



FINANCIAL STATEMENTS

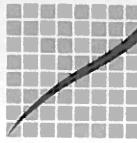
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INDEPENDENT AUDITOR'S REPORT

OCTOBER 31, 2012 AND 2011

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BiggsKofford
CERTIFIED PUBLIC ACCOUNTANTS
BUSINESS SPECIALISTS

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 as of October 31, 2012 and 2011 and the related statements of activities and of 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 American Numismatic Association as of October 31, 2012 and 2011, and the change in its 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 conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental statements of functional expenses are presented for the purpose 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.

BiggsKofford, P.C.

Colorado Springs, Colorado
April 2, 2013

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2012 AND 2011

<u>ASSETS</u>	<u>2012</u>	<u>2011</u>
Current assets:		
Cash and equivalents	\$ 827,675	\$ 118,254
Investments	7,482,179	6,997,718
Investments - Ben E. Keith Company	12,288,448	8,164,506
Prepaid expenses and other current assets	310,252	944,938
Total current assets	20,908,554	16,225,416
Property and equipment:		
Furniture, fixtures and equipment	1,105,525	1,206,516
Museum galleries and cases	1,285,507	1,285,507
Building and improvements	4,367,698	4,367,698
	6,758,730	6,859,721
Accumulated depreciation	(4,848,050)	(4,690,029)
Net property and equipment	1,910,680	2,169,692
Other assets:		
Numismatic collections	36,278,728	35,990,410
Contribution receivable from remainder trust	10,467,284	13,450,542
Total other assets	46,746,012	49,440,952
Total assets	\$ 69,565,246	\$ 67,836,060

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

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2012 AND 2011

LIABILITIES AND NET ASSETS	2012	2011
Current liabilities:		
Accounts payable and accrued liabilities	\$ 971,444	\$ 813,093
Deferred revenue	464,450	418,810
Total current liabilities	1,435,894	1,231,903
Long-term liabilities:		
Deferred life membership fees	1,174,563	1,178,405
Accrued pension liability	1,085,618	852,046
Other liabilities	78,358	86,261
Total liabilities	3,774,433	3,348,615
Net assets:		
Unrestricted:		
Designated for future use	9,643,046	9,601,081
Equity in property and equipment	1,910,680	2,169,692
Undesignated	6,308,473	2,072,175
Total unrestricted	17,862,199	13,842,948
Temporarily restricted:		
Numismatic collection	36,278,728	35,990,410
Contribution receivable from remainder trust	10,467,284	13,450,542
Program activities	1,182,602	1,152,494
Total temporarily restricted	47,928,614	50,593,446
Permanently restricted	-	51,051
Total net assets	65,790,813	64,487,445
Total liabilities and net assets	\$ 69,565,246	\$ 67,836,060

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

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF ACTIVITIES
YEAR ENDED OCTOBER 31, 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenues:				
<u>Membership dues and fees</u>	\$ 4,091,589	\$ -	\$ -	\$ 4,091,589
<u>Contributions</u>	146,468	216,905	-	363,373
<u>Investment income</u>	610,363	3,279,955	-	3,890,318
<u>Other income, net</u>	1,543,541	37,503	-	1,581,044
<u>Total revenues</u>	6,391,961	3,534,363	-	9,926,324
<u>Satisfaction of purpose restrictions</u>	771,183	(771,183)	-	-
	<u>7,163,144</u>	<u>2,763,180</u>	<u>-</u>	<u>9,926,324</u>
Expenses:				
Program:				
<u>Conventions</u>	1,825,825	-	-	1,825,825
<u>Enterprise</u>	14,433	-	-	14,433
<u>Editorial</u>	882,868	-	-	882,868
<u>Summer conference</u>	468,764	-	-	468,764
<u>Education</u>	285,290	-	-	285,290
<u>Museum</u>	691,473	-	-	691,473
<u>Library</u>	224,280	-	-	224,280
<u>Member services</u>	446,525	-	-	446,525
	4,839,458	-	-	4,839,458
Supporting services:				
<u>General and administrative</u>	1,334,630	-	-	1,334,630
<u>Fund-raising</u>	166,996	-	-	166,996
<u>Increase in pension liability</u>	423,985	-	-	423,985
<u>Total expenses</u>	6,765,069	-	-	6,765,069
<u>Change in net assets</u>	398,075	2,763,180	-	3,161,255
<u>Net assets, beginning of year</u>	-	-	-	-
<u>Net assets, beginning of year</u>	13,444,873	47,830,266	51,051	61,326,190
<u>Net assets, end of year</u>	<u>\$ 13,842,948</u>	<u>\$ 50,593,446</u>	<u>\$ 51,051</u>	<u>\$ 64,487,445</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, 2012 AND 2011

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2012</u>	<u>2011</u>
Change in net assets	\$ 1,303,368	\$ 3,161,255
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(748,078)	(669,854)
Depreciation	280,884	267,961
Change in value of split-interest agreements	(765,916)	(3,030,391)
Increase in operating assets:		
Prepaid expenses and other current assets	634,686	(567,832)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	384,020	446,398
Deferred revenue	41,798	(409,708)
Net cash provided by (used in) operating activities	<u>1,130,762</u>	<u>(802,171)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments, net	(111,151)	(211,327)
Proceeds from sales of investments	-	600,000
Purchases of property and equipment	(21,872)	(84,668)
Capitalizable collection costs	(288,318)	(7,025)
Net cash used in investing activities	<u>(421,341)</u>	<u>296,980</u>
Net increase (decrease) in cash and equivalents	709,421	(505,191)
Cash and equivalents, beginning of year	<u>118,254</u>	<u>623,445</u>
Cash and equivalents, end of year	<u>\$ 827,675</u>	<u>\$ 118,254</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, 2012 AND 2011

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 numismatics 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, 2012 AND 2011

**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, 2012 and 2011. 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, 2012 and 2011, the Association considers all contribution receivable to be fully collectible; accordingly, no allowance for doubtful contributions 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, 2012 AND 2011

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.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

**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 \$280,884 and \$267,961, respectively, for the years ended October 31, 2012 and 2011.

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 (see Note 9).

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, 2012 AND 2011

**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 \$140,663 and \$171,629, respectively, for the years ended October 31, 2012 and 2011.

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, 2012 AND 2011

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, 2012 or 2011. Management believes tax returns for the years 2008 through 2010 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, 2012 AND 2011

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,:

	2012		
	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
Total	\$ 7,482,179	\$ -	\$ 12,288,448
	2011		
	Level 1	Level 2	Level 3
Cash and money market	\$ 36,429	\$ -	\$ -
Equity securities	1,997,850	-	-
Mutual funds	4,963,439	-	-
Closely-held corporate stock	-	-	8,164,506
Total	\$ 6,997,718	\$ -	\$ 8,164,506

See independent auditor's report

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

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, 2012 and 2011:

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

	2011	
	<u>Cost</u>	<u>Value</u>
Current:		
Readily determinable fair values available:		
Cash and money market	\$ 36,429	\$ 36,429
Equity securities	1,863,571	1,997,850
Mutual funds	<u>3,772,820</u>	<u>4,963,439</u>
	5,672,820	6,997,718
Donated corporate stock - Ben E. Keith Company	<u>789,789</u>	<u>8,164,506</u>
Total investments	<u>\$ 6,462,609</u>	<u>\$ 15,162,224</u>

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

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 191,150	\$ 190,073
Net realized and unrealized gains on investments	748,078	669,854
Change in value of split-interest agreements	<u>765,916</u>	<u>3,030,391</u>
Total investment income	<u>\$ 1,705,144</u>	<u>\$ 3,890,318</u>

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

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, 2012 and 2011.

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 additional amounts as the Association may determine to be appropriate from time to time.

Information about the plan's funded status as of October 31, 2012 and 2011 are as follows:

	<u>2012</u>	<u>2011</u>
Fair value of plan assets	\$ 1,309,236	\$ 1,198,207
Benefit obligation	<u>(2,394,854)</u>	<u>(2,050,253)</u>
Funded status - shortfall	<u>\$ (1,085,618)</u>	<u>\$ (852,046)</u>

The liability recognized in the statement of financial position as of October 31, 2012 and 2011 are as follows:

Pension obligations	<u>\$ 1,085,618</u>	<u>\$ 852,046</u>
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See independent auditor's report

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

4. DEFINED BENEFIT PENSION PLAN (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 years ended October 31:

	<u>2012</u>	<u>2011</u>
Accumulated benefit obligation	\$ 2,132,873	\$ 1,709,435
Projected benefit obligation	\$ 2,394,854	\$ 2,050,253
Fair value of plan assets	\$ 1,309,236	\$ 1,198,207
Funded status - shortfall	\$ 1,085,618	\$ 852,046

Other significant balances and costs are:

Employer contribution	\$ 135,000	\$ 135,000
Benefits paid	\$ 46,421	\$ 177,212
Benefits costs	\$ 118,166	\$ 100,238
Net periodic benefit cost	\$ 167,232	\$ 136,695

Significant assumptions include:

Weighted-average assumptions used to determine benefit obligations are:

Discount rate	4.50%	5.50%
Rate of compensation increase	2.00%	2.00%

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

4. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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

	2012	2011
Discount rate	5.50%	6.00%
Expected long-term return on plan assets	5.50%	6.00%
Rate of compensation increase	2.00%	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.

Benefits expected to be paid by the plan during the five years ending October 31, 2013 through 2017 and thereafter are approximately as follows:

Years Ending October 31,	
2013	\$ 65,754
2014	72,757
2015	74,977
2016	75,605
2017	75,613
2018 - 2023	549,643
Total	\$ 914,349

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 and 2011 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:

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2012 AND 2011

5. SIGNIFICANT ESTIMATES AND CONCENTRATIONS (CONTINUED)

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.

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 \$54,556 and \$58,112, respectively as of October 31, 2012 and 2011. 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, 2012 and 2011.

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 \$28,134 and \$32,270, respectively as of October 31, 2012 and 2011.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
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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>2012</u>	<u>2011</u>
Program activities:		
Young Numismatists	\$ 478,373	\$ 517,847
Exhibit awards	227,336	221,378
Lecture series	108,437	108,082
Engraving program	99,105	97,652
Bob Lecce fund	108,095	81,575
Education Fund	54,009	63,071
Reagan staff education	48,759	48,166
David Ganz	14,553	14,339
Harry Bass	43,551	-
Education outreach	301	301
Rent	83	83
	<hr/>	<hr/>
Total restricted as to purpose	1,182,602	1,152,494
Numismatic collection	36,278,728	35,990,410
Contribution receivable from remainder trust	10,467,284	13,450,542
	<hr/>	<hr/>
Total	<u>\$ 47,928,614</u>	<u>\$ 50,593,446</u>

9. PERMANENTLY RESTRICTED NET ASSETS

The Association's endowment consist of one endowment fund as of October 31, 2011 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 US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. For the year ended October 31, 2012, the restriction has been lifted and the endowment fund has been reclassified as temporarily restricted.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
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9. PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)

During 2008, the state of Colorado adopted the Uniform Prudent Management of Institutional Funds Act ("UPMIFA"). The Association has interpreted UPMIFA as requiring the preservation of the original fair value of the 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 as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, and (b) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Association in a manner consistent with the standard of prudence prescribed by UPMIFA.

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 the Association's risk tolerances.

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, 2012

	Program Services				
	Conventions	Enterprise	Editorial	Summer Conference	Education
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
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
Total expenses	\$ 1,692,816	\$ -	\$ 811,915	\$ 465,206	\$ 243,360

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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
\$ 828,845	\$ 224,204	\$ 411,806	\$ 4,678,152	\$ 955,930	\$ 116,465	\$ 1,072,394	\$ 5,750,546

See independent auditor's report.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2011

	Program Services				
	Conventions	Enterprise	Editorial	Summer Conference	Education
Advertising and promotion	\$ 155,136	\$ -	\$ 950	\$ 680	\$ 1,444
Bad debt	2,726	-	-	-	-
Bank and investment fees	19,174	-	12,783	6,391	2,557
Bass Gallery	-	-	-	-	-
Computer services	2,485	-	731	731	2,192
Contract labor	35,227	-	53,560	310	1,163
Cost of sales	-	-	-	-	-
Depreciation	12,058	-	12,058	12,058	12,058
Editorial and publications	2,298	-	279,888	919	5,249
Election	-	-	-	-	-
Employee benefits	36,745	-	59,053	25,227	32,122
Events-education	-	(90)	-	197,179	50,044
Events-other	894,147	-	-	55,688	-
Equipment maintenance	6,856	-	2,170	-	2,947
Exhibits	46,343	-	-	-	-
Fund development	-	-	-	-	-
Insurance	4,628	-	771	-	771
Legal fees	-	-	-	-	-
Mailings	11,106	14,523	140,238	1,584	3,285
Miscellaneous	1,731	-	35,567	1,349	3,151
Security (occupancy)	172,208	-	-	-	-
Professional development	1,501	-	-	-	-
Salaries	182,932	-	278,878	131,765	159,099
Supplies	2,992	-	2,753	-	2,917
Taxes	-	-	-	-	-
Telephone	3,187	-	2,149	-	1,517
Travel	223,767	-	-	34,881	1,475
Utilities	8,579	-	1,320	-	3,300
Total expenses	\$ 1,825,825	\$ 14,433	\$ 882,868	\$ 468,764	\$ 285,290

See independent auditor's report.

AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2011

Program Services				Supporting Services			Grand Total
Museum	Library	Member Services	Total	General and administrative	Fundraising	Total	
\$ 5,777	\$ -	\$ 6,919	\$ 170,907	\$ -	\$ 722	\$ 722	\$ 171,629
200	336	-	3,262	-	-	-	3,262
1,278	639	17,896	60,717	-	3,196	3,196	63,913
23,088	-	-	23,088	-	-	-	23,088
2,192	11,257	5,554	25,141	-	-	-	25,141
49,575	1,339	3,023	144,195	43,885	388	44,272	188,467
20,128	-	-	20,128	-	-	-	20,128
82,798	32,155	12,058	175,245	92,716	-	92,716	267,961
919	11,259	22,368	322,901	460	131	591	323,492
-	-	-	-	29,269	-	29,269	29,269
40,357	17,695	40,477	251,675	202,863	-	202,863	454,538
-	-	2,519	249,653	-	-	-	249,653
529	-	58,214	1,008,578	116	-	116	1,008,694
21,034	11,741	1,418	46,165	18,982	-	18,982	65,147
61,567	-	-	107,909	-	-	-	107,909
-	-	-	-	-	65,457	65,457	65,457
72,765	6,557	771	86,265	11,957	-	11,957	98,222
-	-	-	-	422,324	-	422,324	422,324
2,621	3,287	42,859	219,502	-	1,936	1,936	221,438
5,276	7,940	44,081	99,095	1,154	-	1,154	100,249
69,884	-	-	242,092	-	-	-	242,092
-	-	-	1,501	611	-	611	2,112
198,548	105,314	181,297	1,237,833	461,067	93,239	554,305	1,792,138
7,781	2,818	3,592	22,854	12,644	-	12,644	35,498
-	-	-	-	6,760	-	6,760	6,760
1,517	722	2,160	11,252	9,337	-	9,337	20,589
3,181	-	-	263,303	688	1,928	2,616	265,919
20,459	11,219	1,320	46,197	19,799	-	19,799	65,996
<u>\$ 691,473</u>	<u>\$ 224,280</u>	<u>\$ 446,525</u>	<u>\$ 4,839,458</u>	<u>\$ 1,334,630</u>	<u>\$ 166,996</u>	<u>\$ 1,501,626</u>	<u>\$ 6,341,084</u>

See independent auditor's report.