

National Association of Campus Card Users, Inc.

**Financial Statements
and
Supplementary Information**

Years Ended June 30, 2009 and 2008

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Independent Auditors' Report

To the Board of Directors of
National Association of Campus Card Users, Inc.
Phoenix, Arizona

We have audited the accompanying statements of financial position of National Association of Campus Card Users, Inc. (the Association), an Arizona nonprofit corporation, as of June 30, 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 Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. 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 National Association of Campus Card Users, Inc. as of June 30, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

Fester & Chapman P.C.

October 13, 2009

National Association of Campus Card Users, Inc.
STATEMENTS OF FINANCIAL POSITION
June 30,

ASSETS

	<u>2009</u>	<u>2008</u>
Current assets:		
Cash and cash equivalents	\$ 1,007,214	\$ 947,208
Accounts receivable	89	10,328
Deposits and prepaid expenses	<u>13,835</u>	<u>13,588</u>
Total current assets	1,021,138	971,124
Furniture and equipment, net of accumulated depreciation of \$24,318 and \$19,010	<u>9,563</u>	<u>14,871</u>
Total assets	<u>\$ 1,030,701</u>	<u>\$ 985,995</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 9,916	\$ 18,383
Accrued payroll and related expenses	26,880	23,509
Deferred revenue	<u>103,733</u>	<u>89,704</u>
Total liabilities	140,529	131,596
Net assets, unrestricted	<u>890,172</u>	<u>854,399</u>
Total liabilities and net assets	<u>\$ 1,030,701</u>	<u>\$ 985,995</u>

The accompanying notes are an integral part of these statements.

National Association of Campus Card Users, Inc.
STATEMENTS OF ACTIVITIES
 Years Ended June 30,

	<u>2009</u>	<u>2008</u>
Revenue and support:		
Membership dues	\$ 393,678	\$ 390,387
Conference and workshop fees	276,365	361,416
Interest income	33,645	46,742
Miscellaneous income	<u>3,831</u>	<u>1,140</u>
Total revenue and support	707,519	799,685
Expenses:		
Program services		
Conference/workshop expense	351,706	401,406
Member services/benefits	<u>110,997</u>	<u>70,063</u>
	<u>462,703</u>	<u>471,469</u>
Supporting services		
General and administrative	206,299	213,518
Association development	<u>2,744</u>	<u>10,188</u>
	<u>209,043</u>	<u>223,706</u>
Total expenses	<u>671,746</u>	<u>695,175</u>
Increase in net assets	35,773	104,510
Net assets, beginning of year	<u>854,399</u>	<u>749,889</u>
Net assets, end of year	<u>\$ 890,172</u>	<u>\$ 854,399</u>

The accompanying notes are an integral part of these statements.

National Association of Campus Card Users, Inc.
STATEMENTS OF CASH FLOWS
 Years Ended June 30,

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Increase in net assets	\$ 35,773	\$ 104,510
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	5,307	5,788
Change in:		
Accounts receivable	10,240	(9,520)
Deposits and prepaid expenses	(247)	2,901
Accounts payable and accrued expenses	(8,467)	7,356
Accrued payroll and related expenses	3,371	(1,722)
Deferred revenue	<u>14,029</u>	<u>(11,787)</u>
Net cash provided by operating activities	60,006	97,526
Cash flows from investing activities:		
Purchase of furniture and equipment	<u> </u>	<u>(1,833)</u>
Net cash used by investing activities	<u> </u>	<u>(1,833)</u>
Net increase in cash and cash equivalents	60,006	95,693
Cash and cash equivalents, beginning of year	<u>947,208</u>	<u>851,515</u>
Cash and cash equivalents, end of year	<u>\$ 1,007,214</u>	<u>\$ 947,208</u>
Supplemental disclosure:		
Cash paid during the year for interest	\$ 0	\$ 0

The accompanying notes are an integral part of these statements.

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The National Association of Campus Card Users, Inc. (the Association) was formed in 1993 to provide a responsive, diversified source of campus card related information and services. Association membership is open to all colleges, universities, secondary institutions and companies that are involved with the campus card market.

The Association is a non-profit 501(c)(3) educational association that provides learning and networking opportunities for campus card programs and card industry professionals. It was established to serve as a source for the collection, dissemination and exchange of ideas and information relevant to campus card programs from inception through continued expansion. The Association continues to cultivate a unique union of users and product and service providers by offering the opportunity to communicate, promote and expand in the ever-progressive world of campus card operations. The Association also fosters skill development and professional growth by organizing conferences, workshops and seminars. The Association offers an array of benefits to its members including a monthly newsletter (CARDtalk), a listserv forum, website, an annual conference and regional workshops on topics related to campus cards.

The significant accounting policies of the Association follow:

Basis of Presentation: Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The Association did not have any temporarily or permanently restricted net assets at June 30, 2009 and 2008.

Use of Estimates: In preparing financial statements in conformity with U.S. generally accepted accounting principles, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the 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.

Cash and Cash Equivalents: The Association considers all highly liquid debt instruments with an initial maturity of three months or less to be cash equivalents.

NOTE 1 - BACKGROUND AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES -
CONTINUED

Furniture and Equipment: Furniture and equipment with a cost of at least \$1,000 and an estimated life of one year or more are capitalized. Assets are stated at cost. Depreciation is provided on a straight-line basis over the estimated useful lives of the respective assets, which range from 3-7 years.

Revenue Recognition: Membership dues are recognized as revenue when received during the membership period, which runs from July 1 through June 30. Dues received in advance of a membership period are deferred upon receipt and recognized on a prorated basis. Conference fees are recognized as revenue during the period in which the conference is concluded.

Income Taxes: The Association is exempt from Federal income taxes as an organization other than a private foundation under Section 501(c)(3) of the Internal Revenue Code, and from Arizona income taxes under Section 43-147(a)(4) of the Arizona Revised Statutes.

NOTE 2 - CONCENTRATION OF CREDIT RISK

The Association maintains its cash on deposit with a bank in Arizona. At June 30, 2009 and 2008, the Association had deposits totaling \$767,725 and \$851,825, respectively. These bank balances were invested in a Certificate of Deposit Account Registry Service program which is entirely FDIC insured. The remaining deposits are insured by FDIC up to \$250,000 at June 30, 2009 and \$100,000 at 2008. The Association had no uninsured balances at June 30, 2009 and 2008.

NOTE 3 - RETIREMENT PLAN

The Association maintains a "SIMPLE" pension plan for the benefit of employees. All full and part-time employees are eligible to participate immediately upon employment. Employee contributions are optional. The plan allows for discretionary employer matching contributions. The employer match for the years ended June 30, 2009 and 2008 were \$7,342 and \$6,237, respectively.

National Association of Campus Card Users, Inc.
NOTES TO FINANCIAL STATEMENTS
June 30, 2009 and 2008

NOTE 4 - OPERATING LEASE

The Association originally entered into a 39-month office lease, categorized as an operating lease for accounting purposes, on September 1, 2007. This lease was amended during the year ended June 30, 2009. The lease will terminate on November 30, 2011. Future minimum payments under the amended lease agreement are as follows:

Year ending June 30,	
2010	\$ 18,536
2011	18,742
2012	<u>7,809</u>
Total	<u>\$ 45,087</u>

Rent expense under the lease for the years ended June 30, 2009 and 2008 was \$20,317 and \$14,871, respectively.

NOTE 5 - COMMITMENTS AND CONTINGENCIES

As of June 30, 2009, the Association has contractual obligations with hotel conference centers for its 2010, 2011 and 2012 annual conferences. These contracts contain provisions which require minimum payments in the event of cancellation prior to the conference. The commitment for these contracts as of June 30, 2009 is approximately \$450,700.

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Independent Auditors' Report on Supplementary Information

To the Board of Directors of
National Association of Campus Card Users, Inc.

Our report on our audits of the basic financial statements of National Association of Campus Card Users, Inc. for the years ended June 30, 2009 and 2008 appears on page 1. Those audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying supplementary information contained in the following schedules of program and supporting services expenses for the years ended June 30, 2009 and 2008 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Fester & Chapman P.C.

October 13, 2009

National Association of Campus Card Users, Inc.
SCHEDULES OF PROGRAM AND SUPPORTING SERVICES EXPENSES
 Years Ended June 30,

	<u>2009</u>	<u>2008</u>
Program services		
Conference/workshop expense		
Hotel rooms and meals	\$ 97,531	\$ 134,550
Presenter compensation	22,791	25,493
Staff compensation	112,714	115,422
Conference services	66,577	70,977
Other	<u>52,093</u>	<u>54,964</u>
	351,706	401,406
Membership services/benefits		
Newsletter	12,740	12,440
Website, e-mail and directory	255	319
Staff compensation	88,693	51,940
Other	<u>9,309</u>	<u>5,364</u>
	<u>110,997</u>	<u>70,063</u>
Total program service expense	<u>\$ 462,703</u>	<u>\$ 471,469</u>
Supporting services		
General and administrative:		
Salaries and benefits	\$ 91,812	\$ 121,194
Rent	20,317	14,871
Telephone	3,704	3,663
Equipment rental	348	282
Office supplies	7,304	6,812
Bank fees	12,405	6,259
Insurance	1,833	1,916
Professional dues	11,432	6,937
Professional services	22,994	14,830
Board meetings	26,837	29,055
Depreciation	5,307	5,253
Other	<u>2,006</u>	<u>2,446</u>
	206,299	213,518
Association development	<u>2,744</u>	<u>10,188</u>
Total general and administrative expense	<u>\$ 209,043</u>	<u>\$ 223,706</u>