

CANADIAN BRIDGE FEDERATION INCORPORATED

FINANCIAL STATEMENTS
(unaudited)

DECEMBER 31, 2023



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Directors of
Canadian Bridge Federation Incorporated

We have reviewed the accompanying financial statements of Canadian Bridge Federation Incorporated that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Canadian Bridge Federation Incorporated as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT (continued)

Other Matter

The financial statements of Canadian Bridge Federation Incorporated for the year ended December 31, 2022 were audited by another Chartered Professional Accountant who expressed an unqualified opinion on those financial statements on May 8, 2023. The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year net assets.

SASKATOON, SASKATCHEWAN

June 8, 2024

Buchberger Baerg & Partners LLP

Chartered Professional Accountants

CANADIAN BRIDGE FEDERATION INCORPORATED

STATEMENT OF FINANCIAL POSITION

(unaudited)

DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Current assets		
Cash and cash equivalents	\$ 66,895	\$ 164,626
Short-term investments (Note 3)	364,616	-
Accounts receivable	28,811	15,191
Inventory	2,136	4,330
Prepaid expenses	2,952	3,124
Marketable securities	-	353,848
	<u>465,410</u>	<u>541,119</u>
Property and equipment (Note 4)	-	657
Erin Berry Memorial funds held in trust (Note 5)	<u>33,122</u>	<u>33,998</u>
	<u>\$ 498,532</u>	<u>\$ 575,774</u>
<u>LIABILITIES</u>		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	\$ 28,633	\$ 60,544
Deferred revenue	129,540	87,419
Termination liability	513	7,149
	<u>158,686</u>	<u>155,112</u>
Erin Berry Memorial funds held in trust (Note 5)	<u>33,122</u>	<u>33,998</u>
	<u>191,808</u>	<u>189,110</u>
<u>FUND BALANCES</u>		
General fund	77,711	20,368
International fund	43,620	123,484
Junior fund	<u>185,393</u>	<u>242,812</u>
	<u>306,724</u>	<u>386,664</u>
	<u>\$ 498,532</u>	<u>\$ 575,774</u>

See accompanying notes

Approved by the Board

_____ Member

_____ Member

CANADIAN BRIDGE FEDERATION INCORPORATED

STATEMENT OF OPERATIONS

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenues		
General Fund, Schedule 1	\$ 83,447	\$ 89,105
International Fund, Schedule 2	86,757	78,318
Junior Fund, Schedule 3	<u>43,949</u>	<u>31,889</u>
	<u>214,153</u>	<u>199,312</u>
Expenditures		
General Fund, Schedule 1	144,847	114,925
International Fund, Schedule 2	120,287	41,034
Junior Fund, Schedule 3	<u>43,949</u>	<u>20,000</u>
	<u>309,083</u>	<u>175,959</u>
(Deficiency) excess of revenues over expenditures before undernoted items	(94,930)	23,353
Investment income (loss)	14,990	(38,905)
Grant revenue	<u>-</u>	<u>20,000</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (79,940)</u>	<u>\$ 4,448</u>

See accompanying notes

CANADIAN BRIDGE FEDERATION INCORPORATED

STATEMENT OF CHANGES IN NET ASSETS

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>			
	<u>Balance, beginning of year</u>	<u>Deficiency of revenues over expenditures</u>	<u>(Note 7) Interfund transfer</u>	<u>Balance, end of year</u>
General fund	\$ 20,368	\$ (46,410)	\$ 103,753	\$ 77,711
International fund	123,484	(33,530)	(46,334)	43,620
Junior fund	<u>242,812</u>	<u>-</u>	<u>(57,419)</u>	<u>185,393</u>
	<u>\$ 386,664</u>	<u>\$ (79,940)</u>	<u>\$ -</u>	<u>\$ 306,724</u>
				<u>2022</u>
	<u>Balance, beginning of year</u>	<u>Excess (deficiency) of revenues over expenditures</u>	<u>(Note 7) Interfund transfer</u>	<u>Balance, end of year</u>
General fund	\$ 41,090	\$ (20,722)	\$ -	\$ 20,368
International fund	96,218	27,266	-	123,484
Junior fund	<u>244,908</u>	<u>(2,096)</u>	<u>-</u>	<u>242,812</u>
	<u>\$ 382,216</u>	<u>\$ 4,448</u>	<u>\$ -</u>	<u>\$ 386,664</u>

See accompanying notes

CANADIAN BRIDGE FEDERATION INCORPORATED

STATEMENT OF CASH FLOWS

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Cash flows used in operating activities		
(Deficiency) excess of revenues over expenditures	\$ (79,940)	\$ 4,448
Items not affecting cash		
Amortization	657	263
(Gain) loss on investments	(10,374)	38,905
Accrued interest	(4,616)	-
Grant revenue	-	(20,000)
Net change in non-cash working capital items:		
Accounts receivable	(13,620)	(5,162)
Inventory	2,194	2,445
Prepaid expenses	172	155
Accounts payable and accrued liabilities	(31,911)	(31,151)
Deferred revenue	42,121	(16,359)
Termination liability	(6,636)	813
	<u>(101,953)</u>	<u>(25,643)</u>
Cash flows from investing activities		
Purchase of Guaranteed Investment Certificate	(360,000)	-
Redemption of marketable securities	364,222	-
	<u>4,222</u>	<u>-</u>
Cash flows used in financing activity		
Repayment of Canada Emergency Business Account loan	<u>-</u>	<u>(40,000)</u>
Net decrease in cash and cash equivalents during the year	(97,731)	(65,643)
Cash and cash equivalents, beginning of year	<u>164,626</u>	<u>230,269</u>
Cash and cash equivalents, end of year	<u>\$ 66,895</u>	<u>\$ 164,626</u>

See accompanying notes

CANADIAN BRIDGE FEDERATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

DECEMBER 31, 2023

1. Nature of operations

Canadian Bridge Federation Incorporated (the "organization") is a non-profit organization, which provides funding to bridge players and organizes playing events in Canada. The organization is funded through memberships, donations and competition fees. The organization 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 accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

Fund accounting

The organization follows the principles of fund accounting.

The General Fund reflects the receipt of general memberships, online entry fees, and other general income plus expenses associated with the general offerings of the organization.

The International Fund reflects the receipt of entry fees for the Canadian National Team Championships plus expenses associated with the entry fees and travel costs for the Canadian National Team Championships and the World Championships.

The Junior Fund reflects the receipt of donations and American Contract Bridge League ("ACBL") funding for the junior team plus expenses associated with the World Junior Championships.

Certain amounts from time to time are transferred between funds in order to fund disbursements for purchases and operations.

Cash and cash equivalents

Cash and cash equivalents are defined as cash and highly liquid investments, consisting primarily of term deposits, with terms to maturity of three months or less.

Short-term investments

Short-term investments consist of term deposits or Guaranteed Investment Certificates ("GICs"), with terms to maturity of three months to one year.

Inventory

Inventory is valued at the lower of cost and current replacement cost. Cost is determined using the first-in, first-out method. Current replacement cost is determined using the adjusted market prices of comparable assets.

Property and equipment

Property and equipment are recorded at cost, less accumulated amortization. The organization provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates are as follows:

CANADIAN BRIDGE FEDERATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

DECEMBER 31, 2023

2. Significant accounting policies (continued)

Property and equipment (continued)

Computer equipment	5 years
Equipment	5 years

Revenue recognition

The organization follows the restricted fund method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which they are received. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Memberships are recognized in the period to which the membership relates. Game revenue is recognized in the period the game is held. Investment and other revenue are recognized as goods are provided and services are performed.

Contributed services

The organization would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of determining the fair value of that service, contributed services are not recognized in the financial statements.

Financial instruments

The organization initially records a financial instrument at its fair value, except for a related party transaction, which is recorded at the carrying or exchange amount depending on the circumstances.

Transaction costs are recognized in net income in the period incurred. However, transaction costs associated with financial instruments carried at cost or amortized cost are recorded as adjustments to the initial fair value recognized and amortized over the expected life of the instrument.

Financial assets and financial liabilities subsequently measured at amortized cost include cash and cash equivalents, short-term investments, accounts receivable, Erin Berry Memorial funds held in trust, accounts payable and accrued liabilities, and termination liability.

When there is an indication of impairment and such impairment is determined to have occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected, the proceeds that could be realized from the sale of the financial asset, or the amount that could be realized by exercising the right to any collateral held to secure repayment of the asset. Such impairments can be subsequently reversed to the extent that the improvement can be related to an event occurring after the impairment was recognized.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the year end date and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. Significant estimates include the useful life of property and equipment.

CANADIAN BRIDGE FEDERATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

DECEMBER 31, 2023

3. Short-term investments

Short-term investments consist of a GIC, which bears interest at 4.00% with a maturity date of September 6, 2024.

4. Property and equipment

	<u>2023</u>		<u>2022</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net book value</u>	<u>Net book value</u>
Computer equipment	\$ 1,315	\$ 1,315	\$ -	\$ 657
Equipment	<u>17,122</u>	<u>17,122</u>	<u>-</u>	<u>-</u>
	<u>\$ 18,437</u>	<u>\$ 18,437</u>	<u>\$ -</u>	<u>\$ 657</u>

5. Erin Berry Memorial funds held in trust

This fund was set up in 2001, in memory of Erin Berry, to subsidize young Canadians that are members of the organization.

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 33,998	\$ 39,281
Bank charges	(61)	(33)
Interest earned	385	-
Subsidies paid	<u>(1,200)</u>	<u>(5,250)</u>
Balance, end of year	<u>\$ 33,122</u>	<u>\$ 33,998</u>

6. Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities is \$896 (2022 - \$96) of government remittances payable.

7. Interfund transfer

During the year, the organization approved a transfer from the international fund and junior fund for the amounts of \$46,334 and \$57,419 respectively to the general fund as a repayment of funds previously transferred from the general fund.

CANADIAN BRIDGE FEDERATION INCORPORATED

NOTES TO THE FINANCIAL STATEMENTS

(unaudited)

DECEMBER 31, 2023

8. Financial instruments

Credit risk

The organization does have credit risk in accounts receivable of \$28,811 (2022 - \$15,191). Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss.

Liquidity risk

The organization mainly has a liquidity risk in accounts payable and accrued liabilities of \$28,633 (2022 - \$60,544). Liquidity risk is the risk that the organization cannot repay its obligations when they become due to its creditors. The organization reduces its exposure to liquidity risk by maintaining sufficient cash reserves to settle liabilities when they become due.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to this risk on its floating rate investments.

Foreign exchange risk

The organization is exposed to foreign exchange risk in United States dollars. Foreign exchange risk is the risk that the exchange rate that was in effect on the date that an obligation in a foreign currency was made to the organization by a customer is different at the time of settlement than it was at time that the obligation was determined.

CANADIAN BRIDGE FEDERATION INCORPORATED**SCHEDULE OF GENERAL FUND**

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
Memberships	\$ 75,563	\$ 81,018
Online teams and pairs	4,611	6,657
Sectional tournaments at clubs	1,534	80
Advertising	1,125	1,350
Rookie games	614	-
	<u>83,447</u>	<u>89,105</u>
Expenditures		
ACBL service charges	3,508	2,483
Amortization	657	263
Board meetings, AGM, Hall of Fame	15,599	-
CBF magazine	18,422	23,801
Insurance	2,676	2,291
Interest and bank charges	3,441	3,100
Miscellaneous	1,836	1,449
Office	12,237	12,491
Professional fees	30,224	22,013
Rookie games	850	-
Salaries and benefits	55,397	47,034
	<u>144,847</u>	<u>114,925</u>
Deficiency of revenues over expenditures	<u>\$ (61,400)</u>	<u>\$ (25,820)</u>

CANADIAN BRIDGE FEDERATION INCORPORATED**SCHEDULE OF INTERNATIONAL FUND**

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
Canadian bridge championships	\$ 70,586	\$ 41,271
ACBL international fund	12,878	7,576
CNTC club qualifying	2,065	16,661
International fund games at clubs	1,228	137
World bridge dues	<u>-</u>	<u>12,673</u>
	<u>86,757</u>	<u>78,318</u>
Expenditures		
Canadian bridge championships expenses	74,536	19,738
Entry fees	24,307	6,470
Travel	19,250	7,500
Uniforms	2,194	1,964
World bridge dues	<u>-</u>	<u>5,362</u>
	<u>120,287</u>	<u>41,034</u>
(Deficiency) excess of revenues over expenditures	<u>\$ (33,530)</u>	<u>\$ 37,284</u>

CANADIAN BRIDGE FEDERATION INCORPORATED**SCHEDULE OF JUNIOR FUND**

(unaudited)

YEAR ENDED DECEMBER 31, 2023

	<u>2023</u>	<u>2022</u>
Revenue		
ACBL contribution	\$ 32,993	\$ 31,289
Donations	10,851	600
Canadian youth trials	<u>105</u>	<u>-</u>
	<u>43,949</u>	<u>31,889</u>
Expenditures		
Entry fees	1,547	-
U26 team	14,852	-
World junior championships	26,966	20,000
Youth trials	<u>584</u>	<u>-</u>
	<u>43,949</u>	<u>20,000</u>
Excess of revenues over expenditures	<u>\$ -</u>	<u>\$ 11,889</u>