

American Contract Bridge League Charity Foundation Corp.

**Financial Statements
and
Supplementary Information
December 31, 2022**

(With Independent Auditor's Report Thereon)

American Contract Bridge League Charity Foundation Corp.

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INDEPENDENT AUDITOR'S REPORT

Board of Trustees
American Contract Bridge League Charity Foundation Corp.
Horn Lake, MS

Opinion

We have audited the financial statements of **American Contract Bridge League Charity Foundation Corp.** (the Foundation), which comprise the statement of financial position as of December 31, 2022, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of December 31, 2022, and the changes in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance, and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The Schedule of Trustee Grants on page 11 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Fort Smith, Arkansas
November 15, 2023

Financial Statements

American Contract Bridge League Charity Foundation Corp.

Statement of Financial Position December 31, 2022

ASSETS

Current Assets

Cash and cash equivalents	\$ 727,062
Due from The American Contract Bridge League, Inc.	<u>77,249</u>
Total Current Assets	<u>804,311</u>

TOTAL ASSETS

\$ 804,311

LIABILITIES AND NET ASSETS

LIABILITIES

Current liabilities

Accounts payable	\$ <u>6,978</u>
Total Current Liabilities	6,978

NET ASSETS

Without donor restrictions	<u>797,333</u>
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TOTAL LIABILITIES AND NET ASSETS

\$ 804,311

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Statement of Activities Year ended December 31, 2022

REVENUES AND SUPPORT

Game revenue		
Club	\$	73,986
Unit and district		3,212
Continent wide		9,174
Donations		5,670
Interest and dividend income		1,794
(Loss) on sale of investments		(1,398)
Total Revenue		<u>\$ 92,438</u>

EXPENSES

Program services		
Trustee grants		10,000
Charity of the year grants		31,000
		<u>41,000</u>
General and administrative		
Administrative fees		6,994
Professional fees		13,795
Other expenses		5,942
		<u>26,731</u>
Total Expenses		<u>67,731</u>

CHANGE IN NET ASSETS 24,707

NET ASSETS, BEGINNING OF THE YEAR 772,626

NET ASSETS, END OF THE YEAR \$ 797,333

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Statement of Cash Flows Year ended December 31, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ 24,707
Adjustments to reconcile net income to net cash (used for) operating activities:	
Loss on sale of investments	1,398
Change in:	
Due from The American Contract Bridge League, Inc.	(43,854)
Interest receivable	414
Accounts payable	6,978
Total Adjustments	<u>(35,064)</u>
Net Cash (Used For) Operating Activities	<u>(10,357)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from sale of investments	<u>114,587</u>
Net Cash From Investing Activities	<u>114,587</u>

NET CHANGE IN CASH AND CASH EQUIVALENTS

104,230

CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR

622,832

CASH AND CASH EQUIVALENTS, END OF YEAR

\$ 727,062

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2022

NOTE 1: ORGANIZATION AND NATURE OF OPERATIONS

American Contract Bridge League Charity Foundation Corp. (the Foundation) is a not-for-profit organization whose purpose is to make important contributions to worthy causes and to foster good public relations for the game of bridge, for The American Contract Bridge League, Inc., and for its members. The Foundation is governed by a five-member Board of Trustees.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures in the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include highly liquid investments with original maturities of three months or less. The Foundation had cash equivalents of approximately \$11,000 at December 31, 2022.

Investments

Investments in equity securities having a readily determinable fair value and all debt securities are carried at fair value. Fair value is determined by reference to quoted market prices and other relevant information generated by market transactions. Purchases and sales of securities are recorded on a trade-date basis. Interest and dividend income is recorded on accrual basis. Realized gains (losses) on the sales of securities are calculated based on the specific identification of the securities sold. Net investment return is reported in the statement of activities and consists of interest income, and realized and unrealized gains and (losses), less external investment expenses. There were no investments as of December 31, 2022.

Income taxes

The Foundation is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and, therefore, no provision has been made for such taxes. The Foundation files an exempt organization return in the U.S. federal jurisdiction. The Foundation has determined that it does not have any material uncertain tax positions as of December 31, 2022.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2022

Net Assets

The Foundation reports its financial position and activities in two net asset categories according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. When a donor restriction expires in the same year received, revenue is recognized as net assets without donor restrictions. There were no net assets with donor restrictions at December 31, 2022.

Revenue Recognition

Game revenues are elections made by players to contribute \$2 of the game fee to the Foundation. These contributions and other donations are recognized when cash, securities or other assets, or unconditional promises to give are received. Conditional promises to give are not recognized until the conditions on which they depend have been met.

Grants

The Foundation is authorized to make financial support grants to organizations subject to approval by the Board of Trustees. The Foundation recognizes grants when cash has been paid or an unconditional promise to give has been made. The Board of Trustees approves conditional grants, that is, those with a measurable performance measure or other barrier and right of return – which are not recognized until the conditions on which they depend have been met. At December 31, 2022, there were no outstanding conditional grants.

Functional Allocation of Expenses

The Foundation allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program and support service are allocated directly according to their natural expenditure classification. Other expenses that are common to several functions are allocated based on time expended or other applicable estimates as appropriate. Fundraising expenses, if any, are associated with fundraising activities.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2022

NOTE 3: CONCENTRATIONS AND CREDIT RISKS

The Foundation's credit risks primarily relate to cash and cash equivalents. The Foundation maintains cash deposits at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to an aggregate of \$250,000. The Foundation had cash deposits of approximately \$386,000 uninsured at December 31, 2022.

NOTE 4: RELATED PARTY TRANSACTIONS

The American Contract Bridge League, Inc. (ACBL), an affiliate of the Foundation, provides administrative and bookkeeping services to the Foundation. ACBL collects donations and pays certain expenses on behalf of the Foundation. For the year ended December 31, 2022, annual administrative fees totaled \$6,994. ACBL owed the Foundation \$77,249 at December 31, 2022 for donations collected during the year.

NOTE 5: LIQUIDITY AND AVAILABILITY

Financial assets at year end:	
Cash and cash equivalents	\$ 727,062
Due from The American Contract Bridge League, Inc.	<u>77,249</u>
Total financial assets available within one year	804,311
Less:	
Accounts payable	<u>6,978</u>
Total amounts unavailable for general expenditures within one year	<u>6,978</u>
Financial assets available to meet cash needs for general expenditures within one year	<u><u>\$ 797,333</u></u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 6: SUBSEQUENT EVENTS

The Foundation evaluated the effect subsequent events would have on the financial statements through November 15, 2023, which is the date that the financial statements were available to be issued.

Supplementary Information

American Contract Bridge League Charity Foundation Corp.

Schedule of Trustee Grants December 31, 2022

Recipient	Amount
Cypress Slam DBA 12 Two Missions, Inc.	\$ 2,000
Russellville Police Foundation	1,000
University of Minnesota Foundation	2,000
Big Brothers Big Sisters of America	2,000
Break the Barriers, Inc.	1,000
Bay Area Crisis Nursery	1,000
Russellville Police Foundation	1,000
Total Trustee Grants	\$ 10,000