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A M E R I C A N  
**NUMISMATIC**

A S S O C I A T I O N  
**FINANCIAL STATEMENTS**

**WITH**

**INDEPENDENT AUDITOR'S REPORT**

**OCTOBER 31, 2013 AND 2012**

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A M E R I C A N  
**NUMISMATIC**  
A S S O C I A T I O N

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## INDEPENDENT AUDITOR'S REPORT

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Board of Governors  
**American Numismatic Association**  
Colorado Springs, Colorado

We have audited the accompanying statements of financial position of the American Numismatic Association (a not-for-profit organization), which comprise the statements of financial position as of October 31, 2013 and 2012, 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 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 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 the American Numismatic Association as of October 31, 2013 and 2012 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

### **Report on Supplemental Information**

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental schedules as listed in the table of contents 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 audits 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.

*BiggsKofford, P.C.*

Colorado Springs, Colorado  
May 7, 2014

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**OCTOBER 31, 2013 AND 2012**

<b><u>ASSETS</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Current assets:		
Cash and equivalents	\$ 695,287	\$ 827,675
Investments	7,840,617	7,482,179
Investments - Ben E. Keith Company	14,102,337	12,288,448
Prepaid expenses and other current assets	320,410	310,252
<u>Total current assets</u>	<u>22,958,651</u>	<u>20,908,554</u>
Property and equipment:		
Furniture, fixtures and equipment	1,186,368	1,105,525
Museum galleries and cases	1,285,507	1,285,507
Building and improvements	4,375,906	4,367,698
	6,847,781	6,758,730
Accumulated depreciation	(5,070,817)	(4,848,050)
<u>Net property and equipment</u>	<u>1,776,964</u>	<u>1,910,680</u>
Other assets:		
Numismatic collections	36,653,493	36,278,728
Contribution receivable from remainder trust	12,321,531	10,467,284
<u>Total other assets</u>	<u>48,975,024</u>	<u>46,746,012</u>
 <u>Total assets</u>	 <u>\$ 73,710,639</u>	 <u>\$ 69,565,246</u>

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

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENTS OF FINANCIAL POSITION**  
**OCTOBER 31, 2013 AND 2012**

<b><u>LIABILITIES AND NET ASSETS</u></b>	<b><u>2013</u></b>	<b><u>2012</u></b>
Current liabilities:		
<u>Accounts payable and accrued liabilities</u>	\$ 374,575	\$ 971,444
<u>Deferred revenue</u>	556,507	464,450
<u>Total current liabilities</u>	<u>931,082</u>	<u>1,435,894</u>
Long-term liabilities:		
<u>Deferred life membership fees</u>	1,217,448	1,174,563
<u>Accrued pension liability</u>	1,085,618	1,085,618
<u>Other liabilities</u>	74,682	78,358
<u>Total long-term liabilities</u>	<u>2,377,748</u>	<u>2,338,539</u>
<u>Total liabilities</u>	<u>3,308,830</u>	<u>3,774,433</u>
Net assets:		
Unrestricted:		
<u>Designated for future use</u>	9,345,727	9,643,046
<u>Equity in property and equipment</u>	1,776,964	1,910,680
<u>Undesignated</u>	8,951,403	6,308,473
<u>Total unrestricted</u>	<u>20,074,094</u>	<u>17,862,199</u>
Temporarily restricted:		
<u>Numismatic collection</u>	36,653,493	36,278,728
<u>Contribution receivable from remainder trust</u>	12,321,531	10,467,284
<u>Program activities</u>	1,352,691	1,182,602
<u>Total temporarily restricted</u>	<u>50,327,715</u>	<u>47,928,614</u>
<u>Total net assets</u>	<u>70,401,809</u>	<u>65,790,813</u>
<u>Total liabilities and net assets</u>	<u>\$ 73,710,639</u>	<u>\$ 69,565,246</u>

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

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED OCTOBER 31, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Membership dues and fees	\$ 3,709,944	\$ -	\$ -	\$ 3,709,944
Contributions	113,216	515,580	-	628,796
Investment income	3,016,386	1,892,630	-	4,909,016
Other income, net	954,002	43,785	-	997,787
<b>Total revenues</b>	<b>7,793,548</b>	<b>2,451,995</b>	<b>-</b>	<b>10,245,543</b>
Satisfaction of purpose restrictions	52,894	(52,894)	-	-
	<u>7,846,442</u>	<u>2,399,101</u>	<u>-</u>	<u>10,245,543</u>
Expenses:				
Program:				
Conventions	1,462,893	-	-	1,462,893
Editorial	787,149	-	-	787,149
Summer conference	449,131	-	-	449,131
Education	296,681	-	-	296,681
Museum	812,335	-	-	812,335
Library	218,880	-	-	218,880
Member services	474,066	-	-	474,066
	4,501,135	-	-	4,501,135
Supporting services:				
General and administrative	1,035,898	-	-	1,035,898
Fundraising	97,514	-	-	97,514
Increase in pension liability	-	-	-	-
<b>Total expenses</b>	<b>5,634,547</b>	<b>-</b>	<b>-</b>	<b>5,634,547</b>
Change in net assets	2,211,895	2,399,101	-	4,610,996
Reclassification by donor	-	-	-	-
Net assets, beginning of year	17,862,199	47,928,614	-	65,790,813
Net assets, end of year	<u>\$ 20,074,094</u>	<u>\$ 50,327,715</u>	<u>\$ -</u>	<u>\$ 70,401,809</u>

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



**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED OCTOBER 31, 2012**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
Membership dues and fees	\$ 4,005,017	\$ -	\$ -	\$ 4,005,017
Contributions	124,954	325,249	-	450,203
Investment income	921,276	783,868	-	1,705,144
Other income, net	1,066,810	60,313	-	1,127,123
<b>Total revenues</b>	<b>6,118,057</b>	<b>1,169,430</b>	<b>-</b>	<b>7,287,487</b>
Satisfaction of purpose restrictions	3,885,313	(3,885,313)	-	-
	<u>10,003,370</u>	<u>(2,715,883)</u>	<u>-</u>	<u>7,287,487</u>
Expenses:				
Program:				
Conventions	1,692,816	-	-	1,692,816
Editorial	811,915	-	-	811,915
Summer conference	465,206	-	-	465,206
Education	243,360	-	-	243,360
Museum	828,845	-	-	828,845
Library	224,204	-	-	224,204
Member services	411,806	-	-	411,806
	<u>4,678,152</u>	<u>-</u>	<u>-</u>	<u>4,678,152</u>
Supporting services:				
General and administrative	955,930	-	-	955,930
Fund-raising	116,465	-	-	116,465
Increase in pension liability	233,572	-	-	233,572
<b>Total expenses</b>	<b>5,984,119</b>	<b>-</b>	<b>-</b>	<b>5,984,119</b>
Change in net assets	4,019,251	(2,715,883)	-	1,303,368
Reclassification by donor	-	51,051	(51,051)	-
Net assets, beginning of year	13,842,948	50,593,446	51,051	64,487,445
Net assets, end of year	<u>\$ 17,862,199</u>	<u>\$ 47,928,614</u>	<u>\$ -</u>	<u>\$ 65,790,813</u>

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

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**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED OCTOBER 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>		
Change in net assets	\$ 4,610,996	\$ 1,303,368
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(2,887,608)	(748,078)
Depreciation	278,514	280,884
Change in value of split-interest agreements	(1,854,247)	(765,916)
Decrease (increase) in operating assets:		
Prepaid expenses and other current assets	(10,158)	634,686
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(600,545)	384,020
Deferred revenue	134,942	41,798
Net cash provided by (used in) operating activities	<u>(328,106)</u>	<u>1,130,762</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>		
Purchases of investments, net	(84,719)	(111,151)
Proceeds from sales of investments	800,000	-
Purchases of property and equipment	(144,798)	(21,872)
Capitalizable collection costs	(374,765)	(288,318)
Net cash provided by (used in) investing activities	<u>195,718</u>	<u>(421,341)</u>
Net increase (decrease) in cash and equivalents	(132,388)	709,421
Cash and equivalents, beginning of year	<u>827,675</u>	<u>118,254</u>
Cash and equivalents, end of year	<u>\$ 695,287</u>	<u>\$ 827,675</u>

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

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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**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 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; 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.

Use of estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions 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 related obligations.

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

Cash and equivalents

For purposes of the statement of cash flows, the Association considers all highly liquid investments maturing within three months of their acquisition to be cash equivalents, if not restricted by contributors or designated by the board for long-term investment. Highly liquid investments restricted by contributors or designated by the board for long-term investment are classified as investments.

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 expenses 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 was \$5,732 as of October 31, 2013 and 2012. Accounts receivable have been included in other current assets.

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. Contributions receivable have been included in other current assets.

As of October 31, 2013 and 2012, the Association considers all contribution receivable to be fully collectible; accordingly, no allowance for doubtful contributions receivable has been recorded.

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 ("FIFO") method. Inventory balances have been included in other current assets.

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

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 collections

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. The collection was initially recorded on the statement of financial position at the estimated fair value of the items in accordance with US GAAP.

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 on 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.

Library collection

Library collection items are not carried as assets on 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.

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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**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 was \$278,514 and \$280,884, respectively, for the years ended October 31, 2013 and 2012.

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 and are recognized when earned.

Net assets and contributions

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

- 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 which are stipulated by donors for specific operating purposes or restricted due to time restrictions (see Note 8).
- c) **Permanently restricted** - amounts which are not available for program expenses or other organizational needs.

In accordance with US GAAP, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of donor restrictions.

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

Net assets and contributions (continued)

Contribution revenue 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 statement of activities 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 expensed as incurred. Advertising expense was \$170,432 and \$140,662, respectively, for the years ended October 31, 2013 and 2012.

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.

See independent auditor's report



**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

Income taxes (continued)

The Association evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC 450, *Contingencies*. The Association discloses any material adjustments as a result of tax examinations. The Association reports interest and penalties resulting from these adjustments as interest expense and other expenses, as applicable. There were no tax examinations or adjustments during the years ended October 31, 2013 or 2012. Management believes tax returns for the years 2009 through 2011 are subject to audit by the applicable taxing jurisdictions.

Subsequent events

Management has evaluated subsequent events through the date of report, the date these financial statements were issued. There were no material subsequent events that required recognition or additional disclosure in these financial statements.

**2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES**

US GAAP 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. US GAAP 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 statement of financial position, as well as the general classification of such instruments pursuant to the valuation hierarchy.

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

Investments

The Association invests in various money market funds, bonds and 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 which is not actively traded. The estimated fair value of these securities is based on a certain percentage of the book value of the corporation and, accordingly, these securities are classified within Level 3 of the valuation hierarchy.

Fair value measurements of assets recognized in the accompanying financial statements, measured at fair value on a recurring basis, consist of the following as of October 31,:

	<b>2013</b>		
	Level 1	Level 2	Level 3
Cash and money market	\$ 62,002	\$ -	\$ -
Equity securities	1,265,370	-	-
Mutual funds	6,513,245	-	-
Closely-held corporate stock	-	-	14,102,337
<b>Total</b>	<b><u>\$ 7,840,617</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 14,102,337</u></b>
	<b>2012</b>		
	Level 1	Level 2	Level 3
Cash and money market	\$ 37,080	\$ -	\$ -
Equity securities	2,064,690	-	-
Mutual funds	5,380,409	-	-
Closely-held corporate stock	-	-	12,288,448
<b>Total</b>	<b><u>\$ 7,482,179</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 12,288,448</u></b>

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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

The following table represents the cost and market value of the Association's investments as of October 31, 2013 and 2012:

	<b>2013</b>	
	Cost	Value
Current:		
Readily determinable fair values available:		
Cash and money market	\$ 62,002	\$ 62,002
Equity securities	1,257,048	1,265,370
Mutual funds	3,772,820	6,513,245
	5,091,870	7,840,617
Donated corporate stock - Ben E. Keith Company	789,789	14,102,337
Total investments	\$ 5,881,659	\$ 21,942,954

	<b>2012</b>	
	Cost	Value
Current:		
Readily determinable fair values available:		
Cash and money market	\$ 37,080	\$ 37,080
Equity securities	2,051,111	2,064,690
Mutual funds	3,772,820	5,380,409
	5,861,011	7,482,179
Donated corporate stock - Ben E. Keith Company	789,789	12,288,448
Total investments	\$ 6,650,800	\$ 19,770,627

Total investment income is comprised of the following for the years ended October 31,:

	<b>2013</b>	<b>2012</b>
Interest and dividend income	\$ 167,161	\$ 191,150
Net realized and unrealized gains on investments	2,887,608	748,078
Change in value of split-interest agreements	1,854,247	765,916
Total investment income	\$ 4,909,016	\$ 1,705,144

See independent auditor's report

**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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**3. CONTRIBUTION RECEIVABLE FROM REMAINDER TRUST**

Contribution receivable from remainder trust is based on the estimated net present value of the estimated fair value of shares of the same closely-held corporation as discussed in 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 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, 2013 and 2012.

**4. DEFINED BENEFIT PENSION PLAN (TERMINATED OCTOBER 31, 2013)**

The Association had a noncontributory defined benefit pension plan covering all employees who met the eligibility requirements. The Association's funding policy was to make the minimum annual contribution that was required by applicable regulations, plus such additional amounts as the Association determines to be appropriate from time to time. This plan was terminated October 31, 2013.

As of October 31, 2013, the Association has on its books an accrual of \$1,085,618. Management asserts that this accrual is adequate to fund the remaining amounts due as a result of the terminated defined benefit pension plan.

Information about the plan's funded status as of October 31, 2012 are as follows:

Fair value of plan assets	\$ 1,309,236
Benefit obligation	<u>(2,394,854)</u>
Funded status - shortfall	<u><u>\$ (1,085,618)</u></u>

The liability recognized in the statement of financial position as of October 31, 2012 are as follows:

Pension obligations	<u><u>\$ 1,085,618</u></u>
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**AMERICAN NUMISMATIC ASSOCIATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**OCTOBER 31, 2013 AND 2012**

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**4. DEFINED BENEFIT PENSION PLAN (TERMINATED OCTOBER 31, 2013) (CONTINUED)**

The present value of future plan benefits, which is the actuarial present value of projected benefits, is a standardized disclosure measure of benefits estimated to be payable in the future as a result of employee service through the effective date of the study. Per the study, the unfunded actuarial liability under the plan was as follows on that date for the year ended October 31, 2012:

Accumulated benefit obligation	\$ 2,132,873
Projected benefit obligation	\$ 2,394,854
Fair value of plan assets	\$ 1,309,236
Funded status - shortfall	\$ 1,085,618

Other significant balances and costs are:

Employer contribution	\$ 135,000
Benefits paid	\$ 46,421
Benefits costs	\$ 118,166
Net periodic benefit cost	\$ 167,232

Significant assumptions include:

Weighted-average assumptions used to determine benefit obligations are:

Discount rate	4.50%
Rate of compensation increase	2.00%

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**4. DEFINED BENEFIT PENSION PLAN (TERMINATED OCTOBER 31, 2013) (CONTINUED)**

Weighted-average assumptions used to determine net periodic benefit cost for the indicated fiscal year ended October 31, 2012:

Discount rate	5.50%
Expected long-term return on plan assets	5.50%
Rate of compensation increase	2.00%

The Association has estimated the long-term rate of return on plan assets based primarily 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.

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.

Plan assets are re-balanced quarterly. At October 31, 2012 all plan assets were annuities and are Level 1 assets in the fair value hierarchy.

**5. SIGNIFICANT ESTIMATES AND CONCENTRATIONS**

US GAAP requires 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 investment 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.

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**AMERICAN NUMISMATIC ASSOCIATION**  
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**5. SIGNIFICANT ESTIMATES AND CONCENTRATIONS (CONTINUED)**

Current economic conditions (continued)

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 would 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.

The present value of the accumulated benefits under the postretirement benefits policy was \$50,880 and \$54,556, respectively as of October 31, 2013 and 2012. 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, 2013 and 2012.

**7. 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 \$23,802 and \$28,134, respectively as of October 31, 2013 and 2012.

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**8. TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes or years as of October 31:

	<u>2013</u>	<u>2012</u>
Program activities:		
Young Numismatists	\$ 438,965	\$ 478,373
Exhibit awards	340,733	227,336
Florance shook school of Numismatic	99,516	-
Lecture series	112,190	108,437
Engraving program	88,883	99,105
Bob Lecce fund	111,836	108,095
Education Fund	55,878	54,009
Reagan staff education	49,439	48,759
David Ganz	15,056	14,553
Harry Bass	39,801	43,551
Education outreach	311	301
Rent	<u>83</u>	<u>83</u>
Total restricted as to purpose	1,352,691	1,182,602
Numismatic collection	36,653,493	36,278,728
Contribution receivable from remainder trust	<u>12,321,531</u>	<u>10,467,284</u>
Total	<u>\$ 50,327,715</u>	<u>\$ 47,928,614</u>

**9. RETIREMENT PLAN**

In October 2013 the Association created the American Numismatic Association 401(k) Plan (the "Plan") to be effective January 1, 2014. The Plan allows eligible employees to make elective salary reduction contributions and the Association will make a matching contribution of 100% of the amount of the employee's contribution up to a maximum of 3% of the employee's compensation. In addition, the Association will make a, safe harbor, 3% contribution of the employee's compensation, along with an additional 1% discretionary contribution of the employee's compensation. Employees must have attained the age of 18 and be employed on the last day of the Plan year. The Association's did not make any contributions for the year ended October 31, 2013.

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**10. 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.

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.

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## **SUPPLEMENTAL INFORMATION**

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED OCTOBER 31, 2013**

	<b>Program Services</b>				
	<u>Conventions</u>	<u>Enterprise</u>	<u>Editorial</u>	<u>Summer Conference</u>	<u>Education</u>
Advertising and promotion	\$ 146,977	\$ -	\$ 950	\$ -	\$ 1,052
Bad debt	-	-	1,745	-	-
Bank and investment fees	16,632	-	11,088	5,544	2,218
Bass Gallery	-	-	-	-	-
Computer services	3,806	-	1,119	1,119	3,358
Contract labor	37,507	-	37,611	3,768	14,475
Cost of sales	-	-	-	-	1,583
Depreciation	18,660	-	18,660	18,660	18,660
Donations	-	-	-	-	-
Editorial and publications	873	-	232,905	349	349
Election	-	-	-	-	-
Employee benefits	51,269	-	84,546	17,992	41,761
Events-education	-	-	-	215,490	27,430
Events-other	693,507	-	1,556	43,641	-
Equipment maintenance	4,560	-	1,537	-	2,087
Exhibits	36,468	-	-	-	62
Fund development	-	-	-	-	-
Insurance	4,251	-	708	-	708
Insurance recovery	-	-	-	-	-
Legal fees	-	-	-	-	-
Mailings	8,126	-	116,083	2,041	3,691
Miscellaneous	2,664	-	21,535	-	3,189
Security (occupancy)	120,342	-	-	-	-
Professional development	789	-	15	-	-
Salaries	171,817	-	252,965	110,883	168,670
Supplies	3,312	-	931	60	950
Taxes	-	-	-	-	-
Telephone	3,436	-	1,947	-	1,375
Travel	129,784	-	-	29,584	1,943
Utilities	8,113	-	1,248	-	3,120
<b>Total expenses</b>	<b>\$ 1,462,893</b>	<b>\$ -</b>	<b>\$ 787,149</b>	<b>\$ 449,131</b>	<b>\$ 296,681</b>

See independent auditor's report.

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED OCTOBER 31, 2013**

Program Services				Supporting Services			Grand Total
Museum	Library	Member Services	Total	General and administrative	Fundraising	Total	
\$ 4,208	\$ -	\$ 16,719	\$ 169,906	\$ -	\$ 526	\$ 526	\$ 170,432
-	-	-	1,745	-	-	-	1,745
1,109	554	15,523	52,668	-	2,772	2,772	55,440
25,139	-	-	25,139	-	-	-	25,139
3,358	17,459	8,507	38,726	-	-	-	38,726
32,760	6,730	42,152	175,003	53,680	4,710	58,390	233,393
32,720	-	-	34,303	-	-	-	34,303
39,056	18,382	18,382	150,460	128,054	-	128,054	278,514
-	-	-	-	10,000	-	10,000	10,000
740	4,819	18,418	258,453	175	13,111	13,286	271,739
-	-	-	-	30,261	-	30,261	30,261
79,792	37,007	41,761	354,128	117,357	7,949	125,306	479,434
-	-	4,398	247,318	-	-	-	247,318
298	-	51,836	790,838	3,359	-	3,359	794,197
15,641	8,613	1,004	33,442	13,445	-	13,445	46,887
64,020	-	-	100,550	-	-	-	100,550
-	-	-	-	-	8,517	8,517	8,517
64,224	6,022	708	76,621	10,981	-	10,981	87,602
32,200	-	-	32,200	-	-	-	32,200
-	-	-	-	172,845	-	172,845	172,845
980	3,660	40,794	175,375	-	4,341	4,341	179,716
2,597	5,363	56,708	92,056	24,537	-	24,537	116,593
90,224	-	-	210,566	-	-	-	210,566
-	-	-	804	6,007	-	6,007	6,811
294,183	95,500	150,601	1,244,619	418,339	53,660	471,999	1,716,618
8,152	3,589	3,233	20,227	12,773	-	12,773	33,000
-	-	-	-	6,568	-	6,568	6,568
1,501	573	2,074	10,906	6,952	-	6,952	17,858
87	-	-	161,398	1,843	1,928	3,771	165,169
19,346	10,609	1,248	43,684	18,722	-	18,722	62,406
<u>\$ 812,335</u>	<u>\$ 218,880</u>	<u>\$ 474,066</u>	<u>\$ 4,501,135</u>	<u>\$ 1,035,898</u>	<u>\$ 97,514</u>	<u>\$ 1,133,412</u>	<u>\$ 5,634,547</u>

See independent auditor's report.

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED OCTOBER 31, 2012**

	<b>Program Services</b>				
	<u>Conventions</u>	<u>Enterprise</u>	<u>Editorial</u>	<u>Summer Conference</u>	<u>Education</u>
Advertising and promotion	\$ 113,737	\$ -	\$ 1,200	\$ -	\$ 1,943
Bad debt	1,170	-	-	-	-
Bank and investment fees	18,528	-	12,352	6,176	2,470
Bass Gallery	-	-	-	-	-
Computer services	2,036	-	599	599	1,797
Contract labor	36,287	-	63,694	477	1,788
Cost of sales	6,000	-	-	-	3,037
Depreciation	18,819	-	18,819	18,819	18,819
Editorial and publications	1,764	-	253,388	706	706
Election	-	-	-	-	-
Employee benefits	24,565	-	57,866	9,210	25,192
Events-education	-	-	-	255,321	29,100
Events-other	876,202	-	-	33,842	-
Equipment maintenance	6,435	-	2,036	-	2,766
Exhibits	51,207	-	-	-	110
Fund development	-	-	-	-	-
Insurance	6,669	-	1,112	-	1,112
Insurance recovery	-	-	-	-	-
Legal fees	-	-	-	-	-
Mailings	7,316	-	88,936	2,806	5,169
Miscellaneous	3,445	-	32,676	1,349	3,445
Security (occupancy)	159,947	-	-	-	-
Professional development	755	-	99	-	-
Salaries	167,758	-	269,790	131,219	139,230
Supplies	4,101	-	5,860	-	764
Taxes	-	-	-	-	-
Telephone	3,611	-	2,185	-	1,542
Travel	173,992	-	-	4,683	1,114
Utilities	8,471	-	1,303	-	3,258
<b>Total expenses</b>	<b><u>\$ 1,692,816</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 811,915</u></b>	<b><u>\$ 465,206</u></b>	<b><u>\$ 243,360</u></b>

See independent auditor's report.

**AMERICAN NUMISMATIC ASSOCIATION**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED OCTOBER 31, 2012**

Program Services				Supporting Services			Grand Total
Museum	Library	Member Services	Total	General and administrative	Fundraising	Total	
\$ 7,770	\$ -	\$ 15,042	\$ 139,691	\$ -	\$ 971	\$ 971	\$ 140,662
-	916	-	2,086	100	-	100	2,186
1,235	618	17,293	58,672	-	3,088	3,088	61,760
29,363	-	-	29,363	-	-	-	29,363
1,797	16,148	4,551	27,526	-	-	-	27,526
80,353	358	4,648	187,603	52,560	596	53,156	240,759
28,773	-	-	37,810	-	-	-	37,810
72,685	18,538	18,538	185,039	95,845	-	95,845	280,884
706	10,045	20,277	287,591	353	185	538	288,129
-	-	-	-	-	-	-	-
41,877	21,124	30,382	210,216	249,363	-	249,363	459,579
-	-	-	284,421	-	-	-	284,421
447	-	38,997	949,487	28	-	28	949,515
19,612	11,020	1,331	43,200	17,816	-	17,816	61,016
75,589	-	-	126,907	-	-	-	126,907
-	-	-	-	-	14,462	14,462	14,462
73,814	9,448	1,112	93,266	17,229	-	17,229	110,495
50,075	-	-	50,075	-	-	-	50,075
-	-	-	-	114,375	-	114,375	114,375
3,411	3,676	47,365	158,678	-	1,995	1,995	160,673
3,501	8,326	54,627	107,368	11,804	-	11,804	119,172
71,404	-	-	231,351	-	-	-	231,351
-	-	-	854	1,239	-	1,239	2,093
235,601	108,113	151,136	1,202,846	347,243	93,239	440,482	1,643,328
9,090	4,155	2,939	26,908	12,918	-	12,918	39,826
-	-	-	-	6,622	-	6,622	6,622
1,542	643	2,266	11,789	8,831	-	8,831	20,620
-	-	-	179,789	55	1,928	1,983	181,772
20,201	11,078	1,303	45,616	19,550	-	19,550	65,166
<u>\$ 828,845</u>	<u>\$ 224,204</u>	<u>\$ 411,806</u>	<u>\$ 4,678,152</u>	<u>\$ 955,930</u>	<u>\$ 116,465</u>	<u>\$ 1,072,394</u>	<u>\$ 5,750,546</u>

See independent auditor's report.