

**CANADIAN BRIDGE FEDERATION INC.**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2002**

	<u>General</u>	<u>Internat'l</u>	<u>Junior</u>	<u>Erin Berry</u>	<u>Total 2002</u>	<u>Total 2001</u>
<b><u>ASSETS</u></b>						
<b>CURRENT ASSETS</b>						
Cash and term deposits - Note 3	\$ 196,566	\$ 53,350	\$ 39,491	\$ -	\$ 289,407	\$ 242,009
Accounts receivable	5,445	6,558	800	-	12,803	15,064
Prepaid expenses	<u>5,688</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,688</u>	<u>17,162</u>
	207,699	59,908	40,291		307,898	274,235
<b>RESTRICTED ASSETS</b> -Note 4	-	-	-	84,065	84,065	85,245
<b>CAPITAL ASSETS</b> - Note 5	<u>6,470</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,470</u>	<u>7,685</u>
	<u>\$ 214,169</u>	<u>\$ 59,908</u>	<u>\$ 40,291</u>	<u>\$ 84,065</u>	<u>\$ 398,433</u>	<u>\$ 367,165</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>						
<b>CURRENT LIABILITIES</b>						
Accounts Payable	\$ 5,596	\$ -	\$ 531	\$ -	\$ 6,127	\$ 10,332
Deferred revenue	56,949	-	-	-	56,949	46,162
Deferred contributions - Note 6	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,065</u>	<u>4,065</u>	<u>5,245</u>
	62,545	-	531	4,065	67,141	61,739
<b>CONTINGENT LIABILITY</b> -Note 10						
<b>NET ASSETS</b> - Statement E	<u>151,624</u>	<u>59,908</u>	<u>39,760</u>	<u>80,000</u>	<u>331,292</u>	<u>305,426</u>
	<u>\$ 214,169</u>	<u>\$ 59,908</u>	<u>\$ 40,291</u>	<u>\$ 84,065</u>	<u>\$ 398,433</u>	<u>\$ 367,165</u>

**CANADIAN BRIDGE FEDERATION INC.**  
**STATEMENT OF REVENUE, EXPENSE AND EQUITY - GENERAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>2002</b>	<b>2002</b>	<b>2001</b>
	<b><u>ACTUAL</u></b>	<b><u>BUDGETTED</u></b>	<b><u>ACTUAL</u></b>
<b>REVENUE</b>			
Canadian Open Pairs - net	\$ 1,886	\$ 3,000	\$ 1,170
Canadian Women's Teams - net	605	500	( 298)
Canadian National Teams - net	5,553	4,000	5,797
C.B.F. Memberships	87,858	92,000	97,779
Late Fees	161	0	181
Rookie-Master game - net	1,036	1,300	1,165
STAC - net	2,654	1,700	-
Advertising	968	-	-
Interest	<u>4,385</u>	<u>6,000</u>	<u>5,994</u>
	<u>105,106</u>	<u>106,500</u>	<u>111,950</u>
<b>EXPENSES</b>			
AGM	150	300	--
Audit	1,684	1,400	1,300
Amortization	3,321	2,400	2,667
Bank charges	98	200	40
Bridge Canada	23,843	25,000	37,755
C.B.F. coordinator	25,000	25,000	24,500
CBF Feasibility Study	254	1,500	593
COPC cash prize	1,500	1,500	1,500
CNTC-B cash prize	1,000	1,000	1,000
Director Expenses	784	400	141
Director Meeting	8,410	6,500	5,736
Executive Secretary	1,000	1,000	--
IOC Winners Gift	374	500	--
Insurance	1,455	1,450	1,425
Internet	2,585	2,600	1,956
Legal Fees	10,226	8,000	9,390
Miscellaneous	132	600	931
Office	7,067	6,800	6,742
Olympic Committee	690	750	269
Special Projects	1,000	1,000	4,000
Telephone	2,089	2,000	1,752
Translations	500	350	350
Treasurer	1,000	1,000	-
VuGraph	1,479	0	-
World Champ. Reception	940	3,000	-
World Champ. Display	633	500	--
Zone Communications	<u>2,609</u>	<u>6,000</u>	<u>0</u>
	99,823	110,250	102,047
<b>EXCESS REVENUE FROM OPERATIONS</b>	5,283	( 3,750)	9,903
<b>(Loss)Gain on Disposable Assets</b>	<u>(946)</u>	<u>-</u>	<u>1,964</u>
<b>NET EXCESS REVENUE - Statement E \$</b>	4,337	\$( 3,750)	\$11,867

**CANADIAN BRIDGE FEDERATION INC.**  
**STATEMENT OF REVENUE, EXPENSE AND EQUITY**  
**INTERNATIONAL FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>2002</u> <u>ACTUAL</u>	<u>2002</u> <u>BUDGETTED</u>	<u>2001</u> <u>ACTUAL</u>
<b>REVENUE</b>			
Games	\$ 19,431	\$ 18,000	\$ 20,197
I. F. Surtax - Bridge Week	7,525	7,200	6,750
Interest	<u>1,292</u>	<u>1,600</u>	<u>1,679</u>
	<u>28,248</u>	<u>26,800</u>	<u>28,626</u>
<b>EXPENSES</b>			
COPC Cash Prize	1,500	1,500	1,500
National Coach	0	3,000	0
McConnell Cup	4,000	4,000	-
Rosenblum	4,000	4,000	-
Tri-Country	--	--	4,000
Bermuda Bowl	--	--	4,000
Venice Cup	--	--	12,000
IOC Grande Prix	<u>4,000</u>	<u>4,000</u>	<u>-</u>
	<u>13,500</u>	<u>13,500</u>	<u>21,500</u>
<b>NET EXCESS OF REVENUE</b>	14,748	8,800	7,126
- Statement E			

**CANADIAN BRIDGE FEDERATION INC.**  
**STATEMENT OF REVENUE, EXPENSE AND EQUITY**  
**JUNIOR FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b><u>2002</u></b> <b><u>ACTUAL</u></b>	<b><u>2002</u></b> <b><u>BUDGETTED</u></b>	<b><u>2001</u></b> <b><u>ACTUAL</u></b>
<b>REVENUE</b>			
Game fees	\$ 172	\$ 150	\$ 164
Donations	196	50	75
Junior Fund Month	5,214	5,000	5,172
Other Month Jr. Fund	9,924	8,000	8,126
Interest	<u>947</u>	<u>1,000</u>	<u>1,492</u>
	<u>16,453</u>	<u>14,200</u>	<u>15,029</u>
<b>EXPENSES</b>			
Special Projects -CUTC	445	1,000	198
- Coaching	2,181	2,500	1,924
- Int'l Bridge Festival	4,000	4,000	0
- In Country Training	0	0	2,500
Junior Trials	3,926	2,000	0
Junior Team Subsidy	(1,005)	0	11,000
World Championships	0	1,500	0
Misc.	<u>125</u>	<u>50</u>	<u>738</u>
	<u>9,672</u>	<u>11,050</u>	<u>16,360</u>
<b>EXCESS OF REVENUE(EXPENSE)</b>	6,781	3,150	( 1,331)

-Statement E

**CANADIAN BRIDGE FEDERATION INC.**  
**STATEMENT OF CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b><u>-Operating- General</u></b>	<b><u>--Internally Restricted- Internat'l</u></b>	<b><u>Restricted- Junior</u></b>	<b><u>Endowment- Erin Berry</u></b>	<b><u>2002 Total</u></b>	<b><u>2001 Total</u></b>
<b>Balance</b> - beginning of year - as restated - Note 9	\$ 147,287	\$ 45,160	\$ 32,979	\$ 80,000	\$ 305,426	\$ 287,764
Net excess revenue	<u>4,337</u>	<u>14,748</u>	<u>6,781</u>	<u>-</u>	<u>25,866</u>	<u>17,662</u>
<b>Balance</b> - end of year - Statement A	<u>\$ 151,624</u>	<u>\$ 59,908</u>	<u>\$ 39,760</u>	<u>\$ 80,000</u>	<u>\$ 331,292</u>	<u>\$ 305,426</u>

**CANADIAN BRIDGE FEDERATION INC.**  
**NOTES TO THE FINANCIAL STATEMENT**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**1. NATURE OF THE ORGANIZATION**

The Canadian Bridge Federation is a non-profit organization which provides funding to bridge players and organizes bridge playing events in Canada. The organization is funded through memberships, donations and competition fees. The Federation is exempt from income taxes under Section 149 of the Income Tax Act.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Canadian generally accepted accounting principles and include the following policies:

Revenue Recognition

The Canadian Bridge Federation follows the deferral method of accounting for contributions. Restricted contributions are recognized in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund Accounting

The records are segregated into four funds:

**General Fund** - accounts for domestic bridge play and the ongoing operation of the Federation.

**International Fund** - accounts for the international tournament play by members.

**Junior Fund** - this fund was set-up in 1992 to record junior activities.

**Erin Berry Memorial Fund** - this endowment fund was set-up in 2001 to subsidize deserving young Canadians that are members of the Canadian Bridge Federation. The principal must stay intact for the first four years. After this time, principal may be spent according to a prescribed schedule.

Capital Assets

Capital assets are stated at cost and are amortized using the declining balance method at the rates stated in Note 5. In the year of addition and disposal, amortization is recorded at one half the stated rates.

Prepaid Expenses

Prepaid expenses include payments on behalf of the 2003 competitions and accordingly will be recorded as expenses in the ensuing year.

**3. CASH AND TEM DEPOSITS**

The following is a breakdown of the balance sheet cash:

	<u>2002</u>	<u>2001</u>
General chequing	\$ 11,479	\$ 14,180
General savings	50,317	2,057
Term deposits	<u>227,611</u>	<u>225,772</u>
	<u>\$ 289,407</u>	<u>\$ 242,009</u>

#### 4. RESTRICTED ASSETS

Restricted assets pertain to the Erin Berry Memorial Fund. It is comprised of the following:

	<u>2002</u>	<u>2001</u>
Chequing Account	\$ 1,689	\$ 3,912
Term Investments	79,950	78,963
Interest receivable	<u>2,426</u>	<u>2,370</u>
	<u>\$ 84,065</u>	<u>\$ 85,245</u>

#### 5. CAPITAL ASSETS

	.....2002.....		....2001....		
	<u>Cost</u>	<u>Accumulated Amotization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Rates</u>
Computers	\$ 7,189	\$ 3,431	\$ 3,758	\$ 2,608	30%
Bridge Screens	6,000	3,750	2,250	4,500	50%
Equipment	<u>3,498</u>	<u>3,036</u>	<u>462</u>	<u>577</u>	20%
	<u>\$ 16,687</u>	<u>\$ 10,217</u>	<u>\$ 6,470</u>	<u>\$ 7,685</u>	

#### 6. DEFERRED CONTRIBUTIONS - ERIN BERRY ENDOWMENT FUND

As the Erin Berry Fund is an endowment fund, any revenue earned by the fund must be used to subsidized deserving young Canadians that are members of the CBF. Details of revenue and expenditures of the fund are as follows:

	<u>2002</u>	<u>2001</u>
Balance of deferral - beginning of year	\$ 5,245	\$ 2,621
Interest income	4,015	4,124
Bank Changes	-	(8)
Subsidies	<u>(5,195)</u>	<u>(1,492)</u>
Balance of deferral - end of year	<u>\$ 4,065</u>	<u>\$ 5,245</u>

#### 7. RELATED PARTIES

The CBF is related to the Canadian Bridge Federation Charitable Fund (CBFCF) as the CBFCF's trustees are the zone directors for the CBF. During the year, CBF received funds from CBFCF for trustee's and chairman's expenses.

The CBF is also related to the American Contract Bridge League (ACBL). The ACBL collects fees from individuals then remits those that are from Canadians to the CBF. During the year, CBF received funds from ACBL for memberships and Junior Fund Month revenue and paid publication and sanction fee expenses to the ACBL. At the year-end CBF had an outstanding receivable from ACBL of \$6,886 (2001 - \$ 9,108).

All related party balances are non-interest bearing and have no set repayment terms.

## **8. FINANCIAL INSTRUMENTS**

The carrying amounts of cash and term deposits, accounts receivable and accounts payable approximate their fair value because of the short-term maturities of these items.

## **9. CORRECTION OF PRIOR PERIOD ERROR**

The Federation has determined that COPC and CNTC revenue have been overstated and the related balance in deferred revenue calculated during 2001 has been understated. Consequently, the balance of net assets as of January 1, 2002 has been decreased by \$5,900 and the 2001 financial statements have been restated. COPC fees revenue, COPC subsidy revenue and CNTC fees revenue in the 2001 schedule of championship revenue has decreased by \$1,086, \$1,251 and \$3,563 respectively. Deferred revenue as of December 31, 2001 has increased by \$5,900.

## **10. CONTINGENT LIABILITY**

The Federation has been named defendant in an investigation by the Ontario Human Rights Commission. Legal counsel to the Federation is unable to assess the Federation's potential liability, if any, resulting from this action. Any settlement will be reflected as a charge to income in the year incurred. No provision for loss has been included in these financial statements.

## **11. MEASUREMENT UNCERTAINTY**

The preparation of financial statements in accordance with Canadian generally accepted accounting principles require management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the reported period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.



**CANADIAN BRIDGE FEDERATION INC.**  
**SCHEDULE OF CHAMPIONSHIP REVENUE AND EXPENSE**  
**FOR THE YEAR ENDED DECEMBER 31, 2001**

**2002**

	<u>COPC</u>	<u>CWTC</u>	<u>CNTC</u>	<u>ROOKIE</u>	<u>STAC</u>
<b>REVENUE</b>					
Fees	\$ 2,882	\$ 307	\$ 11,641	\$ 3,294	\$ 19,350
Subsidy	3,214	-	-	-	-
National Final	5,060	5,040	16,677	-	-
Other	<u>100</u>	<u>-</u>	<u>4,392</u>	<u>-</u>	<u>-</u>
	<u>11,256</u>	<u>5,347</u>	<u>32,710</u>	<u>3,294</u>	<u>19,350</u>
<b>EXPENSE</b>					
Sanction fees	2,059	130	1,795	916	8,768
Subsidies	2,215	-	11,368	-	-
National final	4,941	4,562	13,657	-	-
Directors	-	-	-	-	5,253
Unit Rebates	-	-	-	-	1,395
Other	<u>155</u>	<u>50</u>	<u>337</u>	<u>1,342</u>	<u>1,280</u>
	<u>9,370</u>	<u>4,742</u>	<u>27,157</u>	<u>2,258</u>	<u>16,696</u>
<b>NET - Statement B</b>	<u>\$ 1,886</u>	<u>\$ 605</u>	<u>\$ 5,553</u>	<u>\$ 1,036</u>	<u>\$ 2,654</u>

**2001**

	<u>COPC</u>	<u>CWTC</u>	<u>CNTC</u>	<u>ROOKIE</u>	<u>STAC</u>
<b>REVENUE</b>					
Fees	\$ 3,430	\$ 254	\$ 11,641	\$ 3,499	\$ -
Subsidy	3,944	-	-	-	-
National Final	1,980	2,739	12,674	-	-
Other	<u>100</u>	<u>-</u>	<u>7,530</u>	<u>-</u>	<u>-</u>
	<u>9,454</u>	<u>2,993</u>	<u>31,845</u>	<u>3,499</u>	<u>-</u>
<b>EXPENSE</b>					
Sanction fees	2,349	103	1,882	940	-
Subsidies	3,424	-	8,788	-	-
National final	2,291	3,124	14,247	-	-
Other	<u>220</u>	<u>64</u>	<u>1,131</u>	<u>1,394</u>	<u>-</u>
	<u>8,284</u>	<u>3,291</u>	<u>26,048</u>	<u>2,334</u>	<u>-</u>
<b>NET - Statement B</b>	<u>\$ 1,170</u>	<u>\$ (298)</u>	<u>\$ 5,797</u>	<u>\$ 1,165</u>	<u>\$ -</u>