

# LAMBE, TUTER & WAGNER

Certified Public Accountants

Robert B. Lambe  
Janice M. Tuter  
Cynthia J. Wagner

Soldotna Office:  
189 S. Binkley Street  
Suite 201  
Soldotna, Alaska 99669  
Phone: 907-262-9123  
Fax: 907-262-3855

Technology Services:  
189 S. Binkley Street  
Suite 201  
Soldotna, Alaska 99669  
Phone: 907-262-9123  
Fax: 907-262-3855

Website:  
[www.akcpas.com](http://www.akcpas.com)

Board of Directors  
Artist-Blacksmith's Association of North America, Inc.

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 nonprofit corporation) as of December 31, 2006 and the related statement of revenues, expenses, and other changes in net assets – modified cash basis, for the year ended December 31, 2006 in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. 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.

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

March 11, 2007

Handwritten signature in cursive script that reads "Lambe, Tuter & Wagner".

Artist-Blacksmith's Association of North America, Inc.  
Statement of Assets, Liabilities, and Net Assets - Modified Cash Basis  
December 31, 2006

**ASSETS**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Cash in Bank - Athens First Bank and Trust	\$ (3,355.26)	\$ -	\$ -	\$ (3,355.26)
Cash in Bank - Merrill Lynch money (old scholarship account)	5,501.64		-	5,501.64
Cash in Bank - Merrill Lynch money market account	(4,862.55)	591.50	-	(4,271.05)
Cash in Bank - library	4,713.82	-	-	4,713.82
Cash in Bank - conference checking	11,547.95	-	-	11,547.95
Cash in Bank - conference savings	327.80	-	-	327.80
Cash in Bank - US Bank/conference savings	738.36	-	-	738.36
Invested Funds - Merrill Lynch old scholarship account FNMA bonds	14,929.65	-	-	14,929.65
Invested Funds - endowment trust account/Fifth Third	-	99.94	-	99.94
Invested Funds - endowment trust account money/Merrill Lynch	(4,955.00)	8,409.50	6,574.88	10,029.38
Invested Funds - endowment trust account bonds/Merrill Lynch	-	(396.67)	144,434.60	144,037.93
Inventory - resale	8,703.14	-	-	8,703.14
Inventory - magazine archive	12,169.00	-	-	12,169.00
Inventory - conference	4,463.75	-	-	4,463.75
Due from board	410.85	-	-	410.85
Prepaid expenses	39,071.75	-	-	39,071.75
Expenditures for 2008 conference	2,450.00	-	-	2,450.00
Equipment - conference	38,655.00	-	-	38,655.00
Equipment - office	2,189.79	-	-	2,189.79
Less: accumulated depreciation	(11,744.07)	-	-	(11,744.07)
<b>TOTAL ASSETS</b>	<b>\$ 120,955.62</b>	<b>\$ 8,704.27</b>	<b>\$ 151,009.48</b>	<b>\$ 280,669.37</b>

**LIABILITIES AND NET ASSETS**

Liabilities:

Dues paid in advance	\$ 21,535.00	\$ -	\$ -	\$ 21,535.00
Accounts payable	850.00	-	-	850.00
Due to Metal Museum	-	30.00	-	30.00
Due to the exhibit fund	-	561.50	-	561.50
<b>TOTAL LIABILITIES</b>	<b>22,385.00</b>	<b>591.50</b>	<b>-</b>	<b>22,976.50</b>

Unrestricted Net Assets:

General operations	98,570.62	-	-	98,570.62
--------------------	-----------	---	---	-----------

Temporarily Restricted Net Assets:

Net endowment earnings, gains and losses	-	8,112.77	-	8,112.77
<b>Total Temporarily Restricted Net Assets</b>	<b>-</b>	<b>8,112.77</b>	<b>-</b>	<b>8,112.77</b>

Permanently Restricted Net Assets:

Endowment trust principal balance	-	-	151,009.48	151,009.48
-----------------------------------	---	---	------------	------------

<b>TOTAL NET ASSETS</b>	<b>98,570.62</b>	<b>8,112.77</b>	<b>151,009.48</b>	<b>257,692.87</b>
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>\$ 120,955.62</b>	<b>\$ 8,704.27</b>	<b>\$ 151,009.48</b>	<b>\$ 280,669.37</b>

See Accountant's Compilation Report

Artist-Blacksmith's Association of North America, Inc.  
Statement of Revenues, Expenses, and Other Changes in Net Assets - Modified Cash Basis  
For The Year Ended December 31, 2006

	<u>Annual Budget</u>	<u>Year To Date Actual</u>	<u>Remaining Budget</u>
<u>Unrestricted Net Assets, Revenues &amp; Gains</u>			
Membership Dues	\$ 244,000.00	\$ 220,334.29	\$ 23,665.71
Library Income	-	1,166.00	(1,166.00)
Advertising Income	65,000.00	54,169.00	10,831.00
Investment Return	2,000.00	2,537.34	(537.34)
Conference Allocation	32,234.00	-	32,234.00
Contributions (Non-Restricted)	-	-	-
Unrealized Gain (Loss)	-	161.05	(161.05)
Other Income	-	530.80	(530.80)
	<u>343,234.00</u>	<u>278,898.48</u>	<u>64,335.52</u>
Retail Sales	8,500.00	5,035.99	3,464.01
Cost of Sales	<u>(10,000.00)</u>	<u>(5,524.97)</u>	<u>(4,475.03)</u>
Net Retail Sales	<u>(1,500.00)</u>	<u>(488.98)</u>	<u>(1,011.02)</u>
Total Revenues/Gains	341,734.00	278,409.50	63,324.50
<u>Expenses:</u>			
<u>Publications:</u>			
Ad Commissions	13,000.00	14,450.96	(1,450.96)
Publications	<u>197,020.00</u>	<u>196,566.72</u>	<u>453.28</u>
Total Publication Expense	210,020.00	211,017.68	(997.68)
<u>Program Services:</u>			
Humble Award	300.00	34.15	265.85
Bealer Award	500.00	475.00	25.00
Educational Programs			
Teaching Program	250.00	-	250.00
Prof/Academic Outreach Committee	2,000.00	-	2,000.00
Library Expenses	1,000.00	1,096.43	(96.43)
Exhibitions	1,000.00	600.00	400.00
Membership Services	1,000.00	4,442.86	(3,442.86)
Internet Site	1,000.00	1,124.00	(124.00)
Webmaster Service	3,000.00	2,800.00	200.00
Sales and Rentals	<u>1,000.00</u>	<u>-</u>	<u>1,000.00</u>
Total Program Services	11,050.00	10,572.44	477.56
<u>Metal Museum Contribution</u>	1,000.00	-	1,000.00

See Accountant's Compilation Report

Artist-Blacksmith's Association of North America, Inc.  
Statement of Revenues, Expenses, and Other Changes in Net Assets - Modified Cash Basis  
For The Year Ended December 31, 2006

	<u>Annual Budget</u>	<u>Year to Date Actual</u>	<u>Remaining Budget</u>
<u>Support Services:</u>			
Accounting	10,700.00	10,700.00	0.00
Administrative	17,000.00	13,913.74	3,086.26
Depreciation	-	-	0.00
Insurance and Bonds	6,000.00	3,797.00	2,203.00
Election	3,000.00	4,133.00	(1,133.00)
Postage	9,000.00	6,982.22	2,017.78
Central Office	56,764.00	56,764.00	0.00
Copier	2,800.00	2,402.07	397.93
Travel - Board Members	15,000.00	4,641.97	10,358.03
Treasurer's Office	400.00	-	400.00
Total Support Services Expense	<u>120,664.00</u>	<u>103,334.00</u>	<u>17,330.00</u>
Total Expenses	<u>342,734.00</u>	<u>324,924.12</u>	<u>17,809.88</u>
Net Change in Unrestricted Assets	-	(46,514.62)	45,514.62
<u>Restricted Net Assets</u>			
Investment Return	5,600.00	7,583.02	(1,983.02)
Investment Expenses	-	(4,430.00)	4,430.00
Contributions Received	-	4,595.00	(4,595.00)
Unrealized Gain (Loss)	-	(1,190.09)	1,190.09
Other Donor Restricted Expenses	-	-	0.00
Scholarships and Grants	<u>(5,600.00)</u>	<u>(3,200.00)</u>	<u>(2,400.00)</u>
Net Change in Restricted Assets	<u>-</u>	<u>3,357.93</u>	<u>(3,357.93)</u>
<u>Other Changes in Net Assets</u>			
Relief Fund Receipts	-	24,972.13	-
Relief Fund Disbursements	<u>-</u>	<u>(41,849.50)</u>	<u>-</u>
Net Relief Fund Activity	-	(16,877.37)	-
Excess '06 Conf Revenues Over Expenses	-	11,990.53	-
Change in Net Assets	-	(48,043.53)	-
Net Assets Beginning of Period	<u>-</u>	<u>305,736.40</u>	<u>-</u>
NET ASSETS AT END OF PERIOD	<u>\$ -</u>	<u>\$ 257,692.87</u>	<u>\$ -</u>

See Accountant's Compilation Report