

United States Bridge Federation

FINANCIAL REPORT

December 31, 2009

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
United States Bridge Federation
Memphis, Tennessee

We have audited the accompanying statements of financial position of United States Bridge Federation as of December 31, 2009 and 2008, and the related statements of activities, and cash flows for the years then ended. These financial statements are the responsibility of the Federation's Board of Trustees. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of United States Bridge Federation as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Cordova, Tennessee
August 2, 2010

Jackson, Howell & Associates, PLLC

United States Bridge Federation
STATEMENTS OF FINANCIAL POSITION
December 31

ASSETS

	<u>2009</u>	<u>2008</u>
Cash	\$435,708	\$287,383
Investments	206,173	180,950
Dues receivable	1,569	2,958
Prepaid expenses	<u>1,182</u>	<u>1,183</u>
TOTAL ASSETS	<u>\$644,632</u>	<u>\$472,474</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 4,750	\$ 4,500
TOTAL LIABILITIES	4,750	4,500
NET ASSETS		
Unrestricted	438,708	287,756
Temporarily restricted	<u>201,174</u>	<u>180,218</u>
TOTAL NET ASSETS	<u>639,882</u>	<u>467,974</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$644,632</u>	<u>\$472,474</u>

The accompanying notes are an integral part of these financial statements.

**United States Bridge Federation
STATEMENTS OF ACTIVITIES
For the Years Ended December 31**

	<u>2009</u>			<u>2008</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES						
Donations	\$ 8,583	\$ -	\$ 8,583	\$ 10,010	\$ -	\$ 10,010
Membership dues	14,520	-	14,520	10,640	-	10,640
\$1.95 donations from ACBL members	30,028	-	30,028	37,691	-	37,691
International fund	-	176,771	176,771	-	126,139	126,139
Junior program	-	50,000	50,000	-	50,000	50,000
Entry fees	-	-	-	18,242	-	18,242
Team trials income	63,540	-	63,540	28,689	-	28,689
Investment income	5,773	451	6,224	12,269	1,753	14,022
Miscellaneous income	1,128	-	1,128	2,070	-	2,070
Unrealized gain on investment	-	-	-	950	-	950
WBF 2010 fund	<u>219,950</u>	<u>-</u>	<u>219,950</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL REVENUES	343,522	227,222	570,744	120,561	177,892	298,453
EXPENSES						
Accounting fees	7,150	-	7,150	6,375	-	6,375
International fund	-	164,560	164,560	-	108,600	108,600
Trials expense	63,684	-	63,684	35,677	-	35,677
Administrative fees	1,294	-	1,294	3,339	-	3,339
Conference	-	-	-	449	-	449
Beijing championship	-	-	-	-	16,580	16,580

United States Bridge Federation
STATEMENTS OF ACTIVITIES - CONTINUED
For the Years Ended December 31

	<u>2009</u>			<u>2008</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
EXPENSES - CONTINUED						
Insurance	1,800	-	1,800	3,237	-	3,237
Junior program	-	37,706	37,706	-	27,114	27,114
Mahaffey Junior Scholarship expense	-	4,000	4,000	-	2,500	2,500
Supplies	2,745	-	2,745	2,225	-	2,225
Bank charges	86	-	86	142	-	142
Website	5,304	-	5,304	7,259	-	7,259
Other expenses	1,171	-	1,171	589	-	589
Miscellaneous expense - trials	2,122	-	2,122	3,980	-	3,980
WBF 2010	<u>107,214</u>	-	<u>107,214</u>	-	-	-
TOTAL EXPENSES	<u>192,570</u>	<u>206,266</u>	<u>398,836</u>	<u>63,272</u>	<u>154,794</u>	<u>218,066</u>
CHANGE IN NET ASSETS	150,952	20,956	171,908	57,289	23,098	80,387
NET ASSETS AT BEGINNING OF PERIOD	<u>287,756</u>	<u>180,218</u>	<u>467,974</u>	<u>230,467</u>	<u>157,120</u>	<u>387,587</u>
NET ASSETS AT END OF PERIOD	<u>\$438,708</u>	<u>\$201,174</u>	<u>\$639,882</u>	<u>\$287,756</u>	<u>\$180,218</u>	<u>\$467,974</u>

The accompanying notes are an integral part of these financial statements.

United States Bridge Federation
STATEMENTS OF CASH FLOWS
For the Years Ended December 31

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$171,908	\$ 80,387
Net unrealized gain on investments	-	(361)
(Increase) decrease in operating assets:		
Dues receivable	1,389	227
Prepaid expenses	-	1,437
Increase (decrease) in operating liabilities:		
Accounts payable	<u>250</u>	<u>99</u>
NET CASH PROVIDED BY OPERATING		
ACTIVITIES	173,547	81,789
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(75,222)	(180,000)
Sale of investments	<u>50,000</u>	<u>230,000</u>
NET CASH PROVIDED BY (USED IN)		
INVESTING ACTIVITIES	<u>(25,222)</u>	<u>50,000</u>
 NET INCREASE IN CASH	148,325	131,789
 CASH AT BEGINNING OF PERIOD	<u>287,383</u>	<u>155,594</u>
 CASH AT END OF PERIOD	<u>\$435,708</u>	<u>\$ 287,383</u>

The accompanying notes are an integral part of these financial statements.

United States Bridge Federation
NOTES TO FINANCIAL STATEMENTS

NOTE A - NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

United States Bridge Federation (the "Federation") is a nonprofit organization whose purpose is to advance the interests of the United States in international bridge competition, including the selection and support of the United States Bridge teams and players in international and Olympic bridge competition.

Investments

Investments are carried at their fair market values in the Statements of Financial Position. Unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities. Investments with a due date expiring in the following twelve months are classified as current assets.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Federation considers all highly liquid debt instruments with a maturity of three months or less to be cash equivalents.

Income Taxes

The Internal Revenue Service has determined that the Federation is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the Board of Trustees to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentration of Credit Risks

The Federation maintains its cash in bank deposit accounts which, at times, may exceed federally insured limits. The Federation has not experienced any losses in such accounts. The Federation believes it is not exposed to any significant credit risk on cash and cash equivalents. At December 31, 2009 and 2008, the Federation's uninsured balance was \$0 and \$0, respectively.

Events Occurring After the Report Date

The Company has evaluated events and transactions that occurred between December 31, 2009 and August 2, 2010, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

United States Bridge Federation
NOTES TO FINANCIAL STATEMENTS - CONTINUED

NOTE B - RELATED PARTIES

The American Contract Bridge League, Inc. (ACBL) provides administrative services to the Federation. Administrative fees of \$1,294 and \$3,339 are included in the Statements of Activities for 2009 and 2008, respectively. ACBL also collects donations and pays certain expenses on behalf of the Federation. The balance due to ACBL as of December 31, 2009 and 2008 was \$0 and \$0, respectively.

NOTE C - TEMPORARILY RESTRICTED NET ASSETS

In 2007, funds were donated to the Federation restricted for the International Fund. In 2008, funds were donated to the Federation restricted for the International Fund and the FISU program. Temporarily restricted net assets were \$201,174 and \$180,218 at December 31, 2009 and 2008, respectively.