

Board of Directors  
Artist-Blacksmith's Association of North America, Inc.  
15754 Widewater Drive  
Dumfries, VA 22025-1212

We have compiled the accompanying statement of assets, liabilities and net assets - modified cash basis of Artist-Blacksmith's Association of North America, Inc. (a non-profit corporation) as of March 31, 2009 and the related statement of revenues, expenses and other changes in net assets with comparison to annual budget - modified cash basis, for the three months then ended. The financial statements have been prepared on the modified cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of management. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

Management has elected to omit substantially all of the disclosures ordinarily included in the financial statements prepared on the modified cash basis of accounting. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the organization's assets, liabilities, net assets, revenues and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The organization has been contacted by the University of Washington Conference Services with a claim that an additional \$59,474.01 is owed to them related to the July 2006 ABANA conference. The organization contests these charges and is currently working with counsel to resolve this issue. Accordingly, no provision for any estimated liability is reflected in the accompanying financial statements.

We are not independent with respect to Artist-Blacksmith's Association of North America, Inc.

Premier Accounting & Tax, Inc.

May 9, 2009

Artist-Blacksmith's Association of North America, Inc.  
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis  
March 31, 2009

**ASSETS**

|  | Unrestricted               | Temporarily<br>Restricted  | Permanently<br>Restricted   | Total                       |
|--|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <u>Assets:</u>                               |                            |                            |                             |                             |
| Cash in Bank - Wachovia Money Market Account | \$ 24,762.61               | \$ 3,373.00                | \$ -                        | \$ 28,135.61                |
| Cash in Bank - library account               | 3,803.28                   | -                          | -                           | 3,803.28                    |
| Cash in Bank - conference checking           | 2,689.66                   | 7,508.34                   | -                           | 10,198.00                   |
| Cash in Bank - conference savings            | 587.09                     | -                          | -                           | 587.09                      |
| Invested Funds - endowment trust account     |                            |                            |                             |                             |
| money market/Wachovia                        | -                          | 8,832.31                   | 154,509.48                  | 163,341.79                  |
| Inventory - resale                           | 4,819.22                   | --                         | --                          | 4,819.22                    |
| Inventory - conference                       | 3,983.25                   | -                          | -                           | 3,983.25                    |
| Equipment - conference                       | 38,655.00                  | -                          | -                           | 38,655.00                   |
| Equipment - office                           | 2,189.79                   | -                          | -                           | 2,189.79                    |
| Less: accumulated depreciation               | <u>(13,164.07)</u>         | <u>-</u>                   | <u>-</u>                    | <u>(13,164.07)</u>          |
| <b>TOTAL ASSETS</b>                          | <u><u>\$ 68,325.83</u></u> | <u><u>\$ 19,713.65</u></u> | <u><u>\$ 154,509.48</u></u> | <u><u>\$ 242,548.96</u></u> |

**LIABILITIES AND NET ASSETS**

|                                 |                        |                        |                 |                        |
|---------------------------------|------------------------|------------------------|-----------------|------------------------|
| <u>Liabilities:</u>             |                        |                        |                 |                        |
| 2010 Conference - Registrations | \$ 1,640.00            | \$ -                   | \$ -            | \$ 1,640.00            |
| Due to Metal Museum             | -                      | 1,062.00               | -               | 1,062.00               |
| Due to the exhibit fund         | <u>-</u>               | <u>2,311.00</u>        | <u>-</u>        | <u>2,311.00</u>        |
| <b>TOTAL LIABILITIES</b>        | <u><u>1,640.00</u></u> | <u><u>3,373.00</u></u> | <u><u>-</u></u> | <u><u>5,013.00</u></u> |

|                                 |                         |                 |                 |                         |
|---------------------------------|-------------------------|-----------------|-----------------|-------------------------|
| <u>Unrestricted Net Assets:</u> |                         |                 |                 |                         |
| General operations              | <u><u>66,685.83</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>66,685.83</u></u> |

|   |                 |                         |                 |                         |
|---|-----------------|-------------------------|-----------------|-------------------------|
| <u>Temporarily Restricted Net Assets:</u> |                 |                         |                 |                         |
| Iron in the Hat Scholarship Donations     |                 | 6,741.34                | -               | 6,741.34                |
| Calgary Exhibition Scholarship Donations  |                 | 767.00                  | -               | 767.00                  |
| Net endowment earnings, gains and losses  | <u>-</u>        | <u>8,832.31</u>         | <u>-</u>        | <u>8,832.31</u>         |
| Total Temporarily Restricted Net Asset    | <u><u>-</u></u> | <u><u>16,340.65</u></u> | <u><u>-</u></u> | <u><u>16,340.65</u></u> |

|   |                 |                 |                          |                          |
|---|-----------------|-----------------|--------------------------|--------------------------|
| <u>Permanently Restricted Net Assets:</u> |                 |                 |                          |                          |
| Endowment trust principal balance         | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>154,509.48</u></u> | <u><u>154,509.48</u></u> |

|   |                            |                            |                             |                             |
|---|----------------------------|----------------------------|-----------------------------|-----------------------------|
| <b>TOTAL NET ASSETS</b>                   | <u><u>66,685.83</u></u>    | <u><u>16,340.65</u></u>    | <u><u>154,509.48</u></u>    | <u><u>237,535.96</u></u>    |
| <b>TOTAL LIABILITIES &amp; NET ASSETS</b> | <u><u>\$ 68,325.83</u></u> | <u><u>\$ 19,713.65</u></u> | <u><u>\$ 154,509.48</u></u> | <u><u>\$ 242,548.96</u></u> |

Artist-Blacksmith's Association of North America, Inc.  
Statement of Revenues, Expenses and Other Changes in Net Assets with Comparison to Annual Budget - Modified Cash Basis  
For The Three Months Ended March 31, 2009

| <u>Unrestricted Net Assets</u>   | <u>Annual<br/>Budget</u> | <u>Year To Date Actual</u> | <u>Remaining Budget</u> |
|----------------------------------|--------------------------|----------------------------|-------------------------|
| <u>Revenues &amp; Gains</u>      |                          |                            |                         |
| Membership Dues                  | 208,000.00               | 84,325.00                  | (123,675.00)            |
| Library Income                   | 200.00                   | 5.00                       | (195.00)                |
| Advertising Income               | 65,000.00                | 8,006.40                   | (56,993.60)             |
| Investment Return                | 500.00                   | 8.94                       | (491.06)                |
| Contributions (Non-Restricted)   | <u>500.00</u>            | <u>2,523.00</u>            | <u>2,023.00</u>         |
| Total                            | 274,200.00               | 94,868.34                  | (179,331.66)            |
|                                  |                          |                            |                         |
| - Retail Sales                   | 500.00                   | 1,304.75                   | 804.75                  |
| Cost of Sales (refund)           |                          | <u>27.09</u>               | <u>27.09</u>            |
| Net Retail Sales                 | <u>500.00</u>            | <u>1,331.84</u>            | <u>831.84</u>           |
| Total Revenues/Gains             | <u>274,700.00</u>        | <u>96,200.18</u>           | <u>178,499.82</u>       |
|                                  |                          |                            |                         |
| <u>Expenses</u>                  |                          |                            |                         |
| <u>Publications</u>              |                          |                            |                         |
| Ad Commissions                   | 13,000.00                | 1,185.00                   | (11,815.00)             |
| Publications                     | <u>152,912.00</u>        | <u>38,733.01</u>           | <u>(114,178.99)</u>     |
| Total Publication Expenses       | 165,912.00               | 39,918.01                  | (125,993.99)            |
|                                  |                          |                            |                         |
| <u>Program Services</u>          |                          |                            |                         |
| Bealer Award                     | 400.00                   |                            | (400.00)                |
| Internet Site                    | 750.00                   | 98.00                      | (652.00)                |
| Webmaster Service                | <u>3,900.00</u>          | <u>          </u>          | <u>(3,900.00)</u>       |
| Total Program Services           | 5,050.00                 | 98.00                      | (4,952.00)              |
|                                  |                          |                            |                         |
| <u>Metal Museum Contribution</u> | 1,000.00                 |                            | (1,000.00)              |

Artist-Blacksmith's Association of North America, Inc.  
Statement of Revenues, Expenses and Other Changes in Net Assets with Comparison to Annual Budget - Modified Cash Basis  
For The Three Months Ended March 31, 2009  
(continued)

|   | <u>Annual Budget</u> | <u>Year To Date Actual</u> | <u>Remaining Budget</u> |
|---|----------------------|----------------------------|-------------------------|
| <b><u>Support Services</u></b>                |                      |                            |                         |
| Accounting                                    | 7,000.00             | 2,250.00                   | (4,750.00)              |
| Administrative                                | 8,700.00             | 5,872.17                   | (2,827.83)              |
| Depreciation                                  |                      |                            |                         |
| Insurance and Bonds                           | 4,000.00             | 2,341.00                   | (1,659.00)              |
| Election                                      | 1,500.00             |                            | (1,500.00)              |
| Postage                                       | 6,000.00             | 1,154.71                   | (4,845.29)              |
| Central Office                                | 52,500.00            | 13,125.00                  | (39,375.00)             |
| Copier  | 1,400.00             | 670.18                     | (729.82)                |
| Travel-Board Members                          | <u>7,000.00</u>      | <u>704.00</u>              | <u>( 6,296.00)</u>      |
| Total Support Services Expense                | <u>88,100.00</u>     | <u>26,117.06</u>           | <u>(61,982.94)</u>      |
| Total Expenses                                | <u>260,062.00</u>    | <u>66,133.07</u>           | <u>(193,928.93)</u>     |
| Net Change in Unrestricted Assets             |                      | 30,067.11                  |                         |
| <br><b><u>2010 Conference Activity</u></b>    |                      |                            |                         |
| Contributions for 2010 Conference             |                      | 1,555.00                   |                         |
| 2010 Conference Expenses                      |                      | <u>(64.25)</u>             |                         |
| Net 2010 Conference Activity                  |                      | 1,490.75                   |                         |
| <br><b><u>Restricted Net Assets</u></b>       |                      |                            |                         |
| Investment Return                             |                      | 28.79                      |                         |
| Investment Expenses                           |                      | (114.52)                   |                         |
| Contributions Received                        |                      | <u>315.00</u>              |                         |
| Net Change in Restricted Assets               |                      | <u>229.27</u>              |                         |
| <br><b><u>Other Changes in Net Assets</u></b> |                      |                            |                         |
| Magazine Inventory Valuation Ad.              |                      | <u>(3,415.00)</u>          |                         |
| Change in Net Assets                          |                      | 28,372.13                  |                         |
| Net Assets Beginning of Period                |                      | <u>209,163.83</u>          |                         |
| <br>NET ASSETS AT END OF PERIOD               |                      | <br><u>237,535.96</u>      |                         |