

CANADIAN BRIDGE FEDERATION

FINANCIAL STATEMENTS

DECEMBER 31, 2020

CANADIAN BRIDGE FEDERATION INC.

Statement of Financial Position

December 31, 2020

	2020	2019
	\$	\$
ASSETS		
CURRENT		
Cash	188,937	70,805
Investments <i>(Note 3)</i>	366,941	347,315
Accounts receivable <i>(Note 4)</i>	14,785	24,886
Inventory (Shirts)	6,775	-
Prepaid expenses	2,997	6,659
TOTAL	580,435	449,665
CAPITAL ASSETS <i>(Note 5)</i>	1,184	651
ERIN BERRY MEMORIAL FUND ASSET <i>(Note 7)</i>	39,344	39,777
TOTAL ASSETS	620,963	490,093
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable <i>(Note 6)</i>	19,413	17,987
Deferred revenue <i>(Note 8)</i>	118,901	102,515
Termination liability <i>(Note 9)</i>	5,506	4,719
TOTAL	143,820	125,221
CEBA LOAN <i>(Note 13)</i>	60,000	-
ERIN BERRY MEMORIAL FUND LIABILITY <i>(Note 7)</i>	39,344	39,777
TOTAL LIABILITIES	243,164	164,998
NET ASSETS		
General fund	48,956	76,864
International fund	104,311	75,066
Junior fund	224,532	173,165
TOTAL NET ASSETS	377,799	325,095
TOTAL	620,963	490,093

ON BEHALF OF THE BOARD

Director

Director

See notes to financial statements

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Statement of Operations

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
REVENUE		
Memberships	75,585	91,442
Junior Fund (Schedule 2)	52,364	59,334
International Fund (Schedule 1)	36,586	148,105
Sectional Tournament at Clubs (STAC)	23,148	18,776
Investment and Mutual Fund Income (Loss)	7,518	11,204
Online teams	6,705	1,200
Advertising	1,350	1,350
Temporary wage subsidy	1,024	-
Rookie game	<u>-</u>	<u>952</u>
TOTAL REVENUE	<u>204,280</u>	<u>332,363</u>
EXPENSES		
Office	56,935	54,863
CBF Magazine	24,075	21,975
ACBL	17,450	15,549
Professional fees	17,516	18,790
Marketing	16,248	3,000
International Fund (Schedule 1)	7,341	154,917
Insurance	2,904	2,820
Bank and credit card charges	2,974	2,277
Junior Fund (Schedule 2)	997	500
Amortization	131	260
Travel	-	12,099
Rookie games	-	3,175
Miscellaneous	<u>5,005</u>	<u>5,253</u>
TOTAL EXPENSES	<u>151,576</u>	<u>295,478</u>
INCOME (LOSS) FROM OPERATIONS <i>(Note 13)</i>	<u>52,704</u>	<u>36,885</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Statement of Changes in Net Assets

Year Ended December 31, 2020

	General Fund	International Fund	Junior Fund	2020	2019
	\$	\$	\$	\$	\$
NET ASSETS - BEGINNING OF YEAR	<u>76,864</u>	<u>75,066</u>	<u>173,165</u>	<u>325,095</u>	<u>288,210</u>
Income (loss) from operations	<u>(27,908)</u>	<u>29,245</u>	<u>51,367</u>	<u>52,704</u>	<u>36,885</u>
NET ASSETS - END OF YEAR	<u>48,956</u>	<u>104,311</u>	<u>224,532</u>	<u>377,799</u>	<u>325,095</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Statement of Cash Flows

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
OPERATING ACTIVITIES		
Income (Loss) from operations	52,704	36,885
Items not affecting cash		
Amortization of capital assets	131	260
Loss on disposal of assets	(674)	-
Fair market value adjustment to investments	<u>(19,626)</u>	<u>(29,247)</u>
	<u>32,535</u>	<u>7,898</u>
Changes in non-cash working capital		
Accounts receivable	10,101	(8,448)
Shirt Inventory	(6,775)	-
Prepaid expenses	3,662	(2,315)
Accounts payable	1,426	1,590
Deferred revenue	16,386	1,947
Termination liability	<u>797</u>	<u>779</u>
	<u>25,597</u>	<u>(6,447)</u>
Cash flow from operating activities	<u>58,132</u>	<u>1,451</u>
CEBA LOAN	<u>60,000</u>	-
INCREASE IN CASH FLOW	118,132	1,451
CASH - BEGINNING OF YEAR	<u>70,805</u>	<u>69,354</u>
CASH - END OF YEAR	<u>188,937</u>	<u>70,805</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2020

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)(I) 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, 2020

2 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.

Surtax 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, 2020

3 INVESTMENTS

	<u>2020</u>	<u>2019</u>
	\$	\$
Fixed Income	214,481	207,409
Equity	<u>152,460</u>	<u>139,906</u>
TOTAL	<u>366,941</u>	<u>347,315</u>

4 ACCOUNTS RECEIVABLE

ACBL memberships	12,651	14,244
Club games	-	9,299
Others	1,777	1,350
HST	<u>357</u>	<u>-</u>
TOTAL	<u>14,785</u>	<u>24,893</u>

5 CAPITAL ASSETS

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
	\$	\$	\$	\$
Bridge screens	7,784	7,784	-	-
Boards and cases	8,818	8,818	-	-
Projectors	519	519	-	-
Computer	<u>1,315</u>	<u>131</u>	<u>1,184</u>	<u>651</u>
TOTAL	<u>18,436</u>	<u>17,252</u>	<u>1,184</u>	<u>651</u>

6 ACCOUNTS PAYABLE

Expense reimbursements	8,831	10,600
Professional fees	5,992	6,442
World Bridge Federation dues	4,590	-
HST payable	<u>-</u>	<u>945</u>
TOTAL	<u>19,413</u>	<u>17,987</u>

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CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2020

7 ERIN BERRY MEMORIAL FUND

ASSETS

	<u>2020</u>	<u>2019</u>
	\$	\$
Cash	<u>39,344</u>	<u>39,777</u>

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	39,777	42,069
Investment income	-	150
Bank charges	(92)	(92)
Subsidies paid	(341)	(2,350)
Net income (loss)	<u>(433)</u>	<u>(2,292)</u>
Memorial liability - ending	<u>39,344</u>	<u>39,777</u>

8 DEFERRED REVENUE

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

	<u>2020</u>	<u>2019</u>
	\$	\$
Membership	89,579	83,600
Entries and game fees	29,322	18,915
	<u>118,901</u>	<u>102,515</u>

9 TERMINATION LIABILITY

The termination liability is payable on termination of the employee as per the termination agreement.

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Notes to Financial Statements

Year Ended December 31, 2020

10 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 \$252 (2019 - receivable of \$102)

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 \$12,651 (2019 - \$14,244).

11 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, 2020.

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.

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2020

12 COMPARATIVE FIGURES

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

13 CANADIAN EMERGENCY BUSINESS ACCOUNT (CEBA) LOAN

The Canadian Bridge Federation applied for a \$40,000 Canadian Emergency Business Account (CEBA loan). The loan was approved and deposited in the bank account of the Canadian Bridge Federation on May 14, 2020. The CBF received another \$20,000 on December 29, 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. \$20,000 of the \$60,000 loan is eligible for complete forgiveness if \$40,000 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 \$40,000 no later than December 31, 2022.

14 COVID 19 PANDEMIC

Due to the pandemic, our revenues have been negatively impacted by the club closures, cancellation of tournaments and market conditions. There were no International competitions during the year.

These notes are an integral part of the Financial Statements.

CANADIAN BRIDGE FEDERATION INC.

Schedule 1

Statement of Operations - International Fund

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
REVENUE		
Canadian Bridge Championships (CBC)	13,185	52,688
COPC club qualifying		12,407
CNTC club qualifying	1,900	3,309
CBC Regional	-	37,130
CBF Regional	-	-
International Fund games at clubs	271	7,934
ACBL International Fund	-	8,411
World Bridge dues - ACBL contribution	16,178	18,696
Investment and Mutual Fund Income (Loss)	<u>5,052</u>	<u>7,530</u>
TOTAL REVENUE	<u>36,586</u>	<u>148,105</u>
EXPENSES		
CBC Expenses	2,751	47,153
CBC Regional	-	35,843
CBF Regional	-	-
World Bridge Federation dues	4,590	6,797
World Team Games		36,875
Entry fees		24,996
Uniforms		<u>3,253</u>
TOTAL EXPENSES	<u>7,341</u>	<u>154,917</u>
INCOME (LOSS) FROM OPERATIONS	<u>29,245</u>	<u>(6,812)</u>

CANADIAN BRIDGE FEDERATION INC.

Schedule 2

Statement of Operations - Junior Fund

Year Ended December 31, 2020

	<u>2020</u>	<u>2019</u>
	\$	\$
REVENUE		
Junior ACBL	25,000	25,000
US exchange	8,750	8,560
Donations	10,200	15,175
Canadian Youth trials	1,360	
Junior month	-	86
Investment and Mutual Fund Income (Loss)	<u>7,054</u>	<u>10,513</u>
TOTAL REVENUE	<u>52,364</u>	<u>59,334</u>
EXPENSES		
Junior bridge camp	-	500
Canadian youth trials	<u>997</u>	<u>-</u>
TOTAL EXPENSES	<u>997</u>	<u>500</u>
INCOME (LOSS) FROM OPERATIONS	<u>51,367</u>	<u>58,834</u>