

United States Bridge Federation

FINANCIAL REPORT

December 31, 2008

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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, 2008 and 2007, 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, 2008 and 2007, 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
May 21, 2009

Jackson, Howell & Associates, PLLC

United States Bridge Federation
STATEMENTS OF FINANCIAL POSITION
December 31

ASSETS

	<u>2008</u>	<u>2007</u>
Cash	\$287,383	\$155,594
Investments	180,950	230,589
Dues receivable	2,958	3,185
Prepaid expenses	<u>1,183</u>	<u>2,620</u>
TOTAL ASSETS	<u>\$472,474</u>	<u>\$391,988</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable	\$ 4,500	\$ 4,401
TOTAL LIABILITIES	4,500	4,401
NET ASSETS		
Unrestricted	287,756	230,467
Temporarily restricted	<u>180,218</u>	<u>157,120</u>
TOTAL NET ASSETS	<u>467,974</u>	<u>387,587</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$472,474</u>	<u>\$391,988</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>2008</u>			<u>2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES						
Donations	\$ 10,010	\$ -	\$ 10,010	\$ 2,318	\$ -	\$ 2,318
Membership dues	10,640	-	10,640	12,162	-	12,162
\$1.95 donations from ACBL members	37,691	-	37,691	34,363	-	34,363
USBC income	-	-	-	39,960	-	39,960
USBC donation income	-	-	-	7,982	-	7,982
International fund	-	126,139	126,139	-	264,955	264,955
Junior program	-	50,000	50,000	-	50,000	50,000
Entry fees	18,242	-	18,242	-	-	-
Team trials income	28,689	-	28,689	-	-	-
Investment income	12,269	1,753	14,022	5,837	1,329	7,166
Miscellaneous income	2,070	-	2,070	1,496	-	1,496
Unrealized gain on investment	950	-	950	-	-	-
TOTAL REVENUES	120,561	177,892	298,453	104,118	316,284	420,402
EXPENSES						
Accounting fees	6,375	-	6,375	3,500	-	3,500
USBC expenses	-	-	-	26,772	-	26,772
International fund	-	108,600	108,600	-	209,400	209,400
Trials expense	35,677	-	35,677	-	-	-
Legal fees	-	-	-	3,012	-	3,012
Administrative fees	3,339	-	3,339	1,703	-	1,703
Conference	449	-	449	1,142	-	1,142
Beijing championship	-	16,580	16,580	-	-	-

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

	<u>2008</u>			<u>2007</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
EXPENSES - CONTINUED						
Insurance	3,237	-	3,237	3,541	-	3,541
Junior program	-	27,114	27,114	-	3,222	3,222
FISU Program	-	-	-	-	-	-
Mahaffey Junior Scholarship expense	-	2,500	2,500	-	4,000	4,000
Gifts	-	-	-	751	-	751
Supplies	2,225	-	2,225	482	-	482
Bank charges	142	-	142	40	-	40
Website	7,259	-	7,259	8,176	-	8,176
Other expenses	589	-	589	699	-	699
Miscellaneous expense - trials	3,980	-	3,980	-	-	-
TOTAL EXPENSES	<u>63,272</u>	<u>154,794</u>	<u>218,066</u>	<u>49,818</u>	<u>216,622</u>	<u>266,440</u>
CHANGE IN NET ASSETS	57,289	23,098	80,387	54,300	99,662	153,962
NET ASSETS AT BEGINNING OF PERIOD	<u>230,467</u>	<u>157,120</u>	<u>387,587</u>	<u>176,167</u>	<u>57,458</u>	<u>233,625</u>
NET ASSETS AT END 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>

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>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 80,387	\$ 153,962
Net unrealized gain on investments	(361)	(589)
(Increase) decrease in operating assets:		
Dues receivable	227	(555)
Prepaid expenses	1,437	(444)
Increase (decrease) in operating liabilities:		
Accounts payable	99	1,530
Accrued expenses	-	(6,816)
Due to American Contract Bridge League, Inc.	-	(375)
NET CASH PROVIDED BY OPERATING	-	-
ACTIVITIES	81,789	146,713
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(180,000)	(230,000)
Sale of investments	230,000	-
NET CASH PROVIDED BY (USED IN)	50,000	(230,000)
INVESTING ACTIVITIES		
 NET INCREASE (DECREASE) IN CASH	 131,789	 (83,287)
 CASH AT BEGINNING OF PERIOD	 <u>155,594</u>	 <u>238,881</u>
 CASH AT END OF PERIOD	 <u>\$ 287,383</u>	 <u>\$ 155,594</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, 2008 and 2007, the Federation's uninsured balance was \$0 and \$58,994, respectively.

NOTE B - RELATED PARTIES

The American Contract Bridge League, Inc. (ACBL) provides administrative services to the Federation. Administrative fees of \$3,339 and \$1,703 are included in the Statements of Activities for 2008 and 2007, respectively. ACBL also collects donations and pays certain expenses on behalf of the Federation. The balance due to ACBL as of December 31, 2008 and 2007 was \$0 and \$0, respectively.

United States Bridge Federation
NOTES TO FINANCIAL STATEMENTS - CONTINUED

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 \$180,218 and \$157,120 at December 31, 2008 and 2007, respectively.