

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Financial Statements

Year Ended December 31, 2012

Management's Responsibility for Financial Reporting

The financial statements of Canadian Bridge Federation Charitable Fund have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Canadian Bridge Federation Charitable Fund 's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Trustees is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Following its review of the financial statements and discussions with the auditors and management, the Board of Trustees will approve the financial statements and consider the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Mintz & Wallace Chartered Accountants LLP, in accordance with Canadian Generally Accepted Auditing Standards.

Executive Director

Chairperson

Regina, SK
September 23, 2013

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Bridge Federation Charitable Fund

We have audited the accompanying financial statements of Canadian Bridge Federation Charitable Fund, which comprise the statements of financial position as at December 31, 2012, December 31, 2011 and January 1, 2011, and the statements of revenues and expenditures, changes in net assets and cash flows for the years ended December 31, 2012 and December 31, 2011, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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. 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 in our audits is sufficient and appropriate to provide a basis for our audit opinion.

(continues)

An asset to our clients, not an expense.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Bridge Federation Charitable Fund as at December 31, 2012, December 31, 2011 and January 1, 2011, and the results of its operations and its cash flows for the years ended December 31, 2012 and December 31, 2011 in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Regina, Saskatchewan
September 23, 2013



Mintz & Wallace
Chartered Accountants LLP

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Statement of Financial Position

December 31, 2012

| | December 31 2012 | December 31 2011 | January 1 2011 |
|---------------------------------------|---------------------|---------------------|-------------------|
| ASSETS | | | |
| CURRENT | | | |
| Cash | \$ 5,545 | \$ 8,406 | \$ 9,625 |
| Term deposits (Note 4) | 20,579 | 20,116 | 19,622 |
| Accounts receivable | 704 | 680 | 1,413 |
| | \$ 26,828 | \$ 29,202 | \$ 30,660 |
| LIABILITIES AND NET ASSETS | | | |
| CURRENT | | | |
| Accounts payable | \$ 1,422 | \$ 1,524 | \$ 1,432 |
| NET ASSETS | | | |
| General fund | 25,406 | 27,678 | 29,228 |
| | \$ 26,828 | \$ 29,202 | \$ 30,660 |

ON BEHALF OF THE BOARD

_____ Chairperson

_____ Trustee

See notes to financial statements

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Statement of Revenues and Expenditures

Year Ended December 31, 2012

| | 2012 | 2011 |
|--|-------------------|-------------------|
| REVENUES | | |
| Proceeds from bridge sessions (<i>Note 5</i>) | \$ 18,529 | \$ 19,900 |
| Interest income | 463 | 479 |
| Sundry donations | 150 | 392 |
| Late fees | 75 | - |
| | <u>19,217</u> | <u>20,771</u> |
| EXPENDITURES | | |
| Audit expense | 1,147 | 1,300 |
| Bank charges | 60 | 166 |
| Chairman's expenses | - | 25 |
| Coordinator expense | 2,400 | 2,400 |
| Postage and delivery | 18 | 45 |
| Schedule of Donation Disbursements (<i>Schedule 1</i>) | 17,600 | 18,000 |
| Service charges paid to ACBL | 134 | 214 |
| Trustees expenses | 130 | 171 |
| | <u>21,489</u> | <u>22,321</u> |
| DEFICIENCY OF REVENUES OVER EXPENDITURES | <u>\$ (2,272)</u> | <u>\$ (1,550)</u> |

See notes to financial statements

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Statement of Changes in Net Assets

Year Ended December 31, 2012

| | 2012 | 2011 |
|--|-------------------------|-------------------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 27,678 | \$ 29,228 |
| Deficiency of revenues over expenditures | <u>(2,272)</u> | <u>(1,550)</u> |
| NET ASSETS - END OF YEAR | <u>\$ 25,406</u> | <u>\$ 27,678</u> |

See notes to financial statements

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Statement of Cash Flows

Year Ended December 31, 2012

| | 2012 | 2011 |
|--|------------------|------------------|
| OPERATING ACTIVITIES | | |
| Deficiency of revenues over expenditures | \$ (2,272) | \$ (1,550) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (24) | 733 |
| Accounts payable | (102) | 92 |
| | <u>(126)</u> | <u>825</u> |
| DECREASE IN CASH FLOW | (2,398) | (725) |
| CASH - BEGINNING OF YEAR | 28,522 | 29,247 |
| CASH - END OF YEAR | \$ 26,124 | \$ 28,522 |
| CASH CONSISTS OF: | | |
| Cash | \$ 5,545 | \$ 8,406 |
| Term deposits | 20,579 | 20,116 |
| | <u>\$ 26,124</u> | <u>\$ 28,522</u> |

See notes to financial statements

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Notes to Financial Statements

Year Ended December 31, 2012

1. FIRST TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS

During the year the Fund adopted Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO). These financial statements are the first prepared in accordance with these standards. The adoption of ASNFPPO had no impact on net assets as at January 1, 2011 or revenues and expenditures or cash flows for the year ended December 31, 2011 as previously reported in accordance with pre-changeover Canadian generally accepted accounting principles.

2. NATURE OF ORGANIZATION

The Canadian Bridge Federation Charitable Fund (CBFCF) is committed to donating funds to charitable organizations in Canada on behalf of its affiliate, the Canadian Bridge Federation (CBF). The Fund is exempt from income taxes under Section 149 of the Income Tax Act.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Revenue recognition

The CBFCF follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue 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.

4. TERM DEPOSITS

Term deposits consist of a two year GIC with interest at 2.35% maturing February 2013, \$20,579 (2011 - \$20,116).

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Notes to Financial Statements

Year Ended December 31, 2012

5. RELATED PARTY

The Fund is related to the Canadian Bridge Federation (CBF) because the members of the governing board of the CBF are also the trustees of the Fund, serving under a Chairperson who is not a member of the CBF board.

The revenues of the Fund arise from games held by the Canadian clubs, tournaments and from bridge sessions. Those responsible are obliged to send monies to the Fund coordinator throughout the year and the Chairperson and the trustees are charged with making decisions on the allocation of these revenues to registered charities across Canada.

The Fund reimburses the CBF for direct costs consumed in managing its affairs. These costs include compensation for time invested by the Coordinator plus any related office supplies. At year-end the Fund had an outstanding payable to the CBF of \$60.

The Fund is also related to the American Contract Bridge League (ACBL). The ACBL provides a listing of designated charity games held during the year which the Fund uses to verify revenue received. The ACBL also hosts two continent-wide charity games and any district charity games held during the year, which the Fund receives revenue from.

6. FINANCIAL INSTRUMENTS

The Fund is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Fund's risk exposure and concentration as of December 31, 2012.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Fund is exposed to credit risk from Canadian Clubs. The Fund has a significant number of customers which minimizes concentration of credit risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Fund manages exposure through its normal operating and financing activities. The Fund is exposed to interest rate risk primarily through its term deposits but it does not rely on revenues from this source to sustain operations and thus the risk is considered to be low.

CANADIAN BRIDGE FEDERATION CHARITABLE FUND

Schedule of Donation Disbursements

(Schedule 1)

Year Ended December 31, 2012

| | 2012 | 2011 |
|--|------------------|------------------|
| Active Living Coalition for Older Adults | \$ - | \$ 4,000 |
| Alzheimer Society of Calgary | 1,000 | - |
| Alzheimer Society of Canada | 4,000 | - |
| Alzheimer Society of Manitoba | 300 | - |
| Alzheimer Society of North Bay | 300 | - |
| Alzheimer Society of Nova Scotia - Duck Derby | 500 | 500 |
| Alzheimer Society of Nova Scotia - Walk for Memories | 500 | - |
| Alzheimer Society of Saskatchewan | - | 2,000 |
| Alzheimer Society of Sudbury | 400 | - |
| Alzheimer Society of Thunder Bay | 500 | 300 |
| Canadian Pensioners Concerned Ontario Inc. | - | 400 |
| Cochester Stroke Club | 400 | - |
| Community & Home Assistance to Senior | 400 | 500 |
| Creative Retirement Manitoba | 300 | 800 |
| Fort Garry Women's Resource Centre | - | 200 |
| Foundation de Lauberiviere | - | 500 |
| Good Neighbours Active Living Centre | 300 | 500 |
| Gwen Sector Creative Living Centre | 500 | 500 |
| Hillside Pines Nursing Home | - | 500 |
| Kemptville & District Home Support Inc. | - | 500 |
| L' amitie n' a pas d'age | 1,000 | - |
| Les Petits Freres des pauvres, Montreal | - | 1,000 |
| Lighthouse Evangelistic Association | - | 500 |
| Lighthouse Mission | 220 | - |
| Lions Gate Hospice Society | - | 400 |
| Lower Mainland Grief Recovery Society | 500 | 500 |
| MS Society of Nova Scotia | 200 | - |
| Manitoba Chamber Orchestra | 300 | 250 |
| Morden Friendship Activity Centre - Snow Angels | 270 | 300 |
| Mustard Seed Food Bank | 400 | 300 |
| Nanaimo Community Hospice Society | 300 | 400 |
| North Shore Hospice Society | 400 | - |
| North York Seniors Centre | 500 | 300 |
| Ontario Gerontology Association | 300 | 300 |
| Peel Senior Link | 400 | 500 |
| Penticton & District Hospice Society | 400 | 400 |
| Prairie Theatre Exchange | 400 | 450 |
| Sackville Seniors' Advisory Council - D. Malloy Charity Golf Tournament | - | 500 |
| Saskatoon Council on Aging Inc. | 1,000 | - |
| Seniors Association of Kingston Region | 1,000 | - |
| Seniors' Resource Centre - St. John's, NL | - | 500 |
| Siloam Mission | 210 | 200 |
| Western Memorial Hospital Foundation | 400 | - |
| | \$ 17,600 | \$ 18,000 |

See notes to financial statements