



Section 2

Financial Statements

I. Operations	2- 1 , 2 , 3
Balance Sheet	2- 4
II. Cash and Investments	2- 5
III. Debt	2- 6 , 7
IV. Net Assets	2- 8 , 9



I. Operations

Cash from operations for the twelve months ended December 31, 2007 increased \$36,279 before payments on debt. This result enabled accelerated payments of \$51,400 to be made on debt obligations. The net result was negative \$15,120 for operations.

Cash was **provided** primarily by **\$89,867** from the **Development** function. This is an increase of \$12,202 over 2006. The increase came from implementation of a solicitation process for the Annual Giving model implemented in 2006, and increased generosity for restricted gifts.

The **Membership** Function **consumed \$26,830**. That amount was \$12,157 more than 2006. This increase was due to improvements in the publication of the Crystal Ball newsletter and cost for implementing an Annual Fund solicitation process.

The **Museum** function **consumed \$76,797** for the year. Excluding the debt payments mentioned above, there was no material difference in the approximate \$25,000 operating cost of the Museum function in 2007 and 2006.

Improved money management and reduced office machine expenditures for the Administration function also contributed a savings of \$3,483 over 2006.

In summary, the National Cambridge Collectors operational achievements and the financial results from operations were outstanding.

National Cambridge Collectors, Inc.

I. Operations

All Funds

1. Membership	Actual			2007 Budget		
	12/31/07	12/31/06	More (Less)	Budget	More (Less)	12/31/07
A. Crystal Ball operation	(18,968.87)	(9,483.97)	(9,485)	(12,500)	(6,469)	(18,969)
B. Convention	(397.48)	(1,569.97)	1,172	(1,800)	1,403	(397)
C. General marketing	(6,727.94)	(3,010.72)	(3,717)	(2,990)	(3,738)	(6,728)
D. Member services	(736.42)	(608.65)	(128)	(1,500)	764	(736)
	(26,830.71)	(14,673.31)	(12,157)	(18,790)	(8,041)	(26,831)

2. Development

A. Fundraising						
1) Annual Giving	41,168.60	31,805.75	9,363	32,500	8,669	41,169
2) Gifts	16,947.80	6,625.55	10,322	6,000	10,948	16,948
3) Projects	4,006.00	9,334.61	(5,329)	5,800	(1,794)	4,006
4) Grants	2,500.00	0.00	2,500	0	2,500	2,500
	<u>64,622.40</u>	<u>47,765.91</u>	<u>16,856</u>	<u>44,300</u>	<u>20,322</u>	<u>64,622</u>
B. Events						
1) Benefit Auction	7,176.25	8,732.60	(1,556)	7,206	(30)	7,176
2) Glass Show	3,976.04	3,634.05	342	4,200	(224)	3,976
3) Glass Dash	2,387.69	3,015.12	(627)	2,940	(553)	2,387
4) Convention Auction	3,613.00	6,312.00	(2,699)	2,500	1,113	3,613
	<u>17,152.98</u>	<u>21,693.77</u>	<u>(4,541)</u>	<u>16,846</u>	<u>306</u>	<u>17,152</u>
C. Merchandise						
1) Resale glass	7,704.15	7,308.45	396	7,500	204	7,704
2) Miscellaneous	387.91	897.47	(510)	750	(362)	388
	<u>8,092.06</u>	<u>8,205.92</u>	<u>(114)</u>	<u>8,250</u>	<u>(158)</u>	<u>8,092</u>
	89,867.44	77,665.60	12,202	69,396	20,471	89,867

3. Education

A. Publications						
1) Sales	8,218.10	8,079.47	139	7,550	668	8,218
2) Cost of sales	(3,830.64)	(5,278.33)	1,448	(3,500)	(331)	(3,831)
3) Royalties	795.00	2,066.25	(1,271)	1,000	(205)	795
	<u>5,182.46</u>	<u>4,867.39</u>	<u>315</u>	<u>5,050</u>	<u>132</u>	<u>5,182</u>
B. Miscellaneous	116.00	211.42	(95)	75	41	116
C. Research materials	(2,809.00)	(128.32)	(2,681)	(1,250)	(1,559)	(2,809)
D. Activities	(375.10)	(394.76)	20	(400)	25	(375)
	2,114.36	4,555.73	(2,441)	3,475	(1,361)	2,114

(Continued next page)

National Cambridge Collectors, Inc.

I. Operations (continued)

All Funds

4. Museum	Actual			2007 Budget		
	12/31/07	12/31/06	More (Less)	Budget	More (Less)	12/31/07
A. Public operations						
1) Admissions	3,485.50	3,748.00	(263)	4,000	(515)	3,486
2) Staffing	(10,137.57)	(8,850.65)	(1,287)	(9,595)	(543)	(10,138)
	<u>(6,652.07)</u>	<u>(5,102.65)</u>	<u>(1,549)</u>	<u>(5,595)</u>	<u>(1,057)</u>	<u>(6,652)</u>
B. Building						
1) Utilities	(6,402.42)	(5,716.82)	(686)	(6,050)	(352)	(6,402)
2) Maintenance & Improv.	(3,032.73)	(7,221.95)	4,189	(1,950)	(1,083)	(3,033)
	<u>(9,435.15)</u>	<u>(12,938.77)</u>	<u>3,504</u>	<u>(8,000)</u>	<u>(1,435)</u>	<u>(9,435)</u>
C. Contents	(1,636.99)	(54,101.57)	52,465	(1,500)	(137)	(1,637)
D. Parking space rentals	3,172.50	3,982.50	(810)	3,983	(810)	3,173
E. Storage building	(2,836.66)	(508.26)	(2,328)	(2,195)	(642)	(2,837)
F. Insurance	(3,646.00)	(3,500.00)	(146)	(3,500)	(146)	(3,646)
G. Financing						
1) Interest	(4,363.05)	(2,589.46)	(1,774)	(5,144)	781	(4,363)
2) Principal	(51,400.00)	(7,600.00)	(43,800)	(26,400)	(25,000)	(51,400)
3) Financing costs	0.00	(285.50)	286	0	0	0
4) Draws	0.00	50,000.00	(50,000)	0	0	0
	<u>(55,763.05)</u>	<u>39,525.04</u>	<u>(95,288)</u>	<u>(31,544)</u>	<u>(24,219)</u>	<u>(55,763)</u>
	<u>(76,797.42)</u>	<u>(32,643.71)</u>	<u>(44,154)</u>	<u>(48,352)</u>	<u>(28,446)</u>	<u>(76,797)</u>

5. Administration

A. Staffing	(4,025.68)	(2,340.82)	(1,685)	(2,935)	(1,091)	(4,026)
B. Office	(2,574.78)	(4,344.40)	1,770	(3,725)	1,150	(2,575)
C. Operations	(958.84)	(649.69)	(309)	(807)	(152)	(959)
D. Organization	(900.00)	(1,400.00)	500	(900)	0	(900)
E. Unclassified	(306.11)	(59.51)	(247)	0	(306)	(306)
	<u>(8,765.41)</u>	<u>(8,794.42)</u>	<u>29</u>	<u>(8,367)</u>	<u>(398)</u>	<u>(8,765)</u>
F. Investment income	5,291.06	1,837.35	3,454	5,785	(494)	5,291
	<u>(3,474.35)</u>	<u>(6,957.07)</u>	<u>3,483</u>	<u>(2,582)</u>	<u>(892)</u>	<u>(3,474)</u>

Change in cash (15,120.68) 27,947.24 (43,068)

3,147 (18,269) (15,121)



Balance Sheet
12/31/07

II. Cash and Investments	Actual		More (Less)
	12/31/07	12/31/06	
Checking			
National City Bank	32,640.21	556.72	32,083
Peoples Bank	1,248.12	6,942.18	(5,694)
Paypal	672.23	1,296.25	(624)
Imprest	50.00	900.00	(850)
National City Bank Savings	0.00	105,824.19	(105,824)
Brokerage			
Schwab Unrestricted	6,585.60	4,529.23	2,056
Schwab Endowment	63,731.73	0.00	63,732
Total Assets	<u>104,927.89</u>	<u>120,048.57</u>	(15,120.68)

III. Debt			
Peoples Bank	0.00	26,400.00	(26,400)
6.375% Reprices 2/28/08			
National City Bank	25,000.00	50,000.00	(25,000)
7.750% Prime+ .5%			
	<u>25,000.00</u>	<u>76,400.00</u>	(51,400)

IV. Net Assets			
Unrestricted funds	28,378.56	58,315.86	(29,937)
Temporarily restricted funds	12,845.74	6,041.21	6,805
Endowment fund	63,703.59	55,691.50	8,012
Less: Debt	(25,000.00)	(76,400.00)	51,400
	<u>79,927.89</u>	<u>43,648.57</u>	36,279.32

Total Debt and Net Assets **104,927.89** **120,048.57** **(15,120.68)**



Balance Sheet

II. Cash and Investments

Overview

Financial assets consist of cash and investments. The cash accounts consist of two checking accounts, an account with Paypal for internet commerce, and impressed "petty cash" funds for the conduct of daily business transactions. The two checking accounts are with National City Bank (NCB) and Peoples Bank (Peoples). The NCB account is the primary checking account used for the majority of business transactions and has a sweep investment feature for all available amounts over \$10,000. The Peoples account maintains a limited balance and is available to three volunteers who access the account with debit cards for local transactions.

The investment accounts consist of two accounts with Charles Schwab & Co. The Schwab accounts are the primary investment accounts. The first Schwab account is for the investment of unrestricted funds and the receipt of gift-in-kind securities. The second account is for the long-term investment funds restricted in purpose for the NCC Endowment fund.

2007 Results

Cash and Investments decreased \$15,120 to \$104,927 for the calendar year reporting period ended December 31, 2007. At December 31, 2006, the majority of funds (\$105,824) were held in a savings account at NCB including Endowment funds. In early 2007 a second Schwab account was established for the long-term investment of the Endowment fund. The savings account is now inactive with funds disbursed to the Schwab brokerage accounts and the NCB sweep checking account (\$32,640). The Schwab unrestricted account has a balance of \$6,585 at December 31, 2007 comprised of \$4,898 in a money market and \$1,687 for a bank stock received as a gift in kind. The Schwab endowment account holds \$63,731 in a money market fund.



Balance Sheet

III. Debt

Overview

Debt of NCC was obligated under loan agreements with National City Bank (NCB) and Peoples Bank (Peoples) during 2007. The NCB debt was initiated during 2006 with a line of credit (LOC) facility. The line provides for credit availability of \$75,000. The line is secured with a second position mortgage lien on the museum property. Pricing is the Wall Street Journal prime rate plus one-half percent. Required payments are monthly interest only. At December 31, 2007 the interest rate was 7.75%.

The Peoples debt was paid in full during June of 2007. The Peoples loan balance was the result of the original financing (\$125,000) of the museum building purchase in 2001. The note with Peoples Bank was secured by a first position mortgage lien. Debt service on the loan consisted of monthly interest payments and a principal payment each September. The interest rate on the note was 6.375% until April 5, 2008. At that time the loan would have re-priced to the weekly average yield on United States Treasury Securities, adjusted to a constant maturity of one year plus a margin of 3.5%.

The organization owes no other amounts other than trade payables and periodic tax remittances associated with payroll and sales taxes collected.

2007 Results

A line of credit was established with National City Bank at the end of 2006. In December of 2006, a \$50,000 draw was made on the line for the acquisition of original Cambridge Glass Company molds held by Summit Art Glass. During 2007 a \$25,000 payment was made on the amount outstanding. The balance outstanding at December 31, 2007 is \$25,000. The remaining available credit is \$50,000. Interest paid to National City Bank in 2007 was \$3,404.

A principal payment of \$26,400 was made in June on the note agreement with Peoples Bank. This amount satisfied the obligation in full. Interest paid to Peoples in 2007 was \$958.

Total indebtedness at December 31, 2007 is \$25,000 and \$76,400 at December 31, 2006.



Balance Sheet
 III. Debt
 12/31/07

	Total Loans		Peoples Bank (Term loan)		National City Bank (Open line of credit)	
	Principal	Interest	Principal	Interest	Principal	Interest
1/1/07	76,400.00		26,400.00		50,000.00	
JAN		144.92		144.92		194.39
FEB		339.32		144.93		364.50
MAR		495.40		130.90		364.50
APR		509.42		144.92		364.50
MAY		504.75		140.25		364.50
JUN	(26,400.00)	616.95	(26,400.00)	252.45		364.50
JUL		364.50		Paid		364.50
AUG		364.50		6/26/07		364.50
SEP	(25,000.00)	364.50			(25,000.00)	364.50
OCT		314.79				314.79
NOV		172.00				172.00
DEC		172.00				172.00
2007	(51,400.00)	4,363.05	(26,400)	958.37	(25,000)	3,404.68
12/31/07	<u>25,000.00</u>		<u>0</u>		<u>25,000</u>	

6.375%
 Reprices
 2/28/08

7.750%
 Prime+ .5%

out of maximum \$75,000



Balance Sheet

IV. Net Assets

Overview

Nets Assets are claims (funds) on **Cash and Investments** (assets) that are not claimed by **Debt** outstanding. In addition to cash and investments that are defined as assets for the net assets calculation, NCC has assets of real and personal property but their value is excluded. This approach is used to conservatively evaluate the financial condition of NCC using the assumption that the excluded assets are non-liquid due the role they fill in operations. In the calculation of net assets, all assets are allocated based on any restrictions. Debt is then offset against the pool of allocated assets since it has a priority claim against all other funds.

Unrestricted funds have no restriction to their use. Restricted funds fall into two types. The first type is funds restricted by external parties as to condition of use (true restriction). These funds are generally received through gifts or grants. The second type is unrestricted funds that are restricted by the Board of Directors of NCC (quasi-restriction). NCC segregates all restricted funds into two groupings, those restricted to the Endowment fund, and those restricted for all other purposes. When restrictions are met, the funds are released to unrestricted.

The Endowment fund was created by the Board of Directors of NCC to set aside assets for long-term utilization. Earnings on Endowment assets are re-invested in the fund. There is currently no plan to release any Endowment funds from restriction. Other funds are restricted for museum acquisitions, debt repayment, the Education function, and payment for the molds acquisition.

2007 Results

Net Assets at December 31, 2007 are \$79,927 after increasing \$36,279 for the year. The increase is due to the decrease in **Debt** of \$51,400 and an offsetting decrease in **Cash and Investments** of \$15,120 from operations. Net assets available for unrestricted purposes decreased \$29,937 to \$28,378. This decrease is due to the use of unrestricted funds to pay debt. Restricted funds at December 31, 2007 include Endowment (\$63,703), education (\$2,820), museum (\$5,125), and molds (\$4,850). A total \$7,365 was released from restriction in 2007 including \$1,700 for the storage facility roof repairs, and \$2,508 the publication of educational booklet.

National Cambridge Collectors, Inc.
 Balance Sheet
 IV. Net Assets
 12/31/07

Funds	1/1/07	Income	Board Restricted	Released from Restriction	12/31/07
	Beginning Balance				Ending Balance
A. Unrestricted	58,315.86	(37,302.77)	0.00	7,365.47	28,378.56
B. Restricted					
1) Temporarily restricted					
Mortgage	785.00	0.00	0.00	(785.00)	0.00
Museum	225.00	6,600.00	0.00	(1,700.00)	5,125.00
Education	3,336.21	3,200.00	0.00	(3,715.97)	2,820.24
Acquisitions	0.00	332.50	0.00	(282.00)	50.50
Molds	1,000.00	3,850.00	0.00	0.00	4,850.00
Other	695.00	187.50	0.00	(882.50)	0.00
	6,041.21	14,170.00	0.00	(7,365.47)	12,845.74
2) Endowment	55,691.50	8,012.09	0.00	0.00	63,703.59
Restricted	61,732.71	22,182.09	0.00	(7,365.47)	76,549.33
All funds	120,048.57	(15,120.68)	0.00	0.00	104,927.89
Less: Debt	(76,400.00)	51,400.00			(25,000.00)
Net Assets	43,648.57	36,279.32	0.00	0.00	79,927.89