

Canadian Bridge Federation Inc.

Financial Statements

Year Ended December 31, 2015

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Financial Position

December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	53,504	71,908
Investments ( <i>Note 3</i> )	320,035	318,540
Accounts receivable	19,163	17,421
Prepaid expenses	<u>2,778</u>	<u>11,506</u>
	395,480	419,375
<b>CAPITAL ASSETS</b> ( <i>Note 4</i> )	5,903	8,280
<b>ERIN BERRY MEMORIAL FUND ASSET</b> ( <i>Note 6</i> )	<u>51,908</u>	<u>56,958</u>
	<u>453,291</u>	<u>484,613</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	23,528	26,583
HST payable	4,607	8,060
Deferred revenue ( <i>Note 7</i> )	80,064	97,951
Termination liability	<u>1,547</u>	<u>769</u>
	109,746	133,363
<b>ERIN BERRY MEMORIAL FUND LIABILITY</b> ( <i>Note 8</i> )	<u>51,908</u>	<u>56,958</u>
	<u>161,654</u>	<u>190,321</u>
<b>NET ASSETS</b>		
General fund	107,967	125,367
International fund	88,634	107,836
Junior fund	<u>95,036</u>	<u>61,089</u>
	291,637	294,292
	<u>453,291</u>	<u>484,613</u>

ON BEHALF OF THE BOARD

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Combined Statement of Operations

Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>REVENUE</b>		
Statement of Operations - General Fund	172,040	198,714
Statement of Operations - International Fund	48,595	44,184
Statement of Operations - Junior Fund	<u>33,947</u>	<u>39,721</u>
	<u>254,582</u>	<u>282,619</u>
<b>EXPENSES</b>		
Statement of Operations - General Fund	189,440	209,181
Statement of Operations - International Fund	67,797	29,525
Statement of Operations - Junior Fund	<u>-</u>	<u>48,649</u>
	<u>257,237</u>	<u>287,355</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	(2,655)	(4,736)
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(2,655)</u>	<u>(4,736)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - General Fund

Year Ended December 31, 2015

	2015	2014
	\$	\$
<b>REVENUE</b>		
Advertising	1,195	630
Fair market value adjustment investments	603	7,865
Investment income	-	602
Memberships	75,438	80,423
Online teams	1,875	
Canadian Bridge Championships (CBC) - Schedule 1	50,134	38,300
Canadian Open Pairs Championship (COPC) - Schedule 1	8,303	10,232
Canadian Women's Team Championship (CWTC) - Schedule 1	-	3,543
Canadian National Team Championship (CNTC) - Schedule 1	6,444	5,184
Rookie game - Schedule 1	2,339	2,215
Miscellaneous revenue	1,708	
Sponsorship	-	25,000
Sectional Tournament at Clubs (STAC) - Schedule	24,001	24,720
	172,040	198,714
<b>EXPENSES</b>		
ACBL service fee	2,632	3,188
Amortization	2,377	1,981
Annual general meeting	145	748
Audit	4,300	5,780
Bank and credit card charges	1,618	
C.B.F. co-ordinator	44,698	59,812
Director's expenses	5,327	8,037
Director's meeting	3,453	8,127
Employee benefits	3,586	8,897
Hall of Fame	1,070	1,400
Insurance	2,617	3,009
Internet and website maintenance	4,849	3,909
New website	-	3,600
Office	9,525	16,427
Publication	26,523	11,043
VuGraph	2,400	2,800
Miscellaneous	10,727	
Canadian Bridge Championships (CBC) - Schedule 1	46,988	49,045
Canadian Open Pairs Championship (COPC) - Schedule 1	-	275
Canadian Women's Team Championship (CWTC) - Schedule 1	-	5,979
Canadian National Team Championship (CNTC) - Schedule 1	-	275
Rookie game - Schedule 1	3,184	1,846
Sectional Tournament at Clubs (STAC) - Schedule	13,421	13,003
	189,440	209,181
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>(17,400)</b>	<b>(10,467)</b>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - International Fund

Year Ended December 31, 2015

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	<u>2015</u>	<u>2014</u>
	\$	\$
<b>REVENUE</b>		
CBF Regional	20,000	16,090
International games	17,171	14,582
Fair market value adjustment investments	605	3,882
Investment interest		297
Surtax - Bridge Week	8,762	7,619
CBC Swiss	2,057	1,714
	<u>48,595</u>	<u>44,184</u>
<b>EXPENSES</b>		
World Team Games	50,024	
World Bridge Games		13,640
Commonwealth Games	-	12,385
National Coaching	5,000	3,500
Uniforms	4,593	
Other	197	
Bi-Country	7,983	
	<u>67,797</u>	<u>29,525</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(19,202)</u>	<u>14,659</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - Junior Fund

Year Ended December 31, 2015

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	<u>2015</u>	<u>2014</u>
	\$	\$
<b>REVENUE</b>		
Games fees / donations	8,610	
Fair market value adjustment investments	287	2,656
Investment interest		203
Junior Fund month		
Junior ACBL	<u>25,050</u>	<u>36,862</u>
	<u>33,947</u>	<u>39,721</u>
<b>EXPENSES</b>		
Air fare		22,621
Entry fees and Accomodations		20,144
Visas		667
Honorarium		500
Coaching		3,500
Uniforms		715
Other expenses		<u>502</u>
	<u>-</u>	<u>48,649</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>33,947</u>	<u>(8,928)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Changes in Net Assets

Year Ended December 31, 2015

	General Fund	International Fund	Junior Fund	2015 \$	2014 \$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>125,367</u>	<u>107,836</u>	<u>61,089</u>	<u>294,292</u>	<u>355,381</u>
Income (loss) from operations	<u>(17,400)</u>	<u>(19,202)</u>	<u>33,947</u>	<u>(2,655)</u>	<u>31,292</u>
<b>NET ASSETS - END OF YEAR</b>	<u>107,967</u>	<u>88,634</u>	<u>95,036</u>	<u>291,637</u>	<u>386,673</u>

See notes to financial statements



# CANADIAN BRIDGE FEDERATION INC.

## Statement of Cash Flows

Year Ended December 31, 2015

	<u>2015</u>	<u>2014</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Income from operations	(2,655)	(4,736)
Items not affecting cash		
Amortization of capital assets	2,377	1,981
Loss on disposal of assets		
Fair market value adjustment to investments	<u>(1,495)</u>	<u>(14,404)</u>
	<u>(1,773)</u>	<u>(17,159)</u>
Changes in non-cash working capital		
Accounts receivable	(1,742)	(10,559)
Prepaid expenses	8,728	(4,985)
Purchase Capital Assets	-	(8,357)
Accounts payable	(3,055)	21,083
HST payable	(3,453)	8,060
Deferred revenue	(17,887)	6,291
Termination liability	<u>778</u>	<u>(14,119)</u>
	<u>(16,631)</u>	<u>(2,586)</u>
Cash flow from operating activities	<u>(18,404)</u>	<u>(19,745)</u>
<b>INVESTING ACTIVITIES</b>		
Net investment activity	<u>-</u>	<u>75,502</u>
Cash flow from investing activities	<u>-</u>	<u>75,502</u>
<b>INCREASE IN CASH FLOW</b>	(18,404)	55,757
<b>CASH - BEGINNING OF YEAR</b>	<u>71,908</u>	<u>16,151</u>
<b>CASH - END OF YEAR</b>	<u>53,504</u>	<u>71,908</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2015

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### 1 NATURE OF OPERATIONS

The Canadian Bridge Federation Inc. is a non-profit organization which provides funding to bridge players and organizes playing events in Canada. The Federation is funded through memberships, donations and competition fees. The Federation is exempt from income taxes under Section 149 (1)(l) of the Income Tax Act.

### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

These financial statements are presented in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

#### 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.

Financial assets include cash, investments, accounts receivable and Erin Berry Memorial assets. Mutual funds are a portion of investments and are reported at fair market value. All other financial instruments are reported at amortized cost.

Financial liabilities include accounts payable, the termination liability and the Erin Berry Memorial liability which are recorded at amortized cost.

#### Fund accounting

The funds of the Federation have been separated into fund with the following purposes:

- 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 player activity.

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2015

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### 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

#### Capital assets Change in Accounting Policy

Capital assets are stated at cost less accumulated amortization. One half of the normal amortization is claimed in the year of acquisition. During the year, the Organization changed their amortization policy to a 5 year straight line basis from a declining balance basis.

Bridge screens	5 years straight line
Boards	5 years straight line
Computer equipment	5 years straight line
Equipment	5 years straight line

#### Revenue recognition

The Federation follows the restricted fund method of accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships are recognized in the period for which the membership relates.

Games revenue is recognized when the game is held.

Advertising revenue is deferred and recognized in the period for which the advertising occurs.

Surtax revenue is recognized when the fee is received.

In the past, Junior Fund month revenue was recognized in February when Junior fund games occurred. This has now been changed and the American Contract Bridge League (ACBL) provides an annual allocation.

#### Foreign currency transactions

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method monetary assets and liabilities have been translated at the rate of exchange prevailing at the year end. Revenues and expenses have been translated at the average rates of exchange during the year. Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2015

### 3 INVESTMENTS

	<u>2015</u>	<u>2014</u>
Term deposits maturing in 2022 with interest rate of 1.75% ( Between 0.8% and 1.82% in 2014.	\$ 82,622	#####
Mutual funds, measured at fair value	<u>#####</u>	<u>#####</u>
TOTAL	<u>#####</u>	<u>#####</u>

### 4 CAPITAL ASSETS

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Bridge screens	\$ 7,784	\$ 7,170	\$ 614	\$ 1,228
Boards and cases	7,318	2,653	4,665	6,220
Projectors	1,039	415	624	832
Boards	1,500	1,500	-	-
TOTAL	<u>#####</u>	<u>#####</u>	<u>\$ 5,903</u>	<u>\$ 8,280</u>

### 5 STATEMENT OF FINANCIAL POSITION BY FUND

	General Fund	International Fund	Junior Fund	2015	2014
<u>Assets</u>					
Cash	#####	\$ -	\$ -	#####	#####
Investments	#####	93,634	95,036	#####	#####
Accounts receivable	19,163	-	-	19,163	17,421
Prepaid expenses	2,778	-	-	2,778	11,506
Capital assets	5,903	-	-	5,903	8,280
	<u>#####</u>	<u>93,634</u>	<u>95,036</u>	<u>#####</u>	<u>#####</u>
<u>Liabilities</u>					
Accounts payable	23,397	-	-	23,397	26,583
HST payable	4,607	-	-	4,607	8,060
Deferred revenue	75,064	5,000	-	80,064	97,951
Termination liability	1,547	-	-	1,547	769
	<u>#####</u>	<u>5,000</u>	<u>-</u>	<u>#####</u>	<u>#####</u>
Net Assets	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>	<u>#####</u>

# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2015

### 6 ERIN BERRY MEMORIAL FUND - ASSETS

	<u>2015</u>	<u>2014</u>
Cash	#####	#####
Term deposits maturing between 2016 and 2017 which bear interest between 2.15% and 3.20%.	<u>25,000</u>	<u>40,453</u>
	<u>#####</u>	<u>#####</u>

### 7 DEFERRED REVENUE

The following amounts were received prior to the year-end but were not earned.

	<u>2015</u>	<u>2014</u>
2015 & 2017 Regionals	\$ 5,000	#####
CNTC - game fees	2,283	2,333
COPC - game fees	7,046	5,301
Membership	65,735	68,222
CWTC Surtax	<u>-</u>	<u>2,095</u>
	<u>#####</u>	<u>#####</u>

### 8 ERIN BERRY MEMORIAL FUND - LIABILITY

This fund was set-up in 2001 to subsidize deserving young Canadians that are members of the Canadian Bridge Federation. The principal may be spent according to the following schedule:

Balance in fund	Percent of principal plus interest
>\$60,000	5%
\$40,000 - \$59,999	10%
\$20,000 - \$39,999	15%
\$10,000 - \$19,999	20%
<\$10,000	100%

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2015

### 8 ERIN BERRY MEMORIAL FUND - LIABILITY (continued)

	<u>2015</u>	<u>2014</u>
<b>The following is a summary of activity for the year:</b>		
Investment income	\$ 456	\$ 1,153
Bank charges	(31)	(30)
Subsidies paid	<u>(5,475)</u>	<u>(2,600)</u>
Net income (loss)	<u>(5,050)</u>	<u>(1,477)</u>
Balance of commitment - beginning of year	2,572	1,127
Permitted withdrawal of principal	<u>5,696</u>	<u>2,922</u>
Balance of commitment - end of year	<u>3,495</u>	<u>2,572</u>
<b>Memorial Liability</b>		
Memorial liability - opening	56,958	58,435
Net income (loss)	<u>(5,050)</u>	<u>(1,477)</u>
Memorial liability - ending	<u>#####</u>	<u>#####</u>

### 9 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 was reimbursed by CBFCF for direct costs reported at their carrying value. These cost include compensation for time invested by the Coordinator, trustee expenses and related office expenses. At year-end CBF had an outstanding receivable from CBFCF of \$11,760 ( 2014 - \$3,610).

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 paid sanction fees. At year-end CBF had an outstanding receivable from ACBL with a carrying value of \$6,207 (2014 - \$11,951).

The Federation is economically dependent on the ACBL in that it relies upon this sanctioning body to maintain its membership base and collect the related dues.

### 10 FINANCIAL INSTRUMENTS

The Federation is exposed to various risks through its financial instruments and has a responsibility to monitor, evaluate and manage these risks. The following analysis provides information about the Federation's risk exposure and concentration as at December 31, 2015.

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## 10 FINANCIAL INSTRUMENTS - (continued)

### **Credit risk**

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Federation is exposed to credit risks from customers. The Federation has a significant number of customers which minimizes concentration of credit risk. The ACBL is a significant debtor but settles its balances on a current basis. This risk is considered low.

### **Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities as they come due. Liquidity risk also includes the risk of the Federation not being able to liquidate assets in a timely manner at a reasonable price.

The Federation receives membership revenues in advance and takes care to set aside these monies so they will be available to satisfy obligations to members in a future period.

The Federation's resources are sufficient to meet anticipated obligations and this risk is considered low.

### **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 Federation manages exposure through its normal operating and financing activities. While the Federation has interest bearing investments, the return on these investments is not integral to the operation and the risk is nominal.

These notes are an integral part of the Financial Statements.