date.
- Level 2 – Inputs other than quoted prices included within level 1 that are directly observable for the asset or liability or indirectly observable through corroboration with observable market data.
- Level 3 – Unobservable inputs for the asset or liability only used when there is little, if any, market activity for the asset or liability at the measurement date.

This hierarchy requires the Organization to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. The Organization's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable.

#### *k) Income taxes*

The Organization is a not-for-profit organization exempted from federal income taxes under Section 501 (c) (3) of US Internal Revenue Code. No provision for income tax has been made in the financial statements. The Organization's form 990, Return of Organization Exempt from Income Tax, is subject to examination by various taxing authorities, generally for three years after the date it was filed. Management of the Organization believes that it does not have any uncertain tax positions that are material to the financial statements.

#### *l) Commitments and contingencies*

Liabilities for loss contingencies arising from claims, assessments, litigation, fines, and penalties and other sources are recorded when it is probable that a liability has been incurred and the amount can be reasonably estimated. Legal costs incurred in connection with loss contingencies are expensed as incurred.

#### *m) Recently adopted accounting pronouncements*

On January 1, 2023, the Organization adopted Accounting Standards Update No. 2016-13, Measurement of Credit Losses on Financial Instruments, and its related amendments using the prospective method. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including contributions and other accounts receivables, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with ASC 326 - Financial Instruments-Credit Losses, the Organization evaluates certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. Adoption of ASC 326 - Financial Instruments-Credit Losses did not result in any cumulative adjustments to the 2023 financial statements, nor was there any adjustment to the opening balance of net deficiency as of the adoption date.

## USA Cricket

Financial Statements

December 31, 2023 and December 31, 2022

### NOTE C - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include the following:

|                   | As at             |                   |
|-------------------|-------------------|-------------------|
|                   | December 31, 2023 | December 31, 2022 |
| Balance with bank | 52,533            | 232,692           |
| <b>Total</b>      | <b>52,533</b>     | <b>232,692</b>    |

### NOTE D - CONTRIBUTIONS AND OTHER ACCOUNTS RECEIVABLE, NET

Contributions receivable, net, comprise of the following:

|   | As at             |                   |
|---|-------------------|-------------------|
|   | December 31, 2023 | December 31, 2022 |
| Contributions and other accounts receivable | 548,079           | 142,489           |
| Less: provision for doubtful debts          | (42,390)          | -                 |
|   | <b>505,689</b>    | <b>142,489</b>    |

Provision for doubtful debts comprises of

|                                   | As at             |                   |
|-----------------------------------|-------------------|-------------------|
|                                   | December 31, 2023 | December 31, 2022 |
| Balance at beginning of the year  | -                 | -                 |
| Add: provisions during the year   | 42,390            | -                 |
| <b>Balance at end of the year</b> | <b>42,390</b>     | <b>-</b>          |

### NOTE E - PROPERTY AND EQUIPMENT

Property and equipment comprise of the following:

|                             | As at             |                   |
|-----------------------------|-------------------|-------------------|
|                             | December 31, 2023 | December 31, 2022 |
| Computer & office equipment | 12,170            | 10,925            |
| Accumulated depreciation    | (10,157)          | (7,115)           |
|                             | <b>2,013</b>      | <b>3,810</b>      |

Depreciation expense for the years ended December 31, 2023, and December 31, 2022, is \$3,042 and \$3,470, respectively and is included in general and administrative expenses.

### NOTE F - NOTES PAYABLE

Notes payable comprise of the following:

|                                      |                | As at             |                   |
|--------------------------------------|----------------|-------------------|-------------------|
|                                      | Classification | December 31, 2023 | December 31, 2022 |
| Loan from ACE (2024 T20WC Bid Costs) | Long term      | 92,000            | 92,000            |
| Loan from ACE (Ireland Tour Funding) | Short term     | 150,000           | 150,000           |
| Loan from ACE (Iain Higgins Bonus)   | Short term     | 300,000           | 300,000           |
| <b>Total</b>                         |                | <b>542,000</b>    | <b>542,000</b>    |

## **USA Cricket**

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December 31, 2023 and December 31, 2022

### **Loan from ACE (2024 T20WC Bid Costs)**

During 2021, the Organization entered into a loan agreement with American Cricket Enterprises Inc. (“ACE”) for an interest-free loan of \$92,000 to assist with the costs incurred by the Organization in the preparation and submission of the World Cup Bid (2024 ICC Men’s Twenty20 World Cup). Funds were received from ACE of \$92,000 in January 2022.

As per the terms, the loan shall become due and payable, at the earliest of the following:

- a. any amounts actually received by the Organization from the ICC (or any of its affiliates) following the execution of the Framework Host Agreement among the ICC (or any of its affiliates), the Organization and/or Cricket West Indies relating to the rights and obligations in hosting the 2024 T20 World Cup, provided that the Organization is not restricted by the ICC or otherwise in using such funds to repay the loan;
- b. any net revenue generated by the Organization in respect of the 2024 T20 World Cup;
- c. any additional ICC revenue actually received by the Organization on or after the completion of the 2024 T20 World Cup; provided that such repayment shall be funded from the Organization 10% share of such additional ICC revenue.

To the extent that any amount remains outstanding under the ACE WC Loan after the repayment events set forth in paragraphs (a) through (c) above, the Organization shall repay such outstanding amount from its 10% share of any subsequent additional ICC revenues actually received by the Organization.

### **Loan from ACE (Ireland Tour Funding)**

During 2021, the Organization entered into a loan agreement with American Cricket Enterprises Inc. (ACE) for an interest-free loan amounting to \$150,000 to assist the Organization in paying for event expenses that occurred in December 2021 and January 2022. The loan terms required the Organization to pay back the loan in full by January 31, 2022. In addition to full repayment of the loan, the terms also require the Organization to pay 95% of the net revenue from the event to ACE if net revenue is generated. If there is a net loss that exceeds \$150,000 or any amount remains outstanding on the loan, then the loan shall be treated as an advance against any amounts payable by ACE to the Organization on or after January 1, 2023.

### **Loan from ACE (Iain Higgins Bonus)**

During 2021, an accrual was made for the payment of an annual bonus to former CEO, Mr. Iain Higgins of \$300,000. Subject to conditions, ACE agreed to advance the Organization an amount of money as determined by the Board towards the payment of bonus to Mr. Higgins and a loan agreement was entered into with ACE for an interest-free loan of \$300,000 in June 2022. If the loan is not repaid then it shall be treated as an advance against (and deducted from) any amounts payable by ACE to the Organization on after January 1, 2023.

Subsequently, in February 2024, the Organization entered into a waiver agreement to waive off the loan amount to the extent of \$443,000 and adjust the balance \$99,000 against the receivables from ACE.



## USA Cricket

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December 31, 2023 and December 31, 2022

### NOTE G - CONCENTRATION RISK

During the years ended December 31, 2023, and December 31, 2022, 48% and 63% of the contributions have been received from International Cricket Council (ICC) and 12% and 18% of the contributions have been received from American Cricket Enterprise Inc. (ACE) respectively. As at December 31, 2023, and December 31, 2022, there is \$50,484 and \$Nil of contribution receivable from ICC, and net receivable of \$439,000 and \$5,498, from ACE respectively. The Foundation is exposed to credit risk by maintaining cash balances at financial institutions in excess of federally insured limits. Cash balances on deposits with bank are insured by the Federal Deposit Insurance Corporation up to an aggregate of \$ 250,000.

### NOTE H - IN KIND CONTRIBUTIONS

For the years ended December 31, 2023, and December 31, 2022, in-kind contributions recognized within the statements of activities included the following:

|                                 | As at             |                   |
|---------------------------------|-------------------|-------------------|
|                                 | December 31, 2023 | December 31, 2022 |
| Clothing and sporting equipment | 6,050             | -                 |
|                                 | <b>6,050</b>      | <b>-</b>          |

During the year ended December 31, 2023, the Organization received clothing and other sporting equipment's with a total fair value of \$6,050 which were valued using estimated U.S. wholesale prices (principal market) for identical items. These items are distributed by the Organization to the players. All in kind contributions received during the year were without donor restrictions.

### NOTE I - LIQUIDITY

The table below reflects the Organization's financial assets available within one year for general expenditure as of December 31, 2023

|  | As at             |                   |
|--|-------------------|-------------------|
|  | December 31, 2023 | December 31, 2022 |
| <b>Financial assets at year-end:</b>             |                   |                   |
| Cash and cash equivalents                        | 52,533            | 232,692           |
| Contributions and other accounts receivable, net | 505,689           | 142,489           |
| Other receivables                                | 2,409             | 24,105            |
| <b>Total financial assets within one year</b>    | <b>560,631</b>    | <b>399,286</b>    |

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due.

## **USA Cricket**

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December 31, 2023 and December 31, 2022

### **NOTE J - GOING CONCERN**

At December 31, 2023, and December 31, 2022, the Organization had a net asset deficiency of \$126,016 and \$783,330 respectively, negative cash flow from operating activities of \$178,914 and \$281,520 and also total current liabilities exceed total current assets. These factors create an uncertainty about the Organization's ability to continue as a going concern. The Organization receives significant economic benefits from grants provided by the ICC and advances from ACE in order to enhance its programs to current levels. The ability of the Organization to continue as a going concern is dependent upon these contributions and contract revenue. Management intends to finance the Organization's activities through continued support and contributions from these organizations. As of the date of this report, the management have no reason to believe that the ICC or ACE will not continue to support the Organization in the future. These financial statements do not include any adjustments to the recoverability and classification of recorded asset amounts and classification of liabilities that might be necessary should the Organization be unable to continue as a going concern.

### **NOTE K - PENSION PLAN**

The Organization has established a 403(b) plan. Employees are eligible to participate in the plan and make voluntary contributions after working for the Organization for one year. During the year ended December 31, 2023 and December 31, 2022 the Organization's matching contributions for eligible employees was \$ 11,333 and \$17,538 respectively.

### **NOTE L - SUBSEQUENT EVENTS**

Subsequent events have been evaluated through the date the financial statements were available to be issued. Based on the evaluation, the Organization is not aware of any events or transactions except as disclosed in Note F that would require recognition or disclosure in the financial statements.

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