



USA CRICKET

Financial Statements

For the Year Ended December 31, 2042

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
USA Cricket
Los Altos, California

We have audited the accompanying financial statements of USA Cricket (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statement of activities and changes in net assets, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we 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 auditor's 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 auditor considers 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant 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 opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of USA Cricket as of December 31, 2020, and the changes in its net assets, functional expenses and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited USA Cricket's 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 10, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Waugh & Goodwin, LLP

Colorado Springs, Colorado
July 23, 2021

USA CRICKET
Statement of Financial Position
December 31, 2020
(With Comparative Amounts for 2019)

	<u>ASSETS</u>	
	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 593,642	\$ 165,514
Accounts receivable	656,368	255,004
Travel advances		14,864
Prepaid expenses	<u>47,960</u>	<u>21,679</u>
Total current assets	1,297,970	457,061
PROPERTY AND EQUIPMENT:		
Furniture and equipment	6,126	1,075
Website	63,851	63,851
Less accumulated depreciation	<u>(65,297)</u>	<u>(46,111)</u>
Property and equipment - net	<u>4,680</u>	<u>18,815</u>
TOTAL ASSETS	<u>\$ 1,302,650</u>	<u>\$ 475,876</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Accounts payable	\$ 83,808	\$ 144,578
Accrued liabilities	40,506	761
Deferred revenue	<u>150,000</u>	<u>150,000</u>
Total current liabilities	274,314	295,339
NONCURRENT DEFERRED REVENUE	<u>150,000</u>	<u>300,000</u>
Total liabilities	424,314	595,339
NET ASSETS:		
Without donor restriction	868,057	(134,027)
With donor restriction	<u>10,279</u>	<u>14,564</u>
Total net assets	<u>878,336</u>	<u>(119,463)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,302,650</u>	<u>\$ 475,876</u>

See Notes to Financial Statements

USA CRICKET
Statement of Activities and Changes in Net Assets
For the Year Ended December 31, 2020
(With Comparative Totals for 2019)

	Without Donor Restriction	With Donor Restriction	2020 Totals	2019 Totals
REVENUE AND SUPPORT:				
Contributions	\$ 1,449,456	\$	\$ 1,449,456	\$ 2,376,101
Contract revenue, including value-in-kind	1,439,800		1,439,800	1,525,240
PPP Grant	87,296		87,296	
Other income	17,735		17,735	
Sponsorship	5,000		5,000	10,000
Membership dues	182		182	13,120
Currency income (loss)	(617)		(617)	5,800
Value-in-kind				128,972
Satisfied program restrictions	<u>4,285</u>	<u>(4,285)</u>		
Total revenue and support	3,003,137	(4,285)	2,998,852	4,059,233
EXPENSES:				
Program services:				
High performance men	1,201,385		1,201,385	2,794,885
Membership	164,910		164,910	240,468
High performance women	153,828		153,828	586,851
Cricket development	115,467		115,467	14,822
Youth cricket	<u>26,156</u>		<u>26,156</u>	<u>171,000</u>
Total program services	1,661,746		1,661,746	3,808,026
Supporting services:				
General & administrative	238,613		238,613	236,022
Media & commercial	<u>100,694</u>		<u>100,694</u>	<u>122,566</u>
Total supporting services	<u>339,307</u>		<u>339,307</u>	<u>358,588</u>
Total expenses	<u>2,001,053</u>		<u>2,001,053</u>	<u>4,166,614</u>
CHANGE IN NET ASSETS	1,002,084	(4,285)	997,799	(107,381)
NET ASSETS (DEFICIENCY), beginning of year	<u>(134,027)</u>	<u>14,564</u>	<u>(119,463)</u>	<u>(12,082)</u>
NET ASSETS (DEFICIENCY), end of year	<u>\$ 868,057</u>	<u>\$ 10,279</u>	<u>\$ 878,336</u>	<u>\$ (119,463)</u>

See Notes to Financial Statements

USA CRICKET
Statement of Functional Expenses
For the Year Ended December 31, 2020
(With Comparative Totals for December 31, 2019)

	High Performance Men	Membership	High Performance Women	Cricket Development	Youth Cricket	Total Program Services
Accommodations, meals & travel	\$ 110,288	\$ 339	\$ 12,945	\$ 2,375	\$ 3,811	\$ 129,758
Accounting & legal fees	13,712	806	3,227	5,646	806	24,197
Athlete payments & support	621,513					621,513
Database maintenance		55,429				55,429
Depreciation & amortization	798	14	55	97	14	978
Insurance	1,678	80,455	395	691	99	83,318
IT & telephone related costs	14,993	45	4,032	318	45	19,433
Occupancy	1,743					1,743
Office & administrative costs	9,111	244	968	1,051	126	11,500
Other costs	1,769	351	416	3,106	9,882	15,524
Payroll taxes & benefits	45,789	2,756	6,298	10,216	1,180	66,239
Professional fees	246,352	877	71,425	30,219	877	349,750
Salaries & wages	97,053	23,594	40,623	61,748	5,676	228,694
Team & event costs	36,586		13,444		3,640	53,670
	<u>\$ 1,201,385</u>	<u>\$ 164,910</u>	<u>\$ 153,828</u>	<u>\$ 115,467</u>	<u>\$ 26,156</u>	<u>\$ 1,661,746</u>

	General & Administrative	Media & Commercial	Total Supporting Services	2020 Total Expenses	2019 Total Expenses
Accommodations, meals & travel	\$ 6,916	\$ 339	\$ 7,255	\$ 137,013	\$ 1,272,107
Accounting & legal fees	15,326	806	16,132	40,329	83,583
Athlete payments & support				621,513	874,169
Database maintenance				55,429	116,218
Depreciation & amortization	262	17,946	18,208	19,186	91,043
Insurance	1,876	99	1,975	85,293	26,247
IT & telephone related costs	863	45	908	20,341	64,253
Occupancy	200		200	1,943	21,763
Office & administrative costs	5,153	124	5,277	16,777	20,860
Other costs	6,189	471	6,660	22,184	7,280
Payroll taxes & benefits	26,846	2,756	29,602	95,841	100,130
Professional fees	16,664	54,514	71,178	420,928	451,092
Salaries & wages	158,318	23,594	181,912	410,606	501,861
Team & event costs				53,670	536,008
	<u>\$ 238,613</u>	<u>\$ 100,694</u>	<u>\$ 339,307</u>	<u>\$ 2,001,053</u>	<u>\$ 4,166,614</u>

See Notes to Financial Statements

USA CRICKET
Statement of Cash Flows
For the Year Ended December 31, 2020
(With Comparative Amounts for 2019)

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 997,799	\$ (107,381)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	19,186	91,043
In-kind donation of equipment, database and website		(109,858)
(Increase) decrease in operating assets:		
Accounts receivable	(401,364)	(195,004)
Travel advances	14,864	(14,864)
Prepaid expenses	(26,281)	(21,679)
Increase (decrease) in operating liabilities:		
Accounts payable	(60,770)	131,771
Accrued liabilities	39,745	761
Deferred revenue	<u>(150,000)</u>	<u>390,000</u>
Total adjustments	<u>(564,620)</u>	<u>272,170</u>
Net cash provided by operating activities	433,179	164,789
CASH FLOWS FROM INVESTING ACTIVITIES:		
Acquisition of property and equipment	<u>(5,051)</u>	<u> </u>
Net cash used by investing activities	<u>(5,051)</u>	<u> </u>
NET INCREASE IN CASH	428,128	164,789
CASH AND CASH EQUIVALENTS, beginning of year	<u>165,514</u>	<u>725</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 593,642</u>	<u>\$ 165,514</u>

See Notes to Financial Statements

USA CRICKET
Notes to Financial Statements
For the Year Ended December 31, 2020

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

USA Cricket (a non-profit Organization) (the 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.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Organization's checking and savings accounts.

Supplemental Cash Flow Information

During the years ended December 31, 2020 and 2019, the Organization did not pay any income taxes and paid interest of \$0 and \$7,280, respectively.

Accounts Receivable

Accounts receivable include amounts from contracts with customers and contributions postmarked before the end of the year. Receivables from contracts with customers at the beginning and end of 2020 were \$216,508 and \$511,910, respectively.

Accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Based on management's assessment of the credit history with customers having outstanding balances and current relationships with them, it has concluded that realization losses on balances outstanding at year-end will be immaterial. Therefore, no allowance for doubtful accounts is considered necessary.

Depreciation

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 using the straight-line method over estimated useful lives.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Contributions

Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of donated assets. When a restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as satisfied program restrictions. Contributions and grants with donor restrictions are reported as support and revenue without donor restrictions if the restriction is met in the same year that the gift is received.

Revenue from Contracts with Customers

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.

Membership dues revenue - 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.

Sponsorship revenue - 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. 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.

Donated Materials

Donated materials are recorded as both a revenue and expenditure in the accompanying statements of activities at their estimated values.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Donated Services

The Organization recognizes donated services that create or enhance non-financial assets or that require specialized skills and would typically need to be purchased if not provided by donation. During the years ended December 31, 2020 and 2019, \$10,000 and \$208,627, respectively, were recorded for donated services.

Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Some of the expenses which are allocated include utilities and depreciation, which are allocated on a square footage basis, as well as salaries, which are allocated on the basis of time and effort estimates.

Prior-Year Comparisons

The financial statements include certain prior year summarized comparative information in total but not by net asset class or functional expense classification. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived.

Income Tax

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, is not subject to federal income tax. Accordingly, no income tax provision has been recorded.

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.

Notes to Financial Statements

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

Use of Estimates in Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Date of Management's Review

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through July 23, 2021, the date that the financial statements were available to be issued.

B. AVAILABLE RESOURCES AND LIQUIDITY

The Organization strives to maintain liquid financial assets sufficient to cover 90 days of general expenditures.

The table below reflects the Organization's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of contractual restrictions or internal Board designations. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions.

	<u>2020</u>	<u>2019</u>
Financial assets at year-end:		
Cash and cash equivalents	\$ 593,642	\$ 165,514
Accounts receivable	656,368	255,004
Other receivables	<u> </u>	<u>14,864</u>
Total financial assets	1,250,010	435,382
Less amounts not available to be used within one year:		
Restricted gifts, net	<u>10,279</u>	<u>14,564</u>
Financial assets available within one year	<u>\$ 1,239,731</u>	<u>\$ 420,818</u>

Notes to Financial Statements

C. RELATED PARTY TRANSACTIONS

The ICC provided contributions to the Organization as follows for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Grants	\$ 1,410,000	\$ 1,916,993
Reimbursements	39,456	381,005
Gifts in kind		128,972
ICCA Receipts		63,539
	<u>\$ 1,449,456</u>	<u>\$ 2,490,509</u>

The amount receivable from and payable to ICC at December 31, 2020 was \$0 and \$1,000, respectively. The amount receivable from and payable to ICC at December 31, 2019 was \$38,496 and \$8,308, respectively.

ACE provided the Organization with grants of \$1,439,800 and \$1,525,240 for the years ended December 31, 2020 and 2019, respectively. Amounts provided by ACE are considered contract revenue. The amount receivable from ACE at December 31, 2020 and 2019 was \$511,910 and \$38,496, respectively and payable to ACE was \$4,673 and \$8,308, respectively. The Organization shares office space and employees with ACE at no cost.

ACE USA Cricket JV LLC is an entity incorporated in the state of Texas and is wholly owned by ACE. ACE and the Organization are the two appointed managers.

The Organization receives significant economic benefits from grants provided by the ICC and ACE in order to enhance its programs to current levels. It is economically dependent on these contributions and contract revenue. As of the date of this report, the Board of Directors has no reason to believe that the ICC or ACE will not continue to support the Organization in the future.

D. DEFERRED REVENUE

Deferred revenue, which represents contract liabilities from contracts with customers, consists of advance payments from ACE to cover current obligations. Deferred revenue from contracts with customers at the beginning and end of 2020 were \$450,000 and \$300,000, respectively.

Notes to Financial Statements

E. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions consist of \$10,279 restricted for USA Women satellite coaching program.

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the year ended December 31, 2020, \$4,285 was released from restrictions.

F. PENSION PLAN

The Organization has established a 401k profit sharing 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, 2020, the Organization's matching contributions for eligible employees was \$14,458.

G. SUBSEQUENT EVENTS

Subsequent to December 31, 2020, claims were made against some of the Organization's Board members and the CEO relating to membership voting rights. The affected Board members and CEO vigorously defended against these claims and subsequent to year end, a motion to dismiss the charges was upheld.

H. PAYCHECK PROTECTION PROGRAM GRANT

In May 2020, the Organization received a \$87,296 loan from Wells Fargo through the Small Business Administration's Paycheck Protection Program (PPP). A portion or all of loan may be forgiven by the Small Business Administration if certain payroll criteria are met and funds are used for payroll, rent, mortgage interest, or utilities. Any portion of the loan that is not forgiven has a minimum maturity of two years, and up to five years upon request and lender approval, and an interest rate of 1%. Loan payments are deferred for 10 months.

Prior to year-end, the Organization met the criteria for forgiveness of the loan and subsequent to year end was notified that the loan was forgiven in full. The proceeds from the loan have been included in the statement of activities as PPP grant income.

Notes to Financial Statements

I. CONTINGENCIES

In March 2020, the outbreak of coronavirus (COVID-19 outbreak) was recognized as a pandemic by the World Health Organization, and the outbreak has become increasingly widespread in the United States. The COVID-19 outbreak has had a notable impact on general economic conditions, including but not limited to the global financial markets, temporary closures of many businesses, suspension or cancelation of events, "shelter in place" and other governmental regulations and job losses. The extent to which the COVID-19 outbreak will affect the operations, collections or financial results of the Organization is uncertain.