

**NATIONAL AUCTIONEERS ASSOCIATION
FINANCIAL STATEMENTS
AND INDEPENDENT
AUDITOR'S REPORT
AS OF DECEMBER 31, 2009 and 2008**

TABLE OF CONTENTS

	<u>Page</u>
Independent Auditor's Report	1
Financial Statements:	
Comparative Statements of Financial Position.....	2 - 3
Comparative Statements of Activities	4
Comparative Statements of Cash Flows	5
Notes to the Financial Statements	6 - 13
Supplemental Information	
Statements of Unrestricted and Restricted Net Assets	14
Statements of Other Expenses	15
Statements of Other Revenues	16
Auxiliary Statement of Activities	17



Purinton, Chance & Mills, LLC

Certified Public Accountants
Business Advisors

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
National Auctioneers Association
Overland Park, Kansas

We have audited the accompanying statement of financial position of the National Auctioneers Association (a nonprofit organization) as of December 31, 2009 and 2008, and the related statements of activities and cash flows for the year and seven months then ended, respectively. These financial statements are the responsibility of the National Auctioneers Association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

We were unable to obtain sufficient documentary evidence to support the balance in the Donor Permanently Restricted Life Membership Fund account of \$299,349. We also were not able to satisfy ourselves as to the carrying value of the aforementioned accounts for the year ended December 31, 2009 by other auditing procedures.

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had we been able to examine evidence regarding the Donor Permanently Restricted Life Membership Fund account explained in Note 8 of the notes to the financial statements, the financial statements referred to in the first paragraph above present fairly, in all material respects, the financial position of the National Auctioneers Association as of December 31, 2009 and 2008 and the changes in its net assets and its cash flows for the year and seven months ended, respectively, in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The information included in the accompanying statement of unrestricted and restricted net assets, statement of other expenses, and statement of other income are presented only for supplementary analysis purposes. Such information has been subjected to the procedures applied in the audit of the basic financial statements, and we are not aware of any material modifications that should be made thereto in order for them to be in conformity with generally accepted accounting principles.

Purinton Chance & Mills, LLC
Purinton, Chance & Mills, LLC

Overland Park, Kansas
February 23, 2010

F:\DATA\8333\2008 Audit\Financials\FinancialsNAA12-31-09.doc

Phone: (913) 491-8200 • Facsimile: (913) 491-5525

Financial Plaza I • 6900 College Boulevard, Suite 350 • Overland Park, Kansas 66211

**National Auctioneers Association
Statement of Financial Condition
As of December 31, 2009 and 2008**

Assets

	12/31/2009	12/31/2008
Current assets:		
Cash and cash equivalents:	\$ 364,177	367,197
Investments	21,429	-
Accounts receivable:		
Auctioneer (less allowance for doubtful accounts of \$471 in 2009 and \$2,942 in 2008)	3,237	9,958
Related Party	17,118	8,947
Prepaid expenses	20,630	44,941
Total current assets	426,591	431,043
Property and equipment:		
Equipment	488,696	487,485
Furniture and Fixtures	134,516	134,516
Building	1,285,789	1,285,789
Total property and equipment	1,909,001	1,907,790
Less: accumulated depreciation	(1,392,305)	(1,291,982)
Total depreciable property	516,696	615,808
Land	271,561	271,561
Net property and equipment	788,257	887,369
Other Assets:		
Life membership restricted cash and cash equivalents	299,349	266,830
Auxiliary Scholarship restricted cash and cash equivalents	42,760	-
Intangible assets	-	15,000
Less: accumulated amortization	-	(7,333)
Total other assets	342,109	274,497
Total assets	\$ 1,556,957	\$ 1,592,909

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

**National Auctioneers Association
Statement of Financial Condition
As of December 31, 2009 and 2008**

Liabilities and Net Assets

	12/31/2009	12/31/2008
Liabilities:		
Current liabilities:		
Trade accounts payable	\$ 43,722	\$ 44,064
Accrued liabilities	14,972	19,788
Current portion capital leases	-	1,195
Current portion deferred income:	2,020	2,020
Current portion deferred rent	24,000	24,000
Total current liabilities	84,714	91,067
Long term debt:		
Long term portion of notes payable	-	181,850
Long term deferred income:		
Memberships	598,385	732,956
Lifetime memberships	59,049	42,979
Learning center membership and conference & show	-	25,957
AARE and CES seminars	1,025	11,045
CAI sessions	111,640	163,185
EI Seminars, ATS, USPAP, and general NAA	9,427	5,190
Total deferred income	779,526	981,312
Less current portion	(2,020)	(2,020)
Total long term deferred income	777,506	979,292
Deferred rents	544,000	443,036
Less current portion	(24,000)	(24,000)
Total long term deferred rents	520,000	419,036
Total long term deferred income	1,297,506	1,398,328
Total liabilities	1,382,220	1,671,245
Net Assets:		
Undesignated deficit	(167,372)	(522,057)
Temporary restricted net assets	-	176,891
Permanently restricted net assets	342,109	266,830
Unrestricted net surplus/(deficit) in excess of total assets	174,737	(78,336)
Total liabilities and net assets	\$ 1,556,957	\$ 1,592,909

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

National Auctioneers Association
Statement of Activities
For the Year Ended December 31, 2009 and the Seven Months Ended December 31, 2008

	12/31/2009	12/31/2008
Revenues:		
Dues	1,353,095	950,458
Designation programs	506,698	156,639
Conference	650,433	837,302
Advertising	165,058	143,530
Investment income	8,918	6,839
Lease income	24,000	14,000
Auxiliary	3,734	-
Other	59,541	116,073
Total revenues	2,771,477	2,224,841
Expenses		
Publications	122,184	133,634
Salaries and benefits	858,436	558,813
Conference	535,864	657,743
Designation programs	404,941	134,331
Auxiliary	18,757	-
Board travel	28,755	34,519
Membership development	51,180	18,572
Professional and consultant fees	100,058	50,414
Public relations	37,145	44,418
Utilities	37,865	14,212
Repairs and maintenance	40,010	26,322
Taxes and insurance	25,115	13,868
Computer Expenses	80,827	107,365
Interest Expense	3,752	15,461
Loss on Sale of Asset	-	9,517
Other	164,616	64,577
Total expenses before depreciation	2,509,505	1,883,766
Change in net assets before depreciation	261,972	341,075
Depreciation expense	(100,823)	(63,902)
Change in unrestricted deficit	161,149	277,173

See Independent Auditor's Report.

The accompanying notes are an integral part of these financial statements.

National Auctioneers Association
Statement of Cash Flows
For the Year Ended December 31, 2009 and the Seven Months Ended December 31, 2008

	<u>12/31/2009</u>	<u>12/31/2008</u>
Cash flows from operating activities:		
Changes in net assets	161,149	\$ 277,173
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Depreciation	100,823	(63,902)
Loss / (Gain) on Sale of Assets	(7,833)	9,517
Bad debt expense	(2,347)	382
Recognition of Deferred Lease Income	(24,000)	(14,000)
Non-cash transactions	(942)	116,213
Decrease (increase) in operating assets:		
Accounts receivable (gross)	9,192	35,601
Accounts Receivable - Related Party	(8,171)	-
Prepaid expenses and other assets	24,311	73,317
Increase (decrease) in other liabilities:		
Accounts payable	342	(3,769)
Accrued expenses	(4,816)	(59,220)
Capital Lease	(1,195)	-
Deferred revenue	(201,786)	(329,469)
Non-cash transfers between deferred revenue accounts	5,500	-
Deferred rent	100,964	-
Net cash provided (used) by operating activities	<u>151,191</u>	<u>41,843</u>
Cash flows from investing activities:		
Proceeds from sale of asset	15,000	6,050
Purchase of Equipment	(1,211)	-
Purchase of Investments	(21,429)	349,268
Net cash provided (used) by investing activities	<u>(7,640)</u>	<u>355,318</u>
Cash flows from financing activities:		
Repayment of long term debt	(181,850)	(284,538)
Auxiliary cash accounts consolidated onto books 1/1/09	96,987	-
Purchase of life membership funds	(60,000)	-
Change in scholarship restricted fund	(1,708)	(266,830)
Net cash provided (used) by financing activities	<u>(146,571)</u>	<u>(551,368)</u>
Net change in cash and cash equivalents	(3,020)	(154,207)
Cash and cash equivalents:		
Beginning of year	<u>367,197</u>	<u>521,404</u>
Cash and cash equivalents end of year	<u>364,177</u>	<u>\$ 367,197</u>
Interest Paid	3,752	14,156
Taxes Paid	74,035	45,516

See Independent Auditor's Report.
The accompanying notes are an integral part of these financial statements.

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 1. Summary of Significant Accounting Policies

a. Operations

The company is a not-for-profit corporation, which provides educational services and information regarding the auctioneering profession. Magazines are published as part of the member's annual dues investment, a convention is presented annually, and several seminars are presented throughout the year. The association also has an Auxiliary, through which non-auctioneers can assist the association.

b. Cash Equivalents

For purposes of the statement of cash flows, the company considers cash and cash equivalents to consist of undesignated cash on hand and undesignated checking accounts as well as all short term debt securities purchased with a maturity of three months or less.

c. Accounts Receivable

Accounts receivable is recorded at the amount the Company expects to collect on balances outstanding at year-end. Management has established an allowance for uncollectible accounts of \$471 and \$2,942 as of December 31, 2009 and 2008, which consists of accounts over sixty days past due.

d. Investments

The Association utilizes an investment strategy that is highly risk-averse. The investments are held in FDIC insured certificates of deposits and money market accounts. The life member funds are held in accounts separate from the operating accounts of the Association. The investments are reported at their bank balances at the balance sheet date, which is each accounts fair market value.

	<u>2009</u>	<u>2008</u>
UMB Money Market	\$156,409	\$156,403
Restricted Bank Midwest 36 month CD	90,000	90,000
Restricted Capital Federal 14 month CD	76,444	45,001
Restricted Capital Federal 14 month CD	112,666	109,149
Restricted Capital Federal 12 month CD	30,544	- 0 -
Restricted Capital Federal Money Market	42,760	- 0 -
Carolina First Bank 12 month CD	<u>11,124</u>	<u>- 0 -</u>
	\$519,947	\$400,553

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

e. Property and Equipment

Property and equipment are carried at cost. Depreciation of property and equipment is computed utilizing the straight-line, modified asset cost recovery system, and modified asset cost recovery system straight line methods at rates based on the following estimated useful lives of the assets.

	<u>Years</u>
Automobiles	5
Buildings	10-30
Equipment	3-7
Furniture and Fixtures	5-7
Intangible Assets	15

Expenditures for major renewals and betterments that extend the useful lives of property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred. Depreciation and amortization expense was \$100,823 and \$63,902 for the year ended December 31, 2009 and the seven months ended December 31, 2008.

f. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

g. Advertising

The Company utilizes its company created publications to satisfy the advertising needs of the organization. Therefore, the advertising expenses are accounted for indirectly as a portion of the publishing expenses of these publications.

h. Compensated Absences

Compensated absences of \$14,972 and \$19,788 have been accrued as of December 31, 2009 and December 31, 2008. The Company's policy is to accrue for personal time off. The policy states that upon termination accrued personal time off is to be paid, at a rate of fifty percent of the value earned, up to a maximum determined by the number of years the employee has worked at the company. The company recognizes these costs as salary as they are accrued.

Note 2. Income Taxes

The Association is exempt from federal income taxes under Internal Revenue Code Section 501(c) (6) and from state income tax under applicable Kansas state law.

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 3. Long-Term Debt

The company executed a note payable with UMB Bank in the amount of \$600,000 payable in one payment of the outstanding principle and accrued interest on March 1, 2010. Interest payments, at the rate of 7.125% per annum, are due on a monthly basis, starting April 1, 2007, until the note is paid in full. The borrower can make voluntary prepayments of principle without incurring any penalties. The note is secured by the first mortgage on the company's building located at 8880 Ballentine in Overland Park, Kansas. The outstanding balance due at December 31, 2008 was \$181,850, and the company paid off the outstanding mortgage on December 22, 2009, releasing all liens against the property.

Note 4. Capital Lease Obligations

The company acquired equipment through the use of long-term leases. For financial reporting purposes, the assets and liabilities are recorded at the present value of the minimum lease payments. Minimum monthly lease payments are \$532. The assets are amortized over their estimated useful lives with the amortization included in depreciation. Leases are secured by the equipment.

Mail Machine – monthly payments of \$171 with principle payments due at December 31, 2008 of	<u>2009</u>	<u>2008</u>
	\$ - 0 -	<u>\$1,195</u>
Total Capital Lease Obligations	- 0 -	\$1,195
Less current portion	<u>- 0 -</u>	<u>(1,195)</u>
Net Capital Lease Obligation	\$ - 0 -	\$ - 0 -

Minimum future lease payments under capital lease obligations are:

Year	Amount
2009	\$1,195

Note 5. Lease Commitments

The Association has entered into a facility lease agreement on September 1, 2007 with the National Auctioneers Association Foundation, a related organization, in which the Foundation will lease the portion of the building located at 8880 Ballentine Rd., Overland Park, KS 66214 covering the entire mezzanine area (museum), second floor walled office

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 5. Lease Commitments (continued)

space and additional office space based on availability, lower level storage area and existing climate controlled room with access and use to shelving outside of climate controlled rooms as required and one walled office space in the lower level of the building as well as the nonexclusive use of the common areas of the building and the parking lot surrounding the building. The lease is for the term of 25 years with a monthly rate of \$2,000. This lease will expire on August 31, 2032, unless sooner terminated in accordance with the provisions of the lease agreement. Should the landlord (National Auctioneers Association) terminate the agreement, both parties will agree to a pro-rated settlement for the prepaid rents. Should the tenant cancel there would be no consideration for a refund of prepaid rent. At December 31, 2008, \$418,150 has been paid on the lease which represents payments through December 31, 2024 and is being carried as deferred rent. At December 31, 2009 prepayments equaled \$544,000, representing payments through August 31, 2032.

Note 6. Contractual Obligations

The Association entered into a contract, as of June 12, 2007, with Content Management Corporation, entitling CMC to the first \$60,000 in revenue earned from the annual conference hosted by the Association. Payment of any additional production costs exceeding \$60,000, and 50% of all revenues earned in excess of the production costs incurred by CMC for the span of five years ending May of 2012. If the revenue from the conference was not enough to cover at least \$60,000 in production costs, the Association is obligated to pay CMC the difference, thus guaranteeing that CMC would recoup \$60,000 in production costs. This contract was in effect on 12/31/08, and the Association still owed \$10,000 for the production costs incurred in 2008. During 2009, management opened negotiations with CMC to release the Association from the guarantee of \$60,000 in production costs. The contract was amended February 5, 2009 to reflect the cancellation of the guarantee. The amended contract entitles CMC to the full payment of the balance owed by the Association as of February 5, 2009 of \$30,000. The amended contract specified that the balance due would be paid back in six monthly installments, instead of one lump sum due in six months. It also entitles CMC to have a preferential space on the Conference and Show registration form for a one year subscription to their Online Knowledge Center, at a cost of \$195. In this way, attendees of the Conference can sign-up and pay for a subscription with their registration. No additional production costs were incurred by the Association in 2009. The Association paid \$34,875 under the contract for the year ending December 31, 2009.

Note 7. Defined Contribution Plan

All full time members are eligible to receive a matching contribution from the Company to their 401(k) contribution after one year of employment. All participants may elect to defer up to 20% of their salary on a pre-tax basis, but cannot exceed the amount of

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 7. Defined Contribution Plan (cont.)

allowable contributions established by the Internal Revenue Service for a given calendar year. Participants are fully vested in both their salary deferral and the employers matching contributions.

The Board of Directors will determine the annual Company match to the 401(k) during the fourth quarter of the preceding year. The Association currently matches an employee's contribution dollar-for-dollar match up to five percent of the participant's salary. This matching policy was in effect for the year ending December 31, 2009 and the seven months ended December 31, 2008. The Company matched \$29,921 and \$22,132 in employee contributions to the plan in the year ended December 31, 2009 and the seven months ended December 31, 2008.

Note 8. Lifetime membership funds

In prior years, members of the Association had the ability to purchase life memberships. Upon purchasing a life membership, the funds are permanently restricted, and the interest earned is used to pay for the membership dues of the member for the period of 18 years. The board of directors has placed a freeze on the selling of this membership option, while they review the benefits of this program. The life membership funds are maintained separately from the association's operating account, in certificate of deposit accounts at Capital Federal Bank and Bank Midwest. During the year ended December 31, 2009, the Association transferred \$60,000 from its operating account and designated the Bank Midwest CD as restricted life funds. The restricted Life Membership fund currently has a balance of \$299,349.

Note 9. Sale of Auction World

During the 59th International Auctioneers Conference and Show, in Nashville, TN on July 11, 2008, the leadership of the National Auctioneers Association announced the intended sale of its publication, *Auction World*, at auction. The winning bidder will own the name and trademark rights to the publication, as well as the advertising contracts and subscription database. The winning bid of \$15,000 was submitted by New KAJ, Inc. Unfortunately, several disputes arose while finalizing the sale, and the association and New KAJ, Inc. were in litigation until June 27, 2009, at which point the parties settled their differences and the sale was finalized. The Association recognized a gain of \$7,833 on the sale.

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 10. Change in Fiscal Year End

As a part of the strategic review of operations performed in June 2008, the leadership of the association decided to change the Association's fiscal year. In prior years, May 31 was used as the fiscal year, in order to start the fiscal year with the annual conference and show. Management has now decided that a calendar year end more properly reflects the operating cycle of the association. The by-laws have been changed and ratified to reflect the change in the fiscal year end. 2009 was the first fiscal year to report results for a full fiscal year ending December 31.

Note 11. Related Parties and Affiliated Organizations

The Association sells advertising space in its publication, *The Auctioneer*, on account. Several members of the board of directors purchase advertising space in the publication for their outside businesses. The amount of advertising fees owed by these related parties as of December 31, 2009 was \$ - 0 - and December 31, 2008 was \$11,251. The amount of advertising purchased by members of the board of directors was \$20,942 during 2009.

During the fiscal year ended December 31, 2008, the association managed the books of seventeen state auctioneer associations. The association dissolved this relationship with all of the state organizations except for the Oregon State Auctioneers Association by December 31, 2008. As a part of this affiliation, the National Auctioneers Association made payments and collected receipts for these organizations. The total amount due to these affiliated organizations as of December 31, 2008 was \$5,046. During the year ended December 31, 2009, the association settled all accounts with the state associations, and stopped providing management services to all of the state associations.

The Association currently has an agreement with the National Auctioneers Association Foundation to handle the processing and payment of the Foundation's semi-monthly payroll at the same time as the association's regular payroll. The Foundation then reimburses the Association for the portion of the payroll expenses incurred by the Association for those employees.

Members of the board of directors are utilized as speakers for the designation program seminars made available to the members. The amount paid to related party instructors during 2009 were \$14,975. No payments to related parties for instructor fees were made during the seven months ended December 31, 2008.

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 12. Auxiliary Consolidation

As of January 1, 2009, the Association consolidated the activity of the Auxiliary of the National Auctioneers Association into the Association. Included in the Association's Financial Statements as of December 31, 2009 were the following amounts:

	<u>Restricted</u>	<u>Unrestricted</u>	<u>Total</u>
Cash and Cash Equivalents	\$ 42,760	\$ 55,983	\$ 98,743
Net Assets	42,760	55,983	98,743
Income	10,557	22,220	32,777
Expense	12,265	18,756	31,021
Surplus / (Deficit)	(1,708)	3,464	1,756
Balance as of December 31, 2008	44,468	52,519	96,988
Current Year Excess	(1,708)	3,464	1,756
Cash and Cash Equivalents As of December 31, 2009	\$ 42,760	\$ 55,983	\$ 98,743

Note 13. Auxiliary Scholarship Fund

The Auxiliary of the National Auctioneers Association has established an endowment to pay three annual scholarships to qualifying candidates. A qualifying applicant is any child or grandchild of a current Auxiliary member with continuous membership for five years. A qualifying applicant must be graduating from an accredited high school and be accepted as an undergraduate at a qualified college, university, or school of technology, or be an undergraduate who has completed the past year at a qualified college, university or school of technology. Past Auxiliary scholarship winners are not eligible. The applications of the qualified candidates are submitted to the chairman of the Auxiliary Committee, who then appoints a scholarship committee consisting of three members to review the applications. Once the judges have made their selections, the scholarships are sent to the awardees. In 2009, the president of the Auxiliary, with the committee's backing, authorized six scholarships to be awarded.

The Auxiliary raises funds for the scholarships by selling "Unsung Heroes" prints. They also supplement the income from this campaign by hold other fundraising activities during the year. The funds are currently held in a money market account at Capital Federal Bank. All proceeds from the fund are permanently restricted for the growth of the endowment fund. The current balance of the endowment is \$42,760.

Note 14. Subsequent Event

Subsequent to the balance sheet date, events have occurred that are material to the financial statements and footnote disclosures when taken as a whole. During the Fall Board Meeting,

National Auctioneers Association
Notes To Financial Statements
December 31, 2009 and 2008

Note 14. Subsequent Event (continued)

which took place October 12-13, 2009, the Board authorized the dissolution of the Association's Political Action Committee (PAC). As of the balance sheet date, the Board had not specified where the funds currently held by the PAC would go following the dissolution. As of February 25, 2010, the Board has approved the investment of those funds into the Association's current operations. The PAC currently has remaining funds equal to \$40,000.

SUPPLEMENTAL INFORMATION

National Auctioneers Association
Statement of Unrestricted and Restricted Assets
For the Year Ended December 31, 2009 and the Seven Months Ended December 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Beginning Balance, May 31, 2008	\$ (523,163)	-	\$ 266,830	\$ (256,333)
Change in Net Assets, Dec. 31, 2008	277,173	-	-	277,173
Prior Period Adjustment - Lease	(2,389)	-	-	(2,389)
Prior Period Adjustment - Deferred Income	(96,787)	-	-	(96,787)
Prior Period Adjustment to properly classify permanently restricted life membership funds received at 12/31	(176,891)	176,891	-	-
Ending Balance, December 31, 2008	<u>\$ (522,057)</u>	<u>\$ 176,891</u>	<u>\$ 266,830</u>	<u>\$ (78,336)</u>
Beginning Balance, December 31, 2008	\$ (522,057)	\$ 176,891	\$ 266,830	\$ (78,336)
Consolidation of Auxiliary into NAA books	51,158	-	\$ 44,468	95,626
Transfer of cash to Life Membership funds	(60,000)	-	60,000	-
Interest earned on restricted assets released from restriction	2,813	-	(4,807)	(1,994)
Reclassification of restricted net assets	199,565	(176,891)	(22,674)	-
Change in Net Assets, Dec. 31, 2009	<u>161,149</u>	<u>-</u>	<u>(1,708)</u>	<u>159,441</u>
Ending Balance, December 31, 2009	<u>\$ (167,372)</u>	<u>\$ -</u>	<u>\$ 342,109</u>	<u>\$ 174,737</u>

See independent auditor's report.
The accompanying notes are an integral part of these financial statements

National Auctioneers Association
Schedule of Other Revenues
For the Year Ended December 31, 2009 and the Seven Months Ended December 31, 2008

Other Revenues	<u>12/31/2009</u>	<u>12/31/2008</u>
State Management Services	\$ 3,176	\$ 55,140
Affinity	26,024	21,825
Governmental Affairs	-	3,675
Gain on Sale of Auction World	7,833	-
Other Income	22,508	35,433
	<u>\$ 59,541</u>	<u>\$ 116,073</u>

See independent auditor's report.
The accompanying notes are an integral part of these financial statements.

National Auctioneers Association
 Schedule of Auxiliary Activities
 12/31/2009

	Unrestricted	Restricted	Total
Income			
Membership Dues	17,990	-	17,990
Fun Auction Proceeds	2,083	3,800	5,883
Unsung Heroes Print	-	5,798	5,798
Interest Income	497	269	766
Other Income	1,651	691	2,342
 Total Revenue	 22,221	 10,558	 32,779
Expenses			-
Management Fees	6,000	-	6,000
Educ. Committee Exp	1,243	-	1,243
Conference & Show	6,541	-	6,541
Memb./Newsletter Exp.	952	-	952
Donation to the NAF	3,000	-	3,000
Scholarship Expenses	-	12,000	12,000
Website Expenses	325	-	325
Operating Expenses	696	266	962
 Total Expense	 18,757	 12,266	 31,023
 Change in Net Assets, 12/31/09	 3,464	 (1,708)	 1,756
 Beginning Net Assets, 1/1/2009	 52,519	 44,468	 96,987
 Ending Net Assets, 12/31/2009	 55,983	 42,760	 98,743

See independent auditor's report.

The accompanying notes are an integral part of these financial statements.