

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Financial Position

December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	55,362	53,504
Investments	341,066	320,035
Accounts receivable	29,760	19,163
HST receivable	3,493	
Prepaid expenses	<u>3,335</u>	<u>2,778</u>
	433,016	395,480
<b>CAPITAL ASSETS</b> (Note 4)	3,526	5,903
<b>ERIN BERRY MEMORIAL FUND ASSE'</b> (Note 6)	<u>47,533</u>	<u>51,908</u>
	<u>484,075</u>	<u>453,291</u>
 <b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	43,839	23,528
HST payable	-	4,607
Deferred revenue (Note 7)	96,550	80,064
Termination liability	<u>2,342</u>	<u>1,547</u>
	142,731	109,746
<b>ERIN BERRY MEMORIAL FUND LIABIL</b> (Note 8)	<u>47,533</u>	<u>51,908</u>
	<u>190,264</u>	<u>161,654</u>
 <b>NET ASSETS</b>		
General fund	139,411	107,967
International fund	56,136	88,634
Junior fund	<u>98,264</u>	<u>95,036</u>
	<u>293,811</u>	<u>291,637</u>
	<u>484,075</u>	<u>453,291</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, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>REVENUE</b>		
Statement of Operations - General Fund	226,204	172,040
Statement of Operations - International Fund	35,899	48,595
Statement of Operations - Junior Fund	<u>45,482</u>	<u>33,947</u>
	<u>307,585</u>	<u>254,582</u>
<b>EXPENSES</b>		
Statement of Operations - General Fund	194,760	189,440
Statement of Operations - International Fund	68,397	67,797
Statement of Operations - Junior Fund	<u>42,254</u>	<u>-</u>
	<u>305,411</u>	<u>257,237</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u><u>2,174</u></u>	<u><u>(2,655)</u></u>

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - General Fund

Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>REVENUE</b>		
Advertising	1,244	1,195
Audrey Grant seminars	11,718	
Fair market value adjustment investments	7,786	603
Memberships	81,841	75,438
Online teams	1,518	1,875
Canadian Bridge Championships (CBC) - Schedule 1	51,188	50,134
Canadian Open Pairs Championship (COPC) - Schedule 1	9,090	8,303
Canadian Women's Team Championship (CWTC) - Schedule 1	99	-
Canadian National Team Championship (CNTC) - Schedule 1	3,392	6,444
Rookie game - Schedule 1	2,396	2,339
Miscellaneous revenue	10,085	1,708
Donation	25,000	
Sectional Tournament at Clubs (STAC) - Schedule	<u>20,847</u>	<u>24,001</u>
<b>TOTAL REVENUE</b>	<u>226,204</u>	<u>172,040</u>
<b>EXPENSES</b>		
ACBL service fee	3,493	2,632
Amortization	2,377	2,377
Annual general meeting	667	145
Audit and bookkeeping	7,100	4,300
Audrey Grant seminars	15,240	
Bank and credit card charges	2,414	1,618
C.B.F. co-ordinator	43,533	44,698
Director's expenses	5,175	5,327
Director's meeting	3,798	3,453
Employee benefits	2,992	3,586
Hall of Fame	870	1,070
Insurance	1,389	2,617
Internet and website maintenance	2,533	4,849
Office	9,614	9,525
Publication	23,013	26,523
VuGraph	1,405	2,400
Miscellaneous	4,724	10,727
Canadian Bridge Championships (CBC) - Schedule 1	45,489	46,988
Canadian Open Pairs Championship (COPC) - Schedule 1	-	-
Canadian Women's Team Championship (CWTC) - Schedule 1	-	-
Canadian National Team Championship (CNTC) - Schedule 1	-	-
Rookie game - Schedule 1	1,540	3,184
Sectional Tournament at Clubs (STAC) - Schedule	<u>17,394</u>	<u>13,421</u>
<b>TOTAL EXPENSES</b>	<u>194,760</u>	<u>189,440</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>31,444</u>	<u>(17,400)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - International Fund

Year Ended December 31, 2016

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	<u>2016</u>	<u>2015</u>
	\$	\$
<b>REVENUE</b>		
CBF Regional	6,203	20,000
International games	20,838	17,171
Fair market value adjustment investments	6,391	605
Investment interest		
Surtax - Bridge Week	-	8,762
CBC Swiss	<u>2,464</u>	<u>2,057</u>
<b>TOTAL REVENUE</b>	<u>35,896</u>	<u>48,595</u>
<b>EXPENSES</b>		
World Team Games	66,245	50,024
National Coaching	-	5,000
Uniforms	2,152	4,593
Other	-	197
Bi-Country	<u>-</u>	<u>7,983</u>
<b>TOTAL EXPENSES</b>	<u>68,397</u>	<u>67,797</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>(32,501)</u>	<u>(19,202)</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Operations - Junior Fund

Year Ended December 31, 2016

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	<u>2016</u>	<u>2015</u>
	\$	\$
<b>REVENUE</b>		
Junior ACBL	25,000	25,050
US exchange	12,462	
Kids Fundraising	1,166	8,610
Fair market value adjustment investments	<u>6,854</u>	<u>287</u>
<b>TOTAL REVENUE</b>	<u>45,482</u>	<u>33,947</u>
<b>EXPENSES</b>		
Air fare	19,790	
Entry fees and Accomodations	20,315	
Visas		
Honorarium	500	
Coaching		
Uniforms	1,649	
Other expenses	<u>          </u>	<u>          </u>
<b>TOTAL EXPENSES</b>	<u>42,254</u>	<u>-</u>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<u>3,228</u>	<u>33,947</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Changes in Net Assets

Year Ended December 31, 2016

	General Fund	International Fund	Junior Fund	2016	2015
	\$	\$	\$	\$	\$
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>107,967</u>	<u>88,634</u>	<u>95,036</u>	<u>291,637</u>	<u>294,292</u>
Income (loss) from operations	<u>31,444</u>	<u>(32,498)</u>	<u>3,228</u>	<u>2,174</u>	<u>(2,655)</u>
<b>NET ASSETS - END OF YEAR</b>	<u>139,411</u>	<u>56,136</u>	<u>98,264</u>	<u>293,811</u>	<u>291,637</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Cash Flows

Year Ended December 31, 2016

	<u>2016</u>	<u>2015</u>
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Income from operations	2,174	(2,655)
Items not affecting cash		
Amortization of capital assets	2,377	2,377
Loss on disposal of assets		
Fair market value adjustment to investments	<u>(21,031)</u>	<u>(1,495)</u>
	<u>(16,480)</u>	<u>(1,773)</u>
Changes in non-cash working capital		
Accounts receivable	(10,597)	(1,742)
Prepaid expenses	(557)	8,728
Purchase Capital Assets	-	-
Accounts payable	20,311	(3,055)
HST payable	(8,100)	(3,453)
Deferred revenue	16,486	(17,887)
Termination liability	<u>795</u>	<u>778</u>
	<u>18,338</u>	<u>(16,631)</u>
Cash flow from operating activities	<u>1,858</u>	<u>(18,404)</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>	1,858	(18,404)
<b>CASH - BEGINNING OF YEAR</b>	<u>53,504</u>	<u>71,908</u>
<b>CASH - END OF YEAR</b>	<u>55,362</u>	<u>53,504</u>

See notes to financial statements

# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2016

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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, 2016

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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. 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, 2016

### 3 INVESTMENTS

	2016	2015
	\$	\$
Term deposits maturing in 2022 with interest rate of 1.75% ( Between 0.8% and 1.82% in 2014.	91,166	82,622
Mutual funds, measured at fair value	<u>249,901</u>	<u>237,413</u>
<b>TOTAL</b>	<u><b>341,067</b></u>	<u><b>320,035</b></u>

### 4 CAPITAL ASSETS

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
	\$	\$	\$	\$
Bridge screens	7,784	7,784	-	614
Boards and cases	7,318	4,208	3,110	4,665
Projectors	1,039	623	416	624
Boards	<u>1,500</u>	<u>1,500</u>	<u>-</u>	<u>-</u>
<b>TOTAL</b>	<u><b>17,641</b></u>	<u><b>14,115</b></u>	<u><b>3,526</b></u>	<u><b>5,903</b></u>

### 5 STATEMENT OF FINANCIAL POSITION BY FUND

	General Fund	International Fund	Junior Fund	2016 2016	2016
	\$	\$	\$	\$	\$
<b>Assets</b>					
Cash	55,362	-	-	55,362	53,504
Investments	176,666	46,136	98,264	321,066	320,035
Accounts receivable	29,760	-	-	29,760	19,163
HST receivable	3,493			3,493	-
Prepaid expenses	3,335		-	3,335	2,778
Capital assets	<u>3,526</u>	<u>-</u>	<u>-</u>	<u>3,526</u>	<u>5,903</u>
	<u>272,142</u>	<u>46,136</u>	<u>98,264</u>	<u>416,542</u>	<u>401,383</u>
<b>Liabilities</b>					
Accounts payable	43,839			43,839	23,397
HST payable	-			-	4,607
Deferred revenue	86,550	10,000		96,550	80,064
Termination liability	<u>2,342</u>			<u>2,342</u>	<u>1,547</u>
	<u>132,731</u>	<u>10,000</u>	<u>-</u>	<u>142,731</u>	<u>109,615</u>
<b>Net Assets</b>	<u><b>139,411</b></u>	<u><b>36,136</b></u>	<u><b>98,264</b></u>	<u><b>273,811</b></u>	<u><b>291,768</b></u>

# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2016

### 6 ERIN BERRY MEMORIAL FUND - ASSETS

	<u>2016</u>	<u>2015</u>
	\$	\$
Cash	45,607	30,083
Term deposits maturing between 2016 and 2017 which bear interest between 2.15% and 3.20%.	10,000	25,000
Due to Canadian Bridge Federation	<u>8,075</u>	<u>3,175</u>
	<u>47,532</u>	<u>51,908</u>

### 7 DEFERRED REVENUE

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

	<u>2016</u>	<u>2015</u>
	\$	\$
2015 & 2017 Regionals	10,000	5,000
CNTC - game fees	1,081	2,283
COPC - game fees	5,037	7,046
Membership	80,343	65,735
Audrey Grant seminars	<u>89</u>	<u>-</u>
	<u>96,550</u>	<u>80,064</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, 2016

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	<u>2016</u>	<u>2015</u>
	\$	\$
<b>The following is a summary of activity for the year:</b>		
Investment income	554	456
Bank charges	(30)	(31)
Subsidies paid	<u>(4,900)</u>	<u>(5,475)</u>
Net income (loss)	<u>(4,376)</u>	<u>(5,050)</u>
Balance of commitment - beginning of year	3,218	2,572
Permitted withdrawal of principal	<u>5,191</u>	<u>5,696</u>
Balance of commitment - end of year	<u>4,033</u>	<u>3,218</u>
<b>Memorial Liability</b>		
Memorial liability - opening	51,908	56,958
Net income (loss)	<u>(4,376)</u>	<u>(5,050)</u>
Memorial liability - ending	<u>47,532</u>	<u>51,908</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 \$5,410 ( 2015 - \$11,260).

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 \$14,965 (2015 - \$6,207).

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, 2016.

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# CANADIAN BRIDGE FEDERATION INC.

## Notes to Financial Statements

Year Ended December 31, 2016

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### 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.

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Championship Revenue and Expenses

Year Ended December 31, 2016

		Schedule 1					
		2016					
		CBC	COPC	CWTC	CNTC	Rookie	STAC
		\$	\$	\$	\$	\$	\$
<b>REVENUE</b>							
	Fees	47,058	8,808	245	3,392	2,396	20,847
	Individual						
	Tourism	4,130					
		<u>51,188</u>	<u>8,808</u>	<u>245</u>	<u>3,392</u>	<u>2,396</u>	<u>20,847</u>
<b>EXPENSES</b>							
	Sanction fees					468	17,394
	Directors	20,231					
	Caddies	2,520					
	Cash prizes	5,650					
	Duplication	1,021					
	Hospitality	3,389					
	Miscellaneous	2,908				100	
	Table rental	874					
	Printing	501					
	Plaques	486				275	
	Supplies	1,590					
	Rent	6,079					
		<u>45,249</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>843</u>	<u>17,394</u>
<b>INCOME FROM OPERATIONS</b>		<u>5,939</u>	<u>8,808</u>	<u>245</u>	<u>3,392</u>	<u>1,553</u>	<u>3,453</u>

# CANADIAN BRIDGE FEDERATION INC.

## Statement of Championship Revenue and Expenses

Year Ended December 31, 2015

		Schedule 1					
		2015					
		CBC	COPC	CWTC	CNTC	Rookie	STAC
		\$	\$	\$	\$	\$	\$
<b>REVENUE</b>							
	Fees	50,134	8,303		3,684	2,339	24,001
	Individual				2,760		
	Tourism						
		<u>50,134</u>	<u>8,303</u>	<u>-</u>	<u>6,444</u>	<u>2,339</u>	<u>24,001</u>
<b>EXPENSES</b>							
	Sanction fees					610	13,408
	Directors	16,848					
	Caddies	2,200					
	Cash prizes	5,650					
	Duplication	2,080					
	Hospitality	6,243					
	Miscellaneous	1,503				575	13
	Printing	1,239				484	
	Plaques	667				1,174	
	Postage					341	
	Rent	10,558					
		<u>46,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,184</u>	<u>13,421</u>
<b>INCOME FROM OPERATIONS</b>		<u>3,146</u>	<u>8,303</u>	<u>-</u>	<u>6,444</u>	<u>(845)</u>	<u>10,580</u>
<b>INCOME FROM OPERATIONS</b>		<u>46,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,184</u>	<u>13,421</u>