

American Contract Bridge League Charity Foundation Corp.

**Financial Statements
and
Supplementary Information
December 31, 2023 and 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, Mississippi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **American Contract Bridge League Charity Foundation Corp.** (the Charity Foundation), which comprise the statements of financial position as of December 31, 2023 and 2022, and the related statements of activities and cash flows for the years 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 Charity Foundation as of December 31, 2023 and 2022, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits 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 Charity Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the 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 fraud or error.

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 Charity Foundation's ability to continue as a going concern for one year after the date that the financial statements are 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 Charity 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 Charity 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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Trustee Grants 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.



Russellville, Arkansas
August 10, 2024

Financial Statements

American Contract Bridge League Charity Foundation Corp.

Statements of Financial Position December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 847,177	\$ 727,062
Due from The American Contract Bridge League, Inc.	9,226	77,249
Prepaid expenses	1,372	-
Total Current Assets	<u>857,775</u>	<u>804,311</u>
TOTAL ASSETS	<u>\$ 857,775</u>	<u>\$ 804,311</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 6,978	\$ 6,978
Total Current Liabilities	<u>6,978</u>	<u>6,978</u>
Net Assets		
Without donor restrictions	<u>850,797</u>	<u>797,333</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 857,775</u>	<u>\$ 804,311</u>

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Statements of Activities Years ended December 31, 2023 and 2022

	2023	2022
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
REVENUES AND SUPPORT		
Game revenue		
Club	\$ 153,817	\$ 73,986
Unit and district	3,432	3,212
Continent wide	15,640	9,174
Donations	4,499	5,670
Interest and dividend income	28,742	1,794
Net investment return	-	(1,398)
Total Revenues and Support Without Donor Restrictions	206,130	92,438
EXPENSES		
Program services		
Trustee grants	80,000	10,000
Charity of the year grants	46,300	31,000
	126,300	41,000
General and administrative		
Administrative fees	9,899	6,994
Professional fees	10,750	13,795
Other expenses	5,717	5,942
	26,366	26,731
Total Expenses	152,666	67,731
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	53,464	24,707
NET ASSETS, BEGINNING OF YEAR	797,333	772,626
NET ASSETS, END OF YEAR	\$ 850,797	\$ 797,333

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Statements of Cash Flows Years ended December 31, 2023 and 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 53,464	\$ 24,707
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Loss on sale of investments	-	1,398
Change in:		
Due from The American Contract Bridge League, Inc.	68,023	(43,854)
Interest receivable	-	414
Prepaid expenses	(1,372)	-
Accounts payable	-	6,978
Net Cash Provided by (Used in) Operating Activities	120,115	(10,357)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of investments	-	114,587
Net Cash Provided by Investing Activities	-	114,587
NET CHANGE IN CASH AND CASH EQUIVALENTS	120,115	104,230
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	727,062	622,832
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 847,177	\$ 727,062

See accompanying notes to financial statements.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2023 and 2022

NOTE 1: NATURE OF OPERATIONS

The American Contract Bridge League Charity Foundation Corp. (the Charity Foundation) is a not-for-profit organization formed to provide grants to non-bridge related 501(c)(3) charities which will improve the quality of life in its bridge members' communities. The Charity Foundation is governed by a five-member Board of Trustees.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The Charity Foundation's policy is to prepare its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP). Revenues are recognized in the period in which they are earned. Expenses are recognized in the period in which they are incurred.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board (FASB) Codification Topic *Not-for-Profit Entities*. Under this Codification Topic, the Charity Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management 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 reported amounts of revenues and expenses during the reporting period. 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. At December 31, 2023 and 2022, the Charity Foundation had cash equivalents of approximately \$665,000 and \$11,000, respectively.

Net Assets and Donation Revenue

Net assets without donor restrictions are available for use in general operations.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose 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 those resources be maintained in perpetuity.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2023 and 2022

Donation revenue is recognized when a donor makes a promise to give to the Charity Foundation that is, in substance, unconditional. Otherwise, donation revenue is recognized in the period received. Donations received are reported as either revenues without donor restrictions or revenues with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the Statements of Activities as net assets released from restrictions. Donations with donor restrictions that are used for the purpose specified by the donor in the same year as the donation is received are recognized as revenues with donor restrictions and are reclassified as net assets released from restrictions in the same year.

Game Revenue

Game revenues are elections made by players to contribute \$2 of the game fee to the Charity Foundation. These amounts are recognized when cash or unconditional promises to give are received.

Functional Allocation of Expenses

The Charity 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.

Trustee Grants and Charity of the Year Grants

The Charity Foundation is authorized to make financial support grants to organizations subject to approval by the Board of Trustees. The Charity 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. There were no outstanding conditional grants as of December 31, 2023 and 2022.

Income Taxes and Uncertain Tax Positions

The Charity Foundation qualifies as an organization exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and a similar state statute and is not subject to tax at the entity level for federal and state income tax purposes. The Charity Foundation accounts for uncertain tax positions in accordance with the provisions of FASB Codification Topic *Income Taxes*. FASB Codification Topic *Income Taxes* clarifies the accounting for uncertainty in income taxes and requires the Charity Foundation to recognize in its financial statements the impact of a tax position taken or expected to be taken in a tax return, if that position is more likely than not to be sustained under audit, based on the technical merits of the position. The Board of Trustees has assessed the tax positions of the Charity Foundation and determined that no positions exist that require adjustment or disclosure under the provisions of FASB Codification Topic *Income Taxes*.

The Charity Foundation files informational Return of Organization Exempt from Income Tax (Form 990) in the U.S. federal jurisdiction and various states.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2023 and 2022

NOTE 3: FINANCIAL INSTRUMENTS WITH RISK OF ACCOUNTING LOSS

The Charity Foundation uses financial institutions in which it maintains cash balances which, at times, may exceed federally insured limits. The Charity Foundation has not experienced any losses in such accounts, and the Board of Trustees believes it is not exposed to any significant credit risks related to cash. The Charity Foundation's uninsured cash balances totaled approximately \$-0- and \$375,000 as of December 31, 2023 and 2022, respectively.

At December 31, 2023 and 2022, the Charity Foundation had cash equivalents invested in a money market fund totaling approximately \$665,000 and \$11,000, respectively. The fund is a feeder fund that invests in securities through an underlying master fund. The ability of the issuers of the securities held by the master fund to meet their obligations may be affected by economic, political, and other developments particular to a specific industry, country, state, or region. It is at least reasonably possible that changes in the values of the investment securities will occur in the near term and that such changes could materially affect the amounts of interest and dividend income and net investment return in the Statements of Activities. The money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or other any government agency. The money market fund is covered under Securities Investor Protection Corporation (SIPC) Insurance up to \$500,000. SIPC protection is limited. SIPC only protects the custody function of the broker dealer, which means that SIPC works to restore to customers their securities and cash that are in their accounts in the event that a brokerage firm liquidation begins and does not protect the value of any security.

NOTE 4: RELATED PARTY TRANSACTIONS

The American Contract Bridge League Inc. (ACBL), an affiliate of the Charity Foundation, provides administrative and bookkeeping services to the Charity Foundation. ACBL collects game revenues and donations and pays certain expenses on behalf of the Charity Foundation. Amounts due from ACBL at December 31, 2023 and 2022 for amounts collected during the year were \$9,226 and \$77,249, respectively. Annual administrative fees for the years ended December 31, 2023 and 2022 totaled \$9,899 and \$6,994, respectively.

American Contract Bridge League Charity Foundation Corp.

Notes to Financial Statements December 31, 2023 and 2022

NOTE 5: LIQUIDITY AND AVAILABILITY

The Charity Foundation's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

	<u>2023</u>	<u>2022</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 847,177	\$ 727,062
Due from The American Contract Bridge League, Inc.	<u>9,226</u>	<u>77,249</u>
Total financial assets available within one year	856,403	804,311
Less: Accounts payable	<u>6,978</u>	<u>6,978</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 849,425</u>	<u>\$ 797,333</u>

As part of the Charity 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. The Charity Foundation manages its liquidity and reserves following two guiding principles: operating within a prudent range of financial soundness and stability and maintaining adequate liquid assets to fund near-term operating needs.

NOTE 6: SUBSEQUENT EVENTS

The Board of Trustees has evaluated subsequent events through August 10, 2024, 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, 2023

Recipient	Amount
Louis S. Wolk JCC of Greater Rochester	\$ 3,000
Good Shepherd United Church of Christ	2,000
Lehigh Valley Active Life Senior Center	2,000
Manna on Main Street	3,000
The Rainey Institute	2,500
Tails of Hope	2,500
West View Hub	2,500
Lothlorien Therapeutic Riding Center	2,500
Faison Center	2,000
Light House Studio at Vinegar Hill Theatre	2,000
Capital Area Food Bank	2,000
Virginia Peninsula Food Bank	2,000
Feeding Southwest Virginia	2,000
Transitions Life Care dba Hospice of Wake County	2,000
Charlotte Rescue Mission	2,000
Maui United Way, Inc.	2,000
Atlanta Community Food Bank	2,000
Aldersgate Methodist Church	2,000
TriCity Association of the Deaf	1,000
Traverse Health Clinic and Coalition	2,500
Children with Special Needs Fund	1,500
Maumee Valley Habitat for Humanity	1,000
MC Seniors, Inc.	1,500
Forgotten Harvest	2,500
Alzheimer's Association	3,300
American Heart Association	3,400
St. Jude Children's Research Hospital	3,300
Second Harvest Heartland	10,000
Gifts to Give, Inc.	10,000
Total Trustee Grants	\$ 80,000