

CANADIAN BRIDGE FEDERATION

FINANCIAL STATEMENTS

DECEMBER 31, 2021

CANADIAN BRIDGE FEDERATION INC.

Statement of Financial Position

December 31, 2021

		<u>2021</u>	<u>2020</u>
		\$	\$
ASSETS			
CURRENT			
Cash		230,269	188,937
Investments	<i>(Note 3)</i>	392,754	366,941
Accounts receivable	<i>(Note 4)</i>	10,029	14,785
Inventory (Shirts)		6,775	6,775
Prepaid expenses		<u>3,279</u>	<u>2,997</u>
TOTAL		643,106	580,435
CAPITAL ASSETS	<i>(Note 5)</i>	920	1,184
ERIN BERRY MEMORIAL FUND ASSET	<i>(Note 7)</i>	<u>39,281</u>	<u>39,344</u>
TOTAL ASSETS		<u>683,307</u>	<u>620,963</u>
LIABILITIES AND NET ASSETS			
CURRENT			
Accounts payable	<i>(Note 6)</i>	91,695	19,413
Deferred revenue	<i>(Note 8)</i>	103,778	118,901
Termination liability	<i>(Note 9)</i>	<u>6,337</u>	<u>5,506</u>
TOTAL		201,810	143,820
CEBA LOAN	<i>(Note 13)</i>	60,000	60,000
ERIN BERRY MEMORIAL FUND LIABILITY	<i>(Note 7)</i>	<u>39,281</u>	<u>39,344</u>
TOTAL LIABILITIES		<u>301,091</u>	<u>243,164</u>
NET ASSETS			
General fund		41,090	48,956
International fund		96,218	104,311
Junior fund		<u>244,908</u>	<u>224,532</u>
TOTAL NET ASSETS		<u>382,216</u>	<u>377,799</u>
TOTAL		<u>683,307</u>	<u>620,963</u>

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, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Memberships	84,148	75,585
International Fund	61,752	36,586
Junior Fund	40,376	52,364
Sectional Tournament at Clubs (STAC)	-	23,148
Temporary wage subsidy	-	1,024
Online teams	9,522	6,705
Advertising	1,350	1,350
Investment and Mutual Fund Income (Loss)	9,889	7,518
Online pairs game	<u>1,462</u>	<u>-</u>
TOTAL REVENUE	<u>208,499</u>	<u>204,280</u>
EXPENSES		
Office	58,147	56,935
International Fund	69,845	7,341
Junior Fund	20,000	997
CBF Magazine	21,105	24,075
ACBL	2,884	17,450
Professional fees	19,743	17,516
Marketing consultant	1,000	9,620
Community/social media manager	-	6,628
Insurance	1,920	2,904
Bank and credit card charges	2,202	2,974
Amortization	263	131
Miscellaneous	<u>6,973</u>	<u>5,005</u>
TOTAL EXPENSES	<u>204,082</u>	<u>151,576</u>
INCOME (LOSS) FROM OPERATIONS	<u>4,417</u>	<u>52,704</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Statement of Changes in Net Assets

Year Ended December 31, 2021

	General Fund	International Fund	Junior Fund	2021 \$	2020 \$
NET ASSETS - BEGINNING OF YEAR	<u>48,956</u>	<u>104,311</u>	<u>224,532</u>	<u>377,799</u>	<u>325,095</u>
Income (loss) from operations	<u>(7,866)</u>	<u>(8,093)</u>	<u>20,376</u>	<u>4,417</u>	<u>52,704</u>
NET ASSETS - END OF YEAR	<u>41,090</u>	<u>96,218</u>	<u>244,908</u>	<u>382,216</u>	<u>377,799</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Statement of Cash Flows

Year Ended December 31, 2021

	<u>2021</u>	<u>2020</u>
	\$	\$
OPERATING ACTIVITIES		
Income (Loss) from operations	4,417	52,704
Items not affecting cash		
Amortization of capital assets	263	131
Loss on disposal of assets	-	(674)
Fair market value adjustment to investments	<u>(25,813)</u>	<u>(19,626)</u>
	<u>(21,133)</u>	<u>32,535</u>
Changes in non-cash working capital		
Accounts receivable	4,756	10,101
Shirt Inventory	-	(6,775)
Prepaid expenses	(282)	3,662
Accounts payable	72,283	1,426
Deferred revenue	(15,123)	16,386
Termination liability	<u>831</u>	<u>797</u>
	<u>62,465</u>	<u>25,597</u>
Cash flow from operating activities	<u>41,332</u>	<u>58,132</u>
CEBA LOAN	<u>-</u>	<u>60,000</u>
INCREASE IN CASH FLOW	41,332	118,132
CASH - BEGINNING OF YEAR	<u>188,937</u>	<u>70,805</u>
CASH - END OF YEAR	<u>230,269</u>	<u>188,937</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

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.

(continues)

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

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.

(continues)

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

3 INVESTMENTS

	2021	2020
	\$	\$
Fixed Income	208,160	214,481
Equity	184,594	152,460
TOTAL	392,754	366,941

4 ACCOUNTS RECEIVABLE

ACBL memberships	8,043	12,651
Club games	-	-
Others	1,845	1,777
HST	141	357
TOTAL	10,029	14,785

5 CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
	\$	\$	\$	\$
Bridge screens	7,784	7,784	-	-
Boards and cases	8,818	8,818	-	-
Projectors	519	519	-	-
Computer	1,315	395	920	1,184
TOTAL	18,436	17,516	920	1,184

6 ACCOUNTS PAYABLE

2021 World Championship	60,000	-
2023 World Juniors Championship	20,000	-
Expense reimbursements	4,008	8,831
Professional fees	7,063	5,992
World Bridge Federation dues	-	4,590
HST payable	624	-
TOTAL	91,695	19,413

The CBF receives \$25,000 US annually from the ACBL to help pay for the cost of the World Junior Championships. COVID - 19 resulted in the cancellation of the 2020 and 2022 Championships. The next Juniors is scheduled to take place in 2023. It cost approximately \$60,000 to send the Junior teams. \$20,000 is going to be expensed annually for the next 3 years to match the income with the expenses.

(continues)

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

7 ERIN BERRY MEMORIAL FUND

ASSETS

	<u>2021</u>	<u>2020</u>
	\$	\$
Cash	<u>39,281</u>	<u>39,344</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	39,344	39,777
Bank charges	(63)	(92)
Subsidies paid	-	(341)
Net income (loss)	<u>(63)</u>	<u>(433)</u>
Memorial liability - ending	<u>39,281</u>	<u>39,344</u>

8 DEFERRED REVENUE

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Membership	87,566	89,579
Entries and game fees	16,212	29,322
	<u>103,778</u>	<u>118,901</u>

9 TERMINATION LIABILITY

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

(continues)

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

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 no outstanding receivable (2020 - receivable of \$252).

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 \$8,043 (2020 - \$12,651).

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, 2021.

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.

(continues)

CANADIAN BRIDGE FEDERATION INC.

Notes to Financial Statements

Year Ended December 31, 2021

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 - General Fund**Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Memberships	84,148	75,585
Sectional Tournament at Clubs (STAC)	-	23,148
Investment and Mutual Fund Income (Loss)	9,889	7,518
Online teams	9,522	6,705
Advertising	1,350	1,350
Temporary wage subsidy	-	1,024
Online pairs game	<u>1,462</u>	<u>-</u>
TOTAL REVENUE	<u>106,371</u>	<u>115,330</u>
EXPENSES		
Office	58,147	56,935
CBF Magazine	21,105	24,075
ACBL	2,884	17,450
Professional fees	19,743	17,516
Marketing	1,000	16,248
Insurance	1,920	2,904
Bank and credit card charges	2,202	2,974
Amortization	263	131
Miscellaneous	<u>6,973</u>	<u>5,005</u>
TOTAL EXPENSES	<u>114,237</u>	<u>143,238</u>
INCOME (LOSS) FROM OPERATIONS <i>(Note 13)</i>	<u>(7,866)</u>	<u>(27,908)</u>

See notes to financial statements

CANADIAN BRIDGE FEDERATION INC.

Schedule 2

Statement of Operations - International Fund**Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Canadian Bridge Championships (CBC)	41,272	13,185
CNTC club qualifying	-	1,900
International Fund games at clubs	-	271
ACBL International Fund	1,395	-
World Bridge dues - ACBL contribution	12,439	16,178
Investment and Mutual Fund Income (Loss)	<u>6,646</u>	<u>5,052</u>
TOTAL REVENUE	<u>61,752</u>	<u>36,586</u>
EXPENSES		
CBC Expenses	4,436	2,751
World Bridge Federation dues	5,409	4,590
World Team Games	40,755	-
Entry fees	17,745	
Uniforms	<u>1,500</u>	
TOTAL EXPENSES	<u>69,845</u>	<u>7,341</u>
INCOME (LOSS) FROM OPERATIONS	<u>(8,093)</u>	<u>29,245</u>

CANADIAN BRIDGE FEDERATION INC.

Schedule 3

Statement of Operations - Junior Fund**Year Ended December 31, 2021**

	<u>2021</u>	<u>2020</u>
	\$	\$
REVENUE		
Junior ACBL	25,000	25,000
US exchange	6,097	8,750
Donations	-	10,200
Canadian Youth trials	-	1,360
Investment and Mutual Fund Income (Loss)	<u>9,279</u>	<u>7,054</u>
TOTAL REVENUE	<u>40,376</u>	<u>52,364</u>
EXPENSES		
World Junior Games	20,000	-
Canadian youth trials	-	997
TOTAL EXPENSES	<u>20,000</u>	<u>997</u>
INCOME (LOSS) FROM OPERATIONS	<u>20,376</u>	<u>51,367</u>