



FINANCIAL STATEMENTS

WITH

INDEPENDENT AUDITOR'S REPORT

MARCH 31, 2009 AND 2008

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INDEPENDENT AUDITOR'S REPORT

Board of Governors
American Numismatic Association
Colorado Springs, Colorado

We have audited the accompanying statements of financial position of the American Numismatic Association ("Association") as of March 31, 2009 and 2008 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these 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 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 our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of March 31, 2009 and 2008 and the change in net assets and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were performed for the purpose of forming an opinion on the financial statements of the Association taken as a whole as of and for the years ended March 31, 2009 and 2008. The supplemental information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the audit procedures applied in the audits of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Colorado Springs, Colorado
December 14, 2009

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2009 AND 2008

ASSETS

Current assets:

Cash and equivalents	\$ 5,383,529	\$ 445,021
Accounts receivable, net	75,470	92,244
Contributions receivable, net	26,749	37,791
Inventory	91,466	120,565
Investments	1,866,659	4,521,895
Prepaid expenses and other current assets	105,274	157,847

Total current assets	<u>7,549,147</u>	<u>5,375,363</u>
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Property and equipment:

Building and improvements	4,232,632	4,026,021
Furniture, fixtures and equipment	1,212,441	1,216,908
Museum galleries and cases	1,248,881	1,248,881
	6,693,954	6,491,810
Accumulated depreciation	(4,232,397)	(4,008,391)

Net property and equipment	<u>2,461,557</u>	<u>2,483,419</u>
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Other assets:

Investments	6,250,374	5,245,876
Contributions receivable from remainder trust	8,024,797	11,725,263

Total other assets	<u>14,275,171</u>	<u>16,971,139</u>
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Total assets	<u>\$ 24,285,875</u>	<u>\$ 24,829,921</u>
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The accompanying notes and independent auditor's report
should be read with these financial statements.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2009 AND 2008

LIABILITIES AND NET ASSETS

Current liabilities:

Accounts payable	\$ 866,319	\$ 1,189,018
Deferred revenue	1,429,665	1,568,998
Current portion of deferred compensation	22,152	25,261
	<hr/>	<hr/>
Total current liabilities	2,318,136	2,783,277

Long-term liabilities:

Deferred life membership fees	1,072,731	1,094,984
Deferred compensation	86,273	115,801
Accrued pension liability	1,184,746	1,132,999
Accrued postretirement benefits	62,995	63,719
	<hr/>	<hr/>
Total liabilities	4,724,881	5,190,780

Net assets:

Unrestricted:

Designated for future use	6,722,294	2,850,260
Designated for future numismatic and library acquisitions	1,016,128	1,085,912
Equity in property and equipment	2,461,557	2,483,419
Undesignated	265,566	243,932
	<hr/>	<hr/>
Total unrestricted	10,465,545	6,663,523
Temporarily restricted	9,044,398	12,924,567
Permanently restricted	51,051	51,051
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Total net assets	19,560,994	19,639,141

Total liabilities and net assets	<u>\$ 24,285,875</u>	<u>\$ 24,829,921</u>
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The accompanying notes and independent auditor's report
should be read with these financial statements.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Service fees	\$ 1,795,785	\$ -	\$ -	\$ 1,795,785
Membership dues and fees	837,707	-	-	837,707
Contributions	259,620	127,545	-	387,165
Investment income (loss)	(861,879)	-	-	(861,879)
Interest income	109,347	-	-	109,347
Change in value of split-interest agreements	-	1,787,996	-	1,787,996
Advertising	779,657	-	-	779,657
Sales	293,764	-	-	293,764
Seminars	244,978	-	-	244,978
Other	159,567	32,801	-	192,368
Gain on sale of assets	2,400	-	-	2,400
Total revenues	3,620,946	1,948,342	-	5,569,288
Satisfaction of purpose restrictions	5,828,511	(5,828,511)	-	-
	<u>9,449,457</u>	<u>(3,880,169)</u>	<u>-</u>	<u>5,569,288</u>
Expenses:				
Program:				
Conventions	975,764	-	-	975,764
Enterprise	389,094	-	-	389,094
Editorial	1,065,118	-	-	1,065,118
Education	548,534	-	-	548,534
Museum	660,248	-	-	660,248
Library	133,258	-	-	133,258
Member services	587,463	-	-	587,463
	4,359,479	-	-	4,359,479
Supporting services:				
General and administrative	1,115,176	-	-	1,115,176
Fund-raising	121,034	-	-	121,034
Increased in pension liability	51,747	-	-	51,747
Total expenses	5,647,436	-	-	5,647,436
Change in net assets	3,802,021	(3,880,169)	-	(78,148)
Net assets, beginning of year	6,663,524	12,924,567	51,051	19,639,142
Net assets, end of year	<u>\$ 10,465,545</u>	<u>\$ 9,044,398</u>	<u>\$ 51,051</u>	<u>\$ 19,560,994</u>

The accompanying notes and independent auditor's report
should be read with this financial statement.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED MARCH 31, 2008

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Service fees	\$ 1,699,244	\$ -	\$ -	\$ 1,699,244
Membership dues and fees	884,935	-	-	884,935
Contributions	212,194	45,543	-	257,737
Investment income	469,310	32,156	-	501,466
Interest income	54,435	-	-	54,435
Change in value of split-interest agreements	-	1,751,387	-	1,751,387
Advertising	797,870	-	-	797,870
Sales	413,708	-	-	413,708
Seminars	244,356	-	-	244,356
Other	150,812	447,095	-	597,907
Gain on sale of assets	-	-	-	-
Total revenues	4,926,864	2,276,181	-	7,203,045
Satisfaction of purpose restrictions	84,940	(84,940)	-	-
	<u>5,011,804</u>	<u>2,191,241</u>	<u>-</u>	<u>7,203,045</u>
Expenses:				
Program:				
Conventions	1,208,436	-	-	1,208,436
Enterprise	447,104	-	-	447,104
Editorial	1,178,956	-	-	1,178,956
Education	598,316	-	-	598,316
Museum	612,407	-	-	612,407
Library	129,611	-	-	129,611
Member services	835,306	-	-	835,306
	5,010,136	-	-	5,010,136
Supporting services:				
General and administrative	1,317,288	-	-	1,317,288
Fund-raising	389,796	-	-	389,796
Decrease in pension liability	(76,697)	-	-	(76,697)
Total expenses	6,640,523	-	-	6,640,523
Change in net assets	(1,628,719)	2,191,241	-	562,522
Net assets, beginning of year (Note 11)	8,292,243	10,733,326	51,051	19,076,620
Net assets, end of year	<u>\$ 6,663,524</u>	<u>\$ 12,924,567</u>	<u>\$ 51,051</u>	<u>\$ 19,639,142</u>

The accompanying notes and independent auditor's report
should be read with this financial statement.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (78,148)	\$ 663,963
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized (gain) loss on investments	960,057	(217,384)
Depreciation	236,370	343,849
Gain on sale of assets	(2,400)	-
Write-off of building costs	-	33,018
Change in value of split-interest agreements	(1,787,996)	(1,751,387)
(Increase) decrease in operating assets:		
Accounts receivable	16,775	(16,158)
Contributions receivable	11,042	31,716
Inventories	29,099	(4,555)
Prepaid expenses and other current assets	52,573	30,664
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(271,676)	136,264
Deferred revenue	(161,586)	73,764
Deferred compensation	(32,637)	(32,190)
Net cash used in operating activities	<u>(1,028,527)</u>	<u>(708,436)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(1,982,871)	(1,945,804)
Proceeds from sales of investments	8,162,014	3,989,789
Purchases of property and equipment	(214,508)	(16,751)
Proceeds from sale of property and equipment	<u>2,400</u>	<u>-</u>
Net cash provided by investing activities	<u>5,967,035</u>	<u>2,027,234</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Net decrease in line of credit	\$ -	\$ (925,000)
Net cash provided by (used in) financing activities	-	(925,000)
Net increase in cash and equivalents	4,938,508	393,798
Cash and equivalents, beginning of year	445,021	51,223
Cash and equivalents, end of year	<u>\$ 5,383,529</u>	<u>\$ 445,021</u>

The accompanying notes and independent auditor's report
should be read with these financial statements.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. ORGANIZATION AND 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.

Basis of accounting

The financial statements of the Association have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of presentation

The financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, 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; temporarily restricted net assets, which represent resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represent resources whose 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.

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 assumption that affect the reported amounts 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 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, deferred membership fees, functional allocation of expenses to program and support services, and actuarial estimates used to ensure that the pension funds are adequate to meet their related obligations.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Cash and equivalents

For purposes of the consolidated statements of cash flows, the Association considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

The Association maintains bank accounts in which the deposits are guaranteed by the Federal Deposit Insurance Corporation ("FDIC") up to \$250,000. During the period ended March 31, 2009 and 2008, the Association had deposits in excess of the FDIC limits. Statement of Financial Reporting Standards ("SFAS") No. 105, *Disclosure of Information about Financial Instruments with Off-Balance-Sheet Risk and Financial Instruments with Concentrations of Credit Risk*, identifies these accounts as a concentration of credit risk requiring disclosure regardless of the degree of risk. This risk is managed by maintaining all deposits in high quality financial institutions.

On October 14, 2008, the FDIC announced the Temporary Liquidity Guarantee Program to strengthen confidence and encourage liquidity in the banking system. The new program provides full deposit insurance coverage for non-interest bearing deposit transaction accounts in FDIC-insured institutions, regardless of the dollar amount.

Accounts receivables

Accounts receivable are recorded at the amount the Association expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and expense balances that are not expected to be collected. The Association provides an allowance for uncollectible accounts receivable, which is based upon a review of outstanding receivables, historical collection information and existing economic conditions. The allowance for doubtful accounts as of March 31, 2009 and 2008 was \$5,732.

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 March 31, 2009 and 2008, the Association considers all contribution receivable to be fully collectible; accordingly, no allowance for doubtful contributions has been recorded.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Inventory

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

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are carried at fair value in the statement of financial position. Investments in equity securities which do not have readily determinable fair values are carried at estimated fair values, which are based on estimates from the issuing company, from independent valuations or management's estimates based on the issuing company's book value from their audited financial statements.

Numismatic collection

The Association maintains a numismatic collection of over 300,000 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.

Numismatic collection items are not carried as assets on the statement of financial position. Purchased numismatic collection items are included in expense in the statement of activities and donated numismatic collection items are not recorded as revenue or expense in the statement of activities.

Library collection

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

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

Property and equipment

All acquisitions of property and equipment in excess of \$1,000 and all expenditures for repairs, maintenance, renewals and betterments that materially prolong the useful lives of assets are capitalized. Property and equipment are recorded at cost. Depreciation is provided on the straight-line method over the estimated useful lives of the assets, which range from five to forty years for buildings and land improvements and three to ten years for furniture and equipment.

Depreciation expense for the years ending March 31, 2009 and 2008 totaled \$236,370 and \$343,849, respectively.

Deferred life membership fees

Revenue recognition for life membership fees are deferred upon receipt and recognized over the estimated life of the membership. 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 are recognized when earned.

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

Net assets and contributions

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

- a) **Unrestricted** - amounts invested in property and equipment and those currently available for use in the Association's general operating activities.
- b) **Temporarily restricted** - amounts are those which are stipulated by donors for specific operating purposes or restricted due to time restrictions (see Note 8).
- c) **Permanently restricted** - amounts are those which are not available for program expenses or other organizational needs (see Note 8).

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Net assets and contributions (continued)

In accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions.

Contribution income is recorded when cash is received, when unconditional promises are made, or when ownership of contributed assets are transferred to the Association. Donor-restricted contributions with restrictions that are met in the same reporting period as the contribution is made are reported as unrestricted support.

The Association reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activity as net assets released from restrictions.

The Association reports gifts of land, buildings and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations about how long those long-lived assets must be maintained, the Association reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

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 expenses as incurred. Advertising expense for the years ended March 31, 2009 and 2008 totaled \$109,209 and \$206,880, respectively.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

**1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

Income taxes

The Association is a not-for-profit corporation which is not classified as a private foundation by the Internal Revenue Service. The Association is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

The Association has not adopted FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* ("FIN 48"). The adoption of the new standard is not expected to have a material effect on the Organization's financial position, results of operations or cash flows.

2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES

Effective April 1, 2008, the Association adopted FSAF 157, *Fair Value Measurements*, which defines fair value, establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS 157 has been applied prospectively as of the beginning of the fiscal year.

SFAS 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Therefore, the term "price" refers to the exit price as opposed to the entry price, which is the price paid to acquire the asset or received to assume the liability. SFAS 157 also establishes a fair value hierarchy, which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active markets that are not active that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

Following is a description of the valuation methodologies used for instruments measured at fair value on a recurring basis and recognized in the accompanying statements of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

AMERICAN NUMISMATIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2008

2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Investments

The Association invests in various mutual funds. Because quoted market prices are available for identical securities in an active market, these securities are classified within Level 1 of the valuation hierarchy.

The Association also holds stock in a closely held corporation. The estimated fair value of these securities is based on a certain percentage of the book value of the corporation, these securities are classified within Level 3 of the valuation hierarchy.

	Level 1	Level 2	Level 3
Mutual funds	\$ 1,866,659	\$ -	\$ -
Closely-held corporate stock	-	-	6,250,374
Total	<u>\$ 1,866,659</u>	<u>\$ -</u>	<u>\$ 6,250,374</u>

The following table represents the cost and market value of the Association's investments as of March 31,:

	2009		2008	
	Cost	Estimated Fair	Cost	Estimated
Current:				
Readily determinable fair values available:				
Cash and money market	\$ -	\$ -	\$ 177,251	\$ 177,251
Equity securities	-	-	3,036,431	3,163,700
Bonds and mutual funds	<u>1,972,820</u>	<u>1,866,659</u>	<u>1,174,468</u>	<u>1,180,944</u>
	1,972,820	1,866,659	4,388,150	4,521,895
Long-term:				
Readily determinable fair values not available:				
Donated corporate stock	<u>789,789</u>	<u>6,250,374</u>	<u>1,297,076</u>	<u>5,245,876</u>
Total investments	<u>\$ 2,762,609</u>	<u>\$ 8,117,033</u>	<u>\$ 5,685,226</u>	<u>\$ 9,767,771</u>

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

Total investment return is comprised of the following as of March 31,:

	<u>2009</u>	<u>2008</u>
Interest and dividend income	\$ 97,178	\$ 284,130
Net realized and unrealized gains (loss)	<u>(959,057)</u>	<u>217,336</u>
Total investment income (loss)	<u><u>\$ (861,879)</u></u>	<u><u>\$ 501,466</u></u>

Investment expenses and related fees for the years ended March 31, 2009 and 2008 totaled \$24,961 and \$27,255, respectively.

3. CONTRIBUTIONS RECEIVABLE FROM REMAINDER TRUST

Contributions receivable from the remainder trust are based on the estimated net present value of the estimated fair value of shares of the same closely-held corporation (Note 2) to be received by the Association in the future, after the deaths of certain beneficiaries of the trust. Present value is based on the expected life of the income beneficiaries and a discount rate of 6.25%.

The amount ultimately received from the remainder trust could differ materially in the near term from the contribution receivable from the remainder trust recorded as of March 31, 2009 and 2008.

4. DEFINED BENEFIT PENSION PLAN

The Association has a noncontributory defined benefit pension plan covering all employees who meet the eligibility requirements. The Association's funding policy is to make the minimum annual contribution that is required by applicable regulations, plus such amounts as the Association may determine to be appropriate from time to time. The Association expects to contribute approximately \$106,000 to the plan during the year ending March 31, 2010.

Information about the plan's funded status as of March 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Benefit obligation	\$ (2,233,028)	\$ (2,049,304)
Fair value of plan assets	<u>1,048,282</u>	<u>916,305</u>
Funded status	<u><u>\$ (1,184,746)</u></u>	<u><u>\$ (1,132,999)</u></u>

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Liabilities recognized in the statement of financial position as of March 31, 2009 and 2008 is as follows:

	<u>2009</u>	<u>2008</u>
Pension obligations	<u>\$ 1,184,746</u>	<u>\$ 1,132,999</u>

Amounts recognized in unrestricted net assets for the years ended March 31, 2009 and 2008, not yet recognized as components of net periodic benefit cost consist of:

Net loss (gain)	<u>\$ 51,747</u>	<u>\$ (76,697)</u>
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After numerous attempts, the Association could not obtain the projected benefit obligation in excess of plan assets as of March 31, 2009 and 2008 from the actuary. Accounting principles generally accepted in the United States of America require that the projected benefit obligation in excess of plan assets be included in the balance sheet. The Association was able to obtain the accumulated benefit obligation in excess of plan assets as of March 31, 2009 and 2008. Management believes that the difference between the projected benefit obligation approximates the accumulated benefit obligation in excess of plan assets.

The accumulated benefit obligation for the benefit pension plan was \$2,233,028 and \$2,049,304, respectively.

Information for the pension plan with an accumulated benefit obligation in excess of plan assets:

	<u>2009</u>	<u>2008</u>
Accumulated benefit obligation	<u>\$ 2,233,028</u>	<u>\$ 2,049,304</u>
Fair value of plan assets	<u>\$ 1,048,282</u>	<u>\$ 916,305</u>

Other significant balances and costs for the years ended March 31, 2009 and 2008 are:

Employer contribution	<u>\$ 132,530</u>	<u>\$ 135,000</u>
Benefits paid	<u>\$ 23,858</u>	<u>\$ 57,206</u>
Benefits costs	<u>\$ 132,066</u>	<u>\$ 135,710</u>

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Significant assumptions include:

Weighted-average assumptions used to determine benefit obligations at March 31:

	<u>2009</u>	<u>2008</u>
Discount rate	4.90%	4.90%

Weighted-average assumptions used to determine benefit costs at March 31:

Discount rate	4.90%	4.90%
Expected return on plan assets	5.30%	5.10%

The Association has estimated the long-term rate of return on plan assets based primary on historical returns on plan assets, adjusted for changes in target portfolio allocations and recent changes in long-term interest rates based on publicly available information.

Benefits expected to be paid by the plan during the next five years and thereafter are approximately as follows:

Years Ending March 31,	
2010	\$ 43,597
2011	51,072
2012	67,784
2013	78,146
2014	79,922
2015 - 2019	<u>455,263</u>
Total	<u><u>\$ 775,784</u></u>

The Association's overall strategy is to invest in high-grade securities and other assets with a minimum risk of market value fluctuation. The overall expected rate of return on plan assets is based on historical results adjusted for anticipated market movement.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

Plan assets are re-balanced quarterly. At March 31, 2009 and 2008, plan assets by category are as follows:

Equity securities	15%	15%
Annuities	85%	85%
	<hr/>	<hr/>
Total	100%	100%
	<hr/>	<hr/>

5. SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Credit risk

Certain financial instruments potentially subject the Association to concentrations of credit risk. These financial instruments consist primarily of investments. The Association invests in what management considers to be high quality investments instruments and attempts to limit the amount of credit exposure at any one entity or in any one industry.

Current economic conditions

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, and constraints on liquidity. The financial statements have been prepared using values and information currently available to the Association.

In addition, given the volatility of current economic conditions, the values of assets and liabilities recorded in the financial statements could change rapidly, resulting in material future adjustments in investment values that could negatively impact the Association's ability to maintain sufficient liquidity.

6. POSTRETIREMENT BENEFITS

The Association previously had a plan which provided, upon qualification and enactment of a retiree's Medicare benefits, that the Association will pay the same proportion of the retiree's Medicare managed care premium as it does with current Association employees for as long as the retiree is enrolled in the Medicare program.

AMERICAN NUMISMATIC ASSOCIATION

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2009 AND 2008

6. POSTRETIREMENT BENEFITS (CONTINUED)

The present value of the accumulated benefits under the postretirement benefits policy is \$62,995 and \$63,719 as of March 31, 2009 and 2008, respectively. The assumed discount rate used in the present value calculation was 8%. 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 March 31, 2009 and 2008.

7. DEFERRED COMPENSATION

The Association has the following deferred compensation arrangements:

- Consulting agreements with one former employee that require payments even if no services are rendered. The recorded liability for the estimated present value of the amounts due under these agreements is \$15,530 and \$37,332 as of March 31, 2009 and 2008, respectively.
- 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 is \$41,995 and \$45,442 as of March 31, 2009 and 2008, respectively.
- The Association has committed to forming a deferred compensation plan for the former Executive Director. As of March 31, 2009 and 2008, a liability is recorded in the amount of \$47,900, for the funding of this plan. The plan has not been funded as of March 31, 2009 and 2008.

8. RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes or periods as of March 31:

	2009	2008
Program activities:		
Scholarships	\$ 312,268	\$ 351,467
Exhibit awards	165,803	131,302
Lecture series	104,243	111,402
Engraving programs	111,105	130,977
Other	326,182	474,156
Total restricted as to purpose	1,019,601	1,199,304
Contributions receivable from remainder trust	8,024,797	11,725,263
Total	<u>\$ 9,044,398</u>	<u>\$12,924,567</u>

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

8. RESTRICTED NET ASSETS (CONTINUED)

Permanently restricted net assets consist of contributions to be held indefinitely. The income from the investments can be used for library books and videos.

9. 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 established.

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

The Association entered into a three year computer service agreement with an individual for professional services.

In the ordinary course of business, the Association is a party to legal proceedings, the outcome of which, individually and in the aggregate, is not expected to be material to the Association's business or financial condition.

10. ENDOWMENTS

During 2008, the State of Colorado passed the *Uniform Prudent Management of Institutional Funds Act* ("UPMIFA"). UPMIFA was effective September 1, 2008 and provides statutory guidance for management, investment and expenditures of endowment funds held by not-for-profit organizations.

For the period ended March 31, 2009, the Association has also adopted Financial Accounting Standards Board Staff Position 117-1, *Endowments for Not-for-Profit Organizations - Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* ("FSP FAS 117-1"). This standard provides guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to the enacted version of UPMIFA. FSP FAS 117-1 also establishes disclosure requirements for all not-for-profit organizations regarding both donor restricted and board-designated endowment funds.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

10. ENDOWMENTS (CONTINUED)

Permanently restricted net assets as of March 31, 2009 consist of one endowment fund for which the total investments to be held indefinitely and income from the investments can be used for library books and videos. The purpose of the endowment fund is to meet program specifications. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Association's governing board has interpreted the State of Colorado's UPMIFA as permitting preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds, absent explicit donor stipulations to the contrary. As a result of this interpretation, the Association classifies the original value of the gift donated to the permanent endowment, as permanently restricted net assets.

The Association has investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs and other items supported by its endowments. The Association's endowment assets are invested in a manner that is intended to produce the highest possible rate of return consistent with their risk tolerances.

11. RESTATEMENT

The Association has also restated its March 31, 2008 financial statements for an error in the calculation of the deferred life membership fees in the amount of \$101,441. The accompanying financial statements as of and for the year ended March 31, 2008 have been restated to reflect the correction. Unrestricted net assets at April 1, 2008, was reduced by \$101,441. Had the error not been made, change in net assets would have decreased by \$101,441 for the year ended March 31, 2008.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2009 AND 2008

11. RESTATEMENT (CONTINUED)

The effect on the Association's previously issued March 31, 2008 financial statements is summarized as follows:

Statement of Financial Position as of March 31, 2008:

	Previously Reported	Increase (Decrease)	Restated
Current liabilities	\$ 2,779,208	\$ 4,068	\$ 2,783,276
Long-term liabilities	\$ 2,310,130	\$ 97,373	\$ 2,407,503
Total liabilities	\$ 5,089,338	\$ 101,441	\$ 5,190,779
Change in net assets	<u>\$ 663,963</u>	<u>\$ (101,441)</u>	<u>\$ 562,522</u>
Total net assets - March 31, 2008	<u>\$ 663,963</u>	<u>\$ (101,441)</u>	<u>\$ 562,522</u>
Total liabilities and net assets	<u>\$ 5,753,301</u>	<u>\$ -</u>	<u>\$ 5,753,301</u>

Statement of Activities for the year ended March 31, 2008:

Revenues	\$ 7,304,486	\$ (101,441)	\$ 7,203,045
Change in Net Assets	\$ 663,963	\$ (101,441)	\$ 562,522

12. SUBSEQUENT EVENT

Subsequent to March 31, 2009, the Association changed its fiscal year end from March 31 to October 31.

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SUPPLEMENTAL INFORMATION

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2009

	Program Services				
	<u>Conventions</u>	<u>Enterprise</u>	<u>Editorial</u>	<u>Education</u>	<u>Museum</u>
Advertising and promotion	\$ 31,464	\$ -	\$ 597	\$ 11,265	\$ 41,886
Bad debt	100	355	2,105	-	-
Bank and investment fees	15,306	9,184	9,184	8,572	1,225
Bass Gallery	-	-	-	-	20,559
Committee and volunteers	16,899	-	-	-	870
Computer services	5,103	1,701	15,886	6,804	5,103
Contract labor	31,796	602	23,484	1,032	815
Cost of sales	-	159,889	-	-	1,757
Depreciation	-	-	-	-	77,740
Editorial and publications	322	42,331	412,679	215	215
Employee benefits	56,630	22,218	69,784	43,642	60,387
Events-education	-	-	-	233,634	-
Events-museum	6,046	-	-	4,017	-
Events-other	376,977	-	-	29,076	-
Equipment maintenance	5,796	2,555	1,227	1,413	19,158
Executive search	21	-	-	30	36
Exhibits	49,107	-	-	31	34,892
Fund development	-	-	-	-	-
Insurance	4,458	2,026	811	811	37,913
Legal fees	-	-	-	-	-
Mailings	5,831	29,873	193,828	1,983	3,417
Miscellaneous	792	16,765	21,051	475	127
Security (occupancy)	94,747	-	-	-	77,859
Professional development	350	455	389	-	600
Salaries	239,022	94,002	305,263	186,389	248,331
Supplies	2,455	1,366	4,814	709	6,993
Taxes	-	-	-	-	-
Telephone	2,321	1,452	2,060	1,057	1,735
Travel	24,199	1,584	861	16,284	1,662
Utilities	6,022	2,736	1,095	1,095	16,968
Total expenses	\$ 975,764	\$ 389,094	\$ 1,065,118	\$ 548,534	\$ 660,248

See independent auditor's report.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2009

Program Services			Supporting Services			Total 2009
Library	Member Services	Total	General and administrative	Fundraising	Total	
\$ -	\$ 18,762	\$ 103,974	\$ -	\$ 5,235	\$ 5,235	\$ 109,209
657	-	3,217	92	-	92	3,309
612	14,082	58,165	24,783	3,062	27,845	86,010
-	-	20,559	-	-	-	20,559
-	-	17,769	33	-	33	17,802
7,536	11,906	54,039	-	-	-	54,039
163	4,285	62,177	23,384	272	23,656	85,833
-	-	161,646	-	-	-	161,646
-	-	77,740	158,630	-	158,630	236,370
215	13,539	469,516	-	5,206	5,206	474,722
15,347	62,671	330,679	32,839	-	32,839	363,518
-	-	233,634	4,198	-	4,198	237,832
-	-	10,063	-	-	-	10,063
-	-	406,053	-	-	-	406,053
9,026	1,256	40,431	16,168	-	16,168	56,599
17	48	152	4,505	-	4,505	4,657
-	-	84,030	-	-	-	84,030
-	-	-	-	13,324	13,324	13,324
6,889	7,416	60,324	5,552	-	5,552	65,876
-	-	-	712,595	-	712,595	712,595
4,191	31,129	270,252	-	3,399	3,399	273,651
4,464	58,009	101,683	11,619	-	11,619	113,302
-	-	172,606	-	-	-	172,606
120	670	2,584	2,787	-	2,787	5,371
68,580	258,831	1,400,418	76,021	85,955	161,976	1,562,394
5,078	1,207	22,622	11,038	62	11,100	33,722
-	-	-	6,072	-	6,072	6,072
1,057	5,604	15,286	6,387	461	6,848	22,134
-	96,955	141,545	2,049	4,058	6,107	147,652
9,306	1,093	38,315	16,424	-	16,424	54,739
<u>\$ 133,258</u>	<u>\$ 587,463</u>	<u>\$ 4,359,479</u>	<u>\$ 1,115,176</u>	<u>\$ 121,034</u>	<u>\$ 1,236,210</u>	<u>\$ 5,595,689</u>

See independent auditor's report.