

**AMERICAN NUMISMATIC  
ASSOCIATION**

**Financial Statements &  
Supplementary Information**

**For the Years Ended October 31, 2017 and 2016**

## TABLE OF CONTENTS

Independent Auditor's Report . . . . .	1
Statements of Financial Position . . . . .	3
Statements of Activities and Changes in Net Assets . . . . .	4
Statements of Cash Flows . . . . .	6
Notes to Financial Statements . . . . .	7
Schedules of Program and Supporting Services . . . . .	18

INDEPENDENT AUDITOR'S REPORT

To the Board of Governors  
American Numismatic Association  
Colorado Springs, Colorado

We have audited the accompanying financial statements of American Numismatic Association (a nonprofit corporation), which comprise the statements of financial position as of October 31, 2017 and 2016, and the related statements of activities and changes in net assets, and cash flows for the years then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Numismatic Association as of October 31, 2017 and 2016, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Waugh & Goodwin, LLP*

Colorado Springs, Colorado  
February 7, 2018

AMERICAN NUMISMATIC ASSOCIATION  
Statements of Financial Position  
October 31, 2017 and 2016

	<u>ASSETS</u>	
	<u>2017</u>	<u>2016</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 202,091	\$ 347,176
Investments	13,918,914	12,076,857
Accounts receivable, net	37,857	9,415
Inventory	55,306	61,518
Prepaid expenses	170,701	180,916
Total current assets	14,384,869	12,675,882
DESIGNATED INVESTMENTS	8,823,293	8,912,587
PROPERTY AND EQUIPMENT:		
Furniture, fixtures, and equipment	1,700,106	1,636,415
Museum galleries and cases	1,276,235	1,276,867
Building and improvements	4,754,518	4,495,075
Less accumulated depreciation	(6,280,836)	(6,006,010)
Property and equipment - net	1,450,023	1,402,347
OTHER ASSETS:		
Numismatic collections	37,534,134	37,383,243
Contribution receivable from remainder trust	17,290,340	14,495,306
Total other assets	54,824,474	51,878,549
TOTAL ASSETS	<u>\$ 79,482,659</u>	<u>\$ 74,869,365</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 295,539	\$ 206,353
Accrued liabilities	112,095	95,836
Deferred revenue	725,442	790,490
Total current liabilities	1,133,076	1,092,679
LONG TERM LIABILITIES:		
Non-current deferred revenue	1,322,529	1,228,951
Other liabilities	36,052	43,882
Total liabilities	2,491,657	2,365,512
NET ASSETS:		
Unrestricted		
Board designated	8,823,293	8,912,587
Equity in property and equipment	1,450,023	1,402,347
Undesignated	10,311,086	8,680,261
Total unrestricted	20,584,402	18,995,195
Temporarily restricted		
Numismatic collection	37,534,134	37,383,243
Contribution receivable from remainder trust	17,290,340	14,495,306
Program activities	1,582,126	1,630,109
Total temporarily restricted	56,406,600	53,508,658
Total net assets	76,991,002	72,503,853
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 79,482,659</u>	<u>\$ 74,869,365</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Statement of Activities and Changes in Net Assets  
For the Year Ended October 31, 2017  
With Comparative Totals for the Year Ended October 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2017 Totals</u>	<u>2016 Totals</u>
<b>SUPPORT AND REVENUE:</b>				
Membership dues and fees	\$ 2,852,321	\$ 24,516	\$ 2,876,837	\$ 2,820,153
Investment income	2,812,583	2,844,261	5,656,844	1,318,737
Other income	1,223,464		1,223,464	871,089
Contributions	131,248	178,842	310,090	384,354
Satisfied program restrictions	<u>149,677</u>	<u>(149,677)</u>		
Total support and revenue	7,169,293	2,897,942	10,067,235	5,394,333
<b>EXPENSES:</b>				
Program services:				
Conventions	1,367,678		1,367,678	1,568,009
Editorial	886,407		886,407	859,374
Museum	747,037		747,037	762,541
Summer conference	443,463		443,463	426,188
Member services	428,087		428,087	471,159
Education	311,549		311,549	322,680
Library	272,918		272,918	257,488
Museum store	<u>69,731</u>		<u>69,731</u>	<u>73,236</u>
Total program services	4,526,870		4,526,870	4,740,675
Supporting services:				
General & administrative	861,392		861,392	862,042
Marketing & fundraising	139,786		139,786	79,552
Membership development	<u>52,038</u>		<u>52,038</u>	<u>70,571</u>
Total supporting services	<u>1,053,216</u>		<u>1,053,216</u>	<u>1,012,165</u>
Total expenses	<u>5,580,086</u>		<u>5,580,086</u>	<u>5,752,840</u>
CHANGE IN NET ASSETS	1,589,207	2,897,942	4,487,149	(358,507)
NET ASSETS, beginning of year	<u>18,995,195</u>	<u>53,508,658</u>	<u>72,503,853</u>	<u>72,862,360</u>
NET ASSETS, end of year	<u>\$ 20,584,402</u>	<u>\$ 56,406,600</u>	<u>\$ 76,991,002</u>	<u>\$ 72,503,853</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Statements of Cash Flows  
For the Years Ended October 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 4,487,149	\$ (358,507)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net realized and unrealized gains on investments	(2,704,260)	(498,700)
Depreciation	435,704	499,272
Gain on disposal of property and equipment	(266,708)	
Gain on deaccession sales	(24,361)	(10,374)
Capitalizable collection items received	(150,891)	(89,895)
Change in value of remainder trust	(2,795,034)	(674,821)
Decrease (increase) in operating assets:		
Accounts receivable	(28,442)	194,045
Inventory	6,212	(3,755)
Prepaid expenses	10,215	53,681
Increase (decrease) in operating liabilities:		
Accounts payable	89,186	(295,754)
Accrued liabilities	16,259	19,978
Other liabilities	(7,830)	(9,055)
Deferred revenue	28,530	168,501
Total adjustments	<u>(5,391,420)</u>	<u>(646,877)</u>
Net cash used by operating activities	(904,271)	(1,005,384)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of long-term investments	(417,285)	(208,318)
Proceeds from sale of long-term investments	1,369,414	1,164,579
Proceeds from deaccession sales	24,361	10,374
Proceeds from sale of property and equipment	424,900	
Purchase of property and equipment	<u>(642,204)</u>	<u>(152,975)</u>
Net cash provided by investing activities	<u>759,186</u>	<u>813,660</u>
NET DECREASE IN CASH	(145,085)	(191,724)
CASH AND CASH EQUIVALENTS, beginning of year	<u>347,176</u>	<u>538,900</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 202,091</u>	<u>\$ 347,176</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Notes to Financial Statements  
For the Years Ended October 31, 2017 and 2016

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

American Numismatic Association (Association) was organized in 1891 and was chartered by an act of Congress to advance the knowledge of numismatics, encourage communication and cooperation among numismatists, acquire and disseminate information bearing upon numismatists, and promote popular interest in the science of numismatology. The Association is considered to be the largest numismatic organization of its kind.

Method of Accounting

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

Basis of Presentation

The financial statement presentation follows the recommendations of accounting principles generally accepted in the United States of America ("US GAAP"). The Association is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represent the expendable resources that are available for operations at management's discretion and equity in property and equipment; temporarily restricted net assets, which represent resources restricted by donors as to purpose or by the passage of time; the investment in the numismatic collection; and permanently restricted net assets, which represent resources for which use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking, money market accounts, and other highly liquid investments not restricted or designated for other use. The Association maintains its cash and cash equivalents at a commercial bank, credit union, and at a brokerage firm. In the event of an institution's failure, the Association might only be able to recover the amounts insured.



## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### 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 the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates. The significant accounting estimates used in the preparation of the Association's financial statements relate to the estimated useful lives of property and equipment, valuation of the numismatic collection, deferred membership fees, functional allocation of expenses to program and support services, and valuation of the contribution receivable from the remainder trust.

During the year ended October 31, 2017, the Association changed the estimate for the valuation of the contribution receivable from the remainder trust to include present value of the estimated future dividends on shares currently held in trust, which it had not included for the years ended October 31, 2016 and 2015. The valuation of the contribution receivable from the remainder trust included estimated future dividends in years prior to October 31, 2015. For the year ended October 31, 2017, this change increased investment income by approximately \$525,000 and is included in temporarily restricted investment income on the statement of activities.

#### Income Tax

Under Section 501(c)(3) of the Internal Revenue Code, the Association is exempt from federal income tax on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt organization as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. The advertising income derived from the publication of *The Numismatist* and the convention program guides is considered unrelated business income. Since related expenses exceeded the income, no provision for income taxes has been accrued.

Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Contributions Receivable

Contributions receivable are recognized when the donor makes a promise to give to the Association that is, in substance, unconditional. Donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When restrictions expire, temporarily restricted net assets are reclassified to unrestricted net assets.

As of October 31, 2017 and 2016, the Association considers all contribution receivables to be fully collectible; accordingly, no allowance for doubtful contributions receivable has been recorded.

#### Net Assets and Contributions

The net assets of the Association have been reported separately by class of net assets as follows:

Unrestricted - amounts invested in property and equipment and those currently available for use in the Association's general operating activities.

Temporarily restricted - amounts which are stipulated by donors for specific operating purposes or restricted due to time restrictions and the investment in the numismatic collection.

#### Depreciation and Amortization

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Capital expenditures exceeding \$1,000 are capitalized and depreciated over the appropriate term according to the Association's policies. Depreciation is recorded using the straight-line method over estimated useful lives of five to forty years for buildings and land improvements, three to ten years for furniture and equipment, and three to twenty years for museum galleries and cases.

Depreciation and amortization expense amounted to \$435,704 and \$499,272 for the years ended October 31, 2017 and 2016, respectively.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Deferred Life Membership Fees

Revenue recognition for life membership fees are deferred upon receipt and recognized over thirty years. Such recognized revenue is included within membership dues and fees in the statement of activities.

#### Service Fees

Revenues from service fees include auction commissions, bourse table income, and license fees and are recognized when earned.

#### Accounts Receivable

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year end. Based on management's assessment of the outstanding balances, it has concluded that an allowance for doubtful accounts of \$5,732 is necessary for each of the years ended October 31, 2017 and 2016.

#### Investments

The Association accounts for their investments in accordance with FASB ASC 958, "Not-for-Profit Entities". Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets (Level 1 measurements). Closely held stock without readily determinable fair values are stated at book value determined by information provided by the closely held corporation (Level 3 measurements). Unrealized gains and losses are reported as revenue in the accompanying Statement of Activities and Changes in Net Assets. Realized gains and losses on investments sold, determined on a specific identification basis, are also included in revenue.

#### Date of Management's Review

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through February 7, 2018, the date that the financial statements were available to be issued.

#### Supplemental Cash Flow Disclosure

The Association paid no interest or income taxes during the years ended October 31, 2017 and 2016.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Inventory

The Association's inventory balance consists of retail items and awards and medals, and is stated at the lower of cost or market value, on a first-in, first-out basis.

#### Numismatic Collections

The Association maintains a numismatic collection of over 275,000 items, many of which have significant value to collectors. Many of these items are on display in the museum for the public to view. Security measures are taken to safeguard this collection. The collection was initially recorded in the statement of financial position at the estimated fair value of the items in accordance with US GAAP.

The Association periodically evaluates the collection for impairments. If appropriate, the Association recognizes an impairment loss on collection items when the estimated fair value of the items is less than the carrying amount.

The collection consists primarily of coins, medals, paper currency and other objects and documents. They are catalogued, preserved, and cared for, and activities verifying their existence and assessing their conditions are performed. The Association's collection, acquired through purchases and contributions, is recognized as an asset in the statement of financial position. Purchases of collection items are recorded in the year in which the items are acquired as decreases in unrestricted, temporarily restricted or permanently restricted net assets based on the restrictions placed by donors on assets used to purchase the items. Contributed collection items are reflected in the financial statements at the estimated fair value of the items at the date of contribution. Proceeds from deaccessions, which are reflected as an increase in the appropriate net asset class, are used to acquire other items for the collection. During the years ended October 31, 2017 and 2016, the Association received \$150,891 and \$89,895, respectively, of newly donated items into the collection.

#### Library Collection

Library collection items are not carried as assets in the statement of financial position. Purchased library collection items are included as an expense in the statement of activities and donated library collection items are not recorded as revenue or expense in the statement of activities.

## Notes to Financial Statements

### A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

#### Allocation of Expenses

The cost of providing the various program and supporting activities has been presented on a functional basis in the statement of activities. Expenses are generally charged to a functional department as incurred for the related activities based upon ratios determined by management.

#### Advertising Expenses

Advertising costs are expensed as incurred. Advertising expense was \$134,946 and \$146,498, respectively, for the years ended October 31, 2017 and 2016.

### B. FAIR VALUE MEASUREMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

## Notes to Financial Statements

### B. FAIR VALUE MEASUREMENTS - Continued

The following tables present assets that are measured at fair value on a recurring basis at October 31, 2017 and 2016:

#### Assets at Fair Value as of October 31, 2017

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 5,306	\$	\$	\$ 5,306
Equities	10,604			10,604
Mutual funds	4,106,004			4,106,004
Closely-held corporate stock			18,620,293	18,620,293
	<u>\$ 4,121,914</u>	<u>\$</u>	<u>\$18,620,293</u>	<u>\$22,742,207</u>

#### Assets at Fair Value as of October 31, 2016

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash	\$ 5,307	\$	\$	\$ 5,307
Equities	113,940			113,940
Mutual funds	4,344,523			4,344,523
Closely-held corporate stock			16,525,674	16,525,674
	<u>\$ 4,463,770</u>	<u>\$</u>	<u>\$16,525,674</u>	<u>\$20,989,444</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended October 31:

	<u>2017</u>	<u>2016</u>
Beginning balance	\$16,525,674	\$16,093,238
Change in value of closely held stock	<u>2,094,619</u>	<u>432,436</u>
Ending balance	<u>\$18,620,293</u>	<u>\$16,525,674</u>

The change in value of the closely held corporate stock of \$2,094,619 and \$432,436, respectively, for the years ended October 31, 2017 and 2016, is attributable to the unrealized gain on the increase of the value per share as of October 31, 2017 and 2016. The value of the closely held stock is determined by inputs provided by the closely held corporation, based on its audited financial statements.

## Notes to Financial Statements

### C. INVESTMENT INCOME

Investment income consists of the following for the years ended October 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 157,550	\$ 145,216
Net realized and unrealized gains on investments	2,704,260	498,700
Change in value of split interest agreement	<u>2,795,034</u>	<u>674,821</u>
	<u>\$ 5,656,844</u>	<u>\$ 1,318,737</u>

### D. DEFERRED REVENUE

Deferred revenue consists of the following at October 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Membership dues & fees	\$ 1,750,840	\$ 1,614,781
Bourse	277,352	366,472
Sponsor payments	18,000	37,500
Other	<u>1,779</u>	<u>688</u>
	<u>\$ 2,047,971</u>	<u>\$ 2,019,441</u>

### E. CONTRIBUTION RECEIVABLE FROM REMAINDER TRUST

Contribution receivable from remainder trust is based on the estimated net present value of the estimated fair value of closely-held corporate shares to be received by the Association in the future, after the deaths of certain beneficiaries of the trust, and the estimated present value of future dividend income on the shares currently held in trust, as discussed in Note B. The remainder trust distributes dividend income on shares held in trust, when received, to the Association. The net present value is based on the expected life of the income beneficiaries, using a discount rate of 3.25% per annum.

The amount ultimately received from the remainder trust could differ materially from the contribution receivable from the remainder trust recorded as of October 31, 2017 and 2016.

### F. POSTRETIREMENT BENEFITS

The Association previously had a plan which provided, upon qualification and enactment of a retiree's Medicare benefits, that the Association would pay the same proportion of the retiree's Medicare managed care premium as it does with current

## Notes to Financial Statements

### F. POSTRETIREMENT BENEFITS - Continued

Association employees for as long as the retiree is enrolled in the Medicare program.

The present value of the accumulated benefits under the postretirement benefits policy was \$36,052 and \$39,739, respectively as of October 31, 2017 and 2016. The assumed discount rate used in the present value calculation is 8% per annum. For measurement purposes, a 10% annual rate of increase per capita cost of covered health care benefits in future years was assumed for the years ended October 31, 2017 and 2016.

### G. DEFERRED COMPENSATION

The Association has an agreement that provides one employee retirement benefits for years of service rendered before the Association had adopted a formal pension plan. The recorded liability for the estimated present value of future benefits due under this agreement was \$4,143 and \$9,432, respectively, as of October 31, 2017 and 2016.

### H. RETIREMENT PLAN

In October 2013, the Association created the American Numismatic Association 401(k) Plan (the "Plan") to be effective January 1, 2014. The Association will make a safe-harbor contribution in an amount not less than 3% of an eligible employee's compensation. Also, the Plan allows employees to make elective salary reduction contributions up to 100% of their compensation (subject to IRS limits); and, the Association may, at its sole discretion, make matching contributions up to a maximum of the "Matched Employee Contribution" as described in the Plan. The Association may also make discretionary contributions to the Plan. Employees must have attained the age of 18 and be employed on the last day of the Plan year.

In addition to the 3% safe harbor contribution, for the years ended October 31, 2017 and 2016, the Association made matching contributions up to 3% of employee compensation and a discretionary 1% contribution of employee compensation. The Association's contributions to the Plan totaled \$114,307 and \$107,321 for the years ended October 31, 2017 and 2016, respectively.



## Notes to Financial Statements

### I. BOARD DESIGNATED NET ASSETS

Board designated net assets are available for the following areas:

	<u>2017</u>	<u>2016</u>
Operating reserve	\$ 7,226,022	\$ 7,226,022
Numismatic and library collections	1,212,151	1,266,886
NGC Settlement Fund	259,621	293,339
Publications	100,356	98,601
School of Numismatics	12,524	15,120
Defense fund	<u>12,619</u>	<u>12,619</u>
	<u>\$ 8,823,293</u>	<u>\$ 8,912,587</u>

### J. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following areas:

	<u>2017</u>	<u>2016</u>
Numismatic collection	\$37,534,134	\$37,383,243
Contribution receivable from remainder trust	17,290,340	14,495,306
Program activities:		
Exhibit awards	344,848	327,911
Young Numismatists	319,977	353,182
College scholarships	172,845	158,814
Reward fund	166,869	163,951
Education Fund	163,718	160,960
Lecture series	109,705	112,699
Bob Lecce fund	104,606	125,065
Engraving program	53,125	66,843
Florance Schook School of Numismatic	50,879	72,279
Reagan staff education	49,801	49,434
Harry Bass	23,001	23,001
David Ganz	15,846	15,569
Van	6,500	
Education outreach	328	322
Rent	<u>78</u>	<u>79</u>
	<u>\$56,406,600</u>	<u>\$53,508,658</u>

Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended October 31, 2017 and 2016, temporarily restricted net assets were released from restrictions for the following programs:

## Notes to Financial Statements

### J. TEMPORARILY RESTRICTED NET ASSETS - Continued

	<u>2017</u>	<u>2016</u>
Young Numismatists	\$ 70,317	\$ 89,126
Bob Lecce fund	33,220	24,919
Florance Schook School of Numismatic	22,787	20,204
Engraving program	14,908	12,126
Lecture series	5,000	
Education outreach	3,132	7,676
Exhibit awards	312	4,649
Rent	<u>1</u>	<u></u>
	<u>\$ 149,677</u>	<u>\$ 158,700</u>

### K. COMMITMENTS AND CONTINGENCIES

The Association has entered into various contracts with hotels for future conventions to reserve blocks of rooms for attendees of the conventions. Although there is no liability to the Association for the rooms (individual attendees are responsible for payment on the rooms), some of the contracts contain clauses requiring the Association to pay a fee or penalty amount if the convention is cancelled or if the number of rooms used is not reasonably close to the level reserved. In the opinion of management, no fees or penalties are expected to be paid under these contracts and, therefore, no liability has been recorded.

The Association has entered into contracts for rental space at various convention centers for future conventions.

The Association is not able to make a meaningful estimate of the amounts or range of future minimum payments, if any, related to these commitments. Consequently, the Association has not provided for any future commitments under these contracts.

### L. RELATED PARTY TRANSACTION

The Association contracted for Auctioneer services for the 2017 ANA National Money Show from a company that is majority-owned by a member of the Association's Board of Governors. Auctioneer services were obtained through a competitive award process, and, in the opinion of management, the services obtained were the most favorable to the Association. During the fiscal years ended October 31, 2017 and 2016, the Association received \$81,527 and \$0, respectively, from the related auctioneer.

AMERICAN NUMISMATIC ASSOCIATION  
Schedule of Program Services  
For the Year Ended October 31, 2017

	Conventions	Editorial	Museum	Summer Conference	Member Services	Education	Library	Museum Store	Total
Advertising & promotion	\$ 86,704	\$ 1,052	\$ 6,188	\$ 5,064	\$ 20,501	\$ 1,522	\$ 506	\$	\$ 115,967
Bank & credit card fees		10,128	1,013		14,179	2,026			32,916
Bass Gallery			23,959						23,959
Computer services	6,239	1,835	5,505	1,835	13,947	5,505	12,995		47,861
Contract labor	31,492	38,732	9,143	2,438	38,397	9,143	1,829		131,174
Cost of sales						316		26,168	26,484
Depreciation & amortization	46,088	14,585	136,501		9,533	19,809	72,102	2,652	301,270
Editorial & publications	1,515	206,315	108	108	20,306	318	9,730		238,400
Employee benefits	50,231	104,732	63,073	29,324	46,314	39,731	26,939	10,258	370,602
Events - education				161,488		45,891			207,379
Events - other	637,304	885	218	35,303	22,795	15	922		697,442
Equipment maintenance	10,168	2,553	24,034	16,380	1,669	3,988	12,622	464	71,878
Exhibits	22,165		43,094			9,224			74,483
Insurance	7,790	1,298	77,527		1,298	1,298	11,035		100,246
Mailings	5,656	94,303	2,967	1,923	47,911	8,419	2,794	19	163,992
Miscellaneous	16,603	13,189	8,943		33,776	7,412	4,615	1	84,539
Security & occupancy	156,762		90,514						247,276
Professional development	784		1,382		2,141				4,307
Salaries	181,596	390,831	223,272	128,654	148,833	148,703	101,577	28,584	1,352,050
Supplies	4,511	2,492	11,899	27	3,119	1,015	4,541		27,604
Telephone	3,226	2,365	1,577	315	2,256	1,430	1,261	473	12,903
Travel	91,618			60,604		3,005			155,227
Utilities	7,226	1,112	16,120		1,112	2,779	9,450	1,112	38,911
	<u>\$ 1,367,678</u>	<u>\$ 886,407</u>	<u>\$ 747,037</u>	<u>\$ 443,463</u>	<u>\$ 428,087</u>	<u>\$ 311,549</u>	<u>\$ 272,918</u>	<u>\$ 69,731</u>	<u>\$ 4,526,870</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Schedule of Supporting Services  
For the Year Ended October 31, 2017

	General & Administrative	Marketing & Fundraising	Membership Development	Total
Advertising & promotion	\$ 662	\$ 761	\$ 18,218	\$ 19,641
Bank & investment fees	45	2,531		2,576
Computer services	2			2
Contract labor	38,951	3,048		41,999
Depreciation & amortization	134,434			134,434
Editorial & publications	53	5,520		5,573
Employee benefits	130,872	11,827	3,951	146,650
Events - education	2,025			2,025
Events - other	21,200			21,200
Equipment maintenance	21,633			21,633
Fund development		29,121		29,121
Insurance	20,124			20,124
Legal fees	36,783			36,783
Mailings		5,799		5,799
Miscellaneous	13,887	9		13,896
Professional development	9,448	3,211		12,659
Salaries	387,409	77,084	29,869	494,362
Supplies	12,070	717		12,787
Taxes	7,385			7,385
Telephone	6,704	158		6,862
Travel	1,030			1,030
Utilities	16,675			16,675
	<u>\$ 861,392</u>	<u>\$ 139,786</u>	<u>\$ 52,038</u>	<u>\$ 1,053,216</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Schedule of Program Services  
For the Year Ended October 31, 2016

	Conventions	Editorial	Museum	Member Services	Summer Conference	Education	Library	Museum Store	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Advertising & promotion	71,214	950	4,375	34,979	5,743	1,094	574		112,612
Bank & credit card fees		11,485	1,149	16,079		2,297			37,327
Bass Gallery			22,757						22,757
Computer services	4,413	1,298	3,894	9,864	1,298	3,894	11,826		36,487
Contract labor	36,988	40,956	13,668	35,537	3,645	13,668	2,734	8,409	155,605
Cost of sales	49					380		31,622	32,051
Depreciation & amortization	52,812	16,713	156,417	10,924		22,699	82,622	3,039	345,226
Editorial & publications	432	189,344	173	22,183	173	1,023	6,851		220,179
Employee benefits	47,836	102,374	61,371	41,609	11,791	42,048	21,873	7,733	336,635
Events - education					199,183	54,999			254,182
Events - other	761,945	2,630	37	35,607	42,105	1,553			843,877
Equipment maintenance	7,546	2,388	23,590	1,561		3,243	11,806	434	50,568
Exhibits	26,172		58,654			1,336			86,162
Insurance	7,444	1,241	76,419	1,241		1,241	10,545		98,131
Mailings	4,568	103,573	1,844	63,102	2,094	10,554	2,668	27	188,430
Miscellaneous	18,624	11,575	2,141	32,655		7,396	9,199		81,590
Security & occupancy	185,228		93,374						278,602
Professional development	521		2,670	860		168			4,219
Salaries	189,869	370,200	214,086	157,470	115,032	150,332	82,456	20,594	1,300,039
Supplies	4,220	1,791	10,058	3,094	91	1,000	4,772		25,026
Telephone	3,299	1,847	1,232	1,945	246	1,232	985	369	11,155
Travel	138,270			1,440	44,787				184,497
Utilities	6,559	1,009	14,632	1,009		2,523	8,577	1,009	35,318
	<u>\$ 1,568,009</u>	<u>\$ 859,374</u>	<u>\$ 762,541</u>	<u>\$ 471,159</u>	<u>\$ 426,188</u>	<u>\$ 322,680</u>	<u>\$ 257,488</u>	<u>\$ 73,236</u>	<u>\$ 4,740,675</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION  
Schedule of Supporting Services  
For the Year Ended October 31, 2016

	General & Administrative	Marketing & Fundraising	Membership Development	Total
Advertising & promotion		\$ 547	\$ 33,339	\$ 33,886
Bank & investment fees		2,871		2,871
Contract labor	39,940	4,556		44,496
Depreciation & amortization	152,093		1,953	154,046
Editorial & publications	84	2,837		2,921
Employee benefits	130,877	9,481	7,005	147,363
Events - education	5,330			5,330
Equipment maintenance	22,012			22,012
Fund development		3,398		3,398
Insurance	19,228			19,228
Legal fees	51,249			51,249
Mailings	34	4,032		4,066
Miscellaneous	35,278			35,278
Professional development	5,964	530		6,494
Salaries	361,478	51,177	28,274	440,929
Supplies	10,544			10,544
Taxes	6,287			6,287
Telephone	5,555	123		5,678
Travel	952			952
Utilities	15,137			15,137
	<u>\$ 862,042</u>	<u>\$ 79,552</u>	<u>\$ 70,571</u>	<u>\$ 1,012,165</u>

See Notes to Financial Statements