

THE CHESS FEDERATION OF CANADA
LA FEDERATION CANADIENNE DES ECHECS

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BALANCE SHEET
AS AT APRIL 30, 2014
Notice to reader (note 7)

| | 2014 | 2013 |
|--|------------------|-----------|
| Current Assets | | |
| Cash | \$ 38,085 | \$ 27,009 |
| In trust with Chess Foundation | 46,684 | 46,684 |
| In trust for Saskatchewan Chess Federation | 5,507 | - |
| Accounts receivable | 21,709 | 5,272 |
| Prepaid expenses | 3,333 | 1,094 |
| | <hr/> 115,318 | 80,059 |
| Capital Assets (note 2) | <hr/> 9,476 | 12,972 |
| Total Assets | <hr/> \$ 124,794 | \$ 93,031 |
| Current Liabilities | | |
| Accounts payable | \$ 8,855 | \$ 5,916 |
| Deferred membership revenue | <hr/> 20,094 | 22,441 |
| | <hr/> 28,949 | 28,357 |
| Deferred Contributions (note 3) | <hr/> 31,539 | 9,735 |
| Equity | | |
| Opening balance | 54,939 | 52,079 |
| Net revenue for the year | <hr/> 9,367 | 2,860 |
| | <hr/> 64,306 | 54,939 |
| | <hr/> \$ 124,794 | \$ 93,031 |

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STATEMENT OF REVENUE AND EXPENDITURE
FOR THE YEAR ENDED APRIL 30, 2014
Notice to reader (note 7)

| | 2014 | 2013 |
|-------------------------------------|-------------------|-----------------|
| REVENUE | | |
| Sales of books and equipment | \$ 10,298 | \$ 34,338 |
| Memberships (note 5) | 46,623 | 49,385 |
| Contribution from Foundation | 8,367 | 8,377 |
| Rating fees (note 6) | 28,274 | 29,170 |
| Donations | 44 | 5,507 |
| Other programs (note 3) | 83,857 | 94,807 |
| Other revenue | 100 | 163 |
| | 177,563 | 221,747 |
| EXPENDITURE | | |
| Cost of sales | - | 29,410 |
| | 53,205 | 64,869 |
| Programs | | |
| Publication: e-Newsletter | 16,135 | 18,220 |
| International (note 7) | 10,721 | 7,195 |
| LTIP | - | 75 |
| Sales Affiliate rebates | 1,759 | 891 |
| Contributions to Chess Foundation | 2,520 | 3,420 |
| Other programs (note 3) | 83,857 | 94,807 |
| | 114,992 | 124,608 |
| | \$ 168,196 | 218,887 |
| NET REVENUE FOR THE YEAR | \$ 9,367 | \$ 2,860 |

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NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2014

Notice to reader (note 7)

1. Significant Accounting Policies

(a) Organization

The Chess Federation of Canada / La Federation Canadienne des Echecs was incorporated as a not-for-profit organization under the Canada Corporations 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) Amortization

Amortization is provided on the reducing balance basis as follows:

| | |
|--------------------|---------------|
| Website | \$300 / month |
| Computer Equipment | 50% |
| National Library | 20% |
| SwissSys software | 50% |

(c) 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.

(d) Foreign currency payables holding

(i) UD Dollar payables held @ 1.05 (ii) Euro payables held @ 1.40

2. Capital Assets

| | | | 2014 | | 2013 |
|----------------------|----|------------------|--------------------------|-----------------|------------------|
| | | Cost | Accumulated Amortization | Net | Net |
| Computer Equipment | \$ | 2,260 | \$ 1,616 | \$ 644 | \$ 334 |
| National Library | | 8,240 | 7,897 | 343 | 428 |
| SwissSys Development | | 5,100 | 4,981 | 119 | 239 |
| Website | | 18,270 | 9,900 | 8,370 | 11,970 |
| Total | | \$ 33,870 | \$ 24,394 | \$ 9,476 | \$ 12,971 |

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NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2014

Notice to reader (note 7)

3. Deferred Contributions

| | Olympic Donations | Youth CC Program | Kalev Pugi Program | Total |
|-----------------------------|----------------------|---------------------|-----------------------|------------------|
| Balance - beginning of year | \$ 2,230 | \$ 7,402 | \$ 103 | \$ 9,735 |
| Add: Contributions | 8,815 | 96,026 | 820 | 105,661 |
| Add: contributions (FQE) | - | - | - | - |
| Less: recognized as revenue | - | (83,857) | - | (83,857) |
| Total | \$ 11,045 | \$ 19,571 | \$ 923 | \$ 31,539 |

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 cover the cost of sending players to the World Chess Championships (WYCC). 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. Chess Foundation of Canada

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.

Life membership fees of \$ 2,520 (2013 - \$ 3,420) have been paid into the Foundation from the Federation. The Foundation has contributed \$ 8,367 (2013 - \$ 8,377) in support of the Federation's general operations and \$ 820 (2013 - \$ 820) towards the Kalev Pugi junior program. The Foundation has not been consolidated with the Federation's financial statements. Financial summaries of the unconsolidated Chess Foundation of Canada as at April 30, 2014 and 2013 and the years then ended were prepared internally.

| | 2014 | 2013 |
|--|-------------------|-------------------|
| BALANCE SHEET | | |
| Assets | \$ 296,669 | \$ 273,817 |
| Liabilities | 10,359 | 9,187 |
| Net Assets | \$ 286,310 | \$ 264,630 |
| STATEMENT OF REVENUE AND EXPENDITURES | | |
| Revenue | \$ 18,386 | \$ 12,607 |
| Expenditure | 10,359 | 9,187 |
| Net revenue for the year | \$ 8,027 | \$ 3,420 |

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NOTES TO FINANCIAL STATEMENTS

APRIL 30, 2014

Notice to reader (note 7)

5. Membership Revenue

| | 2014 | 2013 |
|---------------------------------|------------|------------|
| Annual memberships | 38,659 | 44,429 |
| Tournament memberships | 2,848 | 3,148 |
| Sales Affiliate fees | 249 | 300 |
| Adjustment to deferred revenue | 2,347 | (1,912) |
| Life memberships | 2,520 | 3,420 |
| Membership revenue reported | 46,623 | 49,385 |
| Less: Foundation donation | 2,520 | 3,420 |
| Net membership revenue | 44,103 | 45,965 |
| Annual paying members | Adult | 834 |
| | Junior | 928 |
| | Family | 557 |
| | 37 | 455 |
| | 37 | 28 |
| | 1,428 | 1,411 |

6. Rating fees revenue

| | 2014 | 2013 |
|---------------------------------|------------|------------|
| Domestic | 24,101 | 24,503 |
| FIDE | 4,173 | 4,668 |
| Membership revenue reported | 28,274 | 29,171 |

7. Notice to Reader

These financial statements have been prepared by management from the books and records of the organization. They have not been audited or reviewed by independent accountants.