


INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
The National Council on Problem Gambling, Inc.

We have audited the accompanying statement of financial position of The National Council on Problem Gambling, Inc. (a nonprofit organization) as of December 31, 2008 and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audit 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 audit provides 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 The National Council on Problem Gambling, Inc. as of December 31, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.


October 7, 2009
Baltimore, Maryland

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The National Council on Problem Gambling, Inc.
Statement of Financial Position
December 31, 2008

ASSETS

<u>Current Assets</u>	
Cash	\$ 346,785
Accounts Receivable	2,997
Prepaid Expenses	<u>17,362</u>
Total Current Assets	<u>367,144</u>
<u>Property and Equipment</u>	
Office Equipment	14,206
Less: Accumulated Depreciation	<u>(12,297)</u>
Net - Property and Equipment	1,909
<u>Other Assets</u>	
Security Deposit	<u>10,134</u>
 TOTAL ASSETS	 <u><u>\$ 379,187</u></u>

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>	
Accounts Payable	<u>\$ 30,906</u>
Total Current Liabilities	<u>30,906</u>
<u>Net Assets</u>	
Unrestricted	<u>348,281</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u><u>\$ 379,187</u></u>

The Accompanying Notes Are An Integral Part of These Financial Statements

The National Council on Problem Gambling, Inc.
Statement of Activities
Year Ended December 31, 2008

<u>Revenue and Support</u>	
Contributions	
General	\$ 155,258
Membership - Corporate	75,000
Affiliate Dues	72,645
Certification Fees	24,497
Literature	1,691
Help-Line Reimbursement	5,938
Awareness Week	5,500
National Conference - Registration	174,745
National Conference Sponsorship	228,000
Interest Income	5,607
Other Income	<u>17,065</u>
Total Revenue and Support	765,946
<u>Expenses</u>	
Program Services	
Conferences	415,113
Help-Line	80,955
Literature	7,593
Supporting Services	
Management & General	199,904
Fundraising	<u>20,294</u>
Total Expenses	<u>723,859</u>
Increase in Net Assets	42,087
Net Assets at Beginning of Year	<u>306,194</u>
Net Assets at End of Year	<u><u>\$ 348,281</u></u>

The Accompanying Notes Are An Integral Part of These Financial Statements

The National Council on Problem Gambling, Inc.
Statement of Cash Flows
Year Ended December 31, 2008

CASH FLOWS FROM OPERATING ACTIVITIES

Increase in Net Assets	\$ 42,087
Adjustments to Reconcile Increase in Net Assets to Net Cash Provided By Operating Activities	
Depreciation	951
(Increase) / Decrease in:	
Accounts Receivable	(2,275)
Prepaid Expenses	8,486
Security Deposit	(3,992)
Increase / (Decrease) in:	
Accounts Payable	<u>15,620</u>
Net Cash Provided By Operating Activities	<u>60,877</u>
Net Increase in Cash	60,877
Cash at Beginning of Year	<u>285,908</u>
Cash at End of Year	<u><u>\$ 346,785</u></u>

The Accompanying Notes Are An Integral Part of These Financial Statements

THE NATIONAL COUNCIL ON PROBLEM GAMBLING, INC.
NOTES TO FINANCIAL STATEMENTS
For the Year Ended December 31, 2008

NOTE 1 – ORGANIZATION

The National Council on Problem Gambling's mission is to increase public awareness of problem and pathological gambling; to increase the availability of treatment services for problem gamblers and their families; and to encourage research and educational programs.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of The National Council on Problem Gambling, Inc. have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

For purposes of the Statements of Cash Flows, the Organization considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates.

Advertising

Advertising Costs are expensed as incurred.

Accounts Receivable

Accounts receivable are stated at unpaid balances. The Organization writes off uncollectible accounts receivable when management determines the receivable will not be collected. Accounts receivable are considered past due at 90 days.

THE NATIONAL COUNCIL ON PROBLEM GAMBLING, INC.
NOTES TO FINANCIAL STATEMENTS, (Con't)
For the Year Ended December 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CON'T

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Property and Equipment

Furniture and fixtures and office equipment are stated at fair value at date of gift and at cost. The council has adopted a policy to capitalize fixed assets with a cost in excess of \$500. Depreciation expense for 2008 was \$950. Depreciation is computed using primarily the straight-line method over five years.

Restricted and Unrestricted Revenue and Support

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the period in which the revenue is recognized. There are no permanently or temporarily restricted net assets.

Income Taxes

The Corporation is exempt from federal income tax under section 501 (C)(3) of the Internal Revenue Code. The Internal Revenue Service has classified The National Council on Problem Gambling, Inc. as a publicly supported organization, and not as a private foundation.

NOTE 3 – CONCENTRATION OF CONTRIBUTIONS

The Organization receives approximately 50% of its Sponsorships and contributions from 4 donors.

NOTE 4 – PENSION PLAN

The Organization maintains a simple IRA plan. An employee becomes eligible after one year of service and is reasonably expected to receive at least \$5,000 in compensation. The Organization contributes a matching contribution to each employee's account equal to the employee's salary reduction contributions up to a limit of 3% of the employee's compensation for the calendar year. The pension expense for 2008 was \$3,940.

THE NATIONAL COUNCIL ON PROBLEM GAMBLING, INC.
NOTES TO FINANCIAL STATEMENTS, (Con't)
For the Year Ended December 31, 2008

NOTE 5 – LEASES

The National Council on Problem Gambling, Inc. leases office space at 730 11th street NW, Washington D.C.. The lease is for a five-year period ending May 31, 2013. The lease calls for an annual increase in rent of 2.5%. The National Council on Problem Gambling, Inc. may not sublet any of its office space without prior approval of the landlord. The rent expense for 2008 was \$50,855.

The future minimum lease payments for each remaining period of the lease are as follows:

2009	61,566
2010	63,108
2011	64,687
2012	66,304
2013	27,627

The Organization has an operating lease for a copier. The lease is for 60 months with a monthly lease payment of \$306.

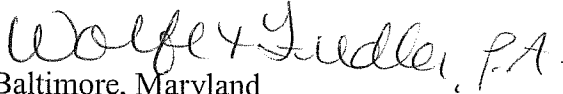
NOTE 6 – SIGNIFICANT CONCENTRATIONS OF RISK

The Council has concentrated its risk for cash by maintaining deposits in local financial institutions. The maximum loss that would have resulted from that risk totaled approximately \$97,000 at the end of 2008 for the excess of the deposit liabilities reported by the banks over the amount that would have been covered by federal insurance.

Independent Auditor's Report on Additional Information

To the Board of Directors of
The National Council on Problem Gambling, Inc.

Our report of our audit of the basic financial statements of The National Council on Problem Gambling, Inc. for 2008 appears on page 1. That audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses in schedule 1 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 audit 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.


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The National Council on Problem Gambling, Inc.
Schedule 1 - Functional Expenses
For the Year Ended December 31, 2008

	Program Services				Supporting Services			2008 Total
	Conferences	Help-Line	Literature	Total	Management & General	Fundraising	Total	
Salaries	\$ 58,447	\$ 15,029	\$ 3,340	\$ 76,816	\$ 73,476	\$ 16,699	\$ 90,175	\$ 166,991
Payroll Taxes	4,688	1,205	268	6,161	5,893	1,339	7,232	13,393
Insurance - Benefits	5,211	1,340	298	6,849	6,551	1,488	8,039	14,888
Retirement Plan	1,379	355	79	1,813	1,734	393	2,127	3,940
Total Compensation	69,725	17,929	3,985	91,639	87,654	19,919	107,573	199,212
Awareness Week	15,052	-	-	15,052	-	-	-	15,052
IGCCB Expenses	3,269	-	-	3,269	-	-	-	3,269
Bank Service Charges	-	-	-	-	7,567	-	7,567	7,567
Board of Directors	17,502	-	-	17,502	-	-	-	17,502
Computer Hardware	158	-	-	158	-	-	-	158
Contract Labor	1,311	337	75	1,723	1,649	375	2,024	3,747
Conference Expenses	252,952	-	-	252,952	-	-	-	252,952
Dues & Subscriptions	-	-	-	-	2,016	-	2,016	2,016
Equipment Rental	1,731	445	99	2,275	2,671	-	2,671	4,946
Insurance	-	-	-	-	3,133	-	3,133	3,133
Interest Expense	-	-	-	-	631	-	631	631
Literature	-	-	1,396	1,396	-	-	-	1,396
Miscellaneous	601	154	34	789	1,926	-	1,926	2,715
Office	2,239	576	128	2,943	3,454	-	3,454	6,397
Postage & Delivery	1,907	490	109	2,506	2,942	-	2,942	5,448
Printing Reproduction	4,105	1,056	235	5,396	6,333	-	6,333	11,729
Professional Fees	5,061	1,301	289	6,651	46,363	-	46,363	53,014
Rent	17,799	4,577	1,017	23,393	27,462	-	27,462	50,855
Telephone	3,380	53,942	193	57,515	5,215	-	5,215	62,730
Travel & Entertainment	17,745	-	-	17,745	-	-	-	17,745
Utilities	243	62	14	319	375	-	375	694
Depreciation	333	86	19	438	513	-	513	951
Total	\$ 415,113	\$ 80,955	\$ 7,593	\$ 503,661	\$ 199,904	\$ 20,294	\$ 220,198	\$ 723,859