

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

**BALANCE SHEET**  
**AS AT APRIL 30, 2012**  
**UNAUDITED**

	2012	2011
<b>CURRENT ASSETS</b>		
Cash	\$ 17,520	\$ 15,025
In Trust with Foundation	46,684	60,072
Accounts receivable	2,785	3,853
Prepaid expenses	3,955	500
	70,944	79,450
<b>CAPITAL ASSETS (note 2)</b>	17,252	8,240
	\$ 88,196	\$ 87,690
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 6,398	\$ 7,729
Deferred membership revenue	20,529	20,405
	26,927	28,134
<b>DEFERRED CONTRIBUTIONS (note 3)</b>	9,190	7,839
<b>EQUITY</b>		
Opening balance	51,717	49,075
Net revenue for the year	362	2,642
	52,079	51,717
	\$ 88,196	\$ 87,690

**THE CHESS FEDERATION OF CANADA**  
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STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED APRIL 30, 2012  
 UNAUDITED

	2012	2011
<b>INVESTED IN CAPITAL ASSETS</b>		
Balance - beginning of year	\$ 8,240	\$ 3,319
Purchase of capital assets	12,993	7,060
Sale of capital assets	-	-
Amortization of capital assets	(3,981)	(2,139)
Balance - end of year	\$ 17,252	\$ 8,240

**UNRESTRICTED**

Balance - beginning of year	43,477	45,756
Net revenue for the year	362	2,642
Purchase of capital assets	(12,993)	(7,060)
Sale of capital assets	-	-
Amortization of capital assets	3,981	2,139
Balance - end of year	\$ 34,827	\$ 43,477

**THE CHESS FEDERATION OF CANADA**  
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STATEMENT OF REVENUE AND EXPENDITURE  
 FOR THE YEAR ENDED APRIL 30, 2012  
 UNAUDITED

	2012	2011
<b>REVENUE</b>		
Sales of books and equipment	\$ 26,754	\$ 28,545
Memberships (note 5)	49,792	48,112
Contribution from Foundation	9,132	7,263
Rating fees (note 6)	26,536	25,693
Donations	1,828	4,787
Other programs (note 3)	111,692	89,025
Other revenue	547	686
	<u>226,281</u>	<u>204,111</u>
<b>EXPENDITURE</b>		
Cost of sales	23,004	20,129
General and administrative		
Administration services	46,765	44,119
Office (note 8)	14,850	12,664
	<u>61,615</u>	<u>56,783</u>
Programs		
Publication; e-Newsletter	18,530	18,000
International (note 7)	8,138	5,664
2011 Zonal Championship	-	2,863
2010 & 2011 Canadian Open	1,500	2,128
2010 Olympiad	-	1,085
Contributions to clubs and affiliates	-	3,092
Contributions to Chess Foundation	1,440	2,700
Other programs (note 3)	111,692	89,025
	<u>141,300</u>	<u>124,557</u>
	<u>225,919</u>	<u>201,469</u>
<b>NET REVENUE FOR THE YEAR</b>	<b>\$ 362</b>	<b>\$ 2,642</b>

**THE CHESS FEDERATION OF CANADA**  
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STATEMENT OF CASH FLOWS  
 FOR THE YEAR ENDED APRIL 30, 2012  
 UNAUDITED

	2012	2011
<b>OPERATING ACTIVITIES</b>		
Net Revenue	\$ 362	2,642
Items not requiring an outlay of cash:		
Amortization of capital assets	3,981	2,139
Working capital changes:		
Accounts receivable	1,067	1,007
Prepaid expenses	(3,455)	3,417
Accounts payable	(1,330)	(705)
Deferred membership revenue	124	(176)
Deferred contributions	1,351	(2,426)
	<u>2,100</u>	<u>5,898</u>
<b>INVESTING ACTIVITIES</b>		
New Website	(12,993)	(5,278)
Computer equipment	-	(1,783)
	<u>(12,993)</u>	<u>(7,061)</u>
<b>FINANCING ACTIVITIES</b>		
	-	-
<b>NET DECREASE (INCREASE) IN CASH</b>	<b>\$ (10,893)</b>	<b>(1,163)</b>

# THE CHESS FEDERATION OF CANADA LA FÉDÉRATION CANADIENNE DES ÉCHECS

NOTES TO FINANCIAL STATEMENTS  
APRIL 30, 2012  
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. 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) US Dollar payables (\$4,500) held @ 1.05      (ii) Euro payables (1,040 €) held @ 1.40

## 2. CAPITAL ASSETS

			2012	2011
	Cost	Accumulated Amortization	Net	Net
Computer equipment	\$ 1,783	\$ 1,114	\$ 669	\$ 1,337
National library	8,240	7,705	535	669
SwissSys Development	5,100	4,622	478	956
Website	18,270	2,700	15,570	5,278
<b>TOTAL</b>	<b>\$ 33,393</b>	<b>\$ 16,142</b>	<b>\$ 17,252</b>	<b>\$ 8,240</b>

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**3. DEFERRED CONTRIBUTIONS**

	Olympic Donations	Youth CC Program	Kalev Pugi Program	TOTAL
Balance - begin of year	\$ -	\$ 7,776	\$ 63	\$ 7,839
Add: contributions	2,725	109,498	820	113,043
Less: recognized as revenue	-	(111,692)	-	(111,692)
Balance - end of year	\$ 2,725	\$ 5,582	\$ 883	\$ 9,190

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 Youth 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. Donations of \$0 (2011 - \$0) and life membership fees of \$1,440 (2011 - \$2,700) have been paid into the Foundation from the Federation. The Foundation has contributed \$9,132 (2011 - \$7,263) in support of the Federation's general operations and \$820 (2011 - \$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, 2012 and 2011 and the years then ended were prepared internally.

	2012	2011
<b>BALANCE SHEET</b>		
Assets	\$ 255,260	\$ 265,984
Liabilities	9,197	9,952
Net assets	\$ 246,063	\$ 256,032
<b>STATEMENT OF REVENUE AND EXPENDITURE</b>		
Revenue	\$ 10,637	\$ 12,613
Expenditure	23,340	13,823
Net revenue for the year	\$ (12,703)	\$ (1,210)

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<b>5. MEMBERSHIP REVENUE</b>	<b>2012</b>	<b>2011</b>
Annual memberships	\$ 44,109	\$ 42,070
Tournament memberships	4,874	4,236
Adjustment to deferred revenue	-124	176
Life memberships	1,440	2,700
HST adjustment	-507	-1,070
Membership revenue reported	<u>49,792</u>	<u>48,112</u>
Less: Foundation donation	1,440	2,700
Net membership revenue	<u>\$ 48,352</u>	<u>\$ 45,412</u>

Annual paying members 2011 → 2012; Adult (\$36) 956 → 932, Junior (\$24) 306 → 449,

Participating Junior (\$12) 79 → 0, Family (\$18) 39 → 31

<b>6. RATING FEES REVENUE</b>	<b>2012</b>	<b>2011</b>
(a) Domestic	\$ 22,153	\$ 22,044
(b) FIDE	4,805	4,342
(c) HST adjustment	-422	-693
TOTAL	<u>\$ 26,536</u>	<u>\$ 25,693</u>

<b>7. INTERNATIONAL EXPENSES</b>	<b>2012</b>	<b>2011</b>
(a) FIDE - Canada Membership	\$ 1,617	\$ 1,585
(b) FIDE - Title Applications	1,047	606
(c) FIDE - Event Rating fees	2,689	2,244
(d) FIDE - Rating List fees	397	326
(e) FIDE - Congress Travel	1,000	-
(f) FIDE - Event Entry fees	410	588
(g) FIDE - Federation Transfer fees	0	315
(h) FIDE - Americas Zonal fee	978	0
TOTAL	<u>\$ 8,138</u>	<u>\$ 5,664</u>

<b>8. OFFICE EXPENSES</b>	<b>2012</b>	<b>2011</b>
(a) Storage	\$ 3,538	\$ 2,773
(b) Credit Card charges	2,104	2,451
(c) Amortization	3,981	2,139
(d) Professional fees	1,200	1,828
(e) Travel	1,382	1,000
(f) Advertising	599	846
(g) Bank charges	605	735
(h) Other	1,441	892
TOTAL	<u>\$ 14,850</u>	<u>\$ 12,664</u>