

**CANADIAN BRIDGE FEDERATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2019**

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Financial Position

December 31, 2019

		<u>2019</u>	<u>2018</u>
		\$	\$
<b>ASSETS</b>			
<b>CURRENT</b>			
Cash		70,805	69,354
Investments		347,315	318,068
Accounts receivable		24,886	16,438
HST receivable		-	-
Prepaid expenses		6,659	4,344
		<u>449,665</u>	<u>408,204</u>
<b>CAPITAL ASSETS</b>	(Note 4)	651	911
<b>ERIN BERRY MEMORIAL FUND ASSET</b>	(Note 5)	<u>39,777</u>	<u>42,069</u>
		<u>490,093</u>	<u>451,184</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>CURRENT</b>			
Accounts payable		17,042	9,811
HST payable		945	6,586
Deferred revenue	(Note 6)	102,515	100,568
Termination liability		4,719	3,940
		<u>125,221</u>	<u>120,905</u>
<b>ERIN BERRY MEMORIAL FUND LIABILITY</b>	(Note 7)	<u>39,777</u>	<u>42,069</u>
		<u>164,998</u>	<u>162,974</u>
<b>NET ASSETS</b>			
General fund		76,864	92,001
International fund		75,066	81,878
Junior fund		<u>173,165</u>	<u>114,331</u>
		<u>325,095</u>	<u>288,210</u>
		<u>490,093</u>	<u>451,184</u>

# CANADIAN BRIDGE FEDERATION INC.

## Combined Statement of Operations

Year Ended December 31, 2019

	2019	2018
	\$	\$
<b>REVENUE</b>		
Statement of Operations - General Fund	124,924	108,680
Statement of Operations - International Fund	148,105	184,295
Statement of Operations - Junior Fund	59,334	33,836
	<u>332,363</u>	<u>326,811</u>
<b>EXPENSES</b>		
Statement of Operations - General Fund	140,061	142,789
Statement of Operations - International Fund	154,917	142,658
Statement of Operations - Junior Fund	500	55,817
	<u>295,478</u>	<u>341,264</u>
<b>INCOME (LOSS) FOR THE YEAR</b>	<u>36,885</u>	<u>(14,453)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - General Fund

Year Ended December 31, 2019

	2019	2018
	\$	\$
<b>REVENUE</b>		
Memberships	91,442	84,168
Sectional Tournament at Clubs (STAC)	18,776	19,324
Audrey Grant seminars	-	5,310
Miscellaneous revenue	-	2,192
Online teams	1,200	1,295
Advertising	1,350	1,286
Investment and Mutual Fund Income (Loss)	11,204	(4,895)
Rookie game - Schedule	952	-
<b>TOTAL REVENUE</b>	124,924	108,680
<b>EXPENSES</b>		
C.B.F. co-ordinator	44,116	45,445
Co-ordinator allowance and office expenses	10,747	10,922
CBF Magazine	21,975	21,139
STAC sanction fees	12,343	13,183
Board of Directors expenses	12,099	11,177
Accounting	11,866	11,313
Audit	4,249	4,304
ACBL service fee	3,206	3,282
Rookie games	3,175	3,404
Promotion	3,000	-
Insurance	2,820	2,811
Internet and website maintenance	2,369	5,369
Bank and credit card charges	2,277	2,659
Translation	1,025	-
Online teams	840	-
Hall of Fame	810	1,700
Annual general meeting	446	365
Amortization	260	2,023
Miscellaneous	2,438	3,693
<b>TOTAL EXPENSES</b>	140,061	142,789
<b>INCOME (LOSS) FROM OPERATIONS</b>	(15,137)	(34,109)

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - International Fund

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
<b>REVENUE</b>		
Canadian Bridge Championships (CBC)	52,688	44,065
COPC club qualifying	12,407	11,480
CNTC club qualifying	3,309	1,802
CBC Regional	37,130	24,672
CBF Regional	-	46,869
International Fund games at clubs	7,934	10,359
ACBL International Fund	8,411	24,927
World Bridge dues - ACBL contribution	18,696	20,621
Investment and Mutual Fund Income (Loss)	<u>7,530</u>	<u>(500)</u>
<b>TOTAL REVENUE</b>	<u>148,105</u>	<u>184,295</u>
<b>EXPENSES</b>		
CBC Expenses (Schedule)	47,153	44,489
CBC Regional	35,843	23,229
CBF Regional	-	38,282
World Bridge Federation dues	6,797	23,433
World Team Games	36,875	12,125
Entry fees	24,996	4,100
Uniforms	<u>3,253</u>	<u>-</u>
<b>TOTAL EXPENSES</b>	<u>154,917</u>	<u>145,658</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(6,812)</u>	<u>38,637</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - Junior Fund

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
<b>REVENUE</b>		
Junior ACBL	25,000	25,000
US exchange	8,560	7,250
Donations	15,175	4,813
Junior month	86	623
Investment and Mutual Fund Income (Loss)	<u>10,513</u>	<u>(3,850)</u>
<b>TOTAL REVENUE</b>	<u>59,334</u>	<u>33,836</u>
<b>EXPENSES</b>		
Junior bridge camp	500	
Travel	-	50,706
Entry fees and Accomodations	-	3,331
Uniforms	-	1,675
Miscellaneous	<u>-</u>	<u>105</u>
<b>TOTAL EXPENSES</b>	<u>500</u>	<u>55,817</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>58,834</u>	<u>(21,981)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Changes in Net Assets

Year Ended December 31, 2019

	General Fund	Internatio Fund	Junior Fund	2019	2018
	\$	\$	\$	\$	\$
<b>NET ASSETS - BEGINNING OF YEAR</b>	92,001	81,878	114,331	288,210	302,663
Income (loss) from operations	(15,137)	(6,812)	58,834	36,885	(14,453)
<b>NET ASSETS - END OF YEAR</b>	76,864	75,066	173,165	325,095	288,210

See notes to financial statements



# CANADIAN BRIDGE FEDERATION INC.

## Statement of Cash Flows

Year Ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	<u>\$</u>	<u>\$</u>
<b>OPERATING ACTIVITIES</b>		
Income (Loss) from operations	36,885	(14,443)
Items not affecting cash		
Amortization of capital assets	260	2,023
Loss on disposal of assets		
Fair market value adjustment to investments	<u>(29,247)</u>	<u>9,244</u>
	<u>7,898</u>	<u>(3,176)</u>
Changes in non-cash working capital		
Accounts receivable	(8,448)	8,056
HST receivable	-	1,166
Prepaid expenses	(2,315)	240
Accounts payable	7,231	(31,043)
HST payable	(5,641)	6,576
Deferred revenue	1,947	12,214
Termination liability	<u>779</u>	<u>804</u>
	<u>(6,447)</u>	<u>(1,987)</u>
Cash flow from operating activities	<u>1,451</u>	<u>(5,163)</u>
<b>INVESTING ACTIVITIES</b>		
Net investment activity	<u>-</u>	<u>-</u>
Cash flow from investing activities	<u>-</u>	<u>-</u>
<b>INCREASE IN CASH FLOW</b>	1,451	(5,163)
<b>CASH - BEGINNING OF YEAR</b>	<u>69,354</u>	<u>74,517</u>
<b>CASH - END OF YEAR</b>	<u>70,805</u>	<u>69,354</u>

See notes to financial statements



# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2019

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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, 2019

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### 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. In 2017, 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 recognized in the period for which the advertising occurs.

Surplus revenue is recognized on an accrual basis.

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.

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2019

### 3 INVESTMENTS

	2019	2018
	\$	\$
Fixed Income	207,409	
Equity	139,906	
Term deposits maturing in 2019 with interest rate of 2.2%		95,216
Mutual funds, measured at fair value		222,852
TOTAL	347,315	318,068

### 4 CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
	\$	\$	\$	\$
Bridge screens	7,784	7,784	-	-
Boards and cases	7,318	7,318	-	-
Projectors	1,039	1,039	-	-
Computer	1,301	650	651	911
Boards	1,500	1,500	-	-
TOTAL	18,942	18,291	651	911

### 5 ERIN BERRY MEMORIAL FUND - ASSETS

	2019	2018
	\$	\$
Cash	39,777	822
Term deposit maturing April 15, 2019 which bears interest at 1.3%	-	41,247
	39,777	42,069

### 6 DEFERRED REVENUE

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

	2019	2018
	\$	\$
CNTC - game fees	2,370	3,481
COPC - game fees	16,065	9,928
Membership	83,600	86,439
CWTC - entry fee for 2019	-	360
CMTC - entry fee for 2020	480	360
	102,515	100,568



# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2019

### 7 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%

#### Memorial Liability

Memorial liability - opening	42,069	46,233
Investment income	150	247
Bank charges	(92)	(261)
Subsidies paid	(2,350)	(4,150)
Net income (loss)	<u>(2,292)</u>	<u>(4,164)</u>
Memorial liability - ending	<u>39,777</u>	<u>42,069</u>

### 8 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. At year end CBF had an outstanding receivable \$102 (2018 - receivable of \$206)

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 \$14,244 (2018 - \$11,306).

### 9 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, 2019.

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2019

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### **9 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.

## **10 REALLOCATION OF REVENUE AND EXPENSES**

In 2018 the Board of Directors decided to allocate all the revenue and expenses for the Canadian Bridge Championships (CBC) to the International Fund. In prior years only the revenue from the Swiss Teams on Sunday was allocated to the International Fund. The balance of the revenue and expenses were allocated to the General Fund.

## **11 COMPARATIVE FIGURES**

Certain comparative numbers have been reclassified to conform to the current year's presentation.

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2019

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### 12 SUBSEQUENT EVENT

The Canadian Bridge Federation applied for a \$40,000 Canadian Emergency Business Account (CERB loan). The loan was approved and deposited in the bank account of the Canadian Bridge Federation on May 14, 2020.

The details of the loan are as follows:

1. The interest rate is 0% per year, but subject to the interest rate disclosed below.
2. The loan cannot be repaid in whole or part prior to July 1, 2020.
3. \$10,000 (25%) of the \$40,000 loan is eligible for complete forgiveness if \$30,000 is fully repaid on or before December 31, 2022.
4. If the loan cannot be repaid by December 31, 2022, it will be converted into a 3-year term loan, charging an interest rate of 5 %.

The CBF expects to repay the \$30,000 no later than December 31, 2022.

### 13 SUBSEQUENT EVENT - COVID 19 PANDEMIC

Due to the pandemic, our revenues have been negatively impacted by the club closures, cancellation of tournaments and market conditions.

These notes are an integral part of the Financial Statements.



# CANADIAN BRIDGE FEDERATION INC.

## Schedule of Championship Revenue and Expenses

Year Ended December 31  
2019

CBF

	CBC	COPC	CNTC	REGIONAL	TOTAL
	\$	\$	\$		
REVENUE					
Fees	52,688			37,130	89,818
Club games	-	12,407	3,309		15,716
	52,688	12,407	3,309	37,130	105,534

2018

	CBC	COPC	CNTC	TOTAL
	\$	\$	\$	
	68,737			68,737
	-	11,480	1,802	13,282
	68,737	11,480	1,802	82,019

## EXPENSES

Directors	13,692			15,331	29,023
Sanction fees	1,519			3,474	4,993
Rent	3,975			4,450	8,425
Supplies	3,842			4,301	8,143
Cash prizes	5,550				5,550
Hospitality	3,337			3,737	7,074
Caddies	1,771			639	2,410
Co-ordinator	1,592				1,592
Screens	3,457				3,457
Duplication	1,480			1,271	2,751
Booklet	820				820
Vu Graph	1,500				1,500
GST	2,879			1,768	4,647
Miscellaneous	1,739			872	2,611
	47,153	-	-	35,843	82,996

	28,785			28,785	
	3,428			3,428	
	10,558			10,558	
	5,550			5,550	
	3,138			3,138	
	1,760			1,760	
	2,394			2,394	
	3,273			3,273	
	1,770			1,770	
	707			707	
	700			700	
	2,655			2,655	
	64,718	-	-	64,718	

## INCOME FROM OPERATIONS

	5,535	12,407	3,309	1,287	22,538
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	4,019	11,480	1,802	17,301
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