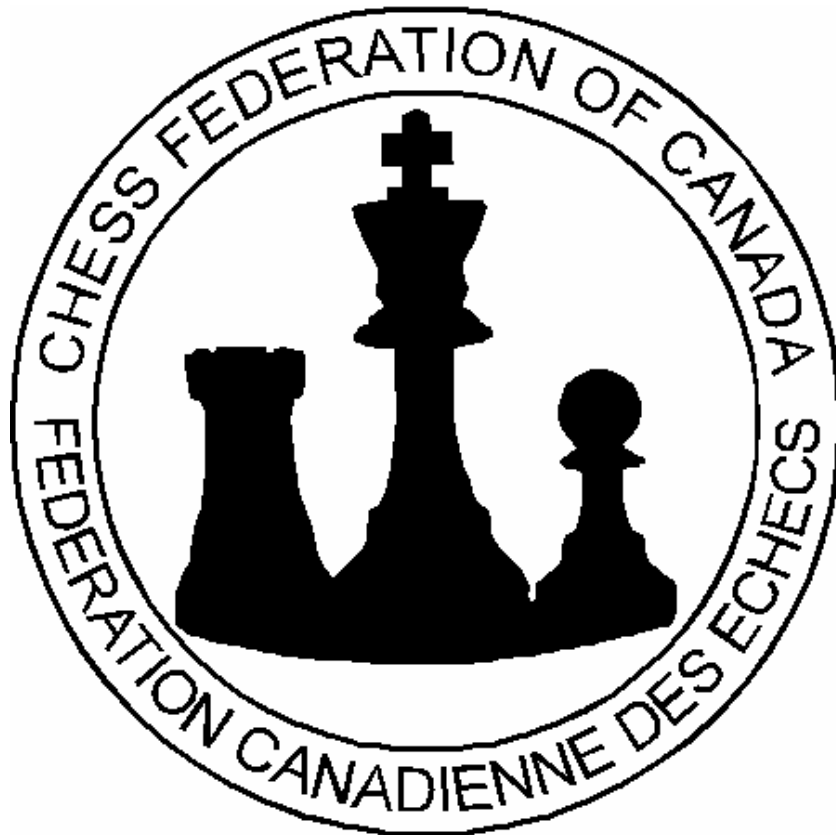


CHESS FEDERATION OF CANADA GOVERNORS' LETTER ONE 2005-2006



Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada, E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1, fax: 613-733-5209, E-Mail: info@chess.ca

ATTENTION ALL GOVERNORS: Anyone with an E-Mail address can have their Governors' Letter sent to them via E-Mail and save the CFC paper and postage costs. Please E-Mail info@chess.ca if interested.

**Deadline for submissions for the next Governors' Letter is Friday 26 Aug 2005
To :info@chess.ca**

President's Message

I would first like to welcome all new and returning Governors to a new year at the CFC! This year is going to be quite difficult in a number of ways including finding ways to reverse recent trends in our finances and our memberships. I would also like to thank all those who supported me towards this position, and to those who didn't, hopefully I can prove you wrong!

There are also a number of opportunities for us to shine both in Canada and internationally, including the currently running Continentals, as well as the upcoming Olympiad. I'd like to encourage all Governors to be active in promoting chess and the CFC in their areas this year, as well as active in the GLs and signing up and using our discussion board on the CFC website, www.chess.ca.

Now, some announcements.

Concerning the GLs, we will make every possible effort to maintain a regular monthly schedule, which should see the GLs released roughly around the first business day of the month. GL1 obviously was delayed a bit due to its size and the AGM minutes needing to be typed, and GL2 may be slightly late to allow for decent response time.

In general, the GL will come out between the 1st and 4th of the month. Votes are due by the 15th, while responses, reports and new motions are due by the 22nd of the month. Hopefully with this schedule it will make things a lot easier for everyone.

While it will not be in this GL, we hopefully will have a "Report from the Office" from our Executive Director in each future GL giving us a brief update of what's new. For now, I can tell you that the computer used to do ratings has died and they are being done on the backup system now. The office has also had cable internet installed to speed up future ratings updates which took 90 minutes on dial up and frequently crashed.

Concerning the website, we are working on improving it a bit now to last us until we can get a totally new site done. We are almost ready to implement a feature of our discussion board which will allow us to post news to the website directly from the board, so we can allow more people to post news as well as allowing anyone to comment on news posts automatically.

I am forming a number of committees and if you are interested in one of these you should contact me as soon as possible as I don't want any of them getting very big so space will be limited. The committees include Canadian Championships, CYCC/Canadian Junior, Magazine, Fee Structures, Business Office, Ratings, and Constitution. The Executive will be handling the role of the Website committee although we welcome all suggestions in this regard.

Regarding the recent deplorable situation in Belfort, France for the WYCC, I would just like to say to all the families and players who were there that I was quite shocked by the situation and I hope we can find some kind of resolution for you all. Patrick McDonald will have more on that later.

There has recently been some question as to whether provincial association fees are required to be paid or if someone could simply pay the CFC portion of the fee and get away with it. While I understand this may have happened in the past, my interpretation of the constitution is that our

collecting of fees on behalf of the Provincial Associations is an implied requirement and not in any way optional, including Life Memberships. I have directed the CFC office to enforce this from now on.

For the past month or so, our Past President, Halldor Palsson has been signing cheques for us on an emergency basis. I would like to ask that the Governors vote to approve him, should he wish to continue, as an official Signing Officer for this year, as the only Executive member in Ottawa. All cheques would still require approval by either the President or VP.

Finally, I would like to apologize to those Governors who were present at the AGM for missing it; I had planned to be there but a last minute financial situation came up and I couldn't make it work out. If any of you did have questions you'd like to ask me I'd definitely like to hear them and have the opportunity to answer them.

Thanks for serving as a Governor, and I look forward to working with all of you.

Sincerely,

Christopher Mallon
President,
Chess Federation of Canada

Message from the Vice President:

I would like to express my thanks to you all for voting me in as CFC Vice President. I am looking forward to a successful year with the CFC and I know that you will all be pleased with the changes that Chris and I have planned... including the upgrade of high speed internet at the CFC office!! I'm sure many of you would not believe it if I told you up until recently we were still using dial-up.

It was with great pleasure that I participated in a well organized Canadian Open in Edmonton this year. I was quite happy to see some excellent chess, especially from Mark Bluvstein versus Alexey Shirov. Some fantastic home preparation on Mark's part. I'm sure we will have much success from Mark this year.

All in all the AGM went on without much trouble. Maurice Smith was excellent enough to chair the meeting on the first day, as no one from the past executive was present. Next year's AGM has not yet been scheduled as the dates of the Canadian Open 2006 are still being determined. I intend to not have the same error this year as that which occurred last year. The AGM dates will be announced asap.

My greatest goal this year is communication. I would like the CFC governors to work together, to work with other national organizations, and to work with provincial organizations to succeed. There are many committees which need volunteers in order to keep the CFC moving this year. You can find them on the CFC Governors forum (www.chess.ca). It is with your support and contributions that the CFC will succeed and grow. Please take a moment to sign up anywhere you feel you can help.

Here's to a great year, and much success.

Joshua Henson
CFC Vice President

Message from the Secretary:

Thank you for your confidence in returning me to this seat for 2005-2006. I want to extend a warm welcome to all returning Governors and to those joining us for the first time.

I draw the attention of all Governors to the 2006 Canadian Closed enclosed in Appendix 1. The previously accepted bid for the 2006 Canadian Open is given in Appendix 2 for the information of incoming Governors. I also draw your attention to the Executive Director's Report which did not make it in time for the Annual General Meeting.

In the interests of promoting tournament director education it is my pleasure to direct Governors to <http://members.cox.net/arlingtonchessclub/clocks/clocks.htm> which includes instructions on how to set all the major brands of digital chess clocks. The chess rules mentioned are from the USCF and thus not applicable in Canada but the article is important enough that all TDs not already expert in this area should take a look at it. I note that some level of knowledge in this area is required of all new International Arbiter applicants and is useful to TDs below this level as well. Special thanks to Mr. Frank Dixon for drawing this excellent site to my attention.

Most of the CFC's business at the Governors' Level these days is done by e-mail. As such it is important to ensure the CFC Business Office has your current e-mail address as that is the address Governors' Letters are sent to. If you have more than one e-mail address (and quite a few Governors do) please let us know which one you wish used for chess discussions. If anyone wants a change of address announced I will be happy to do so for you.

Particularly for the benefit of the newcomers I'd like to give a short synopsis of how Governors' Letters are produced. More or less continuously through the month I receive contributions (mostly through e-mail) from various CFC Executive members and Governors. Since there is also a good chit-chat on general issues which I am often part of I strongly prefer it when contributions to the GL say "Please put this in the GL" or "for publications in the GL" as it is not always clear and some folks (including myself) have been offended when comments not meant for publication ended up in the Governors' Letter.

Contributions are welcome in any format but either plain text (for e-mail) or Times New Roman size 11 (for file attachments) is preferred.

Voting – this is probably the most important part of the Governors' Letter. For maximum safety it is best to send your votes both to the Business Office (info@chess.ca) and myself (lcraver@shaw.ca). I maintain a spreadsheet on Governors' votes and send a confirming e-mail to every vote I receive (exception: when the sender requests a 'read receipt' – then your 'receipt' is your confirmation). If you receive such an e-mail you can be secure that your vote or votes (it is common for a GL to contain more than one motion for vote) have been recorded.

Motions: these can be on matters of policy or on matters which amend the CFC Handbook. If your motion amends the Handbook it is best if your motion refers specifically to the paragraph you want to amend (or create) and give the new amended text. Motion 2006-04 is my idea of a well-worded motion – you can decide for yourself whether you wish to support it or not. A good example of a policy motion is the one on National Chess Week which reached a final vote at the

Annual General Meeting and can be found in 2004/2005 GL#8.

With these two types of motions the procedure is that each motion appear in the GL for first discussion, for second discussion and for final vote.

The third type of motion is to accept or reject (or select between) bids for national championships. Most of these are done at the Annual General Meeting but can be done in mid-year.

The final type of motion to be found in a GL is the Straw Vote which is a request by the President or other contributor for a general sense of how the Governors think. These are normally voted on in the GL they are proposed but the president will occasionally propose a straw vote in e-mail when he feels a faster response is needed. Straw votes are non-binding on the President or CFC Executive but are definitely taken seriously.

Finally I would like Governors to check their e-mail address books to ensure their entry for Maurice Smith is not m-smith@rogers.com - this address belongs to a nice lady named Miriam Smith rather than our esteemed former CFC president whose address is m-smith@sympatico.ca .

Best regards,
Lyle Craver
Secretary, Chess Federation of Canada

Message From the Youth Coordinator:

As most of you will well know by now, the World Youth Chess Championships were held in Belfort, France in July, 2005.

As most of you have also read about, the organization of this event was sub-standard.

In spite of the problems at the WYCC, our youth performed quite well. It looks like congratulations on good performances attained under trying conditions are due to all the team members.

Specifically, congratulations have to be given to Mark Bluvshtein for his top five 8/11 score, Nikita Kraiouchkine with his 10th place 7.5/11, Hazel Smith and Nikita Gusev with their 7/11.

I have not done the analysis yet, but it would appear that this showing will be our best in comparison to the countries in attendance at the WYCC in many years.

I must now report on the problems that the team had to surmount this year.

I am still compiling the reports and am planning on official protests and complaints to be prepared. I will keep you, the CFC Governors, up to date with how my efforts are proceeding.

For many of the team, the problems seemed to start before they even left the ground in Canada. This year, as I did last year, I took it upon myself to attempt to save both the CFC and the team members and their families money by arranging a group ticket purchase for the flights to France.

I used the same agency as I had in previous years and work was begun very early to make these arrangements. The best deal that we could find was through Air France. Air France also made the offer that since many of the families were taking this as a family holiday too, they could arrange

stop-overs of varying number of days in Paris. Many of the team took advantage of these offers while others decided to arrange their own flights to France.

With the varying schedules and requirements of those that were taking the group offer, flight itineraries were eventually agreed upon and deposits to hold these flights were made. While many did make the deposits through the CFC, there were a few that were late getting their deposits in and so I put all the deposits on my personal credit card and asked the CFC office to reimburse me directly. I wanted to make sure that we did not lose the flights.

Now we needed to have payments to pay for the agreed upon flights before tickets could be issued. I need to do some more investigation as to exactly where the hold-up was, but it would appear that the agent did not get the final cheques for payment until only a few days before some of the flights were to leave. This meant issuing the tickets had to be done Promptly! The agent sent all the varying itineraries in to the group sales office of Air France in Montreal and tickets were issued, some to be picked up at the counters at the airports and some were couriered out to the travelers. Unfortunately, many of these tickets were issued incorrectly and in at least one case were sent to the wrong person! This was quite a disaster and so the agent was frantically trying to fix all the problems. Since the tickets were issued so late, there was little time to make all the corrections and the main concern was to get the people to France in time.

After all the fix ups were made, the agent had had to book at least two sets of two tickets (I still have to find out, it may have been more) on different airlines at the agents expense in order to get the travelers home at their agreed-upon times. (I am hoping that the agent is able to recover this from Air France as it appears to have been their problem.)

Now on to the problems at the tournament itself. Accommodations were a problem for many of our team. The organizer had made offers in the registrations for two levels of accommodations – comfort and standard. There were also the ability to register for singles, doubles or triples. One of the team had a family of four going and were hoping to have a quadruple room. They contacted the organizer directly and were told that they could indeed register for the quad and could get comfort and internet access at the Novotel hotel in Belfort. The organizer accompanied this response with a new registration form that had the option for a quad on it. We proceeded to fill out this form.

Organizing a large group from across the country of Canada is quite an effort. Many are prompt with their replies but some are not. We still had not had responses from everyone that was qualified to attend the WYCC when the deadline approached for registration. I sent in the registration form with the information that I had at the time and contacted the organizer directly to ask if we could still make additions and get the reg. fees in a bit late. He appeared to be accommodating and said that that would be no problem, at least they had the registration with most of our information on it.

This is when the problems started to happen. We needed to collect all the registration and hotel fees from all the team and this proved to be more cumbersome than one would think. By the time we were making our final payment (we had already paid some of the fees) the organizer was telling us that we could not register a quad and that we had to use the original form. He also denied that he had promised us the Novotel hotel. We tried to stand firm and insist on the original registration that was according to his offer. This went back and forth several times. I still have to find out exactly what the correspondence trail looks like. I was originally involved and Peter A. at the office took over as well as Ilia Bluvstein the selected coach for the team. It would appear that I will be claiming a refund for the hotel fees that were paid (especially for those that asked for “comfort” and received less than “standard”)

The site of the event has been reported to be extremely sub-standard and a trial to try to play good games of chess in. I am still receiving reports from the team members with this regard.

On a “go forward” basis, I would recommend that we not accept late registrations for such events and that if we are attempting to organize a group flight, that it not offer variations and be offered on a “take it or leave it” basis. Unfortunately, I can foresee that this will likely have the effect of not having enough travelers on the group to be able to take advantage of any savings on the flights.

I am planning on forming an official complaint to the organizers to accompany the claim for refunds and also an official protest to FIDE to try to ensure that such a fiasco cannot happen again. While we can never be guaranteed of the quality of an international event that moves from country to country, we can push to have better inspection done pre-event by officials at FIDE to limit the possibility of poorly organized and run events.

Patrick McDonald
Youth Coordinator, Chess Federation of Canada

Minutes of the 2005 Annual General Meeting of the Chess Federation of Canada

Part 1: Meeting of the Outgoing Assembly of Governors July 11, 2005

Outgoing Governors in Attendance

Maurice Smith
Phil Haley
Ford Wong (left early)
Pierre Dénomée
William Doubleday
Waldemar Friesen
Pascal Charbonneau
Jack Yoos
Alex Nikouline
Joshua Henson
Richard Keep

Guests

Brett Campbell
Peter Arseneau

<u>Outgoing Proxy Holder</u>	<u>Proxies</u>
Maurice Smith	Wilf Ferner Shivaharan Thurairasah
Pierre Dénomée	Chris Mallon
Phil Haley	Martin Jaegar Michael Dougherty
William Doubleday	Ari Mendrinos Les Bunning
Brett Campbell	Mark Dutton
Waldemar Friesen	Fred McKim Ronald Hines
Pascal Charbonneau	Lyle Craver Steve Killi
Jack Yoos	Ken Craft Peter Stockhausen
Alex Nikouline	Francisco Cabanas
Joshua Henson	(none)
Secretary (for voting purposes only)	David Cohen Nava Starr Michael Barron Ilia Bluvshstein Eddie Urquhart

1. Approval of the Minutes for the 2004 AGM

Richard Keep
Seconded by Ford Wong
-- Motion carried

2. Reports

2.1 *President's Report - Given in 2004-2005 Governors' Letter #8*

2.2 *Vice President's Report*

The past year has been a difficult one for the CFC. Financially it looks like we took a big hit, and there was a distinct lack of communication between the President and the Executive, as well as the lack of financial updates for the Governors.

The CFC now owns and operates an online discussion board and I would encourage all Governors who have not already to register for that board. It is a great tool for communication - especially for discussing motions before they are moved, to avoid them being ruled out of order on technicalities. It's also less cumbersome and more reliable than email.

With the Olympiad occurring early next year (May instead of November), figuring out how to pay to send teams is obviously going to be a priority over the next few months.

There are a number of other areas of opportunity for the CFC moving forward in the next year, particularly on the financial side, and I have decided to stand for election as President to try to take advantage of these areas. My full election platform is available in GL #8.

Sincerely,

Christopher Mallon
Vice-President
Chess Federation of Canada

2.3 *Past President's Report*

No Report

2.4 *Secretary's Report - Given in 2004-2005 Governors' Letter #8*

2.5 *FIDE Report -Read from June 2005 issue of Chess Canada Echecs.*

2.6 *Rating Auditor Report (Pierre Dénommée)*

The following report is in addition to the report given in the 2004-2005 Governors' Letter #8.

There were few rating issues during the year. Dimitry Tyomkin contested a FIDE result from the Chicago Open. The earlier rounds of the tournament were a rapid time control, but every round was rated as standard.

The TD list has some problems. Some CFC members have an expiry date of 1940 or 1941. By default, when a new CFC member is created and they do not purchase a membership, their expiry date is set to 1940. These need to be cleaned up.

Junior ratings are too low. How should we deal with this?

- o Create a committee to study the problem and come up with a good solution.
- o Maybe try a DAN system like the one used in GO [Lee Hendon]

- Are the overall ratings deflating? We need to do an average rating every year. At the R.A. Chess Club in Ottawa, the members' ratings have deflated 100 points over an 18 month period. [William Doubleday]
- Assume a 900 rating for new junior players [Pascal Charbonneau]
- Do not take CMA ratings. But how do you assign a junior rating for an unrated player? [Brett Campbell]
- The TD should assign a rating between 800 – 1400. An 800 rating is assigned to someone just learning how to play legal moves. It requires vigilance by the TD to assign an appropriate rating. [P.D.]
- Junior members always deflate the ratings. This is not a new problem. We need to see if there really is a deflating problem and if it exists, then do something about it. [Jack Yoos]

2.7 Junior Coordinator Report

No Report

2.8 Women's Coordinator Report

No Report

2.9 Master's Representative Report

No Report

2.10 Auditor's Report

Please see the Mr. Brian Watson's financials and the outgoing President's comments on them in Appendix 1.

Maurice Smith: In the past, the CFC had Mr. Tooming do the financial report for free every year. Then there was a period where there was no report at all. Mr. Michael Yip (an employee of the Chess'n'Math Association), who was a friend of Troy Vail did the audits for a while. Because of those reasons I thought we should get someone else. David Miriguay who replaced Troy suggested I ask Brian Watson who does audits for various other sports organizations. He was hired and has been our auditor ever since."

There is some concern over certain tax receipts. In general, for a receipt to be valid, the recipient must be at arm's length. Giving a donation to a family member, for example, would not be valid. But most CFC donations fall into a certain grey area.

Waldemar Friesen: We have been giving tax receipts out for years now and there was never a problem. For example, donations meant to cover tournament expenses.

Brett Campbell: I'm concerned over the high level of casual labour.

Peter Arseneau: When Cheryl Heney left in mid-February, Robert Gelblum and Ozren Nezirovic, both casual labourers, were needed regularly to keep the office functioning on schedule. It was decided to wait until the end of the year to switch them over to the payroll and make them part-time employees. But this made our levels of "casual labour" far higher than expected. Since May 1, everyone has been a part-time employee.

William Doubleday: There is a problem with the finances. The new executive needs to be vigorous to see if something is wrong and deal with it right away.

Brett Campbell: The CFC should work on our strengths. As well, we should just trade in our dead inventory (books).

Alex Nikouline: We should sell used books on E-Bay.

Charles Graves: When we order books, you get a greater discount if you use the "no return" option. The other option we should consider using is returning books to the publisher. We should see which option is better financially.

Pascal Charbonneau: With new internet competition, and bulk imports from China and India, all chess suppliers are having problems.

Pierre Dénomée: The competition is also unscrupulous. For example, some suppliers sell their products and mark them as “gifts” to reduce shipping costs. [Just today, I received a parcel from the US that was marked free sample but it was actually a full order of new chess books. – Peter Arseneau]

Moved to accept the Auditors’ Report (Richard Keep; seconded by Pierre Dénomée)
Motion carried

Other comments

William Doubleday: Could we consider doing a PDF format for CFC magazine?

Phil Haley: Why is there always a high turn over rate for the executive director position?

Maurice Smith: The position requires someone to be an accountant, sales manager and computer expert all at the same time. They also need to have a thick skin to deal with everything that is said. We need the executive to step up and help the E.D.

Shawn Geley: Tournaments need to be advertised promptly. We should send a memo to organizers because most people need time to plan trips to play in the various tournaments.

Pierre Dénomée: Let’s do what they do in France. Tell the organizers that if their tournament is not advertised three months in advance, it will not be rated.

William Doubleday: Why is there no TD certification?

Pierre Dénomée: The CFC should put together a workshop to prepare TDs. We have a TD certification exam that the office can send out. The results need to be sent to P.D. to see if they pass. Over the past year, three people took the exam but no one sent in their results.

Brett Campbell: We need to increase membership. It should be easier to renew. You could give a membership discount if they buy for several years, or try sending a free magazine as an incentive.

2.11 Chess Foundation

The Kalev Pugi fund report had not been included with the AGM handout. Peter Arseneau is asked to follow up with Lynn Stringer.

[Secretary’s Note: The following was received from Lynn Stringer following the AGM who asked me to remind Governors and members that the Pugi fund exists to assist Canada’s juniors and that grants were made based on applications.]

Pugi Fund Expenditures 2003-2005

Date	CFC ID	Amount	Reference Number	FIRST	LAST
2003/10/08	123478	\$300.00	E-Laws031008	Eric	Lawson
2003/10/08	122701	\$500.00	R-Rooz031008	Thomas	Roussel-Roozmon
2003/11/12	120006	\$300.00	PugiFd031112	Sebastien	Predescu
2004/03/20	125709	\$500.00	PUGI040320	Mark	Bluvshstein
2004/11/08	122701	\$500.00	pugiFund0411	Thomas	Roussel-Roozmon
2005/06/09	122701	\$500.00	pugi2005	Thomas	Roussel-Roozmon

Brett Campbell: Could we pay the accounting firm a percentage of the interest revenue? This would be an incentive to them to do a better job.

2.12 *National Appeals Committee*

The NAC was called upon two during the year. The first took place during the final round of the 2004 Canadian Open. Samuel Lipnowski defeated Dane Mattson. There was an appeal because Samuel Lipnowski broke rule #1.1 by moving his rook twice consecutively. The committee ruled that the result be overturned, giving Dane Mattson the win, and the rating points were adjusted for both players.

The second appeal concerned Bryan Nickoloff who fell asleep during the 1995 Canadian Zonal championship. The committee declined to hear the case and there was no official report.

2.13 *Report From the Business Office*

Not available in time for the Annual General Meeting. This will be presented in Governors' Letter #1

Part 2: Meeting of the Incoming Assembly of Governors July 12, 1005

Incoming Governors

Proxy holders were allowed 3 proxies, therefore some proxies had to be reassigned. The following are the proxy holders and the proxies after reassignment.

<u>Proxy Holder</u>	<u>Proxy</u>
Maurice Smith	Wilf Ferner Shivaharan Thurairasah
Jack Yoos	Francisco Cabanas Ben Daswani John Niksic
Joshua Henson	Lyle Craver Yves Farges Lynn Stringer
Waldemar Friesen	Fred McKim Ken Craft
Pascal Charbonneau	Howard Wu Peter Stockhausen Neil Frarey
Phil Haley	Martin Jaegar Michael Dougherty Les Bunning
Lee Hendon	Hal Bond Alan McGowan Chris Mallon
Alex Nikouline	Barry Thorvardson
Ford Wong	Ronald Hinds
Secretary (proxies are to be used only for nominations and votes)	Ilia Bluvshstein Yehen Molchanov Eddie Urquhart Caesar Posylek Mark Dutton Michael Barron

Incoming Governors in Attendance

Maurice Smith
Phil Haley
Ford Wong
Richard Keep
Alex Nikouline
Pierre Dénommée
Lee Hendon

Waldemar Friesen
Jack Yoos
Pascal Charbonneau
Joshua Henson

Governors for non-affiliated provinces and territories:

The following were nominated and acclaimed by the Assembly:

Quebec: Hugh Brodie (nominated by Keep), Pierre Dénomée (nominated by Haley), Richard Keep (nominated by Dénomée)

NWT: Kai Gauer (nominated by Nikouline)

Nunavut and Yukon: vacant (Mr. Friesen volunteered to seek out candidates)

Introduction by meeting chair former CFC President Maurice Smith: Thank you to those who came to the meeting especially Pascal Charbonneau (who is busy with the tournament), Brett Campbell (non-governor) and Peter Arseneau (meeting secretary). Face to face is the best way to convene and it is very important.

Election of Officers:

President: The following were nominated: Christopher Mallon (Josh Henson) and Neil Frarey (Shivaharan Thurairasah)

Elected: Christopher Mallon (note: vote counts were not kept in the minutes)

Vice President: The following were nominated: Michael Barron (Ilia Bluvshstein), Josh Henson (nominator illegible), Pierre Dénomée (Phil Haley)

Elected: Josh Henson

Secretary: Lyle Craver (by acclamation)

Treasurer: Pierre Dénomée (by acclamation)

FIDE Representative: Dr. Nathan Divinsky (by acclamation)

Junior Coordinator: Patrick McDonald (by acclamation)

Womens' Coordinator: Bela Kosoian (by acclamation)

Ratings Auditor: Pierre Dénomée (by acclamation)

Appointment of Auditor: Mr. Brian Watson, CA

Chess Foundation of Canada Trustees:

Maurice Smith (4 years)

Shivaharan Thurairasah (1 year)

Pugi Fund Trustees: (1 year each)

Hugh Brodie

Patrick McDonald

Lynn Stringer

National Appeals Committee:

Mark Dutton (nominated by Pierre Dénomée)

Pierre Dénomée (nominated by Maurice Smith)

Gordon Taylor (nominated by Pierre Dénomée)

Maurice Smith (nominated by Jack Yoos)

General Discussion:

Pascal Charbonneau talked about Canada losing our Zone status as part of the FIDE Continental scheme. Dr. Divinsky was asked to discuss this at the August FIDE meetings.

Bids for National Championships:

Canadian Open: One bid was received last fall and accepted from Kitchener, Ontario.
(Secretary's note: This has been re-published in GL#1)

2006 Canadian Championship: A single copy of an OCA bid from Toronto was passed around the table. (Secretary's note: This has since been received since the AGM and is being published in GL#1)

Pascal Charbonneau: The format used in the 2004 Championship was not a good format as too much was decided by the pairings.

Jack Yoos: This format is self sustaining and has sponsorship

Moved (Charbonneau / Yoos) to accept the Toronto bid for the 2006 Canadian Championship
PASSED 24-1 with 1 abstention

Canadian Junior Championship: no bids received

Brett Campbell: Can the Executive please talk about and do something about sponsorship?

Pascal Charbonneau: Can we do for chess what happened to poker?

Brett Campbell: Children playing in tournaments can get provincial government support

Maurice Smith: mentioned the movie "Knights of the South Bronx" about teaching kids chess and it turned many kids' lives around.

(Note from the Secretary: this is a two hour made for TV movie expected to air on the Arts & Entertainment network sometime in 4th quarter 2005. A short synopsis is at http://www.adelphiamediaservices.com/pages/nets/?cp=nets&sp=prgdt&id=aande_1483 and it would be good for the CFC to publicize this film when the airing date is set)

Canadian Youth Chess Championship: This was been moved to late March to accommodate the WYCC in July instead of the fall which had previously been the case. The previous idea was to have regional qualifiers leading to the national championship. Now 100% of kids can qualify and anyone can go. This is seen as an advantage to the schools

Pierre Dénomée: there is a problem here as it is not presently possible to appeal any rating related problem.

Motions Arising out of 2004-2005 Governors' Letter #8

Motion 2005-31, moved by Bruce Harper, seconded by Joshua Henson:

That CFC By-Law Number Two, Paragraph 3 (although it is not actually numbered), which reads:

[3.] NUMBERS OF GOVERNORS FOR EACH PROVINCE

Each provincial association shall be entitled to elect or appoint a number of Governors as follows:

For the first fifty or part thereof of ordinary per capita fee payments, and number of life memberships combined, one Governor shall be allotted and for each subsequent fifty or part thereof one additional governor shall be allotted.

be amended to read:

For the first hundred or part thereof of ordinary per capita fee payments, and number of life memberships combined, one Governor shall be allotted and for each subsequent hundred or part thereof one additional Governor shall be allotted.

Yes: (2) Stockhausen, Cabanas

No: (20) (votes not given in my notes)

Abstentions: (2)

Motion defeated

Motion 2005-32, moved by Bruce Harper, seconded by Pascal Charbonneau:

That the CFC Olympiad Regulations be repealed and replaced by the following (see other document for text of the proposed Regulations). (see Appendix 2)

Pascal Charbonneau: we need to decide on rules so fighting won't happen with the next Olympiad

Phil Haley: we always have quarrels on the Olympic Team and always seem to have things happening at the last minute. Let's pass these regulations as a starting point.

Waldemar Friesen: supports effort to set the framework for the future

Alex Nikouline: we need to have the regulations enforced but suggests we (a) amend current regulations rather than starting from scratch and (b) perhaps have the 6th player pay his/her own way?

Pierre Dénomée: anyone can contest not being selected. We need the process to be clear and fair to avoid disputes.

Motion Carried: 17 Yes, 11 No, 2 Abstentions

Motion 2005-34 Moved by Christopher Mallon Seconded by Kevin Pacey

Motion: a) That the CFC declare and promote the week of October 3rd-9th, 2005 as National Chess Week.

b) That the CFC executive will appoint a coordinator to oversee National Chess Week

c) That the coordinator will be provided complimentary advertising on the CFC web site and in CCE to promote NCW events.

d) That NCW will include country-wide simulms held at malls or schools all on the same date, with a goal of having 10,000 chess games being played at the same time.

e) That all Canadian Chess Clubs will be encouraged to run free to the public events during the week to promote chess

f) That the CFC will produce a small information booklet about chess in Canada which can be distributed at all of the events

Waldemar Friesen: good intent but how do we make it happen?

Brett Campbell: "National Poetry Week" got funding from the government, we should try to do the same

The question was raised that if we pass this is this binding on the Executive and the answer is no.

Motion Carried: 19 Yes, 7 No with 2 Abstentions

Motion 2005-36, moved by Bruce Harper, seconded by Peter Stockhausen:

That a committee of five qualified individuals, to be selected by the CFC Executive, be formed to review the CFC Rating System and make recommendations for changes and improvements. This committee would report to the CFC prior to the 2005 Annual General Meeting.

Ruled out of order by the chair as it was too late to report to the 2005 AGM. It was felt to be a good idea but a new motion was needed.

Motion 2005-37: Online magazine committee (Moved by Pacey, seconded by Ficzero)

The CFC Executive shall be given a mandate to strike a committee to determine the viability of putting the contents of the CCE magazine on the CFC website, possibly in conjunction with a reduction of CFC membership fees.

A discussion took place on whether this meant we were being asked to do away with the paper issue. Not really but we could add more content (games!) One governor pointed out that “online” doesn’t automatically mean free. The question was raised just how much cost saving could reasonably be made. It was pointed out that this motion was strictly to strike a committee to study the issue – not a final vote.

Motion Carried: 21 Yes, 7 No with 2 Abstentions

Phil Haley: All Executive must appear at the Annual General Meeting - the best way to communicate is face to face where you can see exactly where another person stands on an issue and why they feel that way. Discussions are more meaningful and fruitful this way. That is why organizations all over the world still have Annual Meetings. It was agreed that although we now have e-mails, fax, text messages, teleconferencing, all of these communication tools are good on a day to day basis. It was a responsibility of the Executive to be at the Annual Meeting and the present Executive did not live up to that responsibility.

Other motions are to be deferred to 2005-2006 Governors’ Letter #1

Moved (Charbonneau, **seconder not recorded**) to donate \$750.00 to the Chess Foundation of Canada

Motion Carried: 19 Yes, 6 No with no abstentions

There was a motion to adjourn which was passed.

President's Report to the AGM

In Table 1 are the actual revenue items for the CFC 2000-2005 as reported to the AGM each year and published in the GL.

Table 1 REVENUES	2000	2001	2002	2003	2004	2005
Sales - Cost of Goods	63,981	71,232	60,946	75,830	61,891	45,877
Shipping and handling	7,838	9,235	9,356	12,775	11,440	8,772
Membership fees	74,673	68,681	67,702	69,921	71,360	72,246
Chess Foundation	4,120	4,522	6,622	3,619	5,394	3,963
Rating Fees	20,105	18,567	21,368	19,506	28,333	27,968
Publications & ads	7,279	7,428	5,121	5,816	4,820	4,530
Donations	14,537	13,727	14,918	16,310	48,178	20,545
Other Programs (note 3)	46,587	29,302	46,815	81,367	36,255	121,303
Other revenue	5,518	2,613	2,794	1,247	2,995	248
Total Revenue	244,638	225,307	235,642	286,391	270,666	305,452

All revenue items in the list are a source of funds to be interpreted in the usual way except: Other Programs (note 3), which is the Olympiad, the CYCC/WYCC and the Kalev Pugi program.

Donations are accounted for differently in 2005 and therefore donations and other programs are not comparable to prior years. Donations to the Olympic fund were \$18,995. The CYCC is doubled up in the 2005 accounts because two finals are included. Contributions to these programs are recognized as revenue in the year in which the related expenditures are incurred. The 2004 CYCC –WYCC cost \$77,809.81 and revenues and donations were \$74,709.31. This program was run at a deficit of \$3,100.50. This program in 2005 should not be a net revenue drain on the CFC.

The items (Sales - Cost of Goods + Shipping and handling) in revenues are the contribution margin from the CFC's sale of books and equipment. The CFC has to turn around the long term decline in revenue from this source. The contribution margin is the amount of money that can be used by the CFC towards paying for the CFC staff and building costs. The cost of shipping is in cost of good sold but shipping revenues are reported separately.

This year the sales of equipment are down while books and software are at about the same level. The Executive Director will report to the AGM in greater detail about these items.

The CFC's commercial activities are reported in more detail in Table 2:

Table 2	2000	2001	2002	2003	2004	2005
Sales	186,731	199,350	208,593	222,878	186,769	145,398
Shipping and handling	7,838	9,235	9,356	12,775	11,440	8,772
Cost of goods sold	122,750	128,118	147,647	147,048	124,878	99,521
Contribution Margin	71,819	80,467	70,302	88,605	73,331	54,649

On the revenue side the contribution margin from the CFC store has been the most important source of funds for the CFC followed by CFC membership fees. Net revenue from this source is down by \$18,682 compared with 2004. In 2005 donations are for the first time in CFC history the largest source of funds.

Table 3 lists the expenditures for the CFC for the years 2000 to 2005 as they were reported to the AGM each year and published in the GL.

On the expenditure side the three most important items are usually salaries and benefits, Chess Canada Echecs (Publications) and the Office. In 2005 expenditures on the Olympiad, the WYCC (Other Programs) and our participation the FIDE world championships for men, women and juniors increased these expenditures.

Table 3 EXPENDITURES	2000	2001	2002	2003	2004	2005
Salaries and benefits	74,700	69,020	81,497	47,676	59,195	60,102
Building and equipment	18,246	15,569	16,936	17,059	17,669	16,965
Office	31,665	31,889	39,355	36,436	36,173	32,241
Other Exec.& admin.	1,723	2,698	5,550	2,998	2,798	1,213
Publications	45,655	52,478	54,034	57,161	49,883	47,744
International Contributions to Clubs, Provincial Affiliates and the Foundation	11,961	4,989	10,199	10,597	43,737	21,467
	13,847	14,060	15,067	20,518	19,218	19,665
Other Programs (note 3)	46,587	29,302	46,815	81,367	36,255	121,303
Total Expenditure	244,384	220,005	269,453	273,812	264,928	320,700
Net Revenue	254	5,302	(33,811)	12,579	5,738	(16,277)

The financial year for the CFC has been difficult. It has been a struggle to find all the resources needed to fund all our activities. I expected the CFC to run about \$5,000. The year end adjustments by our auditors increased the deficit substantially. Membership revenues deferred to next year are over \$5,500, the yearend for the bookkeeper is about 1,800, audit \$2,500 and bad debts \$1000.

Our auditors followed a different methodology than they have been using for the last few years which makes comparisons difficult. The CFC is at best a break even proposition in a two year program cycle. We do not have enough members and revenue for the current program.

Over the last two years the CFC has generated cash from operations basically from income, lower inventories and depreciation. The CFC ended the year with over \$75,000 in the bank. The CFC does not need \$60-\$70,000 in the bank to operate. I would like to see the CFC send \$10-\$15,000 to the Chess Foundation to increase the revenues available to provide services to the 351 life members and the 52 honorary members of the CFC.

After going over the finances of the CFC I have decided not to seek re-election as CFC President. The changes I have made in the last two years have not solved the problems with the CFC. I will not be participating in the AGM in Edmonton. It is important for new people with new ideas to take over.

I would like to thank Governors for their support in the last two years.

Best regards,

Halldor P. Palsson
President
Chess Federation of Canada



Watson Folkins Corey LLP
Chartered Accountants

July 6, 2005

Board of Directors
The Chess Federation of Canada
E-1 2212 Gladwin Crescent
Ottawa, Ontario
K1B 5N1

Dear Board Members:

**Re: Management Letter on the Review Engagement of
the April 30, 2005 Financial Statements**

During the course of our review of the financial statements of the Federation for the period ended April 30, 2005, we identified some matters which may be of interest to management. A review does not constitute an audit and consequently we do not express an audit opinion on the financial statements. We wish to emphasize that control over and responsibility for the prevention and detection of defalcations or other irregularities or errors or omissions must rest with you.

As a result of our observations on this year's review, we have outlined below some suggestions for your consideration. This letter is not exhaustive, and deals with the more important matters that came to our attention during the review. Minor matters were discussed with your staff.

1) The bookkeeper, Pat Hendrick, continued to verify the accounting records regularly and to reconcile the bank, check payroll, etc. There was additional work on account of staff turnover and due to implementation of a new Quick Books accounting system. The arrangement for an independent bookkeeper is also prudent practice from an internal control perspective in that it provides for a greater segregation of duties.

2) One of the major assets of the Federation is inventory. Our analysis showed that approximately 14% of the inventory is not selling or is slow moving. However this is an improvement over the prior year when it was approximately 25%. Although it is inevitable that a certain amount of inventory will eventually turn out to be unsaleable or obsolete, care should be taken to ensure that these types of losses are minimal. We recommend that you continue to implement special discounts and promotions on these slow moving items.

3) According to revised GST rules for charities, only 60% of the GST collected on taxable sales is to be remitted. However on disbursements, charities can only claim 50% of the GST paid. The Federation has been remitting 100% of all GST collected and claiming a credit of 100% on all GST paid. A rough calculation showed that you have paying slightly more GST each year than is required. GST should be filed in accordance with the current rules and adjustments filed relating to earlier years as far back as possible.

4) The petty cash receipts became out of balance. We recommend that the Federation keep track of petty cash on an imprest basis and that policies and procedures be established to clarify the required procedures.

5) The Federation is currently being audited by Canada Revenue Agency (CRA) and we understand that several issues have arisen:

a) CRA is contending that improper tax receipts have been issued on certain donations; i.e. CRA's position is that there is a personal benefit coming back to the donor on some of the donation receipts. It is therefore possible that this may result in the re-assessment of the personal income tax returns of certain donors.

Brian Watson (613) 244-6090 / Ray Folkins (819) 827-8862 / John Corey (613) 728-9369

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It should be noted that CRA's policy (CSP-G05) on this issue is as follows:

"A registered charity cannot issue an official tax receipt if a donor has directed the charity to give the funds to a specified person or family. In reality, such a gift is made to the person or family and not to the charity. However, donations subject to a general direction from a donor that the gift be used in a particular program operated by a charity are acceptable, provided that no benefit accrues to the donor, the directed gift does not benefit any person not dealing at arms' length with the donor, and decisions regarding utilization of the donation within a program rest with the charity."

b) CRA is also contending that there are unpaid withholding taxes relating to contracted "casual labour". The Chess Federation has considered part-time workers to be "casual". Technically speaking, the term "casual" refers to a situation where someone comes in very infrequently; for example, coming in for several hours, a few times each year to wash the windows. CRA's position is that withholding taxes should be deducted from the compensation paid to part-time workers. Depending on how far back CRA goes, we would estimate a liability to the Federation, including penalties and interest, of anywhere from \$1,000 to \$5,000. The personal tax returns of these employees would also be subject to re-assessment.

6. The following is some commentary on the financial statements:

a) Net income from operations decreased by \$22,015, from net revenue of \$5,738 in 2004 to net loss of \$16,277 in 2005. This was mainly due to a 22% decrease in the sale of books, equipment and software; (resulting in an impairment to product gross profit of \$16,014). Decreases to certain revenues (primarily shipping and handling charges as well as other revenue) were also a factor in creating the loss.

b) Sales of books and equipment are down from \$222,878 in 2003 to \$186,769 in 2004 to \$145,398 in 2005. This decrease is due a variety of factors, including increased competition from suppliers selling chess publications and other products via the internet and also due to competition from chess retail stores.

c) Looking at the balance sheet, cash increased by from \$32,380 to \$75,705. This was mainly due to a \$21K decrease in inventory, a \$19.5K increase in liabilities and a \$22K increase in deferred contributions which were offset by the operational loss of \$16K.

d) Membership fee revenues increased slightly by \$886. Although there was a slight drop in numbers of members from 2769 in 2004 to 2676 in 2005, this was more than offset by increased membership fee rates which were implemented in September, 2003.

e) Donations (excluding donations used for the Chess Olympics and WYCC programs) decreased from \$48,178 in 2004 to \$20,545 in 2005. These basically help to finance the cost of other competitions.

f) Salaries, benefits and staff travel increased slightly by \$907. Savings on wages to permanent staff were more than offset by use of "casual" (part-time) labour.

g) Expenditures on programs increased significantly, from \$149,093 to \$210,179, an increase of \$61,086. This was primarily due to the costs of the World Youth Chess Championships; (\$77,810 was spent on WYCC in 2004-05).

h) Other programs revenue of \$121,303 (re: the Chess Olympics, CYCC and Pugi Fund) are offset by corresponding expenses for the same amount. The increase of \$85,048 over the prior year is primarily due to activity related to the Chess Olympics and the CYCC programs.


i) The Executive and President of the Chess Federation paid for their own expenses in 2005 and so there was again a savings to the organization.

7) Top consultants to the not-for-profit sector are of the opinion that the Nominations Committee is the most important committee in an organization. Due the erosion in the Federation's revenues, there will be less funding available in future for paid staff. The role of the volunteer is expected to take on increasing importance. We recommend that increased focus and resources be placed on the Nominations Committee to identify volunteers who have the appropriate skills required for the board and the various committees. This process would also include preparation of detailed outlines of expected time commitments, competencies required, a description of the duties of each volunteer position and then the implementation of energetic recruitment strategies.

We have reviewed all of the issues and information in this report with Halldor Palsson and Peter Arseneau and received their comments thereon. We would also like to express our appreciation for the co-operation which we received during the course of our review from Halldor, Peter and Pat Hendrick. We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.

This communication is prepared solely for the information of management and is not intended for any other purpose. We accept no responsibility to a third party who uses this communication.

Yours sincerely,
WATSON FOLKINS COREY LLP



Brian D. Watson CA

cc: Peter Arseneau



**THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS**

UNAUDITED FINANCIAL STATEMENTS

APRIL 30, 2005



Watson Folkins Corey LLP
Chartered Accountants

Page 1

REVIEW ENGAGEMENT REPORT

To the Members:
The Chess Federation of Canada/
La Fédération canadienne des échecs:

We have reviewed the balance sheet of the Chess Federation of Canada/ La Fédération canadienne des échecs as at April 30, 2005 and the statements of changes in net assets and revenue and expenditure for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Federation.

A review does not constitute an audit and consequently, we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian generally accepted accounting principles.

Watson Folkins Corey LLP

WATSON FOLKINS COREY LLP
Chartered Accountants

Ottawa, Ontario
June 7, 2005

Brian Watson (613) 244-6090 / Ray Folkins (819) 827-8862 / John Corey (613) 728-9369

70 Gloucester Street, Suite 106, Ottawa, Ontario K2P 0A2 Fax (613) 562-4666 www.wfc-ottawa.ca

**THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS**

**BALANCE SHEET
AS AT APRIL 30, 2005
UNAUDITED**

	2005	2004
CURRENT ASSETS		
Cash	\$ 75,705	\$ 32,380
Accounts receivable	7,723	7,702
Inventory	70,399	91,252
Prepaid expenses	9,106	5,279
	162,933	136,613
CAPITAL ASSETS (note 2)	96,498	97,137
	\$ 259,431	\$ 233,750
CURRENT LIABILITIES		
Accounts payable	\$ 17,816	\$ 7,489
Entry fees payable	17,815	9,097
Deferred membership revenue	38,956	38,448
	74,587	55,034
DEFERRED CONTRIBUTIONS (note 3)	25,456	3,051
NET ASSETS		
Invested in capital assets	96,022	97,137
Unrestricted	63,366	78,528
	159,388	175,665
	\$ 259,431	\$ 233,750

Approved on behalf of the Board:

Director

Director

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

STATEMENT OF CHANGES IN NET ASSETS
 FOR THE YEAR ENDED APRIL 30, 2005
 UNAUDITED

	2005	2004
INVESTED IN CAPITAL ASSETS		
Balance - beginning of year	\$ 97,137	\$ 101,624
Purchase of capital assets	3,874	-
Disposal of capital assets	(300)	-
Amortization of capital assets	(4,689)	(4,487)
Balance - end of year	\$ 96,022	\$ 97,137
UNRESTRICTED		
Balance - beginning of year	78,528	68,303
Net revenue (expenditure) for the year	(16,277)	5,738
Purchase of capital assets	(3,874)	-
Disposal of capital assets	300	-
Amortization of capital assets	4,689	4,487
Balance - end of year	\$ 63,366	\$ 78,528

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

STATEMENT OF REVENUE AND EXPENDITURE
 FOR THE YEAR ENDED APRIL 30, 2005
 UNAUDITED

	2005	2004
REVENUE		
Sales of books, equipment and software	\$ 145,398	\$ 186,769
Shipping and handling charges	8,722	11,440
Membership fees	72,246	71,360
Contribution from related party (note 5)	3,963	5,394
Rating fees	27,968	28,333
Publication sales and advertising	4,530	4,820
Donations	20,545	48,178
Other programs (note 3)	121,303	36,255
Other revenue	248	2,995
	404,923	395,544
EXPENDITURE		
Cost of sales	99,521	124,878
General and administrative		
Salaries, benefits and staff travel	60,102	59,195
Building and equipment expenses	16,965	17,669
Bad debts	979	3,925
Office	32,241	32,248
Other executive and administration	1,213	2,798
	111,500	115,835
Programs		
Publications	47,744	49,883
International	21,467	43,737
Contributions to clubs, provincial affiliates and the Foundation	19,665	19,218
Other programs (note 3)	121,303	36,255
	210,179	149,093
	421,200	389,806
NET REVENUE (EXPENDITURE) FOR THE YEAR	\$ (16,277)	\$ 5,738

**THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS**

**NOTES TO FINANCIAL STATEMENTS
APRIL 30, 2005
UNAUDITED**

1. SIGNIFICANT ACCOUNTING POLICIES

(a) Organization

The Chess Federation of Canada / La Fédération canadienne des échecs was incorporated as a not-for-profit organization under the Canada Corporations Act and is a registered charity under the Income Tax Act. The Federation's mission is to promote and encourage generally in Canada, the knowledge, study and playing of the game of chess.

These financial statements do not include the accounts of the Chess Foundation of Canada as detailed in note 4.

(b) Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the average cost basis.

(c) Amortization

Amortization is provided on the reducing balance basis as follows:

Building	4%
Furniture and equipment	20%
Computer equipment	33%
National library	20%

(d) Revenue recognition

The organization follows the deferral method of accounting for revenues. Membership fees are recorded as revenues in the period to which they relate. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable only if the amount to be received can be reasonably estimated and collection is reasonably assured.

(e) Statement of cash flows

A statement of cash flows has not been prepared as it would not provide significant additional information.

(f) Estimates and Assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the reporting period. Actual results may differ from those estimates.

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2005
 UNAUDITED

2. CAPITAL ASSETS

			2005		2004	
	Cost	Accumulated Amortization	Net		Net	
Land	\$ 20,000	\$ -	\$ 20,000	\$	20,000	
Building	145,502	73,823	71,679		71,961	
Furniture and equipment	5,000	4,293	707		883	
Computer equipment	9,224	7,666	1,558		801	
National library	8,240	5,686	2,554		3,492	
	\$ 187,966	\$ 91,468	\$ 96,498	\$	97,137	

3. DEFERRED CONTRIBUTIONS

	Olympic Donations	CYCC Program	Kalev Pugi Program	TOTAL
Balance - beginning of year	\$ 2,533	\$ (145)	\$ 663	\$ 3,051
Add: contributions	18,995	123,688	1,025	143,708
Less: amount recognized as revenue	(20,404)	(100,399)	(500)	(121,303)
Balance - end of year	\$ 1,124	\$ 23,144	\$ 1,188	\$ 25,456

Olympic donations are designated to provide financial support for participation of Canadian representatives in the International Chess Olympiads. The Canadian Youth Chess Championships (CYCC) entry fees and donations cover the cost of sending players to the world championships. The Kalev Pugi Fund was established as a bequest in the Chess Foundation of Canada. Each year interest earned by this Fund is transferred from the Foundation to the Federation to provide travel assistance for junior players.

Contributions to these programs are recognized as revenue in the year in which the related expenditures are incurred.

4. SUBSEQUENT EVENT

After the year end, Canada Revenue Agency (CRA) commenced an audit of the Federation's books and it is not yet completed. CRA is contesting the validity of certain tax receipts that have been issued for donations relating to international competitions. CRA has also indicated the possibility of additional liability relating to unremitted payroll deductions; because this amount is unknown, it has not been accrued for in the accounting records.

THE CHESS FEDERATION OF CANADA
LA FÉDÉRATION CANADIENNE DES ÉCHECS

NOTES TO FINANCIAL STATEMENTS
 APRIL 30, 2005
 UNAUDITED

5. RELATED PARTY TRANSACTIONS

The Chess Foundation of Canada is effectively controlled by The Chess Federation of Canada since the Federation appoints the Foundation's Board of Trustees. The Foundation was established as a trust to financially help the Federation promote and develop chess. Donations of nil (2004 - \$25) and life membership fees of \$1,070 (2004 - \$6,488) have been paid into the Foundation from the Federation. The Foundation has contributed \$3,963 (2004 - \$5,394) in support of the Federation's general operations and \$1,025 (2004 - \$1,026) towards the Kalev Pugi junior program.

The Foundation has not been consolidated with the Federation's financial statements. Unaudited and unconsolidated Chess Foundation of Canada financial summaries as at April 30, 2005 and 2004 and the years then ended are based on data provided by another firm of accountants, as follows:

	2005	2004
BALANCE SHEET		
Assets (investments)	\$ 150,154	\$ 148,383
Liabilities	-	-
Net assets	\$ 150,154	\$ 148,383
STATEMENT OF REVENUE AND EXPENDITURE		
Revenue	\$ 7,134	\$ 9,718
Expenditure	5,363	5,620
Net revenue for the year	\$ 1,771	\$ 4,098



The Chess Federation of Canada
La Fédération canadienne des échecs
2212 Gladwin Crescent E-1, Ottawa, Ontario, K1B 5N1
Phone # (613) 733-2844 FAX # (613) 733-5209
Web site: www.chess.ca E-Mail: info@chess.ca

CFC Office Report: 2005 AGM

The past year has been active at the CFC office. Major events included the 2004 Canadian Zonal, 2004 Olympiad, 2004 CYCC, 2004 WYCC, 2005 CYCC, and 2005 WYCC and many more. It was also a disruptive year because Gerry Litchfield stepped down on April 30. Cheryl Heney moved on as well in mid-February 2005 when she found full time employment. Robert Gelblum and Ozren Nezirovic, who had worked casually, were needed now more than ever. They alternated working 2-3 days a week until April 30. Since then, Ozren has gone back to Bosnia and Robert has been hired part-time. We also hired Irene Ruzhynska to work part-time at the office and help to install Quickbooks and prepare the switchover.

As well, we have a new chief editor for Chess Canada Echecs. Robert Hamilton has taken over from Hans Jung. To date, Robert seems to be enthusiastic about the job, lining up several contributors. Some of the younger players may even learn about some great Canadian players like Igor Ivanov and Kevin Spraggett. We anxiously await his first issue in August 2005.

Membership has continued to slide. Though there are more free juniors than ever, but current adult membership has dropped by about 150. This was mainly due to drops in British Columbia and Ontario.

It would be easy to write this report if all went well, but unfortunately, this is not the case. Equipment sales are down considerably, though software is up and book sales are down a little. The equipment sales drop more than made up the difference. But there is a noticeable difference when items are advertised in Chess Canada Echecs. And sales can help slow moving merchandise; dead items just remain dead. We hope that extra exposure from more frequent advertising will stop the downward trend.

During the year, we replaced the furnace, a laser printer and one of the computers. The old furnace gave out during the Christmas break. When we had it fixed, it only lasted a week before it gave out again for good. It was during this time that the laser printer breathed its' last. Regular tune ups would have extended the furnace life. As well, with such high fuel rates, keeping it efficient makes economic sense.

For 2005-2006, the biggest change at the office, other than the staff turnover, will be using Quickbooks to do all the sales and financial work. The CFC program will continue to be used for membership information, crosstable entry and ratings. Three years ago, it was predicted that the database would crash in about two years. The program still functions but it has crashed several times during the year. Pat Hendrick put in many extra hours this year, mainly because of my inexperience, but the worst problems with the books resulted from s/w crashes (she was even here doing journal entries when it happened. It took extra 2 hours figuring things out and fixing it).

Quickbooks is a third-party software which also provides unlimited call support. Irene works part time as a bookkeeper and has considerable experience using Quickbooks. We should be able transition the accounting functions successfully.

Looking forward, we hope to get high speed internet, upgrade the tournament rating software so that it can be done on the web, do mail outs to encourage new memberships as well as renew old ones, continue with the monthly book keeper to keep the books in order.

Having only received the financial report July 6, 2005 I have not had the time to draw up a budget outline for next year, but I am sure to do so for the next GL report and there will be monthly reports to the executive.

Peter Arseneau
Executive Director
Chess Federation of Canada
Fédération canadienne des échecs

MOTIONS FOR FINAL VOTE:

Motion 2006-01 Moved (Christopher Mallon / Lyle Craver) That the Governors approve the Past President, Halldor Palsson, as a Signing Officer, subject to the cheques being approved by either the President or Vice President.

Christopher Mallon: As the only Executive member in Ottawa, Mr. Palsson has been signing cheques for us already on an emergency basis. If this is not approved it will simply make things more expensive and difficult with regards to paying bills.

(From the Secretary: I have been asked by the President to put this motion concerning the Past President to a final vote in this GL issue)

Motion 2006-02: Moved (Christopher Mallon / Lyle Craver) That Brian Hartman be appointed Olympic Team Manager for the next Olympiad, with first right of refusal if we decide to hire a manager for the following Olympiad.

Christopher Mallon: The Executive has approved Mr. Hartman's bid to manage the 2006 Olympic Team. Mr. Hartman has agreed to guarantee funding for both teams to be sent, and will work to raise funds, promote the team, and hire coaches as needed if enough money is raised. The CFC retains the right to use our selection method to determine who plays. This has the support of both the Executive as well as the Master's Representative, and we'd encourage all Governors to vote in favour. Due to time constraints this will be an immediate vote however please do not hesitate to contact me if you have questions about this.

Please note that this resolution has been passed by the CFC Executive subject to ratification by the Governors.

MOTIONS FOR FIRST DISCUSSION:

Motion 2006-03: Moved (Michael Barron / Ilia Bluvshstein)

"That the CFC Olympiad Regulations be repealed and replaced by the following (see attached document, changes from the CFC Olympiad Regulations passed at the 2005 AGM highlighted in yellow)."

Note: these proposed regulations are found in Appendix 3.

Motion number 2006-04 (Moved/Seconded Pierre Dénomée / Kevin Pacey)

That the CFC create a new category of member called "recreative member". The recreative member will be allowed to play CFC active rated games, which are games played under the rules for rapidplay described in appendix B of the Laws of Chess; they will also be allowed to play in any other tournaments designated by the Assembly of Governors. Apart from those designated tournaments, recreative members are explicitly forbidden from playing any regular rated games. Furthermore, recreative members have no rights within the CFC, they do not receive CCE and they are not allowed to vote for the Governors of their province.

Each provincial association is free to recognise, at the provincial level, whichever rights they see fit to recreatives members, including no rights at all.

The initial membership fee for recreative members will be 5\$ for the CFC plus the provincial part decided by the Provincial Associations. Thereafter, the fee shall be decided by the Assembly of Governors at the AGM.

The rating fee for active games shall be abolished.

Motion 2006-05: CFC Active rating system (Moved/Seconded Michael Barron / Pierre Dénomée)

"That the CFC regulation 711, which reads:

711. Rateable Tournaments. To be rated under the CFC "standard" rating system the maximum game time must be at least 120 minutes. To be rated under the CFC Active rating system the maximum game time must be at least 50 minutes but less than 120 minutes.

be amended to read:

711. Rateable Tournaments. To be rated under the CFC "standard" rating system the time control must be at least 60 minutes per player for the game (or for 60 moves with increment). To be rated under the CFC Active rating system the time control must be at least 15 minutes but less than 60 minutes per player for the game (or for 60 moves with increment)."

Michael Barron:

According to the CFC Handbook, Section 5 (http://www.chess.ca/section_5.htm):

"B1. A 'rapidplay game' is one where all the moves must be made in a fixed time between 15 to 60 minutes. "

It means that popular time control "game in 15 minutes" considered as active (or rapid) chess, but can't be rated under the CFC Active rating system.

This motion is intended to fix this discrepancy.

General Comments from Governors:

This section is reserved for general comments by any governor who feels he/she has an issue of national interest to the Assembly of Governors.

Appendix 1: 2006 Canadian Championship Bid**CHESS FEDERATION OF CANADA
2006 Canadian Closed Chess Championship Bid**

Organizing Body	The Ontario Chess Association Inc.
Chief Organizer	S. Barry Thorvardson President, OCA
Organizing Committee	The OCA 2006 Closed Committee
Advertising	6 – issues of CFC En Passant (free full page advertising to be provided by CFC for this event) WCN, Newspapers, Magazines
Publicity	EXTENSIVE PUBLIC RELATIONS –Pre-Event Starting October – Onsite Live Coverage -- Post Event Updates Complimentary Awards Banquet at 6:30 PM Sunday August 27
Internet Site/ Coverage	High-speed Internet Access at site Will have Live and Daily Internet Updates
City	Toronto
Address	Tartu College (Conference Centre) 310 Bloor Street West Madison and Bloor (1 blk east of Spadina)
Location Description	Downtown Toronto Location Over 1 dozen restaurants in 5 minute walk, plus Second Cup & Tim Hortons
Tournament Rooms	Deluxe well lighted meeting room Top 4 Boards will have updated Presentation Boards showing games
Analysis Rooms	separate analysis rooms, plus separate Media Area

CHESS FEDERATION OF CANADA
2006 Canadian Closed Chess Championship Bid

Registration	<p>Advance Registration, prior to 1 July 2006, Late registration additional \$100 upto 6 PM EST on Thursday, 17 August subject to availability.</p> <p>The OCA reserves the right to limit participants to 70 players, and to guarantee space for last years Canadian Champion, last years Runnerup and for each province (and the Territories) up to 3 representatives including their provincial champion, and up to 6 additional players at the discretion of the OCA.</p>
Dates	August 18-27, 2006 (subject to change once the dates for the Canadian Open 2006 are finalized, and assuming CFC Acceptance by 30 August 2005)
Format	9 Round Swiss
Time Controls	G/120 plus 30 seconds per move
Rounds	9 rounds, 1 game per day starting at 6PM, Friday 18 August to Sunday 27 August with rest day and no game Friday 25 August Games at 6PM weekdays, 11 AM weekends
Playoffs	Monday, August 28th if required
Rated By	CFC and FIDE
Equipment Provided	All equipment including clocks provided by the OCA.

Prize Fund	<p>\$20,000 Prize Fund in CANADIAN CLOSED</p> <p>1st - \$5,000 plus \$2,500 fare to FIDE World Championship 2nd – \$2,000 plus \$2,000 fare to FIDE Americas Championship 3rd - \$1,500 plus \$2,000 fare to FIDE Americas Championship 4th – \$1,000 5th - \$800 6th - \$700 7th - \$600 8th - \$500 9th - \$500 10th - \$500 Brilliancy \$200 Top Youth \$200</p> <p>\$8,000 Prize Fund in WOMENS CLOSED</p> <p>1st - \$2,500 plus \$2,500 fare to FIDE World Championship 2nd – \$2,000 3rd - \$1,000 (All travel fares are paid to the CFC for their reimbursement to Canada's Champions above or their respective substitutes if they do not attend)</p>
Entry Fees	<p>Special Package which includes entry fee, 11 nights accommodation with linens at Tartu College plus finale banquet and special Event Booklet for Only \$700.00 Entry fee, Event Booklet and banquet only \$300.</p>
TDs	<p>Mark S. Dutton - Senior Adjudicator.</p>

Side Events	none.
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Accommodation	<p>Special Tartu College Residence Accommodation which is in nearby building with private room with linen for included in package special for entire period, assuming arrival Thursday, 17 August and departure Monday 28 August.</p> <p>The Quality Inn is 1 block away at \$95.00 per night, and numerous downtown hotels are available from \$80 - \$240 per night.</p>
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Budget	<p>Revenues</p> <ul style="list-style-type: none"> - Entry fees (70x\$300) \$21,000 - Sponsors \$19,000 Total Revenues \$40,000 <p>Expenses</p> <ul style="list-style-type: none"> - Prizes \$28,000 - Advertising \$ 500 - TD Fees \$ 2,500 - Banquet \$ 2,000 - Meeting Space \$ 5,000 - Event Books \$ 1,000 - DGT Rental \$ 500 - Misc \$ 500 Total Expenses \$40,000 <p>The OCA reserves the right to :</p> <ul style="list-style-type: none"> - Advertise our main sponsor as part of the event title, ie Belzberg Invitational Canadian Closed Championship - Advertise a sponsor as part of all or any prize award ie The Tim Horton Award - Advertise sponsors in all our advertising - CFC to pay for CFC and
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	<p>FIDE ratings,</p> <ul style="list-style-type: none"> - and to provide free, 6 full pages of advertising in Chess Echeecs
Date Submitted:	29 July, 2005
Submitted by:	S. Barry Thorvardson
Accepted by:	

Appendix 2:

2006 Bid for Canadian Open and CYCC

Organizing Committee:

Hal Bond, President, SWOCL

Chief Organizer

Patrick McDonald, National Youth Co-ordinator

Web site and publicity

Bill Giannakopoulos, President, Williams Coffee Pub

Corporate sponsorship

Advertising:

Chess Canada Echecs

Chess Life

Various National and International Websites

Venue:

Bingeman's Amusement Park and Conference Centre

425 Bingemans Centre Drive, Kitchener ON N2B 3X7

Bingeman's is a grand facility with something for everyone. Their attractions include:

- Heated wave pool, waterslides, bumper boats.
- 2 mini golf courses, an executive golf course
- batting cages, beach volleyball.
- Over 470 campsites and cabin rentals.
- 45000 square feet of air-conditioned banquet hall space.
- Picnic Shelters and licensed patios
- Internet facilities are currently being enhanced

In addition to great playing conditions we believe that this venue will be very popular with players and families, providing a wide range of recreation and entertainment possibilities between games.

Tournament Dates:

CYCC: Tuesday August 1-Friday August 4, 2006

Canadian Open: Saturday, August 5 – Sunday, August 13.

Formats:

CYCC: 7 round swiss with separate sections for each age group and each gender.

Canadian Open: 10 round swiss style with 2 sections. Open Section, and Under 1800

Time Controls:

CYCC: All moves in 90 minutes with 30 second Fischer Increment.

Canadian Open: All moves in 120 minutes with 30 second Fischer Increment.

Rounds:

CYCC: 11am and 5pm daily, with round 7 at 11am on Friday. Playoffs will be completed following round 7 on Friday.

Canadian Open: 5:00 pm daily, 10:00am and 5:00pm on Sunday August 6, the final round at 1pm on Sunday, August 13.

Rated By: CFC, and FIDE where applicable.

Equipment provided: boards, pieces and clocks. DGT broadcast boards top 5 minimum.

Prize Fund: Based on Entries \$20,000; Open Section \$15,000 class sections \$5000

Entry fees: Received by:	Jan.31,	March 31,	June 30, at door	
Open Section	\$100,	\$120,	\$140,	\$160
Under 1800:	\$70,	\$85,	\$100,	\$120

Tournament Directors: Hal Bond and Patrick McDonald, or other I.A's

Side Events: These will include Opening and Closing Ceremonies, a blitz tournament, and at least one each of lectures and simuls from marquis players.

Accommodation: The full range of accommodation services are available, from On Site Camping to University residences to the upscale Waterloo Inn. Prices and packages will be announced at or before next year's AGM.

Chess Federation of Canada		
2006 CYCC Budget		
Income:		
Entry fees		
200 players @150		30,000
Sponsorship:		
Government		500
Business		500
Private		500
Chess Sponsors		500
Other Income		500
Total Income		\$32,500
Expenses:		
Prize Fund		n/a
Trophies and Medals		1500
Site costs		4000
Advertising		500
TD Fees		2000
Equipment costs		600
Website expenses		300
Organizer commission		\$1,000
CFC rating fees		600
FIDE Rating fee		200
Reception		1,000
		11,700
Net Income to CFC		20,800

Chess Federation of Canada		
2006 Canadian Open Budget		
Income:		
Entry fees		
250 players @100		25,000
Sponsorship:		
Government		1000
Business		5000
Private		1500
Chess Sponsors		1500
Other Income		2500
Total Income		\$36,500
Expenses:		
Prize Fund		20,000
Trophies and Medals		
Site costs		5000
Advertising		500
TD Fees		2000
Equipment costs		1500
Website expenses		500
Invited Players		5,000
CFC rating fees		750
FIDE Rating fee		250
Reception		1,000
		36,500

Appendix 3: Re Motion 2006-03

THE OLYMPIAD REGULATIONS

1200. Objectives

The main objectives of participating in the Chess Olympiad are to field teams which will achieve the highest possible results, while at the same time representing Canada favourably on the international stage.

1201. Olympiad Coordinator

The CFC Executive shall appoint an Olympiad Coordinator:

(a) The Olympiad Coordinator shall oversee the implementation of the Selection Procedures set out below and shall supervise and facilitate fund raising and the obtaining of sponsorship for the Olympic Teams.

(b) The Olympiad Coordinator shall submit a monthly report to the CFC Executive and Governors on the implementation of the Selection Procedures, fund raising to date, planned fund raising activities and sponsorship for the next Olympiad.

(c) If the Olympiad Coordinator is not carrying out his or her duties in a satisfactory manner, the CFC Executive shall appoint a new Olympiad Coordinator.

1202. Team structure

The Canadian delegation to the Chess Olympiad shall consist of the following:

- (a) Head of Delegation
- (b) National Team Captain
- (c) National Team Players
- (d) Women's Team Captain
- (e) Women's Team Players
- (f) Technical Assistants

1203. Selection Procedures

The composition of the National Delegation shall be determined as set out below. Date references always relate to the start of the next Olympiad.

1204. Timing

The following schedule is to be followed in determining the composition of the National Delegation. Each scheduled step shall be completed before the next step is taken. The implementation of this schedule shall be supervised by the Olympiad Coordinator. Once FIDE has announced the dates of the next Olympiad, the CFC shall post the dates of the CFC Olympiad schedule on the CFC website.

(a) **Appointment of Selection Committee:** The CFC Executive shall appoint a Selection Committee (1205) no later than 180 days before the start of the Olympiad.

(b) **Selection of players:** The composition of the Teams shall be determined by rating (1207) and the Selection Committee no later than 165 days before the start of the Olympiad.

(c) **Notification of players:** Players selected for the Teams shall be notified by the CFC Executive no later than 150 days before the start of the Olympiad.

(d) **Acceptance of players:** Players who agree to participate on the Team shall notify the CFC of their participation no later than 120 days before the start of the Olympiad.

(e) Nominations for Team Captains: All nominations for Team Captains shall be submitted no later than 105 days before the start of the Olympiad.

(f) Election of Team Captains: The players shall submit their votes for Team Captains no later than 90 days before the start of the Olympiad.

(g) Appointment of Head of Delegation: The CFC Executive shall appoint the Head of Delegation no later than 75 days before the start of the Olympiad.

1205. The Selection Committee

The CFC Executive shall appoint a Selection Committee consisting of two well known and respected individuals who are of at least master strength and have knowledge of the Canadian chess community.

(a) The Selection Committee shall be appointed no later than 180 days before the start of the Olympiad.

(b) The Selection Committee shall select two players for the National Team and one player for the Women's team, taking into account the players' recent results, potential for improvement and such other factors as they consider relevant. These selections shall be made no later than 165 days before the start of the Olympiad.

(c) To avoid any conflict of interest, except in exigent circumstances, a member of the Selection Committee may not play for a Canadian Team in the year in which he or she serves on the Selection Committee.

1206. Selection of the players

(a) Eligibility: Players are eligible to play on a Canadian Team if they are:

(i) A Canadian Citizen or a permanent resident of Canada. Proof of status must be provided to the CFC Executive when a player accepts a position on a Team.

(ii) A member in good standing of the CFC and the affiliated provincial association in the province of residence (if one exists) at the time of selection.

(iii) Have played at least 10 regular CFC rated or FIDE rated games during the year prior to the start of the selection process (which begins 180 days before the start of the Olympiad).

(b) National Team: The National Team shall consist of six players, as follows:

(i) The Canadian Champion, as of 180 days before the start of the Olympiad.

(ii) The three highest rated players on the Selection Rating list.

(iii) Two players decided upon by the Selection Committee.

(c) Women's Team: The Women's Team shall consist of four players, as follows:

(i) The Canadian Women's Champion, as of 180 days before the start of the Olympiad.

(ii) The two highest rated female players on the Selection Rating list.

(iii) One player decided upon by the Selection Committee.

(d) Notification: Players shall be notified of their selection by the CFC Executive no later than 150 days before the start of the Olympiad.

(e) Acceptance: Players shall notify the CFC Executive of their intention to play by no later than 120 days before the start of the Olympiad.

(f) Replacements: If a player who has indicated his or her intention to participate as a member of the National or Women's Team withdraws (1211), a replacement player shall be notified as soon as practicable and shall have one week after being notified to inform the CFC of their intention to play.

1207. Selection Ratings

Selection of players for the Teams by rating shall be based on the average of the player's highest CFC rating and highest FIDE rating during the year prior to the start of the selection process (which begins 180 days before the start of the Olympiad).

(a) Established CFC and FIDE ratings shall be used to determine team selection.

(b) The CFC shall publish, with each rating update, a list of the top 10 Selection Ratings and the top 10 Selection Ratings of female players.

1208. Selection of Team Captains

The Team Captains shall be selected by the players on each Team, as follows:

(a) For each Team, the CFC Executive shall nominate up to three candidates for Team Captain. In addition, each player may nominate one candidate for Captain of their team.

(b) All nominations must be made submitted no later than 105 days before the start of the Olympiad.

(c) The players on each team shall then vote to determine the Captain of their Team. Each player may vote for up to three candidates: the player's first choice counts as three votes; the second choice counts as two votes; and the third choice counts as one vote. The candidate with the most votes becomes Team Captain.

(d) All votes for Team Captains must be cast submitted no later than 90 days before the start of the Olympiad.

(e) Players on the National Team may only nominate candidates and vote for National Team Captain; players on the Women's Team may only nominate candidates and vote for Women's Team Captain.

(f) The same person may be nominated and elected Captain of both Teams.

1209. Selection of the Technical Assistant(s)

Technical Assistant(s) shall be appointed by the Executive of the CFC.

1210. Head of Delegation

The Head of Delegation shall be appointed by the CFC Executive no later than 75 days before the start of the Olympiad.

1211. Withdrawals

Once all members of the Canadian Delegation to the Olympiad have been determined:

(a) If a player withdraws, he or she shall be replaced by the next player on the Selection Rating List.

(b) If a Team Captain withdraws, he or she shall be replaced by the runner-up in the vote for Team Captain.

(c) If any other member of the Canadian Delegation withdraws, the CFC Executive shall appoint a replacement.

1212. Head of Delegation

The Head of Delegation shall represent the interests of the Chess Federation of Canada and the Canadian delegation at the Olympiad and:

(a) Shall act as a liaison between the Canadian delegation and the Olympiad organizers;

(b) Be concerned with the day-to-day necessities of the Canadian delegation and other practical issues.

(c) Foster a cohesive atmosphere on Canadian teams and seek to resolve any personal disputes or misunderstandings between team members.

(d) The Head of Delegation is responsible to and should consult with the CFC Executive before making significant decisions affecting the members of the delegation, but decisions by the Head of Delegation are final and may not be appealed.

(e) The Head of Delegation shall submit a written report on the Olympiad within two weeks of its completion.

(f) If finances do not permit sending a Head of Delegation, the National Team Captain shall assume the responsibilities and duties of the Head of Delegation.

1213. Captains

Both the National Team and the Women's Team shall have a Team Captain. These roles may be carried out by the same person. If finances do not permit sending both Team Captains, a player designated by the CFC Executive from the relevant Team shall assume the responsibilities and duties of the Team Captain.

The duties of the Team Captains include:

- (a) Choosing who plays and who sits in each match. These decisions should be made in an impartial and fair manner, based on the physical condition and playing form of the players, the frequency of play up to that point, and the likely players on the opposing team for that round.
- (b) Determining and articulating the strategy for each match.
- (c) Organizing and conducting daily team meetings.
- (d) Providing motivational leadership with the goal of having each player perform up to or even beyond their abilities. This includes acting in conjunction with the Head of Delegation to forestall or remove conflicts between the players.

On these matters, the Captain's decision is final and may not be appealed or overruled.

1214. Players

- (a) Players are required to attend team meetings and attend preparation/training sessions.
- (b) Players are expected to act in a responsible fashion and in the interests of the Canadian Teams.
- (c) Disputes between players are to be brought to attention of the appropriate Captain, who shall resolve the dispute as he or she deems appropriate.

1215. Technical Assistants

Technical assistants assist the Captain and Team members by helping prepare the players for their games, analyzing games, managing data bases, collecting daily bulletins, and so on. Technical assistants must accept the authority of the Head of Delegation and the Team Captains.

1216. Board Order

The board order for each Team shall be determined by the Team Captain and announced no later than 30 days before the start of the Olympiad.

1217. Fund raising and sponsorship

- (a) The CFC shall actively raise funds and seek sponsorship for Canadian participation in the Olympiad.
- (b) Sponsors and donors may specify that some or all of their contribution to the costs of Canadian participation in the Olympiad be directed towards paying the travel costs or appearance fees a specific player, players or other member of the Canadian delegation.

1218. Expenses

(a) The CFC shall pay the travel expenses to the Olympiad of:

- (i) the six players on the National Team;
- (ii) the four players on the Women's Team;

(b) If finances permit, the CFC shall pay the travel expenses of:

- (i) The Team Captain of the National Team.

(ii) The Team Captain of the Women's Team;

(iii) The Head of Delegation;

(iv) One or more Technical Assistants.

(c) If finances permit, the CFC shall pay each player on both the National and Women's Team no less than \$100 and no more than \$250 pocket money. Each player shall receive the same amount of pocket money, regardless of title, rating or gender. Pocket money shall be paid when the Olympiad begins.

(d) The CFC Executive shall determine the extent to which CFC finances permit the expenditures partial or full payment of travel expenses for those listed in 1218(b), above, and the amount of pocket money to paid to each player.

(e) If training sessions are conducted prior to the Olympiad, the CFC shall pay the expenses of players and trainers in relation to those training sessions to the extent they are not waived by the participants.

1219. Appearance fees

(a) The CFC Executive may, at its discretion, approve the payment of appearance fees to specific players.

(b) The payment of appearance fees to specific players is distinct from the payment of travel expenses and pocket money.

(c) The appearance fees paid to each player shall not be confidential and the CFC Executive shall inform the Governors of such payment.

* * *

In 2006, the Chess Olympiad is scheduled to be held in Turin, Italy, May 20 - June 4, 2006. The dates for selecting the Canadian Olympiad Delegation would therefore be:

1204. Timing

The following schedule is to be followed in determining the composition of the National Delegation. Each scheduled step shall be completed before the next step is taken. Once FIDE has announced the dates of the next Olympiad, the CFC shall post the dates of the CFC Olympiad schedule on the CFC website.

(a) Appointment of Selection Committee: The CFC Executive shall appoint a Selection Committee (1205) no later than 180 days before the start of the Olympiad.

November 21, 2005

(b) Selection of players: The composition of the Teams shall be determined by rating (1207) and the Selection Committee no later than 165 days before the start of the Olympiad.

December 6, 2005

(c) Notification of players: Players selected for the Teams shall be notified by the CFC Executive no later than 150 days before the start of the Olympiad.

December 21, 2005

(d) Acceptance of players: Players who agree to participate on the Team shall notify the CFC and remit the required deposit (1210(g)) no later than 120 days before the start of the Olympiad.

January 20, 2006

(e) Nominations for Team Captains: All nominations for Team Captains shall be submitted no later than 105 days before the start of the Olympiad.

February 4, 2006

(f) Election of Team Captains: The players shall submit their votes for Team Captains no later than 90 days before the start of the Olympiad.

February 19, 2006

(g) Appointment of Head of Delegation: The CFC Executive shall appoint the Head of Delegation no later than 75 days before the start of the Olympiad.

March 6, 2006

1216. Board Order

The board order for each Team shall determined by the Team Captain and announced no later than 30 days before the start of the Olympiad.

April 20, 2006

Motions for Final Vote:

Motion 2006-01: CFC Signing Officers (Halldor Palsson)

Please vote: Yes No Abstain

Motion 2006-02: Brian Hartman as Olympiad Manager

Please vote: Yes No Abstain

Motions for First Discussion:

Motion 2006-03: Olympic Regulations

Motion 2006-04: Recreative Memberships

Motion 2006-05: Active Rating Regulations

Deadline for Submissions to GL #2: Friday 26 August 2005

**Responses may be mailed, faxed or E-mailed to the Chess Federation of Canada,
E-1 2212 Gladwin Crescent, Ottawa, ON, K1B 5N1, fax: 613-733-5209, E-Mail:**

info@chess.ca