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ANA Board Approves Balanced Operating Budget

Executive Director also reports improvement in overall financial picture

The American Numismatic Association Board of Governors has approved a balanced operating budget for the 2009-10 fiscal year, signaling a momentous financial turnaround for the ANA, which performed under a projected \$1.4 million operating deficit in fiscal year 2008-09.

The approved budget, announced during the Board's March 13 open session at the Portland National Money Show™, proposes \$4,426,380 in expenses while projecting revenues of \$4,562,445 – a surplus of \$136,065. Projected legal fees of \$211,000 are not factored into the budget, but ANA leadership is optimistic this number could be lower.

In addition, Executive Director Larry Shepherd reported significant improvement in the balance sheet, with an increase in the value of the Ben E. Keith Company stock and an infusion of cash into ANA investments.

"A year ago, I challenged Executive Director Larry Shepherd and the ANA leadership to balance the budget in one year," said President Barry Stuppler. "In truth, I felt it may take two or three years to reach this goal, but great leadership and great organizations accept challenges and meet seemingly impossible goals. The fact that a balanced budget was submitted this year reflects exemplary leadership on the part of the Executive Director and the extraordinary work of ANA staff."

Overall, projected 09-10 expenses were reduced by \$1,799,442, or 28.9 percent, while projected revenue declined by \$331,366, or 7 percent.

Significant expenses were cut by reducing advertising; mailing expenses; printing and publications costs; travel and general administration. Revenue estimates reflect reduced donations as well as sponsorship and advertising revenues, adjusted for the current economic downturn.

Shepherd lauded his senior management team and staff for working together to identify areas where expenses could be reduced without sacrificing member services, the ANA's educational mission or diminishing the overall convention experience.

"Most importantly, our belt-tightening efforts did not result in additional job losses for staff," Shepherd said. "While we have not replaced staff members who retired or accepted other opportunities, we have been able to maintain our current staff levels and refocus our efforts to better serve our members."

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Shepherd was also pleased to report that the ANA has reduced expenses for the first nine months (April 1-Dec. 31) of fiscal year 08-09 by \$796,000, a savings of 18 percent, and that expenses are \$723,000 below the 07-08 budget. Revenues for the first three quarters, however, are \$61,000 above budget and \$231,000 higher than the same period last year. Overall, performance for the first nine months of 2008-09 is nearly \$1 million better than the first nine months of 2007-08.

"Through nine months our revenues still exceed the expenses we can control -- in other words, all but legal and depreciation," Shepherd said. "We have analyzed staff members and performance as well as benefits and effectiveness of ANA programs. As a result we are reorganizing several departments and functions to focus more on resources on member services, convention appeal and educational services -- including an expanded Summer Seminar menu -- while further reducing expenses."

Shepherd said legal expenses for the first nine months totaled \$546,000, wiping out many of the year's gains. "Hopefully we will be able to put the bulk of legal costs behind us by mid-year 2009," he added.

With the balanced budget, the ANA will no longer need to use investment funds to sustain the Association's operations. In an agreement approved by the Board in closed session on March 12, Ben E. Keith Company has agreed to purchase back \$5 million in stock from the ANA, leaving a balance after the sale of approximately \$10 million, which exceeds the \$7.7 million valuation of the stock one year ago.

"As part of our overall restructuring, we converted some of our Keith Stock to more liquid assets," Shepherd said. "This gives us a much more diverse portfolio, and at the same time leaves the ANA dramatically stronger on our balance sheet than we were a year ago. Essentially, we have restored the financial health and stability of this institution."

Shepherd said he is particularly pleased that the balanced budget and balance sheet stability have been accomplished without any reduction in member services or in the core mission of the Association. "Our goal is to do a better and more visible job for our members, yet operate leaner and more efficiently."

To view a copy of the ANA budget, visit www.money.org.

The American Numismatic Association is a nonprofit organization dedicated to educating and encouraging people to study and collect money and related items. The ANA helps its 32,000 members and the public discover and explore the world of money through its vast array of programs including its education and outreach programs, museum, library, publications, conventions and seminars. For more information, call 719-632-2646 or visit www.money.org.