

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 September 30, 2010 and the related statement of revenues, expenses and other changes in net assets with comparison to annual budget - modified cash basis, for the eight 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.

Premier Accounting & Tax, Inc.

October 25, 2010

Artist-Blacksmith's Association of North America, Inc.  
Statement of Assets, Liabilities and Net Assets - Modified Cash Basis  
September 30, 2010

<b>ASSETS</b>	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<u>Assets:</u>				
Cash in Bank – Wells Fargo Money Market	\$ 31,641.83	\$ 2,786.00	\$ -	\$ 34,427.83
Cash in Bank - Library	4,165.04	-	-	4,165.04
Cash in Bank – Conference	85,894.38	-	-	85,894.38
Cash in Bank - Scholarships	-	4,346.00	-	4,346.00
Cash in Bank – Calgary Fund	-	767.00	-	767.00
Cash in Bank – Iron in the Hat Scholarships	-	10,797.34	-	10,797.34
Invested Funds - Endowment trust account	-	-	-	-
Money market/Wachovia	-	8,832.31	160,032.39	168,864.70
Inventory - resale	4,686.95	--	--	4,686.95
Equipment - conference	38,655.00	-	-	38,655.00
Equipment - office	2,189.79	-	-	2,189.79
Less: accumulated depreciation	<u>(13,305.07)</u>	<u>-</u>	<u>-</u>	<u>(13,305.07)</u>
<b>TOTAL ASSETS</b>	<u>\$153,927.92</u>	<u>\$ 27,528.65</u>	<u>\$ 160,032.39</u>	<u>\$341,488.96</u>
 <b>LIABILITIES AND NET ASSETS</b>				
<u>Liabilities:</u>				
Dues Paid In Advance	\$ 24,070.00	\$ -	\$ -	\$ 24,070.00
Due to the exhibit fund	<u>-</u>	<u>2,786.00</u>	<u>-</u>	<u>2,786.00</u>
<b>TOTAL LIABILITIES</b>	<u>24,070.00</u>	<u>2,786.00</u>	<u>-</u>	<u>26,856.00</u>
 <u>Unrestricted Net Assets:</u>				
General operations	129,857.92	<u>-</u>	<u>-</u>	<u>129,857.92</u>
 <u>Temporarily Restricted Net Assets:</u>				
Scholarships	-	4,346.00	-	4,346.00
Iron in the Hat Scholarship Donations	-	10,797.34	-	10,797.34
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>24,742.65</u>	<u>-</u>	<u>24,742.65</u>
 <u>Permanently Restricted Net Assets:</u>				
Endowment trust principal balance	<u>-</u>	<u>-</u>	<u>160,032.39</u>	<u>160,032.39</u>
<b>TOTAL NET ASSETS</b>	<u>129,857.92</u>	<u>24,742.65</u>	<u>160,032.39</u>	<u>314,632.96</u>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<u>\$ 153,927.92</u>	<u>\$ 27,528.65</u>	<u>\$ 160,032.39</u>	<u>\$ 341,488.96</u>

See Accountant's Compilation Report

**ABANA**  
**Statement of Revenue & Disbursements w/Budget vs. Actual**  
 January through September 2010

	<u>Jan - Sep 10</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
5000 · Membership Dues	155,121.95	204,750.00	-49,628.05
5025 · Library Income	275.00	250.00	25.00
5030 · Advertising Income	42,539.33	61,789.00	-19,249.67
5050 · Investment Return	14.32	100.00	-85.68
5075 · Contributions	501.00	2,000.00	-1,499.00
5100 · Retail Sales	6,165.77	3,000.00	3,165.77
<b>Total Income</b>	<u>204,617.37</u>	<u>271,889.00</u>	<u>-67,271.63</u>
<b>Cost of Goods Sold</b>			
5500 · Merchandise Cost	997.05		
5550 · Reprinting Costs	0.00	670.00	-670.00
5551 · Merchandise Sales Commission	258.60	356.00	-97.40
<b>Total COGS</b>	<u>1,255.65</u>	<u>1,026.00</u>	<u>229.65</u>
<b>Gross Profit</b>	203,361.72	270,863.00	-67,501.28
<b>Expense</b>			
6015 · Ad Commissions	10,695.92	16,044.00	-5,348.08
6064 · Publications	126,003.00	152,912.00	-26,909.00
6730 · Library Expenses	35.05		
7000 · Accounting	4,790.00	6,750.00	-1,960.00
7030 · Administrative			
7030.1 · Equipment Lease	353.14	747.00	-393.86
7030.2 · Equipment Maintenance	63.59		
7030.3 · Monthly Office Supplies	901.19	818.00	83.19
7030.4 · Miscellaneous Office Supplies	284.47	840.00	-555.53
7030.5 · Renewal Mailings	1,288.65	3,531.00	-2,242.35
7030.7 · Occasional Volume Printing	516.00	3,649.00	-3,133.00
7030.9 · Miscellaneous Expense	334.15	30.00	304.15
7030 · Administrative - Other	93.72		
<b>Total 7030 · Administrative</b>	<u>3,834.91</u>	<u>9,615.00</u>	<u>-5,780.09</u>
7031 · Bank Service Charges	132.12	316.00	-183.88
7032 · Credit Card Fees & Charges			
7032.1 · Authnet/Global Pay Charges	1,181.58	827.00	354.58
7032.2 · Visa/MC/Disc credit card fees	3,608.95	3,557.00	51.95
7032.3 · Amex credit card fees	345.56	383.00	-37.44
7032.4 · PayPal Charges	3.90		
<b>Total 7032 · Credit Card Fees &amp; Charges</b>	<u>5,139.99</u>	<u>4,767.00</u>	<u>372.99</u>
7035 · Contributions/Donations	115.00		
7055 · Election Committee	0.00	1,350.00	-1,350.00
7200 · Internet Site/Web Hosting	943.00	750.00	193.00
7225 · Insurance and Bonding	3,812.00	3,600.00	212.00
7240 · Webmaster	0.00	2,400.00	-2,400.00
7320 · Bealer Award	0.00	550.00	-550.00
7325 · Heritage Award	101.00	250.00	-149.00
7350 · Membership Services	628.44	1,427.00	-798.56
7400 · Postage	6,015.65	6,580.00	-564.35
7530 · Central Office			
7530.1 · Professional Management Fees	39,375.00	52,500.00	-13,125.00
7530.2 · Central Office-Addtn'l Services	0.00	140.00	-140.00

**ABANA**  
**Statement of Revenue & Disbursements w/Budget vs. Actual**  
 January through September 2010

	<u>Jan - Sep 10</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Total 7530 · Central Office	39,375.00	52,640.00	-13,265.00
7535 · Travel/Board Meeting	3,168.33	8,000.00	-4,831.67
7550 · Treasurer's Office	46.00		
Total Expense	<u>204,835.41</u>	<u>267,951.00</u>	<u>-63,115.59</u>
Net Ordinary Income	-1,473.69	2,912.00	-4,385.69
Other Income/Expense			
Other Income			
8000 · Investment Return-Restr	2,211.40		
8002 · Unrealized Gain/Loss-Restr	1,113.85		
8005 · Contributions Recvd-Restr	310.00		
9000 · Conference Receipts			
5075.10 · Contributions	2,445.00		
9001 · Registration	84,499.59	174,039.00	-89,539.41
9002 · Vendors	6,877.00	9,600.00	-2,723.00
9004 · Advertising	4,719.09	10,000.00	-5,280.91
9005 · Merchandis Sales	9,281.69	14,250.00	-4,968.31
9006 · Auction	56,169.24	41,000.00	15,169.24
9007 · Miscellaneous	4,613.83	14,000.00	-9,386.17
9008 · Contributions-Iron in the Hat	12,377.00		
Total 9000 · Conference Receipts	<u>180,982.44</u>	<u>262,889.00</u>	<u>-81,906.56</u>
Total Other Income	184,617.69	262,889.00	-78,271.31
Other Expense			
9800 · 2010 Conference expenditures			
9801 · Accounting	1,100.00	2,000.00	-900.00
9802 · Freight	1,000.00		
9804 · Office & Admin Expenses	18,936.63	12,200.00	6,736.63
9805 · Auction	739.08	3,830.00	-3,090.92
9807 · Comped Demonstrators	17,359.93	33,655.00	-16,295.07
9808 · Comped Workers	15,456.96	20,860.00	-5,403.04
9809 · Communications	0.00	21,010.00	-21,010.00
9810 · Conference Office	210.00	15,966.00	-15,756.00
9811 · Conference Sales	4,461.18	9,700.00	-5,238.82
9812 · Gallery Exhibitions	3,608.37	3,850.00	-241.63
9813 · Insurance	4,534.00	4,100.00	434.00
9814 · Registration	7,340.71	8,750.00	-1,409.29
9815 · Site Rental	10,000.00	16,000.00	-6,000.00
9816 · Site Services	12,870.03	9,500.00	3,370.03
9817 · Site Set-up & Operation	28,666.27	49,900.00	-21,233.73
9818 · Miscellaneous	1,507.91	20,900.00	-19,392.09
9820 · Iron in the Hat Expenses	99.71		
Total 9800 · 2010 Conference expenditures	<u>127,890.78</u>	<u>232,221.00</u>	<u>-104,330.22</u>
9850 · Metal Museum	0.00	1,000.00	-1,000.00
Total Other Expense	<u>127,890.78</u>	<u>233,221.00</u>	<u>-105,330.22</u>
Net Other Income	<u>56,726.91</u>	<u>29,668.00</u>	<u>27,058.91</u>
Net Income	<u>55,253.22</u>	<u>32,580.00</u>	<u>22,673.22</u>

**ABANA**  
**Comparative Statement of Revenue & Disbursements**  
 January through September 2010

	<u>Jan - Sep 10</u>	<u>Jan - Sep 09</u>	<u>\$ Change</u>
<b>Ordinary Income/Expense</b>			
<b>Income</b>			
5000 · Membership Dues	155,121.95	157,717.65	-2,595.70
5025 · Library Income	275.00	275.00	0.00
5030 · Advertising Income	42,539.33	40,097.57	2,441.76
5050 · Investment Return	14.32	17.00	-2.68
5075 · Contributions	501.00	3,070.00	-2,569.00
5100 · Retail Sales	6,165.77	3,836.70	2,329.07
8007 · Donations-Bealer Award	0.00	630.00	-630.00
<b>Total Income</b>	<u>204,617.37</u>	<u>205,643.92</u>	<u>-1,026.55</u>
<b>Cost of Goods Sold</b>			
5500 · Merchandise Cost	997.05	120.21	876.84
5551 · Merchandise Sales Commission	258.60	0.00	258.60
<b>Total COGS</b>	<u>1,255.65</u>	<u>120.21</u>	<u>1,135.44</u>
<b>Gross Profit</b>	203,361.72	205,523.71	-2,161.99
<b>Expense</b>			
6015 · Ad Commissions	10,695.92	10,185.37	510.55
6064 · Publications	126,003.00	115,185.01	10,817.99
6730 · Library Expenses	35.05	0.00	35.05
7000 · Accounting	4,790.00	6,040.00	-1,250.00
7030 · Administrative	3,834.91	12,968.63	-9,133.72
7031 · Bank Service Charges	132.12	0.00	132.12
7032 · Credit Card Fees & Charges	5,139.99	0.00	5,139.99
7035 · Contributions/Donations	115.00	0.00	115.00
7050 · Copier	0.00	1,466.46	-1,466.46
7200 · Internet Site/Web Hosting	943.00	343.00	600.00
7225 · Insurance and Bonding	3,812.00	3,415.00	397.00
7320 · Bealer Award	0.00	629.20	-629.20
7325 · Heritage Award	101.00	0.00	101.00
7350 · Membership Services	628.44	0.00	628.44
7400 · Postage	6,015.65	5,697.31	318.34
7530 · Central Office	39,375.00	39,375.00	0.00
7535 · Travel/Board Meeting	3,168.33	704.00	2,464.33
7550 · Treasurer's Office	46.00	0.00	46.00
<b>Total Expense</b>	<u>204,835.41</u>	<u>196,008.98</u>	<u>8,826.43</u>
<b>Net Ordinary Income</b>	-1,473.69	9,514.73	-10,988.42
<b>Other Income/Expense</b>			
<b>Other Income</b>			
8000 · Investment Return-Restr	2,211.40	907.05	1,304.35
8002 · Unrealized Gain/Loss-Restr	1,113.85	534.82	579.03
8005 · Contributions Recvd-Restr	310.00	431.00	-121.00
9000 · Conference Receipts	180,982.44	3,931.00	177,051.44
<b>Total Other Income</b>	<u>184,617.69</u>	<u>5,803.87</u>	<u>178,813.82</u>

**ABANA**  
**Comparative Statement of Revenue & Disbursements**  
 January through September 2010

	<u>Jan - Sep 10</u>	<u>Jan - Sep 09</u>	<u>\$ Change</u>
<b>Other Expense</b>			
8052 · Investment Expense-Restr	0.00	239.52	-239.52
9600 · Mag Inventory Valuation Adj	0.00	3,415.00	-3,415.00
9800 · 2010 Conference expenditures	<u>127,890.78</u>	<u>6,278.43</u>	<u>121,612.35</u>
<b>Total Other Expense</b>	<u>127,890.78</u>	<u>9,932.95</u>	<u>117,957.83</u>
<b>Net Other Income</b>	<u>56,726.91</u>	<u>-4,129.08</u>	<u>60,855.99</u>
<b>Net Income</b>	<u>55,253.22</u>	<u>5,385.65</u>	<u>49,867.57</u>