

**INTERNATIONAL ASSOCIATION FOR EXHIBITIONS AND
EVENTS, INC. AND SUBSIDIARIES**

FINANCIAL REPORT

DECEMBER 31, 2007 AND 2006

CONTENTS

	Page
INDEPENDENT AUDITOR'S REPORT.....	1
FINANCIAL STATEMENTS	
Combined Statements of Financial Position	2
Combined Statements of Activities	3
Combined Statements of Changes in Net Assets	4
Combined Statements of Cash Flows	5
Notes to Combined Financial Statements.....	6
ACCOMPANYING INFORMATION	
Combining Statements of Financial Position	12
Combining Statements of Activities	14
Combining Statements of Changes in Net Assets	16



**WEAVER
AND
TIDWELL**

L.L.P.

CERTIFIED PUBLIC
ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

International Association of Exhibition and Events, Inc. and Subsidiaries
Dallas, Texas

We have audited the accompanying combined statements of financial position of International Association of Exhibition and Events, Inc. and Subsidiaries (IAEE) as of December 31, 2007 and 2006, and the related combined statements of activities, changes in net assets and cash flows for the years then ended. These combined financial statements are the responsibility of IAEE's management. Our responsibility is to express an opinion on these combined financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the combined financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall combined financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the combined financial position of International Association of Exhibition and Events, Inc. and Subsidiary as of December 31, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the combined financial statements taken as a whole. The combining statements on pages 12 through 16 are presented for purposes of additional analysis and are not a required part of the combined financial statements. Such information has been subjected to the auditing procedures applied in the audits of the combined financial statements and, in our opinion, is fairly stated in all material respects in relation to the combined financial statements taken as a whole.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Dallas, Texas
August 18, 2008

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INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

ASSETS	2007	2006
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,888,720	\$ 1,365,746
Investments	1,072,301	1,030,419
Accounts receivable, trade, net	198,676	61,117
Accounts receivable, related party	2,857	14,437
Note receivable	90,029	86,147
Inventory	30,280	41,671
Prepaid expenses	66,473	76,285
Property and equipment, net	<u>329,348</u>	<u>394,336</u>
TOTAL ASSETS	<u><u>\$ 3,678,684</u></u>	<u><u>\$ 3,070,158</u></u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable, trade	\$ 2,693	\$ 149,679
Accrued expenses	467,656	382,451
Capital leases payable	227,231	271,348
Deferred revenues	<u>1,018,657</u>	<u>611,040</u>
TOTAL LIABILITIES	1,716,237	1,414,518
NET ASSETS		
Unrestricted net assets	<u>1,962,447</u>	<u>1,655,640</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 3,678,684</u></u>	<u><u>\$ 3,070,158</u></u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
REVENUES AND PROGRAM FEES		
Membership dues	\$ 1,111,695	\$ 1,038,407
Meetings	2,234,903	1,893,566
Education	352,147	222,960
Publications and products	586,936	611,448
Other programs	24,355	20,531
Contributions	75,000	1,025,000
Fund raising	126,850	129,790
Other	11,058	5,950
Investment income	<u>121,918</u>	<u>39,196</u>
 Total revenues and program fees	 <u>4,644,862</u>	 <u>4,986,848</u>
 EXPENSES		
Program services	300,706	234,019
Membership services	379,650	353,886
Meetings	1,655,451	1,554,106
Education	449,100	348,466
Publication and products	262,916	282,099
Fund raising	62,266	58,070
General and administrative expenses	<u>1,227,966</u>	<u>1,221,023</u>
 Total expenses	 <u>4,338,055</u>	 <u>4,051,669</u>
 INCREASE IN NET ASSETS	 <u>\$ 306,807</u>	 <u>\$ 935,179</u>

The Notes to Consolidated Financial Statements are an integral part of these statements.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINED STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

Unrestricted net asset balance, December 31, 2005	\$ 720,461
Change in unrestricted net assets for the year	<u>935,179</u>
Unrestricted Net Asset Balance, December 31, 2006	\$ 1,655,640
Change in unrestricted net assets for the year	<u>306,807</u>
Unrestricted Net Asset Balance, December 31, 2007	<u><u>\$ 1,962,447</u></u>

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	2007	2006
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase in net assets	\$ 306,807	\$ 935,179
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Net unrealized gain on investments	(34,829)	(2,302)
Depreciation and amortization	94,901	52,999
Changes in assets and liabilities:		
Accounts receivable	(137,559)	126,534
Accounts receivable-related party	11,580	7,775
Inventory	11,391	(41,671)
Prepaid expenses	9,812	(11,117)
Accounts payable	(146,986)	(115,653)
Accrued expenses	85,205	202,363
Deferred revenues	407,617	887
	607,939	1,154,994
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(29,913)	(73,011)
Changes in note receivable	(3,882)	(4,013)
Principal payments on capital lease	(44,117)	-
Net investment purchase	(7,053)	(158,389)
	(84,965)	(235,413)
 DECREASE IN CASH AND CASH EQUIVALENTS	522,974	919,581
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,365,746	446,165
 CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 1,888,720	\$ 1,365,746

SCHEDULE OF NON-CASH INVESTING ACTIVITIES

The organization acquired office equipment under capital lease agreements in the amount of \$0 and \$ 271,348 in 2007 and 2006.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 1. HISTORY AND ORGANIZATION

International Association of Exhibitions and Events, Inc. (IAEE) is a not-for-profit membership organization exempt from income tax under Section 501(c)(6) of the U.S. Internal Revenue Code. The Organization was incorporated in the state of Texas. The Organization's international office is located in Dallas, Texas and serves numerous chapter offices located throughout the United States. The purpose of the Organization is to promote the exhibitions and events industry throughout the world and to provide for the education and professional growth of its members.

The Organization's wholly owned subsidiary, IAEE Services, Inc. (Services) is a for-profit organization formed in 1993 to assume all activities as defined by the U.S. Internal Revenue Code not pertaining to the Association's tax exempt purpose.

On March 1, 2006, the operations of the Center for Exhibition Industry Research (CEIR), a not-for-profit 501(c)(6) organization with the mission of advancing the growth, awareness and value of exhibitions and other face-to-face marketing events by producing and delivering research-based knowledge tools were merged with those of IAEE through an agreement and plan of reorganization. This combination was accounted for using the pooling of interests method in accordance with Accounting Principles Board Opinion No. 18, "*Business Combinations*" (APB 18). In accordance with APB 18, the assets and liabilities of IAEE, Services and CEIR are carried forward to the combined entity at their recorded amounts. Income of the combined entity includes the income and expenses of all three entities for the entirety of 2006, the period in which the combination occurred. As a result, unrestricted net assets of the Organization were reduced from the previously stated amount as of December 31, 2005 in the amount of \$184,676. This amount represents the deficit net asset position of CEIR as of the date of combination.

The combined entity is hereinafter referred to as "the Organization."

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting.

Basis of Presentation

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements for Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Basis of Presentation

Unrestricted net assets include those economic resources which are expendable for any purpose in performing the primary objectives of the Organization. They are not subject to donor-imposed restrictions.

Temporarily restricted net assets include those assets whose use is limited by donor-imposed stipulations that expire by either passage of time or actions of the Organization. The Organization did not have any temporarily restricted net assets as of December 31, 2007 or 2006.

Permanently restricted net assets include donor-restricted funds that must be maintained permanently. The Organization did not have any permanently restricted net assets as of December 31, 2007 or 2006.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Cash Equivalents

The Organization considers all highly liquid instruments purchased with a remaining maturity of three months or less to be cash equivalents. The Organization places its cash and cash equivalents with high credit quality financial institutions which, at times, may exceed federally insured limits. The Organization has not experienced any losses on such accounts.

Accounts Receivable

Accounts receivable consist primarily of special events and management fee revenue that has not yet been collected. The allowance at December 31, 2007 and 2006 was \$1,209 and \$0.

Investments

In accordance with SFAS No. 124, "Accounting for Certain Investments held by Not-for-Profit Organizations," investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. The net realized and unrealized gains and losses are reflected in the statements of activities.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventory

Inventory is stated at the lower of cost, on a specific identification basis, or market and consists of promotional merchandise.

Property and Equipment

Property and equipment is stated at cost, if purchased, or at fair value at the date of donation, if contributed, and includes expenditures for major betterments and renewals. Maintenance and repairs are expensed as incurred unless they materially prolong the useful life of the asset. The Organization depreciates property and equipment using the straight-line method over the estimated useful lives of the assets which range from three to five years.

Membership Dues and Deferred Revenue

Membership dues are recognized as revenues over the service period of the membership. Deferred revenue also includes advance registrations and payments for future events and meetings.

Federal Income Taxes

IAEE and CEIR are exempt organizations under Section 501(c)(6) of the U.S. Internal Revenue Code. Income earned from the performance of its Internal Revenue Service exempt purpose is not subject to federal income tax.

IAEE Services is a Corporation under the U.S. Internal Revenue Code and is subject to the applicable tax rate on any taxable income. As of December 31, 2007 and 2006, Services has net operating loss carryforwards of approximately \$285,000 and \$230,000, which begin to expire in 2019. All deferred tax assets are offset by a valuation allowance and therefore no deferred tax assets are reflected in the accompanying combined financial statements.

Compensated Absences

Employees of the Organization are entitled to paid vacation, paid sick days and personal days off depending on job classification, length of services and other factors. Compensated absences are earned on a calendar year basis and amounts not used at year end do not carry over to the following year. The Organization recognizes the cost of compensated absences when paid.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Principles of Combination

The accompanying financial statements reflect the combination of the financial statements of IAEE along with its wholly owned subsidiary, Services, and CEIR. The individual entities have interrelated directors and share common facilities and personnel. All interrelated transactions and balances have been eliminated in this combination.

Reclassifications

Amounts totaling \$1,006,456, presented as investments in 2006 has been reclassified as cash and cash equivalents to conform with current year presentation.

NOTE 3. INVESTMENTS

Investments consisted of equity securities at December 31, 2007 and 2006.

Investment income is summarized as follows for the year ended December 31:

	<u>2007</u>	<u>2006</u>
Interest and dividends	\$ 87,089	\$ 36,894
Unrealized gains, net	34,829	2,302
	<u>\$ 121,918</u>	<u>\$ 39,196</u>

NOTE 4. NOTE RECEIVABLE

The Organization entered into an agreement with the President of IAEE to provide funding for the purchase of insurance on the life of the President. IAEE is to be repaid from the life insurance proceeds upon the death of the insured or from the cash value of the policy if the agreement is terminated. The interest earned by IAEE on the policy was \$3,882 and \$4,013 for the years ended December 31, 2007 and 2006.

NOTE 5. PROPERTY AND EQUIPMENT

Property and equipment is summarized as follows at December 31:

	<u>2007</u>	<u>2006</u>
Furniture, office equipment and software	1,161,121	1,130,831
Less accumulated depreciation	<u>(831,773)</u>	<u>(736,495)</u>
	<u>\$ 329,348</u>	<u>\$ 394,336</u>

Depreciation expense was \$94,901 and \$52,999 for the years ended December 31, 2007 and 2006 respectively.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 6. COMMITMENTS

Operating Leases

The Organization leases its office space under a non-cancelable operating lease. Rent expense was \$106,169 and \$101,856 for the years ended December 31, 2007 and 2006. Future minimum operating lease payments for office space for the years ending December 31 are as follows:

2008	\$	84,880
2009		74,747
2010		99,663
2011		99,663
2012		100,847
2013-2016		329,035

Capital Leases

The Organization entered into capital lease agreements in 2006 in conjunction with the acquisition of office equipment. Future minimum commitments under these capital lease arrangements for the years ending December 31 are as follows:

2008	\$	64,860
2009		64,860
2010		64,860
2011		64,860
2012		9,708
		<hr/>
Net minimum lease payments		269,148
Amounts representing interest		<u>(41,917)</u>
		<hr/>
Present value of net minimum lease	\$	<u><u>227,231</u></u>

The total cost and net book value of assets acquired under capital leases is \$271,348. The depreciation expense taken on these assets was \$44,514 and \$0 for the years ended December 31, 2007 and 2006 respectively.

Line of Credit

The Organization had a line of credit with a bank which provided for advances up to \$100,000. Interest was due monthly and accrued at prime plus one half percent. This line was secured by cash held at the same institution and automatically renews on an annual basis unless terminated by the Organization. As of December 7, 2007, the line was terminated by the organization. There were no borrowings on this line as of December 31, 2007 and 2006. Interest expense was \$0 and \$2,105 for the years ended December 31, 2007 and 2006.

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
NOTES TO COMBINED FINANCIAL STATEMENTS**

NOTE 7. RETIREMENT PLAN

IAEE established a non-contributory discretionary pension plan, which covered substantially all employees. Management bases the amount of contributions on the performance of IAEE. During 2007 and 2006, IAEE contributed \$115,915 and \$61,419 to this plan.

IAEE adopted a separate defined contribution plan that qualifies for the deferral arrangement under U.S. Internal Revenue Code 401(k). The 401(k) plan is available to eligible employees (by tenure) who choose to participate. Each year, participants may contribute up to 15% of their pre-tax compensation. The 401(k) plan allows discretionary matching of participant's contributions, determined on an annual basis. Matching contributions for 2007 and 2006 were \$7,851 and \$4,965.

NOTE 8. RELATED PARTY TRANSACTIONS

Effective January 1, 2003 IAEE managed and administered the creation of the Exhibition Industry Foundation (EIF). EIF supports IAEE by conducting exhibition industry research, maintaining a library of such research, and conducting scholarship, fellowship and award programs. EIF also serves as a fundraising vehicle to promote the exhibition industry. EIF is not consolidated with the Organization as IAEE does not have control or an economic interest in EIF.

The assets of IAEE Foundation, a related party, were transferred to create EIF in 2003. At this time, IAEE Foundation was placed in a dormant state. IAEE Foundation is not consolidated in the financial statements of IAEE as IAEE does not have control or an economic interest in IAEE Foundation.

ACCOMPANYING INFORMATION

INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINING STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2007 AND 2006

	2007				Combined Total
	IAEE	IAEE Services, Inc.	CEIR	Eliminations	
ASSETS					
Cash and cash equivalents	\$ 614,387	\$ 1,005	\$ 1,273,328	\$ -	\$ 1,888,720
Investments, at market value	1,072,301	-	-	-	1,072,301
Accounts receivable, trade	117,461	44,149	37,066	-	198,676
Accounts receivable, related party	198,878	-	27,480	(223,501)	2,857
Note receivable	90,029	-	-	-	90,029
Inventory	-	30,280	-	-	30,280
Prepaid expenses	59,774	5,699	1,000	-	66,473
Property and equipment, net	46,035	259,744	23,569	-	329,348
TOTAL ASSETS	<u>\$ 2,198,865</u>	<u>\$ 340,877</u>	<u>\$ 1,362,443</u>	<u>\$ (223,501)</u>	<u>\$ 3,678,684</u>
LIABILITIES AND NET ASSETS					
Accounts payable, trade	\$ 2,693	\$ -	\$ -	\$ -	\$ 2,693
Accrued expenses	435,341	32,315	-	-	467,656
Accounts payable, related party	27,480	196,021	-	(223,501)	-
Capital lease payable	-	227,231	-	-	227,231
Deferred revenue	948,153	53,672	16,832	-	1,018,657
Total liabilities	<u>1,413,667</u>	<u>509,239</u>	<u>16,832</u>	<u>(223,501)</u>	<u>1,716,237</u>
Unrestricted net assets	785,198	-	1,345,611	(168,362)	1,962,447
Stockholder's equity:					
Common stock, no par value, 100,000 shares authorized; 1 share issued and outstanding	-	117,914	-	(117,914)	-
Retained earnings (deficit)	-	(286,276)	-	286,276	-
Total net assets	<u>785,198</u>	<u>(168,362)</u>	<u>1,345,611</u>	<u>-</u>	<u>1,962,447</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 2,198,865</u>	<u>\$ 340,877</u>	<u>\$ 1,362,443</u>	<u>\$ (223,501)</u>	<u>\$ 3,678,684</u>

2006

IAEE	IAEE Services, Inc.	CEIR	Eliminations	Consolidated Total
\$ 142,432	\$ 68,121	\$ 1,155,193	\$ -	\$ 1,365,746
1,030,419	-	-	-	1,030,419
34,372	26,745	-	-	61,117
283,883	-	576	(270,022)	14,437
86,147	-	-	-	86,147
-	41,671	-	-	41,671
68,338	7,947	-	-	76,285
83,539	310,797	-	-	394,336
\$ 1,729,130	\$ 455,281	\$ 1,155,769	\$ (270,022)	\$ 3,070,158
\$ 147,599	290	\$ 1,790	\$ -	\$ 149,679
344,610	28,581	9,836	(576)	382,451
-	269,446	-	(269,446)	-
-	271,348	-	-	271,348
611,040	-	-	-	611,040
1,103,249	569,665	11,626	(270,022)	1,414,518
625,881	-	1,144,143	(114,384)	1,655,640
-	117,914	-	(117,914)	-
-	(232,298)	-	232,298	-
625,881	(114,384)	1,144,143	-	1,655,640
\$ 1,729,130	\$ 455,281	\$ 1,155,769	\$ (270,022)	\$ 3,070,158

INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINING STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	2007				Combined Total
	IAEE	IAEE Services, Inc.	CEIR	Eliminations	
REVENUES AND PROGRAM FEES					
Membership dues	\$ 1,045,019	\$ -	\$ 96,676	\$ (30,000)	\$ 1,111,695
Meetings	2,234,903	-	-	-	2,234,903
Education	352,147	-	-	-	352,147
Publications and products	9,000	560,436	17,500	-	586,936
Management fees	-	30,000	-	(30,000)	-
Other programs	24,355	-	-	-	24,355
Contributions	-	-	75,000	-	75,000
Fund raising	-	-	126,850	-	126,850
Other	-	-	11,058	-	11,058
Investment income	72,027	-	49,891	-	121,918
	<u>3,737,451</u>	<u>590,436</u>	<u>376,975</u>	<u>(60,000)</u>	<u>4,644,862</u>
EXPENSES					
Program services	330,706	-	-	(30,000)	300,706
Membership services	379,650	-	-	-	379,650
Meetings	1,655,451	-	-	-	1,655,451
Education	449,100	-	-	-	449,100
Publication and products	-	262,916	-	-	262,916
Fund raising	-	-	62,266	-	62,266
General and administrative expenses	763,227	381,498	113,241	(30,000)	1,227,966
	<u>3,578,134</u>	<u>644,414</u>	<u>175,507</u>	<u>(60,000)</u>	<u>4,338,055</u>
Increase (decrease) in unrestricted net assets	<u>\$ 159,317</u>	<u>\$ (53,978)</u>	<u>\$ 201,468</u>	<u>\$ -</u>	<u>\$ 306,807</u>

2006				
IAEE	IAEE Services, Inc.	CEIR	Eliminations	Consolidated Total
\$ 808,619	\$ -	\$ 255,288	\$ (25,500)	\$ 1,038,407
1,893,566	-	-	-	1,893,566
222,960	-	40,000	(40,000)	222,960
319	586,722	24,407	-	611,448
-	30,000	-	(30,000)	-
20,531	-	-	-	20,531
-	-	1,025,000	-	1,025,000
-	-	129,790	-	129,790
2,500	-	3,450	-	5,950
<u>32,740</u>	<u>-</u>	<u>6,456</u>	<u>-</u>	<u>39,196</u>
<u>2,981,235</u>	<u>616,722</u>	<u>1,484,391</u>	<u>(95,500)</u>	<u>4,986,848</u>
259,519	-	-	(25,500)	234,019
353,886	-	-	-	353,886
1,554,106	-	-	-	1,554,106
348,466	-	-	-	348,466
-	282,099	-	-	282,099
-	-	58,070	-	58,070
<u>698,941</u>	<u>494,580</u>	<u>97,502</u>	<u>(70,000)</u>	<u>1,221,023</u>
<u>3,214,918</u>	<u>776,679</u>	<u>155,572</u>	<u>(95,500)</u>	<u>4,051,669</u>
<u>\$ (233,683)</u>	<u>\$ (159,957)</u>	<u>\$ 1,328,819</u>	<u>-</u>	<u>\$ 935,179</u>

**INTERNATIONAL ASSOCIATION OF EXHIBITION AND EVENTS, INC. AND SUBSIDIARIES
COMBINING STATEMENTS OF CHANGES IN NET ASSETS
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006**

	<u>IAEE</u>	<u>IAEE Services, Inc. Retained Earnings (Deficit)</u>	<u>CEIR</u>	<u>Eliminations</u>	<u>Combined Total</u>
	<u>Unrestricted</u>	<u>Unrestricted</u>	<u>Unrestricted</u>	<u>Eliminations</u>	<u>Combined Total</u>
Balances at December 31, 2005	\$ 859,564	\$ (72,341)	\$ (184,676)	\$ 117,914	\$ 720,461
Change in unrestricted net assets for the year ended December 31, 2006	<u>(233,683)</u>	<u>(159,957)</u>	<u>1,328,819</u>	<u>-</u>	<u>935,179</u>
Balances at December 31, 2006	\$ 625,881	\$ (232,298)	\$ 1,144,143	\$ 117,914	\$ 1,655,640
Change in unrestricted net assets for the year ended December 31, 2007	<u>159,317</u>	<u>(53,978)</u>	<u>201,468</u>	<u>-</u>	<u>306,807</u>
Balances at December 31, 2007	<u>\$ 785,198</u>	<u>\$ (286,276)</u>	<u>\$ 1,345,611</u>	<u>\$ 117,914</u>	<u>\$ 1,962,447</u>