

# **CHESS FEDERATION OF CANADA**

## **GOVERNORS' LETTER FOUR**

### **2007-2008**



**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](mailto: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](mailto:info@chess.ca) if interested.

**Deadline for submissions to GL#5 is Friday December 14th, 2007**

## **President's Message**

Thanks to Secretary Lyle Craver for producing another GL in a timely fashion. Stijn De Kerpel and Bob Gillanders continue to deliver outstanding service for our Federation and I hope you share my gratitude.

As we can see from the April 2007 Financials our Federation continues to lose big money. I believe that our Treasurer has hit the nail on the head when he points to our shrinking revenues as the primary culprit. This decline has lead to reduced services, which then leads to member dissatisfaction, which further reduces revenue. The death spiral has now reached the point where we will have to take more substantive action to correct the problem. I am currently engaged in reorganization discussions with members of the Executive and a few Governors who have offered to help.

I see from your comments that my motions for enhancing revenue have gone over like a lead zeppelin. Your objections are well founded and I am prepared to table both motions and revisit these issues in the new year, after more dialogue with the affected parties.

We are not going to "raid" the Chess Foundation. After Treasurer Gillanders presented arguments for the CFC's entitlement to a portion of Life memberships paid into the Foundation there has been much speculation about the legality of such a raid. I have consulted with Les Bunning on the matter I can confirm that the Chess Foundation is NOT a separate legal entity, and certainly does not have separate charitable status. It is part of the CFC. Nonetheless I am loathe to approach the Foundation for funds unless we are without a choice. Foundation Trustees have indicated that the CFC may *borrow* some funds from the Foundation if necessary, at terms which are mutually agreeable.

I thank Gordon Ritchie and his Ottawa team for their review of the FQE bids, and for engaging the Governors in a discussion about them. Given the shortened time line I am hopeful that these bids will both be accepted and that both events will exceed their initial benchmarks.

Congratulations to Eddie Urquhart, who is the Olympic Co-ordinator for our 2008 teams. I also thank Ilia Blushtein for agreeing to assist Eddie. This will be a challenging project for obvious reasons. In order to maximize your input relative to our Olympic Team Composition I have allowed an amendment to Motion 2008-03 (which was scheduled for final vote) to be discussed now and resolved in GL #5.

I have to jump on a plane now - maybe give Igor Zugic some tips on how not to play his opening match against Mickey Adams in Khanty Mansiysk. I should have email access by Monday, November 26 and by December 10 it will all be a memory.

Sincerely.

Hal Bond, IO, IA  
President, Chess Federation of Canada

## **Message from the Secretary:**

This Governors' Letter is one of the most important GLs of the year on two fronts.

Firstly on the financial side where the long-awaited financials are published (see Appendix 1) I refer you to the Treasurer's report for further details. As Bob points out, the financial situation is as difficult as anything I've seen in my 20 years of involvement at the organizational level provincially and nationally. Our feet are clearly to the fire and our attention is clearly focused. We are fortunate to have Bob and Stijn working at the Office regularly to help out with the financials.

Secondly there are bids for 3 tournaments to be voted on by Governors with this issue. These are presented in Appendices 2, 3 and 4 and are as follows: (1) Canadian Junior Championship, Toronto

January 2-6, 2008, (2) Canadian Youth Chess Championship, Quebec City, July 14-17, 2008 and (3) Canadian Open, Montreal 19-27, 2008.

Thanks again to those members of the Executive and Governors who contributed to Governors' Letter #4. It is my hope that with motions up for final vote and votes on three tournament bids we will get close to a full response from our Governors.

Lyle Craver  
Secretary, Chess Federation of Canada

### **Message from the Treasurer**

The long awaited financial statements for the year ended April 30, 2007 are attached as appendix A. It was a difficult year for the CFC recording a loss of \$ 48,677. This was the third consecutive annual loss and the deepest. The loss includes \$ 12,490 for a special assessment for roof repairs on the building. Revenues for memberships and retail sales are both down significantly.

Preparation of the financial statements was particularly difficult this year due to the poor state of the financial records. Our outside bookkeeper, Karin Bond, left late in 2006 due to a lack of cooperation from the CFC office and the continuing deterioration of the records. To quote Brian Watson in an email to Chris Mallon last June,

*"If you really want financials then you will need to find someone to try and sort out the mess. It would be too expensive for me to do it. My sense is that the records deteriorated so badly that no one would be able to straighten it out now. I may be able to refer someone to you to help sort out the accounting records to the extent possible if you decide to move forward on it. However, even with that, it is probable that we would have to issue a denial of opinion in our review engagement report."*

After reviewing the books I soon concurred with Brian's assessment. I met with both Brian and Karin in September and enlisted their assistance in a "notice to reader" engagement. This is common practice in these types of circumstances. The accounting firm assists in compiling the financials without giving an opinion or any assurances to the reader. I invite you to read their report and compare it to last year.

We have made significant progress in the last 3 months to establish better bookkeeping practices and proper accounting controls. However, there still remains a lot of room for improvement. I also have serious reservations about continuing with our current accounting software. Upgrading to a more robust package in 2008 is likely.

The use of estimates and assumptions always play a part in the preparation of financial statements, but more so this year than normal. Two asset valuations of particular concern to me are accounts receivable and inventory.

Our accounts receivable listing is extensive and contains accounts dating back several years. Proper collection and follow up procedures have been neglected. Numerous balances are the result of bookkeeping errors. One common error was to inadvertently record sales transactions twice. This has been caused by a lack of proper staff training and executive oversight. Stijn is continuing to follow up and resolve these accounts. We have taken an educated guess at the duplicated sales and uncollectible accounts, and have reduced our accounts receivable balance accordingly. This resulted in a reduction of sales of \$ 7,500 and a bad debt provision of \$ 5,319 this year.

No physical inventory count was taken at yearend. The accounting system does incorporate a perpetuate inventory system, however it was found to be unreliable. I have thus made a conservative inventory valuation estimate based on purchases and sales at anticipated margins with some allowance for further obsolescence.

To better understand our current financial dilemma, I have included as appendix B, a summary of the financial statements for the last 8 years. After reviewing the summary, I would direct your attention to the key data at the bottom of each page.

To understand our losses, you should first exclude other programs from both revenues and expenses. Other programs include the CYCC, Olympic, and other programs. Contributions to these programs are recognized as revenue in the year in which the related expenditures are incurred. Consequently, they have no effect on the profit & loss calculation.

Revenue excluding other programs has seen a sharp decline over the last 3 years, most noticeably in retail sales. Retail sales are no longer making a significant contribution to the bottom line. This trend was aggravated last year by poor service, which in turn was aggravated by a cash crisis. Orders went unfilled as inventory was not replenished.

Revenue from membership dues declined by 20% last year. This must be the focus of our rebuilding efforts.

Our operating costs have remained constant over the 8 years, keeping within a narrow range between \$ 170,000 and \$ 185,000 per year. The problem lies not with our costs, but with our declining revenue base.

Now that we are over the yearend hurdle, future reports should flow more quickly. I expect to report on the first 6 months of this year in GL5. Concurrently, I will be working on cash flow and budget forecasts. I expect to complete those in December.

Respectfully yours,

Robert Gillanders  
CFC Treasurer  
November 12, 2007

## **RESULTS OF VOTING:**

**Motion 2008-01: Moved (Pierre Dénommée / Lyle Craver)** That the CFC Handbook Tournament Rules section be replaced as per Appendix 4 (see below)

(Editorial note: Given a version of this motion has already been defeated it is desired by the mover that this motion be broken into 10 sections to allow Governors to vote for the entire motion or whatever portion of the sub-motions as each Governor deems fit. These are as follows:)

**Motion 2008-01a: Article 1 (Administrative Rules)**

Yes (9): Barron, Bluvstein, Craver, Dénommée, Mallon, Nadeau, Smith, Stockhausen, Wright  
No (1): Craft

Abstention (1): Gladstone

**Motion Passed**

**Motion 2008-01b: Article 2.1 to 2.26 (Additional Rules for Tournament Play)**

Yes (9): Barron, Bluvstein, Craver, Dénommée, Mallon, Nadeau, Smith, Stockhausen, Wright  
No (1): Craft

Abstention (1): Gladstone

**Motion Passed**

**Motion 2008-01c: Article 2.27 to 2.29 (Regulations re Clocks and Time Controls)**

Vote Yes (1): Dénommée

Vote No (7): Barron, Craft, Craver, Mallon, Smith, Stockhausen, Wright

Abstention (2): Bluvshstein, Gladstone

**Motion Defeated**

**Motion 2008-01d: Article 3 (Exceptions to the Normal Rules)**

Vote Yes (8): Barron, Bluvshstein, Craver, Dénommée, Mallon, Smith, Stockhausen, Wright

Vote No (1) Craft

Abstention (1): Gladstone

**Motion Passed**

**Motion 2008-01e: Article 4 (Unsportsmanlike Conduct)**

Vote Yes (7): Barron, Bluvshstein, Craver, Dénommée, Mallon, Smith, Wright

Vote No (2) Craft, Stockhausen

Abstention (1): Gladstone

**Motion Passed**

**Motion 2008-01f: Article 5 (Appeals)**

Vote Yes (8): Barron, Bluvshstein, Craver, Dénommée, Mallon, Smith, Wright

Vote No (1) Craft

Abstention (2): Gladstone, Stockhausen

**Motion Passed**

**Motion 2008-01g: Article 6 (Interior Rules)**

Vote Yes (8): Barron, Bluvshstein, Craver, Dénommée, Mallon, Smith, Stockhausen, Wright

Vote No (1) Craft

Abstention (2): Gladstone

**Motion Passed**

**Motion 2008-01h: Article 7 (Players' Code of Conduct)**

Vote Yes (8): Barron, Bluvshstein, Craver, Dénommée, Mallon, Nadeau, Smith, Wright

Vote No (1) Craft, Stockhausen

Abstention (2): Gladstone

**Motion Passed**

**Motion 2008-01i: Article 8 (Penalties Imposed by the Arbitrator)**

Vote Yes (7): Barron, Bluvshstein, Craver, Dénommée, Mallon, Smith, Wright

Vote No (1) Craft

Abstention (2): Gladstone, Stockhausen

**Motion Passed**

**Motion 2008-01j: Article 9 (FIDE Standards for Digital Chess Clocks)**

Vote Yes (1): Dénommée

Vote No (7) Barron, Craft, Craver, Mallon, Smith, Stockhausen, Wright

Abstention (2): Bluvshstein, Gladstone

**Motion Defeated**

**Michael Barron:** Governors voted that Game in 60 minutes is Regular control – this change should be reflected in the proposed motion.

In general we should spend less time for creating our own rules and follow international rules whenever possible - for example, if one of players is absent when a game starts.

**Motion 2008-02 CFC Web Site (Patrick McDonald / Chris Mallon)** To approve the development of a new CFC website and automated ratings system as shown in appendix. Exact dates may be negotiated by the new CFC Executive for cash flow purposes. (*This is the re-introduction of motion 2007-12 originally moved by Chris Mallon*)

Vote Yes (10): Barron, Bluvstein, Craft, Craver, Dénommée, Gladstone, Mallon, Nadeau, Stockhausen, Wright

Vote No None

Abstention (1): Smith

**Motion Passed**

**Motion 2008-03 (Lyle Craver / Bob Gillanders)** That Handbook paragraph 1206 (b) dealing with the Canadian Olympic team be amended to read:

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

- (i) The Canadian Champion, as of 180 days before the start of the Olympiad.
- (ii) The TWO highest rated players on the Selection Rating list.
- (iii) Two players decided upon by the Selection Committee.

Rationale: this motion is intended to bring the CFC into alignment with FIDE which has mandated 5 player teams for the 2008 Dresden Olympiad (Note: the capitalized words original read 'six' and 'three' respectively)

*NOTICE TO GOVERNORS: Voting on this motion has been suspended as an amendment has been received which the President has ruled should be discussed in GL#4 with an eye to soliciting Governor discussion and proceeding to a final vote in GL#5. It is felt that given the timing of Olympic Team selection it is in the CFC's interests to allow a full discussion of the alternate selection formula proposed in the amendment which is essentially a competing motion to the original. Given we all agree that the object is to produce the strongest Olympic team possible by the fairest selection method possible this is a good way to go – ed.*

**Motion 2008-04 Governors' Letter (Lyle Craver / Bob Gillanders)** That Handbook paragraph 340(b) be deleted. This paragraph reads:

"b) If the Executive Director submits a Governors Letter to the President for approval and does not receive a revised Governors Letter from the President, or approval, within three weeks, then the Executive Director does have de facto approval, and must send out the Governors Letter. [ref: Motion 89-17; GL, September 1988, p. 1-30 of Appendix B]"

Votes Yes (11): Barron, Bluvstein, Craft, Craver, Dénommée, Gladstone, Mallon, Nadeau, Smith, Stockhausen, Wright

Votes No: none

Abstentions: none

**Motion Passed**

**Motions for Final Vote:**

**Motion 2008-03 (Lyle Craver / Bob Gillanders)** That Handbook paragraph 1206 (b) dealing with the Canadian Olympic team be amended to read:

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

- (i) The Canadian Champion, as of 180 days before the start of the Olympiad.
- (ii) The TWO highest rated players on the Selection Rating list.
- (iii) Two players decided upon by the Selection Committee.

**Lyle Craver:** I view this one as a "no brainer" since it strictly involves international events in a matter where FIDE has changed the regulations.

**Michael Barron:** I Vote Yes as well for Christopher Mallon's amendment that these changes also affect

Paragraph 1206 (c) and (c).ii for the Women's Team - FIDE decided that both Men's and Women's Teams consist of 5 players.

Amendment to Motion 2008-03a: The following is an amendment moved and seconded by Governors Smith and Jaeger

***Motion 2008-3 Amendment {Smith/Jaeger}*** That Handbook paragraph 1206{b} dealing with the Canadian Olympic team be amended to read:

{b} National Team: The National Team shall consist of FIVE 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} ONE player decided upon by the Selection Committee.

***To all Governors: you are encouraged to comment on both the original motion and the amendment to the motion. As per the President's instructions, both will be presented for final vote in GL#5.***

***Motion 2008-06 ( Bond, McDonald)*** Effective January 1, 2008, that the CFC adopt the following membership fee structure:

***Michael Barron:*** This motion probably makes sense, but we don't have any information for consideration. Like in case with respect to the CFC Office we need to see the financial report first, we need to know where the money was spent. I could pay more than \$49 per year for a good cause, but now I don't see a reason for any fee increase. We had this year successful CYCC and Canadian Open – thanks to Gordon Ritchie and his team, successful Canadian Closed, Women's and Amateur Championships – thanks to Hal Bond and his team, Canadian Junior Championship – thanks to GTCL organizers, but as far as I know, CFC didn't spend a penny for all these events. Why it needs my money?

I believe the membership money is better spent on local level – GTCL sponsors GTCL Team Competitions, Grand Prix events, Open, Closed, Women's, Junior and Senior Championships, these events increase CFC membership and benefit our Federation in the end. I would suggest amending this motion to include additional 10% rebate on fees collected for local chess Leagues.

***Ilia Bluvstein:*** I will vote NO for the following reasons.

1. This motion reduces rebates to Provincial affiliates. With proposed CFC fees, provinces will get \$4.90 for adult players. It means that Ontario, Nova Scotia and Saskatchewan will lose \$2, British Columbia and Manitoba will lose even more. As I understand, CFC plays the role of collection agency for the provinces and it is not for CFC to decide the amount of Provincial fees.
2. We still do not know how CFC spends the money and what the budget is. CFC office in Ottawa does not have any credibility. Until things are changed in the office (or some other major reorg, say, contracting out office functions and selling the building) the increase in fees will not be justified.
3. I think this motion may effectively reduce CFC revenue from fees.

Let's say, now CFC collects \$36 per adult. New fees:  $\$49 - \$4.90 = \$44.10$ . If CFC loses  $\frac{1}{4}$  of adult members due to this motion (that may happen), then CFC will lose  $(36*100 - 44.1*0.75)/36 = 8\%$  of dollars collected now. Similar math is for other member categories.

***Lyle Craver:*** I am completely against this motion as I am a provincial secretary-treasurer and I have seen zero evidence our board has even been talked to. I understand the need for additional revenue at the national level but given the proposed transfer of provincial dollars without consultation I see the only real effect of this motion being to destroy the good working relationship we have enjoyed with the provinces for year.

***Christopher Mallon:*** I am completely against this motion until I see evidence that the provincial affiliates have been consulted. Also what happens with "provincial" money in provinces that do not have an affiliate or only have an interim affiliate? I do agree that the cost should be the same in every province and \$49 is not too high however doing this change unilaterally is not the right way.

***Stephen Wright:*** Raising the basic membership rate is one thing, but I fail to see what right the CFC has

in determining the provincial portion (by fixing it at 10%) -this should be left to the discretion of the appropriate provincial association.

**Motion 2008-07:** (Bond, Craver) Effective January 1, 2008, “youth only” tournaments which do not require CFC membership shall be subject to the full rating fee of \$3.00 per player.

**Michael Barron:** This motion doesn’t make sense at all. I know personally some chess teachers who have switched rating for their “youth only” tournaments from CMA to CFC to support our Federation. For example, only Chess Academy of Canada during the first half of this year submitted to CFC more than 200 tournaments with 5 players per tournament on average. For a full year it’s about 400 tournaments or \$1000 in rating fees. If we increase the rating fee, we simply lose this revenue – with CMA charging \$0.40 per player it’s very easy to switch back to CMA rating system.

Please understand – it’s not “\$1000 or \$6000” question, it’s “\$1000 or \$0” question.

**Lyle Craver:** I was asked to second this for discussion and while I think it’s reasonable in a theoretical sense, I think given the current environment Mr. Barron’s points are all too clear. I do think the CFC has done far too little to market our goods and services both to these kids and to “tournament members”.

I would also advocate taking a hockey stick to the head of tournament directors who insist on sending in memberships for juniors without including the kids’ birthdates or addresses. This is absolutely critical information for the CFC both in terms of marketing on the one hand and qualification for national events and directors who fail to collect this information damage the CFC. I think this point needs to be made again and again since what I’ve seen suggests some TDs plain just don’t “get it”.

While I have heard some parents object on privacy grounds to providing their childrens’ birthdates – and as a parent in this day and age I can understand their concern – I think the CFC has a right to ensure that a subsidized membership rate goes only to qualified individuals and that anyone with these concerns always has the option of refusing the subsidy and paying the ordinary membership rate.

Finally, I think we need to make it plain that our rating fees in junior only events ARE a subsidy and that getting the information we need is a fair and reasonable trade-off in exchange.

**Valer Demian:** I am not sure I understand in what way rating youth only tournaments drains the CFC resources? The only thing CFC does is actually enter these results for rating purposes; almost all of the work is done by dedicated volunteers and parents from every corner of our country. How much does it cost CFC to rate such tournaments? How much time is spent for that? Please offer a more detailed explanation of the costs involved on the CFC end, since the proposed jump in rating fees is incredible!!

How did the 2 persons making the motion arrived at this value of \$3? Why not \$10, or another number out of the hat?

It seems to me that lately junior chess is under an unjustified attack from a lot of sources. Regardless of the situation CFC finds itself, there are dedicated people in this country who continue to spread the chess knowledge week after week, with no help from anywhere. Now you guys want to also punish the same people and junior chess lovers because they seem to be an easy target? Do you know what means to be in competition with other recognized sports in this country and still be able to make chess attractive without any existing chess culture?

How much does it cost CMA to rate junior tournaments? I will tell you how much it costs us here in BC: it costs nothing (introductory rate) for a full year. Next year I doubt it could cost us \$3 per player, or nobody would rate any tournaments anymore! Can you also believe all juniors listed in those tournaments are not even members of CMA? Isn’t it outrageous? Should I continue by saying a tournament under CMA gets rated within 24 hours? Now we are talking really unbelievable stuff, don’t we?

I apologise for the sarcasm above. It was simply meant to emphasize the fact CFC offers nothing even

near CMA, but still believes it is in the position to present a motion like the above. We live in a free market society right? Customers go where service is better right? Businesses improve their products first and ask for more money afterwards, right? Well, the above motion does not have any logic. Offer a better product: better database, faster and simpler entering method of results, 24 hours delivery of published ratings and ONLY THEN consider a motion of this sort. Also I think a simple business calculation of how much such a service costs, would enable us to have the right picture and decide how much profit could be made by setting up a competitive price! Heck if such steps would be made, I would even consider donating some money toward making that database a better product. Right now all I see is "make them pay more since they still hold tournaments; what can they do, say - No - to us?" Well we might just do that if you pass this motion. There are alternatives out there much closer to us!

Would still want to end on a positive note. Is anyone interested in a much logical motion related to this aspect? The motion would read: "CFC membership is mandatory for anyone playing in a CFC sanctioned tournament" This would include juniors and adults all together. It is simple to understand and also simple to explain and sell to anyone. Any seconders?

**Gary Gladstone:** I am not sure of the process, but I wish to amend the motion to read the increase is for Non-members only. Youth members will pay the current fee for rating tournaments.

**Christopher Mallon:** This motion should only be passed if the CFC no longer wishes to collect any rating fees for youth events. Seriously, the number of events being rated will plummet to the point where income from these events will be lower despite a rating fee 6x the size. Not to mention offending even more TDs who might also have considered running adult events. Also, Ken Craft's comment that it would be made retroactive to January 1st even if the motion is passed afterwards is preposterous and probably illegal. What is the office going to do, invoice for more money for something already paid for??

**Stephen Wright:** While I agree that the fee for rating a junior game should be the same as that for an adult (the same amount of work is required, regardless of the age of the player), I feel that implementing the proposed change will simply drive junior organizers away from the CFC rating system. What is the actual cost of inputting a tournament for rating, on average? How will this change be modified if organizers are able to submit their own results online?

### **Motions for Second Discussion:**

**Motion 2008-03:** Olympic Team Selection: At the direction of the president this motion has been referred back to the second discussion stage due to the Smith / Jaeger amendment shown above (in the "Results of Vote" section). The main motion and the amendment present two different methods of choosing the Olympic team and Governors basically need to determine which they prefer.

Procedurally the three options are (1) two players by rating list, two by Selection Committee or (2) three players by rating list, one by Selection committee or (3) none of the above.

The final vote on this issue will be in GL#5 and both the main motion and the amendment will be voted on at that time.

Governors who prefer option 1 should vote no to the amendment and yes to the main motion.  
Governors who prefer option 2 should vote yes to the amendment and yes to the main (amended) motion.  
Governors who do not wish to support either option should vote no to both.

The amendment will be voted on first with the Governors having the ability to vote on the main motion differently depending on the result of the vote on the amendment as we have done on previous motions.

### **Motions for First Discussion: None**

### **General Comments from Governors:**

**Michael Barron:** I appreciate our President's initiative with respect to the CFC Office - this issue is really worth discussion. I support suggestions of Gary Gladstone and Les Bunning – we need a report from our Vice-President and our Treasurer before we consider proposals for a change, we need to know: what is \*supposed\* to be happening at the CFC office, what is \*actually\* happening at the office, who is doing the work and for how many hours per week, at what salary/hourly rate?

Please confirm that the GTCL bid for the 2008 Canadian Junior Championship is approved, and advertise it on the CFC website and in Chess Canada magazine.

At the 2007 Canadian Junior Chess Championship we had only 12 players, and only 1 of them was from outside of Ontario. The main reason for such poor attendance was very short notice. We don't want to repeat the same mistakes again and again.

**David Cohen:** Hal Bond's President's message in 07-08 CFC Governors' Letter 2 contains an error of fact. He says that Nikolay Noritsyn was our youngest ever Champion, but he was our 2nd youngest. For the youngest Canadian chess champion ever, we must go way back to the 13<sup>th</sup> Canadian Championship of 1886, held in Quebec City, Quebec. Playing in his home town, Nicholas MacLeod finished first in the tournament which started just two weeks after his 16th birthday.

**Gary Gladstone:** CYCC Bid and CO Bid - I apologize if this is stepping on toes, and I encourage all to submit quality bids, which the FQE bid appears to be. I do have some minor issues with an organization that does not recognize the CFC as the national federation (I may be wrong and if so, I apologize) should be hosting the two main tournaments of the year. I would want to see something in the terms of the agreement indicating that the CFC gets top billing. I would also want to ensure that the CFC Youth CO-Ordinator for the CYCC and another CFC executive member receive constant reports on the tournaments and have veto power as appropriate. As well, as a minimum all players in the CYCC and the CO MUST be full members of the CFC, not just tournament memberships.

#### **Peter Stockhausen: A, CYCC & Canadian Open Bids**

The bids for the 2008 CYCC and Canadian Open as presented by the FQE and Richard Bérubé and his team are most impressive.

#### **B, Office Proposals**

Let's wait for the official result of last year and, hopefully, some interim outlook for this year. Maybe it is too little and too late and a complete restructuring of our National Federation might be necessary. So, after some reflection, this might not be a bad thing.

**Barry Thorvardsen:** The Revenue Issue is only 1 component of the CFC Problem.

To be an effective organization, the CFC must serve its membership, then membership has a value.

For the CFC to become viable we must also serve the only area of the future and the only area we have been growing, despite CFC actions, our Youth!

We must be competitive and attract youth early, and market our benefits and activities so that they remain and become paid members at appropriate membership rates.

Our actions can not be in isolation. If the CMA can have effective youth events without requiring membership, and rate those events at \$0.50 each player, then surely the CFC can also.

Our focus should be on attracting membership, perhaps at \$5.00 youth members for rating under ???1400??? then have youth memberships increase at 1400 rating, then have adult member rates.

If the CFC changes its fees to \$3.00 for youth, it will virtually eliminate rated CFC youth chess in Ontario, which will greatly reduce current CFC revenues, from both memberships and rating fees and could kill the CFC over time.

Let us work together to increase the value of CFC memberships and activities, and FOCUS ON INCREASING MEMBERS, which will grow CFC revenues, and enable better government and corporate support. Without youth activities it will become almost impossible to raise community support.

**Barry Thovardson:** I am completely against increasing rating fees, and believe and that the CFC is missing some important facts. Chess is growing in Canada and worldwide! We have a lot of successes in most provinces, and even for the CFC. Chessfinancial support by government and corporate sponsors greatly increased last year, and should continue to be possible for many years if we carefully continue the momentum and maintain credible operations.

There clearly has been bad management decisions for several years and our finances show it. What is the current CFC direction, and budget for the next 3-5 years? Bob Gillanders has done a great job in bringing some financial understanding of where we are. The CFC members need a clearer understanding of the plans and how they will achieve not only financial survival, but create a positive focus and increase services.

Once again the CFC magazine misses the Christmas Season so we are throwing away the largest retail portion of the year! Furthermore by slashing inventory before Christmas probably means limited sales capability anyhow. The Executive Director and the CFC Executive should have quickly seen that the current funding model means an effective serious retail sales program was necessary to even continue the current fulltime position of Executive Director. Have other funding models even been seriously examined?

I fully believe The role of the CFC, new job descriptions related clearly to the role, with measurable objectives, a clear at least 2 year budget, should be the highest priority. Then we can address how to fund the plan, considering possible fund raising, loan from the Chess Foundation and line of credit backed by the CFC building. Once a plan is agreed to and funding arranged it can be carefully implemented. The new plan may involve change of staff, and even change of type and place of the CFC office.

If all the focus is to keep the current role and staffing going, it will be throwing away more money and draining the assets that are needed to revitalize the organization. Delaying these important decisions is very costly.

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

UNAUDITED FINANCIAL STATEMENTS

APRIL 30, 2007

---

## **NOTICE TO READER**

On the basis of information provided by management, we have compiled the balance sheet of the Chess Federation of Canada / La Fédération canadienne des échecs as at April 30, 2007 and the statements of changes in net assets and revenue and expenses for the year then ended.

We have not performed an audit or a review engagement in respect of these financial statements and, accordingly, we express no assurance thereon.

Readers are cautioned that these statements may not be appropriate for their purposes.

**WATSON FOLKINS COREY LLP**  
Licensed Public Accountants

Ottawa, Ontario  
November 9, 2007.

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

**BALANCE SHEET**  
**AS AT APRIL 30, 2007**  
**UNAUDITED**

	2007	2006
<b>CURRENT ASSETS</b>		
Cash	\$ 20,141	\$ 25,015
Accounts receivable	16,322	18,989
Inventory	41,317	67,347
Prepaid expenses	4,262	6,456
	<hr/> 82,042	<hr/> 117,807
<b>CAPITAL ASSETS (note 2)</b>	<hr/> 88,846	<hr/> 92,465
	<hr/> <hr/> \$ 170,888	<hr/> <hr/> \$ 210,272
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 28,856	\$ 14,976
Entry fees payable	8,855	8,415
Deferred membership revenue	24,300	30,017
	<hr/> 62,011	<hr/> 53,408
<b>DEFERRED CONTRIBUTIONS (note 3)</b>	<hr/> 20,011	<hr/> 19,797
<b>NET ASSETS</b>		
Invested in capital assets	88,846	91,989
Unrestricted	20	45,078
	<hr/> 88,866	<hr/> 137,067
	<hr/> <hr/> \$ 170,888	<hr/> <hr/> \$ 210,272

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, 2007**  
**UNAUDITED**

	2007	2006
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of year, as previously reported	\$ 91,989	\$ 96,022
Correction of prior year's balance	476	-
Balance - beginning of year, as previously reported	92,465	96,022
Amortization of capital assets	(3,619)	(4,033)
Balance - end of year	<u>\$ 88,846</u>	<u>\$ 91,989</u>
<b>UNRESTRICTED</b>		
Balance - beginning of year	\$ 45,078	\$ 68,916
Excess of revenue over expenses for the year	(48,677)	(27,871)
Amortization of capital assets	3,619	4,033
Balance - end of year	<u>\$ 20</u>	<u>\$ 45,078</u>

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

**STATEMENT OF REVENUE AND EXPENSES**  
**FOR THE YEAR ENDED APRIL 30, 2007**  
**UNAUDITED**

	2007	2006
<b>REVENUE</b>		
Sales of books, equipment and software	\$ 103,151	\$ 141,883
Shipping and handling charges	6,824	7,999
Membership fees	51,565	64,687
Contribution from related party (note 4)	5,252	4,806
Rating fees	23,486	24,019
Publication sales and advertising	2,378	2,348
Donations	24,168	12,807
Other programs (note 3)	64,681	165,659
Other revenue	3,516	414
	<u>285,021</u>	<u>424,622</u>
<b>EXPENSES</b>		
Cost of sales	78,829	102,611
General and administrative		
Salaries, benefits and staff travel	62,500	62,159
Building and equipment expenses	30,175	21,375
Bad debts	5,319	-
Office	28,510	33,071
	<u>126,504</u>	<u>116,605</u>
Programs		
Publications	31,773	49,183
International	13,904	8,975
Contributions to clubs, provincial affiliates and the Foundation	18,007	9,460
Other programs (note 3)	64,681	165,659
	<u>128,365</u>	<u>233,277</u>
	<u>333,698</u>	<u>452,493</u>
<b>EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR</b>	<b>\$ (48,677)</b>	<b>\$ (27,871)</b>

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

### NOTES TO FINANCIAL STATEMENTS APRIL 30, 2007 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, 2007  
 UNAUDITED

2. CAPITAL ASSETS

					2007		2006
			Cost	Accumulated Amortization	Net		Net
Land		\$ 20,000	\$ -	\$ 20,000	\$ 20,000		
Building		145,502	79,443	66,059	68,812		
Furniture and equipment		5,000	4,548	452	565		
Computer equipment		9,224	8,524	700	1,044		
National library		8,240	6,605	1,635	2,043		
		\$ 187,966	\$ 99,120	\$ 88,846	\$ 92,465		

3. DEFERRED CONTRIBUTIONS

	Patron Program	Olympic Donations	CYCC Program	Kalev Pugi Program	TOTAL
Balance - beginning of year	\$ 2,416	\$ 889	\$ 14,779	\$ 1,713	\$ 19,797
Add: contributions	-	740	63,130	1,025	64,895
Less: amount recognized as revenue	(2,416)	(1,189)	(61,076)	-	(64,681)
Balance - end of year	\$ -	\$ 440	\$ 16,833	\$ 2,738	\$ 20,011

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. 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 (2006 - \$ 750) and life membership fees of nil (2006 - nil) have been paid into the Foundation from the Federation. The Foundation has contributed \$5,252 (2006 - \$4,806) in support of the Federation's general operations and \$1,025 (2006 - \$1,025) towards the Kalev Pugi junior program.

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

NOTES TO FINANCIAL STATEMENTS  
 APRIL 30, 2007  
 UNAUDITED

**4. RELATED PARTY TRANSACTIONS (continued)**

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, 2007 and 2006 and the years then ended are based on data provided by another firm of accountants, as follows:

	2007	2006
<b>BALANCE SHEET</b>		
Assets (investments)	\$ 155,055	\$ 155,149
Liabilities	-	-
<b>Net assets</b>	<b>\$ 155,055</b>	<b>\$ 155,149</b>

**STATEMENT OF REVENUE AND EXPENSES**

Revenue	\$ 6,307	\$ 11,216
Expenses	6,401	6,221
<b>Net revenue (expenses) for the year</b>	<b>\$ (94)</b>	<b>\$ 4,995</b>

**5. FAIR VALUE OF FINANCIAL INSTRUMENTS**

The carrying value of cash, accounts receivable, accounts payable and entry fees payable approximates their fair value because of the relatively short period to maturity of the instruments. Management is of the opinion that the Federation is not exposed to significant interest, currency or credit risks arising from the above financial instruments.

**6. COMPARATIVE FIGURES**

Certain of the comparative figures have been reclassified to conform with the current year's presentation.

**Chess Federation of Canada  
Financial Statement Summary  
for the last 8 years ended April 30**

**Statement of Revenues and Expenses**

	2000	2001	2002	2003	2004	2005	2006	2007
<b>Revenues</b>								
Sales of books, equipment and software	186,731	199,350	208,593	222,878	186,769	145,398	141,883	103,151
Shipping & handling charges	7,838	9,235	9,356	12,775	11,440	8,722	7,999	6,824
Membership dues	74,673	68,681	67,702	69,921	71,360	72,246	64,687	51,565
Contribution from related party	4,120	4,522	6,622	3,619	5,394	3,963	4,806	5,252
Rating fees	20,105	18,567	21,368	19,506	28,333	27,968	24,019	23,486
Publication sales and advertising	7,279	7,428	5,121	5,816	4,820	4,530	2,348	2,378
Donations	14,537	13,727	14,918	16,310	48,178	20,545	12,807	24,168
Other programs	46,587	29,302	46,815	81,367	36,255	121,303	165,659	64,681
Other revenue	5,518	2,613	2,794	1,247	2,995	248	414	3,516
	<b>367,388</b>	<b>353,425</b>	<b>383,289</b>	<b>433,439</b>	<b>395,544</b>	<b>404,923</b>	<b>424,622</b>	<b>285,021</b>
<b>Expenditures</b>								
Cost of sales	122,750	128,118	147,647	147,048	124,878	99,521	102,611	78,829
Salaries, benefits and staff travel	74,700	69,020	81,497	47,676	59,195	50,172	62,159	62,500
Building & equipment expenses	18,246	15,569	16,936	17,059	17,669	16,965	21,375	30,175
Bad debts	-	-	-	-	3,925	979	-	5,319
Office	31,665	31,889	39,355	36,436	32,248	42,171	32,674	28,510
Other executive and administration	1,723	2,698	5,550	2,998	2,798	207	397	-
Publications	45,655	52,478	54,034	57,161	49,883	48,750	49,183	31,773
International	4,457	4,989	10,199	10,597	43,737	21,467	8,975	13,904
National	7,504	-	-	-	-	-	-	-
Contributions to clubs, provinces & Foundation	13,847	14,060	15,067	20,518	19,218	19,665	9,460	18,007
Other programs	46,587	29,302	46,815	81,367	36,255	121,303	165,659	64,681
	<b>367,134</b>	<b>348,123</b>	<b>417,100</b>	<b>420,860</b>	<b>389,806</b>	<b>421,200</b>	<b>452,493</b>	<b>333,698</b>
<b>Net Revenue (expenses) for the year</b>	<b>254</b>	<b>5,302</b>	<b>&lt;33,811&gt;</b>	<b>12,579</b>	<b>5,738</b>	<b>&lt;16,277&gt;</b>	<b>&lt;27,811&gt;</b>	<b>&lt;48,677&gt;</b>

**Key Data**

Revenues excluding other programs  
Operating costs ( excludes cost of sales,  
contributions to clubs etc and other programs)

320,801	324,123	336,474	352,072	359,289	283,620	258,963	220,340
183,950	176,643	207,571	171,927	209,455	180,711	174,763	172,181

**Chess Federation of Canada  
Balance Sheets  
for the last 8 years as of April 30**

	2000	2001	2002	2003	2004	2005	2006	2007
<b>Current Assets</b>								
Cash	47,321	59,943	22,070	25,797	32,380	75,705	25,015	20,141
Accounts Receivable	6,374	9,910	8,501	7,471	7,702	7,723	18,989	16,322
Inventory	96,180	102,948	82,098	95,723	91,252	70,399	67,347	41,317
Prepaid expenses	4,125	3,589	3,575	2,391	5,279	9,106	6,456	4,262
	<b>154,000</b>	<b>176,390</b>	<b>116,244</b>	<b>131,382</b>	<b>136,613</b>	<b>162,933</b>	<b>117,807</b>	<b>82,042</b>
Capital assets								
	110,857	105,725	105,297	101,624	97,137	96,498	92,465	88,846
<b>Total Assets</b>	<b>264,857</b>	<b>282,115</b>	<b>221,541</b>	<b>233,006</b>	<b>233,750</b>	<b>259,431</b>	<b>210,272</b>	<b>170,888</b>
<b>Current Liabilities</b>								
Accounts Payable	21,749	29,358	15,452	17,474	7,489	17,816	14,976	28,856
Entry Fees payable	9,745	8,543	940	3,905	9,097	17,815	8,415	8,855
Due to Chess Foundation of Canada				1,175				
Deferred membership revenue	43,752	41,044	41,044	41,011	38,448	38,956	30,017	24,300
	<b>75,246</b>	<b>78,945</b>	<b>57,436</b>	<b>63,565</b>	<b>55,034</b>	<b>74,587</b>	<b>53,408</b>	<b>62,011</b>
Deferred Contributions								
	9,049	17,306	12,052	4,809	3,051	25,456	19,797	20,011
<b>Net Assets</b>	<b>110,857</b>	<b>105,725</b>	<b>105,297</b>	<b>101,624</b>	<b>97,137</b>	<b>96,022</b>	<b>91,989</b>	<b>88,846</b>
Invested in Capital assets	69,705	80,139	46,756	63,008	78,528	63,366	45,078	20
Unrestricted	180,562	185,864	152,053	164,632	175,665	159,388	137,067	88,866
	<b>264,857</b>	<b>282,115</b>	<b>221,541</b>	<b>233,006</b>	<b>233,750</b>	<b>259,431</b>	<b>210,272</b>	<b>170,888</b>

**Key Data**  
 Liquidity ( current assets minus current liabilities)  
 Current ratio % ( current assets / current liabilities )

78,754 97,445 58,808 67,817 81,579 248% 88,346 218% 64,399 22% 20,031  
 205% 223% 202% 207% 248% 218% 64,399 22% 132%

*Appendix 2:*

**CHESS FEDERATION OF CANADA  
2008 Canadian Junior Chess Championship Bid**

<b>Organizing Body</b>	Greater Toronto Chess League
<b>Chief Organizer</b>	Michael Barron President, GTCL
<b>Organizing Committee</b>	The GTCL 2008 Junior Committee
<b>Advertising</b>	3 issues of Chess Canada Echecs (free advertising to be provided by CFC for this event) Internet, Newspapers, Magazines
<b>Publicity</b>	EXTENSIVE PUBLIC RELATIONS –Pre-Event Starting October – Onsite Live Coverage -- Post Event Updates
<b>Internet Site/ Coverage</b>	Will have Daily Internet Updates
<b>City</b>	Toronto
<b>Address</b>	Bayview Games Club 1681 Bayview Avenue Suite 202
<b>Registration</b>	Advance Registration - prior to December 24, 2007; Late registration - additional \$10 up to 6 PM EST on Wednesday, January 2, 2008 subject to availability.  The GTCL reserves the right to limit participants to 60 players, and to guarantee space for last years Canadian Junior Champion, last years Runner-up and for each province (and the Territories) up to 3 representatives including their provincial Junior Champion, and up to 6 additional players at the discretion of the GTCL.
<b>Dates</b>	January 2-6, 2008
<b>Format</b>	5 Round Swiss
<b>Time Control</b>	90 minutes for 40 moves and 15 minutes for the rest of the game with 30 seconds increment from the first move.

<b>Rounds</b>	5 rounds, 1 game per day starting at 6:30 PM, Wednesday, January 2 to Saturday, January 5; last round at 2:00 PM Sunday, January 6, 2008
<b>Playoffs</b>	Sunday, January 6, if required
<b>Rated By</b>	CFC and FIDE
<b>Equipment Provided</b>	All equipment including clocks provided by the Bayview Games Club (if necessary, additional clocks could be borrowed from OCA).
<b>Prizes</b>	<b>Winner will be Canada's representative at the World Junior (paid for). Top Girl will be Canada's representative at the World Girls (partially paid for – depends on the number of participating girls).</b>
<b>Entry Fees</b>	<b>\$150 (cash or cheques received by December 24, 2007) Late Fee: on day of tournament \$10 extra. \$100 from each entry will be transferred to CFC for World Junior expenses.</b>
<b>TD</b>	Vlad Dobrich
<b>Side Events</b>	none

<b>Budget</b>	<p>Revenues</p> <table> <tr><td>- Entry fees (20x\$150)</td><td>\$3,000</td></tr> <tr><td>Total Revenues</td><td>\$3,000</td></tr> </table> <p>Expenses</p> <table> <tr><td>- Prizes (20x\$100)</td><td>\$2,000</td></tr> <tr><td>- Advertising</td><td>\$ 200</td></tr> <tr><td>- TD Fees</td><td>\$ 500</td></tr> <tr><td>- Meeting Space</td><td>\$ 200</td></tr> <tr><td>- Misc</td><td>\$ 100</td></tr> <tr><td>Total Expenses</td><td>\$3,000</td></tr> </table> <p>CFC to pay for CFC and FIDE ratings, and to provide free advertising in Chess Canada Echecs</p>	- Entry fees (20x\$150)	\$3,000	Total Revenues	\$3,000	- Prizes (20x\$100)	\$2,000	- Advertising	\$ 200	- TD Fees	\$ 500	- Meeting Space	\$ 200	- Misc	\$ 100	Total Expenses	\$3,000
- Entry fees (20x\$150)	\$3,000																
Total Revenues	\$3,000																
- Prizes (20x\$100)	\$2,000																
- Advertising	\$ 200																
- TD Fees	\$ 500																
- Meeting Space	\$ 200																
- Misc	\$ 100																
Total Expenses	\$3,000																
<b>Date Submitted:</b>	June 10, 2007																
<b>Submitted by:</b>	Michael Barron																
<b>Accepted by:</b>																	

*Appendix 3*

**CANADIAN YOUTH CHESS CHAMPIONSHIPS  
CHAMPIONNATS JEUNESSE DU CANADA**

**JULY 14-15-16-17 2008  
14-15-16-17 JUILLET 2008**

**QUEBEC CITY  
QUÉBEC**



An activity of the Quebec 400th anniversary festivities

Dans le cadre du 400<sup>e</sup> anniversaire de la ville de Québec  
Québec 1608-2008

## PRESENTATION

---

The **Fédération québécoise des échecs** is interested in hosting the Canadian Youth Chess Championships 2008 in Québec city. This prestigious event would coincide with the celebrations for the 400th anniversary of the city of Québec (1608-2008). The province of Québec last hosted the CYCC in 2001 and we feel that it would be time for a return, this time with the support of L'Association des échecs du Nord-Est ontarien. Mrs. Ellen Nadeau and Mr. Denis Nadeau would participate fully in the organizing committee - there is no doubt that their experience with past CYCCs would be most beneficial to the committee. Furthermore, since Mrs Nadeau is governor of the Chess Federation of Canada, we would insure that the CFC is present in the organization committee.

The city of Québec, the oldest of Canada, is the birth place of French civilization in North America and is one of the major cities of Canada; its population of 717 600 ranks it 10th. But its importance goes beyond numbers; it is the most european city in North America. The historical dimensions of the Old City have been preserved - doors in the old walls are the only way in, allowing the visitor to step directly into another century.

The Canadian Youth Chess Championships would be taking the opportunity of making a first visit, on the 400th anniversary. Advantages of locating the CYCC 2008 in the province of Québec's capital are numerous: - Québec is an important location easily accessed by road, air, train and with an excellent communication infrastructure. The numerous touristic attractions will be further enhanced by the celebrations of the 400th. The considered location (Hôtel Universel Ste.Foy) of the tournament is a 4 star luxury hotel, strategically located close to the major arteries and the Pierre-Laporte bridge, the natural road from Montréal. The hôtel is located 15 minutes to Downtown and yet, the cost is accessible, considering the 400th anniversary festivities. For limited budgets there are other accomodations close by such as the Laval University (the oldest in North America) residences just 10 minutes walk away

The **Fédération québécoise des échecs** sees the CYCC 2008 as an opportunity to build a bridge of collaboration with the Chess Federation of Canada with a view on building better communication and create further collaborative projects. The participation of L'Association des échecs du Nord-Est ontarien, affiliated with the CFC, will contribute valuable experience since they have organized 2 CYCCs, helped arbitre 2 more, they are familiar with the management procedures of the CFC.

## BUDGET

---

We are contemplating various revenue sources: registration fees, sponsorships, gifts, grants, financial contribution from the **Fédération québécoise des échecs**. The following budget is based on the participation of 150 players, paying 225\$ with a discount for early registration. 1/3 will go to the organizer. Considering the participation of 180 in Ottawa 2007, we feel that this projection is realistic. The schematic budget will be presented first, details following in note form.

### Revenus

Registrations fees

7 500

1

Financial contribution of the FQE	1 300	2
Gifts	1 000	3
Canteen	500	4
<b>Total</b>	<b>10 300</b>	
<b>Expenses</b>		
Rental fees (hall + ...)	2 000	5
Professionnal services	1 600	6
Publicity	1 500	7
Equipment rental (computers...)	800	8
Official Souvenirs	750	9
Mailings	350	10
Transportation fees	600	11
Rating fees	225	12
Tournament necessities	500	13
Public and media relations	500	14
Accomodation (guests)	125	15
Press release	350	16
Canteen	300	17
Meals (for volunteers)	200	18
Communications and others	200	19
Trophies and 24 medals	300	20
<b>Total</b>	<b>10 300</b>	

Any sponsors that we could find would be used for supplementary activities to raise the profile of the event. There are numerous possibilities:

- Simul
- Lecture
- famous player on hand
- MonRoi
- Giant chess sets
- Assistance for transportation of needy players.

Everything is contingent on the desires and requests of sponsors.

## **COMMENTARY ON THE BUDGET**

---

### **Revenues**

1 The revenus from registration fees are based on the paying participation of 150 players, assuming the lowest revenue if everyone preregisters. The organizer keeps 1/3 for the general expenses of the tournament. The players will register to the Chess Federation of Canada which will pay the organizer's part. Any surplus will be use for extra activities for players (formation, lessons, extra souvenirs...)

2 The financial contribution of the FQE is 1 000\$. This amount was decided by the executive committee on September 15 2007.

3 In the past, individuals have given similar sums in special events; for instance, when the FQE organized the Youth Chess Championship, there was private contributions of this level.

4 During the tournament, the organizer will host a canteen where participants can obtain cookies, coffee, donuts jus and other similar products, all at reasonable cost.

### **Expenses**

5 The rental of rooms for the duration of the tournament is 500\$/day x 4 days for a total of 2000\$. A description of the hall and rooms will follow.

6 This item covers the arbiters, TD, assistants... responsible for the administration of the tournament:

three arbiters and two assistants assigned to communications: Internet, welcome. Apart from this, someone will be mandated to produce a logo for the event.

7 We project 3 phases for the external publicity; first, a bilingual information sheet will advertise all the components of the CYCC. 100 posters will be printed for the circumstance

8 Multi media player, 2 computers, one printer, a DGT auto sensitive chess board will be part of the computer material rented for this tournament.

9 We have not yet decided the type of souvenir given to each participants, but we budget 5\$ per player to insure that everyone leaves with a memento of the event.

10 We plan on doing 2, maybe 3 mailings to incite the most canadian players (especially quebequers to encourage them to participate) possible to attend the event. There should be 600 letters @ 0,58\$ each.

11 This item is for the transportation of the organizers, mostly between Montréal and Québec.

12 This is for the FQE rating of all players of this tournament: 1,50\$/player.

13 This is the standard tournament necessities: notation sheets, chess boards, paper for the printer, cardboard for results... We hope to borrow the sets and clocks from the CFC otherwise the cost would be higher.

14 We will hire a media specialist for relations with the press, radio, television We have done so with the Championnat ouvert du Québec and results were outstanding.

15 This item is for the accomodation of a representative of the CFC to attend the opening ceremonies.

16 Press releases will be distributed to the national press. The cost per press release is 250\$.

17 As much as possible, we wish to organize a canteen on site, manned by a volonter.

18 The volunteer workers at the CYCC should not have to pay for their meals.

19 This is for long distance phone calls and all other unexpected expenses.

20 12 Trophies and 24 medals.



**Hotel and tournament site**

## **RESPONSABILITIES**

---

The risks and responsibility of this event will be carried by the Fédération québécoise de échecs with the understanding that the Chess Federation of Canada will guarantee the prize for the winners, which is the cost of transportation for the winner of each section. The FQE will take care of the CFC membership for Quebec players. The main contact is **Richard Bérubé 514-252-3034**.

L'Association des échecs du Nord-est Ontario (L'AENO) will be participating as a consultant since it's members have ample experience with the CYCC, as organizers and arbiters of youth events. They should also simplify communications between the Chess federations: Canada and Québec. The designated contact is **Ellen Nadeau 705-335-5322**.

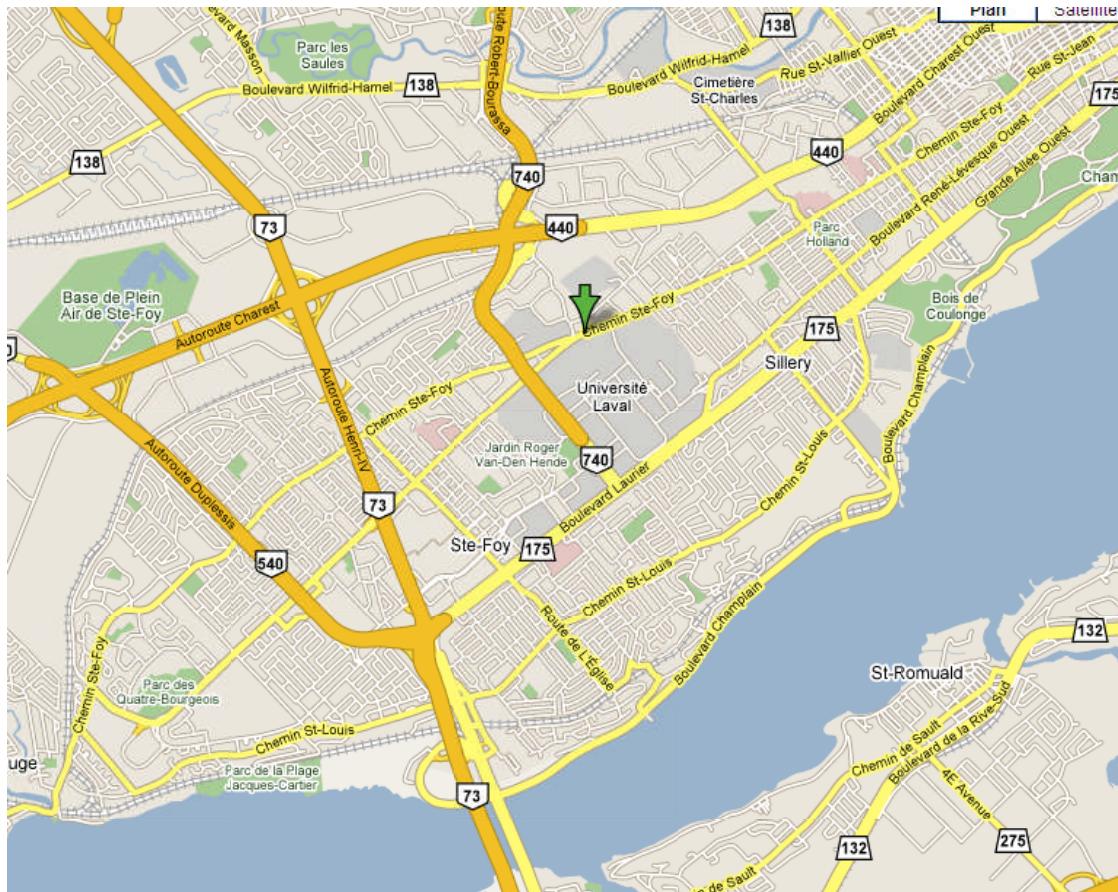
## TOURNAMENT SITE

---

The tournament will be held on Chemin Ste-Foy which connects with Highway 73 that leads directly to the Pierre-Laporte Bridge, the main entrance to Quebec city. From the bridge to the tournament site, it takes up to 10 minutes. Université Laval is slightly to the south.

The tournament site is on a busy bus line because of the strategic location of Laval University. The Ste-Foy intercity bus station is approximately 6 minutes walk away.

Rooms are 129\$ + taxes. There are 2 medium sized halls that can each hold 100 tournament players. Another room will be used for the organization of the tournament.





Room



Restaurant



Swimming Pool



Analysis Room

**Internet site of the Hotel**  
<http://www.hoteluniversel.qc.ca/>

Organizing Body	<b>Fédération québécoise des échecs, (FQE)</b> 4545 Pierre-de-Coubertin, Montréal <a href="mailto:dirgen@fqechechs.qc.ca">dirgen@fqechechs.qc.ca</a> Phone : 514-252-3034 Fax : 514-251-8038
Chief Organizer	Richard Bérubé for FQE (info : as above)
Organizing Committee	Richard Bérubé : President (Coordination) Ellen Nadeau : Vice-president (Communication) Charles Tremblay : Administrator (Location responsible) Denis Nadeau : Administrator (Consultant) François Caire : Administrator (Reception) Mario Alain : Administrator (Publicity) Richard Cloutier : Administrator (Treasurer)
Advertising (Chess circle)	Internet site : fqechechs.qc.ca/cycc.htm Magazine Échec+ : 1 page 3 times Magazine Chess Canada : 1 page 3 times Poster : 50 copies to chess clubs in Canada
Publicity (Outside chess circle)	Poster : 50 copies to strategical location Communiqué : Canadian wire services (2 times)
Internet/Coverage	MonRoi : Games transmission live Official site : fqechechs.qc.ca/cycc.htm
City	Quebec city
Address	Hotel Universel, 2300 Chemin Ste-Foy, Québec
Location Description	<b>Hotel Universel :</b> Situation : Next to the wooded Université Laval campus and major shopping centres, as well as only 10 minutes from charming Old Quebec, the hotel offers comfort, hospitality and a central location at very competitive rates. Restaurants : Near by less than 100 ft, different type Shops : Near by less than 500 ft, Stores Swimming pool : Indoor Transportation : - Airport shuttle (free) - Outdoor bus parking (free) - Outdoor car parking (free) Parks : University Laval Campus
Tournament Rooms	Main playing room : 2 rooms joined together, possibility of 200 players 6734 sq ft Air conditionning, Carpet flooring, Good lighting, 10 ft height, Well control noise factor, Washrooms seperated from playing room. Last main renovation : 2005
- Analysis Room - Waiting Room	- 1248 sq ft. Well situated. Good lighting, Carpet flooring - About the same size. Can accodomade 100 parents.
Registration	Pre-registration to the CFC. Dead lines : July 3, 2008. Extra after June 15.
Dates	July 14-15-16-17, 2008
Format	Semi-open by age category. Swiss system. Possibility of round robin in certain section according to CFC rules.
Time Controls	According to CFC rules.
Rounds	7 rounds. 10am and 3pm
Playoffs	July 17, after round 7
Rated by	CFC - FQE

Equipement provided	FQE : 30 chess sets; CMA, CFC and OCA will be ask to contribute.	
Prize fund	According to CFC rules	
Entry Fees	150\$ (50\$ to the organizer)	
Tournament Director (Arbiter)	Chief : Ellen Nadeau; Assistants : Stéphane Beaudoin,	
Side Events	Blitz tournament on July 17 after closing ceremony Free and open to all.	
Accommodation	Room Rates : 129\$/day (up to 4 persons). Rooms with two double beds. Air conditionning, complete bathroom, shower, carpet, refrigerator, television, blow dryer, wake-up call, nice view.	
Budget	See details higher	
Date submitted	2007 - 10 - 09	
Submitted by	Richard Bérubé :	

## ORGANIZING COMMITTEE

---

**The Organizing committee** is composed of the 7 organizers with extensive experience in organizing chess events.

**Richard Bérubé**: Business manager of the FQE, organizer of Canadian Open, Quebec Open tournaments, FIDE master, and known trainer.

**Mario Alain**: Vice president of FQE, from Trois-Rivières

**Ellen Nadeau**: Governor for the CFC, organizer of CYCC, Canadian Open, arbiter

**Denis Nadeau**: President of AÉNO; organizer of CYCC, Canadian Open...

**Charles Tremblay**: President of Ligue d'échecs of Québec City

**Richard Cloutier** : Treasurer of the FQE.

## FURTHER INFORMATION ABOUT THE FQE

---

The Fédération québécoise des échecs (FQE) is a non-profit organization dedicated to the development of chess in Québec. Since its foundation in 1967 it has provided a rating system for Québec, a chess magazine (6 times a year), rules and regulations books, organization of national events and other training opportunities and services.

The board of governors of the FQE has 23 governors, 5 elected directors and a representative of every affiliated league. The electors are delegates of every affiliated league, existing administrator, all with equal voting right. The FQE has an office at the Olympic Stadium in Montréal at 4545, Pierre-de-Coubertin, as a member of the Leisure Committee of Québec, mandated by the Government of Québec to facilitate the existence of its affiliates: products and services. Since 1984, the FQE has been accredited as an official component of Leisure-Québec allowing the FQE to benefit from permanent government funding. The FQE is the official spokesperson of the government of Québec in the chess community.

### Fédération québécoise des échecs

Telephone: 514-252-3034

Fax: 514-251-8038

Email: [dirgen@fqechechs.qc.ca](mailto:dirgen@fqechechs.qc.ca)

*Appendix 4*

**BID  
CANDIDATURE**

**CANADIAN OPEN CHESS CHAMPIONSHIP  
CHAMPIONNAT OUVERT D'ÉCHECS DU CANADA**  
Presented to : The Chess Federation of Canada  
Présentée à : La Fédération canadienne des échecs

**MONTRÉAL 2008**



## ❖ Presentation

The Quebec chess federation (Fédération québécoise des échecs) is proud to present a bid for the Canadian open chess tournament to be held in Montreal from July 19 to 27, 2008. The tournament will have 9 rounds in five sections with one game per day. We think that a single section tournament is not suited for Quebec players.

Montreal is well situated to attract players all around. Toronto, New York, Ottawa and Quebec city are major cities situated less than 6 hours drive from Montreal. The last time the Canadian open was held in Montreal, more than 340 players participated. So the bid we are presenting is based on a participation of 250 players which is fairly reasonable and realistic. The Quebec open will take a rest of one year.

We plan to put the tournament in a well situated environment near downtown Montreal. The Cégep du Vieux-Montréal is near a major metro station and well served by bus system. Many hotels are situated nearby including high standard and low budget hotels.

The success of a tournament depends largely on the dynamism of the organizing committee. The committee for the event will include experienced people. The fact that they come all from Montreal will facilitate the communications. It might be a good idea to add a person coming from the CFC. This person could participate to 2 or 3 meetings to keep the CFC informed about the progression of the tournament organization.

The tournament will be CFC, FIDE and FQE rated. Considering the FQE is already sponsoring the event for 6 000\$ (see the budget), we are asking the CFC that the Quebec players pay half the due for CFC membership tournament if they are not full CFC members. The players outside Quebec and non FQE members do not have to pay FQE membership. This measure will help the participation. Another measure which could help the participation is the possibility that the CYCC be held in Quebec city according to the bid presented recently.

The FQE could count on the financial participation of the Just for laughs festival for about 5 000\$. Side activities will also be organized by the Just for laughs festival during the event. These side events will include giant chess and simul.

A place in the tournament hall will be reserved for the CFC for book sales. Usually this is a canteen where players can get sandwiches, juices, cakes and other foods.

The FQE will use largely his magazine Echec+ to advertise the event. The tournament will also be advertised in other magazines.

This is a minimal bid which can be improved by the participation of more sponsors. For example, Mr André Langlois, organizer of the Montreal international chess tournament, has manifested his interest.

The FQE will be delighted to work with the CFC to make a success of this tournament. There is no doubt that the chess community will respond favorably.

## ❖ Tournament site



255, rue Ontario Est  
Montréal (Québec) H2X 1X6 CANADA  
Téléphone : 514 982-3437

Photo #2

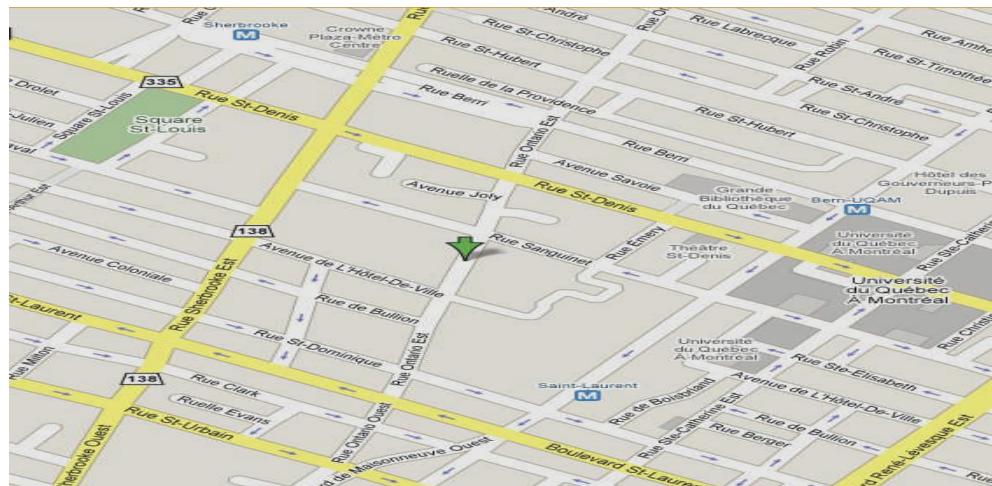
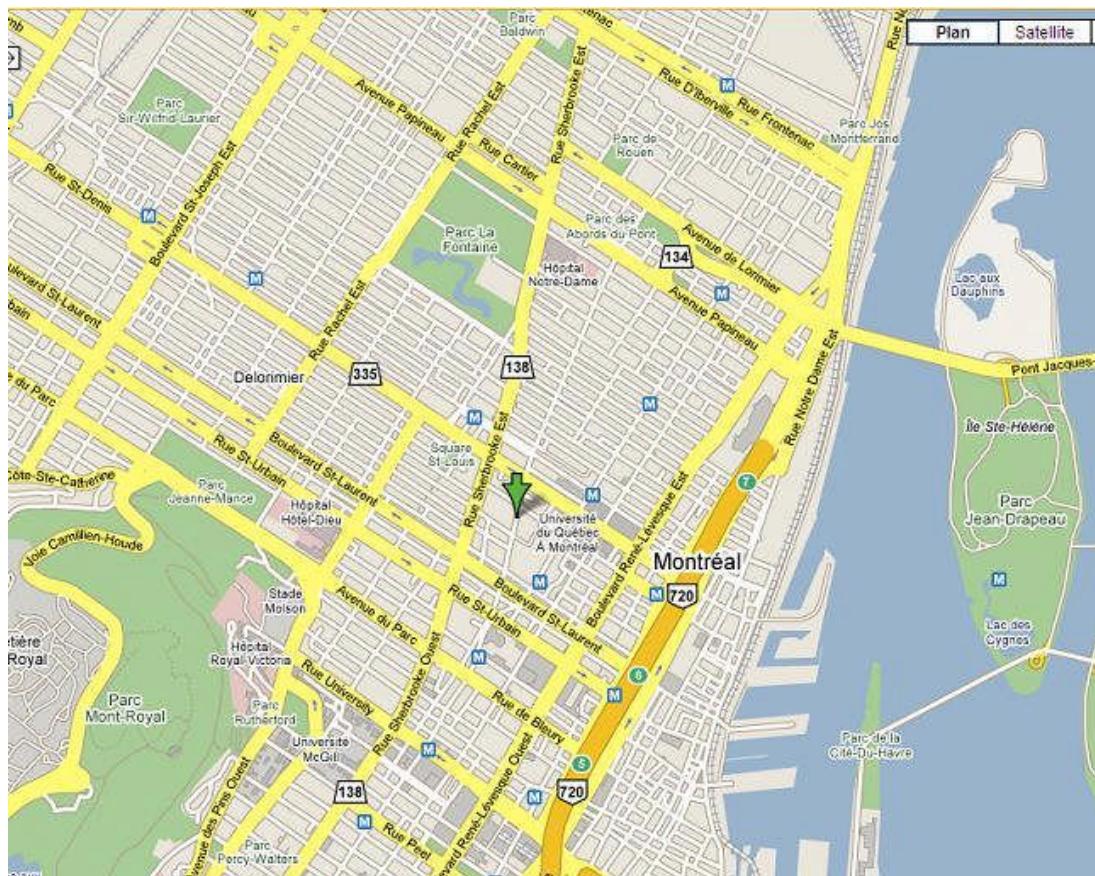


The tournament will be held entirely on the second floor. There is enough place for a tournament of 360 players. The Parking is large and is situated underneath.



The main entrance is spacious and well lighted.

## ❖ Location in Montreal



## ❖ Tournament room

Photo #4



The tournament room, which is the cafeteria, can easily contain 360 players comfortably.

Photo #5



Mechanical stairs are available.



## ❖ Analysis room

Photo #6



Photo : Vincent Lafrance

Cafe l'Exode will serve as the main analysis room, but also as a snack bar for the players and spectators.

Certain side events can be held in this room. In the past, the Cafe was used for blitz tournaments.

In all those rooms, lighting and conditioned air are good.

## ❖ Budget

The budget is based on 250 entries.

### **Revenues**

Entry fees	20 500	1
FQE participation	6 000	
Just for laughs sponsorship	5 000	
Ait international sponsorship	2 000	
Canteen	800	
Others	200	
<b>Total</b>	<b>34 500</b>	

### **Expenses**

Prize fund	15 000	6
Grands masters fees	4 000	2
Lodging GMs	6 000	3
Room rent	5 000	
Publicity	1 500	4
Arbiters and helpers	1 000	
Equipment	250	
Transportation	750	
Canteen	400	
Rating	600	5
<b>Total</b>	<b>34 500</b>	

Notes :

1 250 entries x 82\$ (average) = 20 500\$

2 8 Grand masters x 500\$ = 4 000\$

3 8 Grand masters x 750\$ (75\$/night x 10 days) = 6 000\$

4 Posters and special mailing

5 Fide rating

6 The prize fund might be improved with the participation of more sponsors.

### **❖ Schedule**

Saturday July 19 - Opening ceremony :	1:30 pm
Saturday July 19 - Round 1 :	2:00 pm
Sunday July 20 - Round 2 :	2:00 pm
Monday July 21 - Round 3 :	6:00 pm
Tuesday July 22 - Round 4 :	6:00 pm
Wednesday July 23 - Round 5	6:00 pm
Thursday July 24 - Round 6	6:00 pm
Friday July 25 - Round 7	6:00 pm

Saturday July 26 - Round 8	2:00 pm
Sunday July 27 - Round 9	2:00 pm
Sunday July 27 - Closing ceremony	8:00 pm

The tournament will have one game per day. The schedule (time of rounds) may change a bit following discussion with the organizing committee.

## ❖ Time control

We will apply the time control suggested by FIDE : 30 moves in 90 minutes + 30 minutes/Ko with incrementation of 30sec from the beginning. The duration of the game is approximately 5 hours base on a game of 50 moves.

## ❖ Smoking

Smoking is prohibited in the building according to a provincial law. Smokers can still go just outside the building to smoke.

## ❖ Security

Security in the building is assured by Garda. People from Garda are trained to give first aid in case of emergency. The nearest hospital is 200 metres from the tournament site.

## ❖ Arbiters

Three certificated arbiters will be in charge. Two persons will be added to help collecting results and prepare the tables.

## ❖ Hotels

A special arrangement will be taken with nearby residences. Here is a list of hotels situated at walking distances from the tournament site.

**The Maison du Prêt d'honneur** is situated at walking distance from the tournament site (around 9 minutes). Those student residences are associated with the Cegep du Vieux-Montréal and are brand new.



**Facilities** : Spacious room, air conditioned, internet, telephone, nice view. There are different kind of studios and rooms.

**Cost** : 65\$/night during holiday season, single or double. Apartment with 2 rooms are at 130\$/night.

People has to reserve soon. Special groups tarifs are also possible.

**Parking** : Free with the room situated nearby.

**Metro** : a metro station is situated at 3 minutes walking distance (St-Laurent station).

**Address** : 1, boulevard René-Lévesque est at the corner of St-Laurent.

**Internet** : <http://www.mph.qc.ca/>



**The Gouverneur Place Dupuis** is located in downtown Montreal in the heart of the Latin Quarter. With direct access to the Montreal metro system and walking distance to charming Old Montreal, you are minutes away from the main attractions, restaurants, shops and theatres. 129\$/night. 4 minutes walking distance from the tournament site.

Address: 1415, rue Saint-Hubert, Montréal (Québec) Canada H2L 3Y9

## ❖ Hotels 3 stars nearby

### Auberge Bonsecours

353 Saint-Paul Street East  
Montreal, Qc  
514. 396.2662 fax: 514.396.5138

### Days Hôtel & Centre De Conférence Montréal

1005 Guy  
Montreal, Qc, H3H 2K4  
1.877.468.3550

### Hotel le Saint-André

1285 St-André  
Montreal, Qc, H2L 3T1  
514.849.7070 fax: 514.849.8167

1.800.265.7071

[Quality Hotel Downtown](#)

3440 avenue du Parc  
Montreal, Qc, H2X 2H5  
514.849.1413  
fax.514.849.6564

[Quality Hotel Midtown](#)

6445 Decarie  
Montreal, Qc, H3W 3E1  
514.739.3800  
fax.514.739.5616

**❖ Hotels 2 stars nearby**

[Le Sunset Suites](#)

2445 Sunset Street  
Montreal, Qc, H3R 2X9  
514.738.6504

[Travelodge Montreal Centre](#)

50 Rene-Levesques W.  
Montreal, Qc, H2Z 1A2  
514.874.9090 fax: 514.874.0907  
1.800.363.6537

**❖ Sponsors**

**Fédération québécoise des échecs                    6 000 \$**

The financial participation of the FQE will permit to attract at least 8 grand masters, lodging and appearance fee

**Ait international                                    2 000 \$**

Ait international is an Engeneering consultants company of Montreal. Their participation will served to pay for publicity and equipment.

**Just for Laughs                                    5 000 \$**

Just for Laughs is well known. The FQE is associated with JFL since 2001. Their sponsorship will served to pay for the tournament rooms.

## ❖ Preliminary Organizing committee

Richard Bérubé : Fédération québécoise des échecs

Sylvain Millette : Club d'échecs de Montréal

Daniel Rousseau : Fédération québécoise des échecs

To Mr Hal Bond :

We are available to answer any question. You can reach us at the phone number  
(514) 252-3034

Other information :

Email : [dirgen@fqechechs.qc.ca](mailto:dirgen@fqechechs.qc.ca)

Fax : 514-251-8038

Internet : [www.fqechechs.qc.ca](http://www.fqechechs.qc.ca)

Best regards,

Richard Bérubé

Director general

Fédération québécoise des échecs

### **Motions for Final Vote:**

**Motion 2008-06 ( Bond, McDonald) Changes to CFC Fee Structure**

**Vote Yes      No      Abstain**

**Motion 2008-07: (Bond, Craver) Changes to Rating Fee Structure for “Junior Only” events.**

**Vote Yes      No      Abstain**

### **Bids:**

- 1. To approve the Toronto bid for the Canadian Junior Championship to be held 2-6 January 2008 (see Appendix 2)**

**Vote Yes      No      Abstain**

- 2. To approve the Quebec City bid for the Canadian Youth Chess Championship to be held 14-17 July 2008 (see Appendix 3)**

**Vote Yes      No      Abstain**

- 3. To approve the Montreal bid for the Canadian Open Championship to be held 19-27 July 2008 (see Appendix 4)**

**Vote Yes      No      Abstain**

### **Motions for Second Discussion:**

Motion 2008-03: Olympic Team Selection

Amendment 2008-03a: Olympic Team Selection

### **Motions for First Discussion: None**

**Deadline for submissions to GL#5 is Friday December 14th, 2007**

**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](mailto:info@chess.ca)**