

**CANADIAN BRIDGE FEDERATION INC.**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2004**

## **AUDITORS' REPORT**

### **To the Members of the Canadian Bridge Federation Inc.**

We have audited the statement of financial position of the Canadian Bridge Federation Inc. as at December 31, 2004 and the statements of operations, changes in net assets and cash flow for the General, International, Junior and Erin Berry Funds for the year then ended. These financial statements are the responsibility of the Federation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted the audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Federation's management, as well as evaluating the overall financial statement presentation.

In common with many not-for-profit organizations, the Federation derives a portion of its revenue from memberships, donations and competition fees, which by their nature are not susceptible to complete audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to excess revenue over expenses, current assets and net assets.

In our opinion, except for the effect of adjustments, if any, which we may have considered necessary had we been able to satisfy ourselves with respect to revenue from memberships, donations and competition fees, these financial statements present fairly in all material respects the financial position of the Federation as at December 31, 2004 and the results of its operations and changes in its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

REGINA, Saskatchewan  
May 2, 2005

  
Mintz & Wallace  
Chartered Accountants

*An asset to our clients, not an expense.*

# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2004

						Statement A	
	<u>General</u>	<u>International</u>	<u>Junior</u>	<u>Erin Berry</u>	<u>Total</u> <u>2004</u>	<u>Total</u> <u>2003</u>	
<b>ASSETS</b>							
<b>CURRENT ASSETS</b>							
Cash and term deposits - Note 3	\$ 240,332	\$ 42,845	\$ 54,996	\$ -	\$ 338,173	\$ 283,190	
Accounts receivable	10,154	11,425	4,281	-	25,860	22,597	
Prepaid expenses	8,042	112	-	-	8,154	4,598	
	<u>258,528</u>	<u>54,382</u>	<u>59,277</u>	<u>-</u>	<u>372,187</u>	<u>310,385</u>	
<b>RESTRICTED ASSETS - Note 4</b>	-	-	-	84,791	<b>84,791</b>	83,823	
<b>CAPITAL ASSETS - Note 5</b>	<u>3,475</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,475</u>	<u>5,826</u>	
	<u>\$ 262,003</u>	<u>\$ 54,382</u>	<u>\$ 59,277</u>	<u>\$ 84,791</u>	<u>\$ 460,453</u>	<u>\$ 400,034</u>	
<b>LIABILITIES AND NET ASSETS</b>							
<b>CURRENT LIABILITIES</b>							
Accounts payable	\$ 18,642	\$ -	\$ -	\$ -	\$ 18,642	\$ 8,191	
Deferred revenue	73,374	-	-	-	73,374	62,490	
Deferred contributions - Note 6	-	-	-	4,791	4,791	3,823	
	<u>92,016</u>	<u>-</u>	<u>-</u>	<u>4,791</u>	<u>96,807</u>	<u>74,504</u>	
<b>NET ASSETS - Statement E</b>	<u>169,987</u>	<u>54,382</u>	<u>59,277</u>	<u>80,000</u>	<u>363,646</u>	<u>325,530</u>	
	<u>\$ 262,003</u>	<u>\$ 54,382</u>	<u>\$ 59,277</u>	<u>\$ 84,791</u>	<u>\$ 460,453</u>	<u>\$ 400,034</u>	

See accompanying notes

APPROVED ON BEHALF OF THE BOARD

\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF OPERATIONS GENERAL FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Statement B	
	2004	2003
<b>REVENUE</b>		
Canadian Open Pairs Championship - net - Schedule 1	\$ 2,341	\$ 2,963
Canadian Women's Team Championship - net - Schedule 1	1,531	2,014
Canadian National Team Championship - net - Schedule 1	9,230	6,592
Canadian Senior Teams - net - Schedule 1	1,620	-
Canadian Imp. Pairs Championship - Schedule 1	(25)	-
Rookie game - net - Schedule 1	1,022	1,457
Sectional Tournament at Clubs - net - Schedule 1	7,115	5,959
Advertising	2,245	3,080
Interest	6,926	6,783
Late fees	75	225
Memberships	<u>94,144</u>	<u>81,395</u>
	<u>126,224</u>	<u>110,468</u>
<b>EXPENSE</b>		
ACBL service fees	2,576	-
Annual general meeting	417	50
Audit	1,973	2,102
Amortization	2,511	2,644
Bank charges	274	138
Benefits	1,982	-
C.B.F. co-ordinator	27,911	26,334
CSTC Cash Prize	1,000	-
CIPC Cash Prize	800	-
COPC prize	2,000	1,500
CNTC - B cash prize	2,000	1,000
Director's expenses	9,394	9,003
Executive secretary	1,000	1,000
Insurance	2,017	1,592
Internet	3,728	3,056
Legal	-	5,424
Miscellaneous	1,100	1,076
Office	6,612	6,564
Olympic committee	200	-
Publication	38,266	24,935
Telephone	1,908	1,800
Translations	500	1,000
Treasurer	1,000	1,000
VuGraph	400	500
Zone Communications	<u>82</u>	<u>-</u>
	<u>109,651</u>	<u>90,718</u>
<b>EXCESS OF REVENUE OVER EXPENSES - Statement E</b>	<b>\$ <u>16,573</u></b>	<b>\$ <u>19,750</u></b>

See accompanying notes

# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF OPERATIONS INTERNATIONAL FUND FOR THE YEAR ENDED DECEMBER 31, 2004

	Statement C	
	<u>2004</u>	<u>2003</u>
<b>REVENUE</b>		
CBF Regional	\$ 18,000	\$ -
International games	23,304	21,684
Interest	2,193	1,475
Surtax - Bridge week	<u>8,600</u>	<u>8,400</u>
	<u>52,097</u>	<u>31,559</u>
<b>EXPENSE</b>		
02-03 CN Prize	-	6,000
02-03 CW Prize	-	6,000
02-03 Play-off	-	811
Bermuda Bowl	-	14,780
COPC Prize	2,000	1,500
National Coach	1,845	1,750
Bi-Country	-	8,361
Miscellaneous	27	-
Open Olympiad	20,450	-
Women's Olympiad	20,000	-
Senior Olympiad	1,056	-
Venice Cup	-	15,062
	<u>45,378</u>	<u>54,264</u>
<b>EXCESS (DEFICIENCY) OF</b>		
<b>REVENUE OVER EXPENSES - Statement E</b>	<u>\$ 6,719</u>	<u>\$ (22,705)</u>

See accompanying notes



# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF OPERATIONS JUNIOR FUND FOR THE YEAR ENDED DECEMBER 31, 2004

		Statement D
	<u>2004</u>	<u>2003</u>
<b>REVENUE</b>		
Games fees	\$ 164	\$ 231
Donations	50	75
Interest	2,424	1,573
Junior Fund Month	6,244	3,802
Other Month Junior Fund	<u>13,396</u>	<u>11,255</u>
	<u>22,278</u>	<u>16,936</u>
<b>EXPENSE</b>		
Junior - coaching	-	2,263
Junior team subsidy	-	15,722
Junior trials	2,314	-
Miscellaneous	968	1,080
Schools Team Subsidy	4,172	-
WJTC entry	<u>-</u>	<u>678</u>
	<u>7,454</u>	<u>19,743</u>
<b>EXCESS (DEFICIENCY) OF</b>		
<b>REVENUE OVER EXPENSES - Statement E</b>	<b>\$ <u>14,824</u></b>	<b>\$ <u>(2,807)</u></b>

See accompanying notes

# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2004

						Statement E
	<u>-Operating- General</u>	<u>---Internally Restricted--- International</u>	<u>Junior</u>	<u>-Endowment- Erin Berry - Note 6</u>	<u>2004 Total</u>	<u>2003 Total</u>
<b>Balance</b> - beginning of year	\$ 168,874	\$ 37,203	\$ 39,453	\$ 80,000	<b>\$ 325,530</b>	\$ 331,292
Excess (deficiency) of revenue over expenses	16,573	6,719	14,824	-	<b>38,116</b>	(5,762)
Fund transfer	<u>(15,460)</u>	<u>10,460</u>	<u>5,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Balance</b> - end of year - Statement A	<u>\$ 169,987</u>	<u>\$ 54,382</u>	<u>\$ 59,277</u>	<u>\$ 80,000</u>	<u><b>\$ 363,646</b></u>	<u>\$ 325,530</u>

See accompanying notes

# CANADIAN BRIDGE FEDERATION INC.

## STATEMENT OF CASH FLOW FOR THE YEAR ENDED DECEMBER 31, 2004

	Statement F				
	<u>General Fund</u>	<u>International Fund</u>	<u>Junior Fund</u>	<u>Total 2004</u>	<u>Total 2003</u>
<b>OPERATING ACTIVITIES</b>					
Excess (deficiency) of revenue over expenses	\$ 16,573	\$ 6,719	\$ 14,824	\$ 38,116	\$ (5,762)
Plus items which do not require cash outlay:					
- amortization	2,511	-	-	2,511	2,644
- loss (gain) on disposal of assets	-	-	-	-	-
Net change in non-cash current assets	1,513	(5,431)	(2,901)	(6,819)	(8,704)
Net change in non-cash current liabilities	<u>21,335</u>	<u>-</u>	<u>-</u>	<u>21,335</u>	<u>7,605</u>
Cash from operating activities	<u>41,932</u>	<u>1,288</u>	<u>11,923</u>	<u>55,143</u>	<u>(4,217)</u>
<b>INVESTING ACTIVITIES</b>					
Purchase of capital assets	(160)	-	-	(160)	(2,000)
Inter-fund transfer	<u>(15,460)</u>	<u>10,460</u>	<u>5,000</u>	<u>-</u>	<u>-</u>
Cash from investing activities	<u>(15,620)</u>	<u>10,460</u>	<u>5,000</u>	<u>(160)</u>	<u>(2,000)</u>
<b>INCREASE (DECREASE) IN CASH</b>	26,312	11,748	16,923	54,983	(6,217)
<b>CASH - beginning of year</b>	<u>214,020</u>	<u>31,097</u>	<u>38,073</u>	<u>283,190</u>	<u>289,407</u>
<b>CASH - end of year</b>	<u>\$ 240,332</u>	<u>\$ 42,845</u>	<u>\$ 54,996</u>	<u>\$ 338,173</u>	<u>\$ 283,190</u>
Cash consists of:					
Cash				\$ 29,787	\$ 15,100
Term deposits				<u>308,386</u>	<u>268,090</u>
				<u>\$ 338,173</u>	<u>\$ 283,190</u>

See accompanying notes



# CANADIAN BRIDGE FEDERATION INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2004

### 1. NATURE OF 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 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.

#### 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.

### 3. CASH AND TERM DEPOSITS

	<u>2004</u>	<u>2003</u>
The following is a breakdown of the balance sheet cash:		
General chequing	\$ 12,200	\$ 4,519
General savings	17,587	10,581
Term deposits	300,000	240,000
T-Bills	8,386	28,090
	<u>\$ 338,173</u>	<u>\$ 283,190</u>

# CANADIAN BRIDGE FEDERATION INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2004

### 3. CASH AND TERM DEPOSITS

	<u>2004</u>	<u>2003</u>
The following is a breakdown of the balance sheet cash:		
General chequing	\$ 12,200	\$ 4,519
General savings	17,587	10,581
Term deposits	300,000	240,000
T-Bills	<u>8,386</u>	<u>28,090</u>
	<u>\$ 338,173</u>	<u>\$ 283,190</u>

### 4. RESTRICTED ASSETS

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

	<u>2004</u>	<u>2003</u>
Chequing account	\$ 2,905	\$ 1,689
Term investments	79,950	79,898
Interest receivable	<u>1,936</u>	<u>2,236</u>
	<u>\$ 84,791</u>	<u>\$ 83,823</u>

### 5. CAPITAL ASSETS

	<u>2004</u>			<u>2003</u>	
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>	<u>Rates</u>
Computers	\$ 9,367	\$ 6,188	\$ 3,179	\$ 4,331	30%
Bridge screens	6,000	6,000	-	1,125	50%
Equipment	<u>3,498</u>	<u>3,202</u>	<u>296</u>	<u>370</u>	20%
	<u>\$ 18,865</u>	<u>\$ 15,390</u>	<u>\$ 3,475</u>	<u>\$ 5,826</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 subsidize deserving young Canadians that are members of the CBF. Details of revenue and expenditures of the fund are as follows:

	<u>2004</u>	<u>2003</u>
Balance of deferral - beginning of year	\$ 3,823	\$ 4,065
Interest income	3,443	3,958
Bank charges	(21)	-
Subsidies	<u>(2,454)</u>	<u>(4,200)</u>
Balance of deferral - end of year	<u>\$ 4,791</u>	<u>\$ 3,823</u>

# CANADIAN BRIDGE FEDERATION INC.

## NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2004

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### 7. RELATED PARTIES

The CBF is related to the Canadian Bridge Federation Charitable Fund (CBFCF) as the CBFCF's trustees are 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 fees expenses to ACBL. At year-end CBF had an outstanding receivable from ACBL of \$8,340 (2003 - \$6,080).

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 approximates their fair value because of the short-term maturities of these items.

### 9. 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, 2004

Schedule 1

	<u>2005</u>						
	<u>COPC</u>	<u>CWTC</u>	<u>CNTC</u>	<u>Rookie</u>	<u>STAC</u>	<u>CIPC</u>	<u>STC</u>
<b>REVENUE</b>							
Fees	\$ 3,318	\$ 598	\$ 15,151	\$ 3,123	\$ 19,256	\$ -	\$ -
Subsidy	3,817	-	-	-	-	-	-
National final	4,318	6,505	19,028	-	-	2,579	4,486
Other	925	-	1,950	-	-	-	-
	<u>12,378</u>	<u>7,103</u>	<u>36,129</u>	<u>3,123</u>	<u>19,256</u>	<u>2,579</u>	<u>4,486</u>
<b>EXPENSE</b>							
Sanction fees	1,643	213	1,823	705	8,235	-	-
Subsidies	3,720	-	9,724	-	-	-	-
National final	4,544	5,302	15,039	-	-	2,604	2,866
Directors	-	-	-	-	2,709	-	-
Other	130	57	313	1,396	1,197	-	-
	<u>10,037</u>	<u>5,572</u>	<u>26,899</u>	<u>2,101</u>	<u>12,141</u>	<u>2,604</u>	<u>2,866</u>
<b>NET - Statement B</b>	<u>\$ 2,341</u>	<u>\$ 1,531</u>	<u>\$ 9,230</u>	<u>\$ 1,022</u>	<u>\$ 7,115</u>	<u>\$ (25)</u>	<u>\$ 1,620</u>

	<u>2004</u>						
	<u>COPC</u>	<u>CWTC</u>	<u>CNTC</u>	<u>Rookie</u>	<u>STAC</u>	<u>CIPC</u>	<u>STC</u>
<b>REVENUE</b>							
Fees	\$ 2,881	\$ 314	\$ 12,372	\$ 3,854	\$ 20,248	\$ -	\$ -
Subsidy	2,993	-	-	-	-	-	-
National final	5,383	6,720	18,617	-	-	-	-
Other	375	-	4,675	-	-	-	-
	<u>11,632</u>	<u>7,034</u>	<u>35,664</u>	<u>3,854</u>	<u>20,248</u>	<u>-</u>	<u>-</u>
<b>EXPENSE</b>							
Sanction fees	2,034	126	1,597	890	9,976	-	-
Subsidies	2,158	-	14,221	-	-	-	-
National final	4,366	4,733	12,958	-	-	-	-
Directors	-	-	-	-	2,920	-	-
Other	111	161	296	1,507	1,393	-	-
	<u>8,669</u>	<u>5,020</u>	<u>29,072</u>	<u>2,397</u>	<u>14,289</u>	<u>-</u>	<u>-</u>
<b>NET - Statement B</b>	<u>\$ 2,963</u>	<u>\$ 2,014</u>	<u>\$ 6,592</u>	<u>\$ 1,457</u>	<u>\$ 5,959</u>	<u>\$ -</u>	<u>\$ -</u>