
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, 2014 AND 2013

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

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, 2014 and 2013, 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, 2014 and 2013 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
March 13, 2015

AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
OCTOBER 31, 2014 AND 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Current assets:		
Cash and equivalents	\$ 181,104	\$ 695,287
Investments	7,423,535	7,840,617
Investments - Ben E. Keith Company	15,267,827	14,102,337
Prepaid expenses and other current assets	207,718	320,410
<u>Total current assets</u>	<u>23,080,184</u>	<u>22,958,651</u>
Property and equipment:		
Furniture, fixtures and equipment	1,533,662	1,186,368
Museum galleries and cases	1,276,867	1,285,507
Building and improvements	4,437,622	4,375,906
	7,248,151	6,847,781
Accumulated depreciation	(5,081,902)	(5,070,817)
<u>Net property and equipment</u>	<u>2,166,249</u>	<u>1,776,964</u>
Other assets:		
Numismatic collections	37,662,998	36,653,493
Contribution receivable from remainder trust	13,540,622	12,321,531
<u>Total other assets</u>	<u>51,203,620</u>	<u>48,975,024</u>
 <u>Total assets</u>	 <u>\$ 76,450,053</u>	 <u>\$ 73,710,639</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, 2014 AND 2013

<u>LIABILITIES AND NET ASSETS</u>	<u>2014</u>	<u>2013</u>
Current liabilities:		
<u>Accounts payable and accrued liabilities</u>	\$ 495,548	\$ 374,575
<u>Deferred revenue</u>	547,647	556,507
<u>Total current liabilities</u>	<u>1,043,195</u>	<u>931,082</u>
Long-term liabilities:		
<u>Deferred life membership fees</u>	1,372,413	1,217,448
<u>Accrued pension liability</u>	721,918	1,085,618
<u>Other liabilities</u>	61,655	74,682
<u>Total long-term liabilities</u>	<u>2,155,986</u>	<u>2,377,748</u>
<u>Total liabilities</u>	<u>3,199,181</u>	<u>3,308,830</u>
Net assets:		
Unrestricted:		
<u>Designated for future use</u>	9,159,098	9,345,727
<u>Equity in property and equipment</u>	2,166,249	1,776,964
<u>Undesignated</u>	9,317,064	8,951,403
<u>Total unrestricted</u>	<u>20,642,411</u>	<u>20,074,094</u>
Temporarily restricted:		
<u>Numismatic collection</u>	37,662,998	36,653,493
<u>Contribution receivable from remainder trust</u>	13,540,622	12,321,531
<u>Program activities</u>	1,404,841	1,352,691
<u>Total temporarily restricted</u>	<u>52,608,461</u>	<u>50,327,715</u>
<u>Total net assets</u>	<u>73,250,872</u>	<u>70,401,809</u>
<u>Total liabilities and net assets</u>	<u>\$ 76,450,053</u>	<u>\$ 73,710,639</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, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenues:			
Membership dues and fees	\$ 2,936,310	\$ -	\$ 2,936,310
Contributions	194,348	1,823,220	2,017,568
Investment income	1,867,134	1,246,836	3,113,970
Other income, net	886,232	39,697	925,929
Total revenues	5,884,024	3,109,753	8,993,777
Satisfaction of purpose restrictions	829,007	(829,007)	-
	<u>6,713,031</u>	<u>2,280,746</u>	<u>8,993,777</u>
Expenses:			
Program:			
Conventions	1,451,192	-	1,451,192
Editorial	877,938	-	877,938
Summer conference	454,779	-	454,779
Education	308,489	-	308,489
Museum	637,419	-	637,419
Museum store	52,374	-	52,374
Library	190,916	-	190,916
Member services	489,611	-	489,611
Total program	4,462,718	-	4,462,718
Supporting services:			
General and administrative	903,480	-	903,480
Fundraising	83,816	-	83,816
Total supporting services	987,296	-	987,296
Loss on impairment of collection	694,700	-	694,700
Total expenses	6,144,714	-	6,144,714
Change in net assets	568,317	2,280,746	2,849,063
Net assets, beginning of year	20,074,094	50,327,715	70,401,809
Net assets, end of year	<u>\$ 20,642,411</u>	<u>\$ 52,608,461</u>	<u>\$ 73,250,872</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>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
Total revenues	7,793,548	2,451,995	10,245,543
Satisfaction of purpose restrictions	52,894	(52,894)	-
	<u>7,846,442</u>	<u>2,399,101</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
Museum store	-	-	-
Library	218,880	-	218,880
Member services	474,066	-	474,066
Total program	4,501,135	-	4,501,135
Supporting services:			
General and administrative	1,035,898	-	1,035,898
Fund-raising	97,514	-	97,514
Total supporting services	1,133,412	-	1,133,412
Loss on impairment of collection	-	-	-
Total expenses	5,634,547	-	5,634,547
Change in net assets	2,211,895	2,399,101	4,610,996
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>\$ 70,401,809</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, 2014 AND 2013

<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>	<u>2014</u>	<u>2013</u>
Change in net assets	\$ 2,849,063	\$ 4,610,996
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Net realized and unrealized gain on investments	(1,774,582)	(2,887,608)
Depreciation	318,567	278,514
Loss on impairment on capitalizable collection items	694,700	-
Capitalizable collection items received	(1,704,205)	(374,765)
Change in value of split-interest agreements	(1,219,091)	(1,854,247)
Decrease (increase) in operating assets:		
Prepaid expenses and other current assets	112,692	(10,158)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	(255,754)	(600,545)
Deferred revenue	146,105	134,942
Net cash used in operating activities	<u>(832,505)</u>	<u>(702,871)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Purchases of investments, net	(37,526)	(84,719)
Proceeds from sales of investments	1,063,700	800,000
Purchases of property and equipment	(707,852)	(144,798)
Net cash provided by investing activities	<u>318,322</u>	<u>570,483</u>
Net decrease in cash and equivalents	(514,183)	(132,388)
Cash and equivalents, beginning of year	695,287	827,675
Cash and equivalents, end of year	<u>\$ 181,104</u>	<u>\$ 695,287</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, 2014 AND 2013

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; the investment in the numismatic collection; and permanently restricted net assets, which represent resources for which use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

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, valuation of the numismatic collection, deferred membership fees, functional allocation of expenses to program and support services, valuation of the contribution receivable from the remainder trust, 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, 2014 AND 2013

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, 2014 and 2013. 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, 2014 and 2013, the Association considers all contribution receivables 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.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

**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 in the statement of financial position at the estimated fair value of the items in accordance with US GAAP.

The Association periodically evaluates the collection for impairments. If appropriate, the Association recognizes an impairment loss on collection items when the estimated fair value of the items is less than the carrying amount. During the year ended October 31, 2014, the Association recorded an impairment on the collection of \$694,700. This impairment was based on an appraisal of coins in the collection.

The collection consists primarily of coins, medals, paper currency and other objects and documents. They are catalogued, preserved, and cared for, and activities verifying their existence and assessing their conditions are performed. The Association's collection, acquired through purchases and contributions, is recognized as an asset in the statement of financial position. Purchases of collection items are recorded in the year in which the items are acquired as decreases in unrestricted, temporarily restricted or permanently restricted net assets based on the restrictions placed by donors on assets used to purchase the items. Contributed collection items are reflected in the financial statements at the estimated fair value of the items at the date of contribution. Proceeds from deaccessions, which are reflected as an increase in the appropriate net asset class, are used to acquire other items for the collection. During the years ended October 31, 2014 and 2013, the Association received \$1,704,205 and \$374,785, respectively, of new items into the collection.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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

Library collection

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

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 \$318,567 and \$278,514, respectively, for the years ended October 31, 2014 and 2013.

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 and the investment in the numismatic collection (see Note 8).

See independent auditor's report

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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

Net assets and contributions (continued)

As of October 31, 2014 and 2013, The Association had no permanently restricted net assets.

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.

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 \$98,108 and \$170,432, respectively, for the years ended October 31, 2014 and 2013.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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

Income taxes

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

The Association 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, 2014 or 2013. Management believes tax returns for the years 2011 through 2013 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.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
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2. DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

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.

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.

The Association recognizes transfers of assets into and out of levels as of the date an event or change in circumstances causes the transfer. There were no transfers between levels for the years ended October 31, 2014 and 2013.

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,:

	2014		
	Level 1	Level 2	Level 3
Cash and money market	\$ 71,194	\$ -	\$ -
Cash and fixed income	205,285	-	-
Mutual funds	7,147,056	-	-
Closely-held corporate stock	-	-	15,267,827
Total	\$ 7,423,535	\$ -	\$ 15,267,827

	2013		
	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
Total	\$ 7,840,617	\$ -	\$ 14,102,337

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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

The reconciliation of the changes in the closely-held corporate stock measured at fair value on a recurring basis using Level 3 is as follows:

Fair value as of November 1, 2012	\$ 12,288,448
Change in value of closely-held corporate stock	<u>1,813,889</u>
Fair value as of October 31, 2013	14,102,337
Change in value of closely-held corporate stock	<u>1,165,490</u>
Fair value as of October 31, 2014	<u><u>\$ 15,267,827</u></u>

The change in value of the closely-held corporate stock of \$1,165,490 and \$1,813,889 for the years ended October 31, 2014 and 2013, respectively, is attributable to the unrealized gain on the increase of the value per share as of October 31, 2014 and 2013.

The following table represents the cost and fair value of the Association's investments as of October 31, 2014 and 2013:

	2014	
	<u>Cost</u>	<u>Estimated Fair Value</u>
Current:		
Readily determinable fair values available:		
Cash and money market	\$ 71,194	\$ 71,194
Cash and fixed income	205,285	205,285
Mutual funds	<u>3,772,820</u>	<u>7,147,056</u>
	4,049,299	7,423,535
Donated corporate stock - Ben E. Keith Company	<u>789,789</u>	<u>15,267,827</u>
Total investments	<u><u>\$ 4,839,088</u></u>	<u><u>\$ 22,691,362</u></u>

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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

	2013	
	Cost	Estimated Fair 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
Donated corporate stock - Ben E. Keith Company	5,091,870	7,840,617
	789,789	14,102,337
Total investments	\$ 5,881,659	\$ 21,942,954

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

	2014	2013
Interest and dividend income	\$ 120,297	\$ 167,161
Net realized and unrealized gains on investments	1,774,582	2,887,608
Change in value of split-interest agreements	1,219,091	1,854,247
Total investment income	\$ 3,113,970	\$ 4,909,016

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, 2014 and 2013.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
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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, 2014 and 2013, the Association has on its books an accrual of \$721,918 and \$1,085,618, respectively. Management asserts that this accrual is adequate to fund the remaining amounts due as a result of the terminated defined benefit pension plan.

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.

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.

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

6. POSTRETIREMENT BENEFITS (CONTINUED)

The present value of the accumulated benefits under the postretirement benefits policy was \$47,192 and \$50,880, respectively as of October 31, 2014 and 2013. 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, 2014 and 2013.

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 \$14,463 and \$23,802, respectively, as of October 31, 2014 and 2013.

8. TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2014</u>	<u>2013</u>
Program activities:		
Young Numismatists	\$ 410,306	\$ 438,965
Exhibit awards	341,224	340,733
Florance shook school of Numismatic	98,628	99,516
Lecture series	114,483	112,190
Engraving program	77,929	88,883
Bob Lecce fund	109,481	111,836
Education Fund	156,695	55,878
Reagan staff education	48,932	49,439
David Ganz	15,364	15,056
Harry Bass	31,400	39,801
Education outreach	317	311
Rent	82	83
	<u>1,404,841</u>	<u>1,352,691</u>
Total restricted as to purpose	1,404,841	1,352,691
Numismatic collection	37,662,998	36,653,493
Contribution receivable from remainder trust	13,540,622	12,321,531
	<u>52,608,461</u>	<u>50,327,715</u>
Total	<u>\$ 52,608,461</u>	<u>\$ 50,327,715</u>

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AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 2014 AND 2013

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 contribution to the plan totaled \$85,827 for the year ended October 31, 2014. The Association's did not make any contributions for the year ended October 31, 2013.

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, 2014

	Program Services				
	Conventions	Editorial	Summer Conference	Education	Museum
Advertising and promotion	\$ 82,728	\$ 950	\$ -	\$ 1,366	\$ 5,464
Bad debt	-	-	-	-	-
Bank and investment fees	15,242	10,162	5,081	2,032	1,016
Bass Gallery	-	-	-	-	23,635
Computer services	6,873	2,021	2,021	6,064	6,064
Contract labor	46,808	37,776	4,777	18,788	17,914
Cost of sales	-	-	-	-	1,485
Depreciation	25,485	25,485	9,557	23,753	47,785
Editorial and publications	633	205,129	253	253	253
Employee benefits	60,606	121,060	28,363	54,323	54,037
Events-education	-	-	177,525	31,986	-
Events-other	774,904	1,210	39,687	-	558
Equipment maintenance	5,471	1,825	-	2,479	19,194
Exhibits	40,001	-	-	11,314	59,146
Fund development	-	-	-	-	-
Insurance	5,787	964	-	964	70,752
Legal fees	-	-	-	-	-
Loss on disposal of fixed asset	-	-	-	-	-
Mailings	8,195	94,017	2,437	3,442	1,188
Miscellaneous	1,180	17,764	-	521	635
Security (occupancy)	116,838	-	-	-	89,983
Professional development	836	1,261	-	15	1,334
Salaries	154,607	353,528	126,386	144,490	214,778
Supplies	3,213	1,454	133	1,112	4,868
Taxes	-	-	-	-	-
Telephone	3,847	2,245	44	1,571	1,571
Travel	90,874	-	58,515	1,299	-
Utilities	7,064	1,087	-	2,717	15,759
Total expenses	\$ 1,451,192	\$ 877,938	\$ 454,779	\$ 308,489	\$ 637,419

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AMERICAN NUMISMATIC ASSOCIATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED OCTOBER 31, 2014

Program Services				Supporting Services			Grand Total
Museum Store	Library	Member Services	Total	General and administrative	Fundraising	Total	
\$ -	\$ -	\$ 6,917	\$ 97,425	\$ -	\$ 683	\$ 683	\$ 98,108
-	6	-	6	1	-	1	7
-	508	14,226	48,267	-	2,540	2,540	50,807
-	-	-	23,635	-	-	-	23,635
-	20,944	15,363	59,350	-	-	-	59,350
-	12,308	59,907	198,278	43,071	5,971	49,042	247,320
24,773	-	-	26,258	-	-	-	26,258
9,557	27,222	22,296	191,140	127,429	-	127,429	318,569
-	3,730	26,926	237,177	127	633	760	237,937
4,516	17,893	64,299	405,097	25,215	531	25,746	430,843
-	-	-	209,511	-	-	-	209,511
-	-	46,586	862,945	2,326	-	2,326	865,271
-	10,173	1,193	40,335	15,967	-	15,967	56,302
-	-	-	110,461	-	-	-	110,461
-	-	-	-	-	12,424	12,424	12,424
-	8,198	964	87,629	14,950	-	14,950	102,579
-	-	-	-	191,924	-	191,924	191,924
-	-	-	-	19,285	-	19,285	19,285
-	2,627	55,062	166,968	-	864	864	167,832
-	8,614	19,068	47,782	12,377	-	12,377	60,159
-	-	-	206,821	-	-	-	206,821
-	-	506	3,952	14,376	15	14,391	18,343
12,255	62,250	150,276	1,218,570	400,247	58,205	458,452	1,677,022
119	6,465	2,718	20,082	7,455	-	7,455	27,537
-	-	-	-	6,695	-	6,695	6,695
67	740	2,217	12,302	7,380	22	7,402	19,704
-	-	-	150,688	-	1,928	281	150,969
1,087	9,238	1,087	38,039	16,302	-	16,302	54,341
<u>52,374</u>	<u>\$ 190,916</u>	<u>\$ 489,611</u>	<u>\$ 4,462,718</u>	<u>\$ 903,480</u>	<u>\$ 83,816</u>	<u>\$ 987,296</u>	<u>\$ 5,450,014</u>

See independent auditor's report.

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

	Program Services				
	Conventions	Editorial	Summer Conference	Education	Museum
Advertising and promotion	\$ 146,977	\$ 950	\$ -	\$ 1,052	\$ 4,208
Bad debt	-	1,745	-	-	-
Bank and investment fees	16,632	11,088	5,544	2,218	1,109
Bass Gallery	-	-	-	-	25,139
Computer services	3,806	1,119	1,119	3,358	3,358
Contract labor	37,507	37,611	3,768	14,475	32,760
Cost of sales	-	-	-	1,583	32,720
Depreciation	18,660	18,660	18,660	18,660	39,056
Donations	-	-	-	-	-
Editorial and publications	873	232,905	349	349	740
Election	-	-	-	-	-
Employee benefits	51,269	84,546	17,992	41,761	79,792
Events-education	-	-	215,490	27,430	-
Events-other	693,507	1,556	43,641	-	298
Equipment maintenance	4,560	1,537	-	2,087	15,641
Exhibits	36,468	-	-	62	64,020
Fund development	-	-	-	-	-
Insurance	4,251	708	-	708	64,224
Insurance recovery	-	-	-	-	32,200
Legal fees	-	-	-	-	-
Mailings	8,126	116,083	2,041	3,691	980
Miscellaneous	2,664	21,535	-	3,189	2,597
Security (occupancy)	120,342	-	-	-	90,224
Professional development	789	15	-	-	-
Salaries	171,817	252,965	110,883	168,670	294,183
Supplies	3,312	931	60	950	8,152
Taxes	-	-	-	-	-
Telephone	3,436	1,947	-	1,375	1,501
Travel	129,784	-	29,584	1,943	87
Utilities	8,113	1,248	-	3,120	19,346
Total expenses	\$ 1,462,893	\$ 787,149	\$ 449,131	\$ 296,681	\$ 812,335

See independent auditor's report.

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

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

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