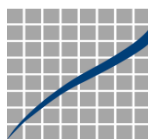




**FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

MARCH 31, 2007 AND 2006



BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Governors

American Numismatic Association

Colorado Springs, Colorado

We have audited the accompanying statements of financial position of the American Numismatic Association ("Association") as of March 31, 2007 and 2006 and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the Association's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Association as of March 31, 2007 and 2006 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Colorado Springs, Colorado

July 19, 2007

**AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 51,223	\$ 186,777
Investments	11,594,372	11,589,491
Accounts receivable, net of allowance for doubtful accounts for \$5,732 and \$5,762, respectively	76,086	30,488
Contributions receivable, net	69,507	79,642
Inventory	121,802	143,769
Prepaid expenses and other current assets	182,719	259,366
Total current assets	12,095,709	12,289,533
Contributions receivable from remainder trust	9,973,876	8,252,533
Property and equipment, net of accumulated depreciation	2,843,535	3,081,142
 Total assets	 <u>\$ 24,913,120</u>	 <u>\$ 23,623,208</u>

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

	<u>2007</u>	<u>2006</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Line of credit	\$ 925,000	\$ 850,000
Accounts payable	974,770	376,067
Deferred revenue	1,419,409	1,859,255
Current portion of deferred compensation	39,799	41,973
	<u>3,358,978</u>	<u>3,127,295</u>
Total current liabilities	3,358,978	3,127,295
Long-term liabilities:		
Deferred life membership fees	1,069,367	1,083,703
Deferred compensation	133,453	161,696
Accrued pension liability	1,209,696	1,234,246
Accrued postretirement benefits	65,006	65,577
	<u>5,836,500</u>	<u>5,672,517</u>
Total liabilities	5,836,500	5,672,517
Net assets:		
Unrestricted:		
Designated for future use	6,966,013	7,618,309
Designated for future numismatic and library acquisitions	1,085,934	1,056,978
Undesignated	240,296	242,983
	<u>8,292,243</u>	<u>8,918,270</u>
Total unrestricted	8,292,243	8,918,270
Temporarily restricted	10,733,326	8,981,370
Permanently restricted	51,051	51,051
	<u>19,076,620</u>	<u>17,950,691</u>
Total net assets	19,076,620	17,950,691
Total liabilities and net assets	<u>\$ 24,913,120</u>	<u>\$ 23,623,208</u>

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

**AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2007 AND 2006**

	2007			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Service fees	\$ 1,910,494	\$ -	\$ -	\$ 1,910,494
Membership dues and fees	904,958	-	-	904,958
Contributions	170,123	42,308	-	212,431
Investment income	1,113,683	20,673	-	1,134,356
Change in value of split-interest agreements	-	1,721,343	-	1,721,343
Advertising	967,596	-	-	967,596
Sales	349,288	-	-	349,288
Seminars	263,696	-	-	263,696
Other	195,827	-	-	195,827
Total revenues	5,875,665	1,784,324	-	7,659,989
Satisfaction of purpose restrictions	32,368	(32,368)	-	-
Total revenues other support	5,908,033	1,751,956	-	7,659,989
Expenses:				
Program:				
Conventions	1,305,499	-	-	1,305,499
Enterprise	496,423	-	-	496,423
Editorial	1,056,217	-	-	1,056,217
Education	623,490	-	-	623,490
Museum	692,421	-	-	692,421
Library	237,385	-	-	237,385
Member services	716,882	-	-	716,882
	5,128,317	-	-	5,128,317
Supporting services:				
General and administrative	1,151,903	-	-	1,151,903
Fund-raising	278,390	-	-	278,390
Decrease in pension liability	(24,550)	-	-	(24,550)
Total expenses	6,534,060	-	-	6,534,060
Change in net assets	(626,027)	1,751,956	-	1,125,929
Net assets, beginning of year	8,918,270	8,981,370	51,051	17,950,691
Net assets, end of year	<u>\$ 8,292,243</u>	<u>\$ 10,733,326</u>	<u>\$ 51,051</u>	<u>\$ 19,076,620</u>

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should be read with these financial statements.

**AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2007 AND 2006**

	2006			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues:				
Service fees	\$ 1,377,992	\$ -	\$ -	\$ 1,377,992
Membership dues and fees	885,781	-	-	885,781
Contributions	240,619	5,633	-	246,252
Investment income	1,321,704	38,099	-	1,359,803
Change in value of split-interest agreements	-	1,303,966	-	1,303,966
Advertising	814,576	-	-	814,576
Sales	372,029	-	-	372,029
Seminars	267,098	-	-	267,098
Other	117,123	67,326	-	184,449
Total revenues	5,396,922	1,415,024	-	6,811,946
Satisfaction of purpose restrictions	111,700	(111,700)	-	-
Total revenues other support	5,508,622	1,303,324	-	6,811,946
Expenses:				
Program:				
Conventions	1,116,532	-	-	1,116,532
Enterprise	414,231	-	-	414,231
Editorial	1,042,596	-	-	1,042,596
Education	622,843	-	-	622,843
Museum	667,314	-	-	667,314
Library	264,674	-	-	264,674
Member services	556,753	-	-	556,753
	4,684,943	-	-	4,684,943
Supporting services:				
General and administrative	1,132,343	-	-	1,132,343
Fund-raising	136,923	-	-	136,923
Increase in pension liability	251,764	-	-	251,764
Total expenses	6,205,973	-	-	6,205,973
Change in net assets	(697,351)	1,303,324	-	605,973
Net assets, beginning of year	9,615,621	7,678,046	51,051	17,344,718
Net assets, end of year	<u>\$ 8,918,270</u>	<u>\$ 8,981,370</u>	<u>\$ 51,051</u>	<u>\$ 17,950,691</u>

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

**AMERICAN NUMISMATIC ASSOCIATION
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2007 AND 2006**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 1,125,929	\$ 857,737
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net realized and unrealized investment gains	(733,286)	(1,131,548)
Depreciation	401,197	405,251
Change in value of split-interest agreements	(1,721,343)	(1,303,966)
Increase (decrease) in operating assets:		
Accounts receivable	(45,598)	65,713
Contributions receivable	10,135	20,354
Inventories	21,967	35,051
Prepaid expenses and other current assets	76,647	(74,496)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued liabilities	573,582	(36,711)
Deferred revenue	(454,182)	291,839
Deferred compensation	(30,417)	(29,764)
Net cash used in operating activities	<u>(775,369)</u>	<u>(900,540)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of investments	(321,595)	(1,248,253)
Proceeds from sales of investments	1,050,000	2,025,611
Purchases of property and equipment	(169,281)	(29,353)
Proceeds from sale of property and equipment	5,691	-
Payments received on note receivable	-	86,444
Net cash provided by investing activities	<u>564,815</u>	<u>834,449</u>

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	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
<u>Net increase in line of credit</u>	<u>\$ 75,000</u>	<u>\$ 65,578</u>
<u>Net cash provided by financing activities</u>	<u>75,000</u>	<u>65,578</u>
<u>Net decrease in cash and cash equivalents</u>	<u>(135,554)</u>	<u>(513)</u>
<u>Cash and cash equivalents, beginning of year</u>	<u>186,777</u>	<u>187,290</u>
<u>Cash and cash equivalents, end of year</u>	<u><u>\$ 51,223</u></u>	<u><u>\$ 186,777</u></u>

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

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**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

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 presentation

The Association reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, which represent the expendable resources that are available for operations at management's discretion; temporarily restricted net assets, which represents resources restricted by donors as to purpose or by the passage of time; and permanently restricted net assets, which represents resources whose use by the Association is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the Association.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States 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.

Cash and cash equivalents

For purposes of the statement of cash flows, the Organization considers cash deposits and liquid investments (purchased with original maturities of three months or less) as cash and cash equivalents.

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

**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.

Inventory

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

Numismatic collection

The Association maintains a numismatic collection of over 300,000 items, many of which have significant value to collectors. Many of these items are on display in the museum for the public to view. Security measures are taken to safeguard this collection.

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

Library collection

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

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

**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 ranges from five to forty years for buildings and land improvements and three to ten years for furniture and equipment. Depreciation expense for the years ending March 31, 2007 and 2006 totaled \$401,197 and \$405,251, respectively.

Deferred life membership fees

Revenue recognition for life membership fees is 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 activity.

Service fees

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

Contributions

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

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

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

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

Allocation of expenses

The cost of providing the various program and supporting activities has been presented on a functional basis in the statement of activities. Expenses are generally charged to a functional department as incurred for the related activities based upon ratios determined by management.

Advertising expenses

Advertising costs are expenses as incurred. Advertising expense for the years ended March 31, 2007 and 2006 totaled \$244,368 and \$192,563, respectively.

Federal 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.

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

2. INVESTMENTS

Investments consist of the following:

	2007		2006	
	<u>Cost</u>	<u>Estimated Fair Value</u>	<u>Cost</u>	<u>Estimated Fair Value</u>
Readily determinable fair values available:				
Cash and money market	\$ 261,749	\$ 261,749	\$ 120,240	\$ 120,240
Equity securities	2,893,470	3,928,521	3,026,206	4,480,425
Bonds and bond funds	2,615,387	2,662,908	2,821,063	2,820,715
Readily determinable fair values not available:				
Donated corporate stock	<u>1,297,076</u>	<u>4,741,194</u>	<u>1,297,076</u>	<u>4,168,111</u>
Total investments	<u><u>\$ 7,067,682</u></u>	<u><u>\$ 11,594,372</u></u>	<u><u>\$ 7,264,585</u></u>	<u><u>\$ 11,589,491</u></u>

Investment income consists of the following:

	2007	2006
Interest and dividend income	\$ 401,070	\$ 228,255
Net realized and unrealized gains	<u>733,286</u>	<u>1,131,548</u>
Total investment income	<u><u>\$ 1,134,356</u></u>	<u><u>\$ 1,359,803</u></u>

Included in investments is donated corporate stock, which represents an equity interest in a closely-held corporation. The estimated fair value of the donated corporate stock is based on a certain percentage of the book value of the corporation, in accordance with a right of first refusal agreement to purchase the shares owned by the Association.

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

3. CONTRIBUTIONS RECEIVABLE FROM REMAINDER TRUST

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

The amount ultimately received from the remainder trust could differ materially in the near term from the contribution receivable recorded as of March 31, 2007 and 2006.

4. PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2007</u>	<u>2006</u>
Buildings and improvements	\$ 4,059,039	\$ 4,020,321
Furniture, fixtures and equipment	1,212,081	1,214,078
Museum galleries and cases	<u>1,236,957</u>	<u>1,177,248</u>
Subtotal	6,508,077	6,411,647
Accumulated depreciation	<u>(3,664,542)</u>	<u>(3,330,505)</u>
Subtotal	<u><u>\$ 2,843,535</u></u>	<u><u>\$ 3,081,142</u></u>

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

5. DEFINED BENEFIT PENSION PLAN

The Association has a noncontributory, defined benefit pension plan covering all employees who have completed at least 1,000 hours of service during a twelve consecutive month period and who have attained the age of 18.

The following information on the plan's funded status and amounts included in the financial statements are as of June 1, 2006 and 2005, the most recent actuarial valuation date:

	<u>2006</u>	<u>2005</u>
Actuarial present value of accumulated plan benefits:		
Vested	\$ 1,749,727	\$ 1,677,947
Nonvested	<u>253,939</u>	<u>209,846</u>
Total	2,003,666	1,887,793
Net assets available for plan benefits	<u>793,970</u>	<u>653,547</u>
Pension liability recognized in the balance sheet	<u><u>\$ 1,209,696</u></u>	<u><u>\$ 1,234,246</u></u>

The pension liability has been recognized in accordance with the provisions of Statement of Financial Accounting Standards No. 87.

Discount rate on the benefit obligation	5.20%	4.49%
Rate of expected return on plan assets	5.00%	5.00%
Rate of employee compensation increase	0.00%	0.00%

Company contributions	\$ 101,313	\$ 110,000
Benefits paid	\$ 34,563	\$ 23,305

The following is an analysis of plan assets by category:

Fair value as of June 1:		
Equity securities	26%	28%
Annuity	<u>74%</u>	<u>72%</u>
Total	<u><u>100%</u></u>	<u><u>100%</u></u>

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

5. DEFINED BENEFIT PENSION PLAN (CONTINUED)

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.

The Association expects to contribute \$135,000 to the plan during the year ending March 31, 2008. Benefits expected to be paid by the plan during the next five years and thereafter are approximately as follows:

2008	\$	54,323
2009		57,102
2010		60,024
2011		63,094
2012		66,164
2013 - 2017		352,840

6. POSTRETIREMENT BENEFITS

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

The present value of the accumulated benefits under the postretirement benefits policy is \$65,006 and \$65,577 as of March 31, 2007 and 2006, respectively. The assumed discount rate used in the present value calculation was 8%. For measurement purposes, a 10% annual rate of increase per capita cost of covered health care benefits in future years was assumed for the years ended March 31, 2007 and 2006.

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

7. DEFERRED COMPENSATION

The Association has the following deferred compensation arrangements:

- Consulting agreements with two former employees that require payments even if no services are rendered. The recorded liability for the estimated present value of the amounts due under these agreements is \$66,056 and \$99,675 as of March 31, 2007 and 2006, respectively.
- An agreement that provides one employee retirement benefits for years of service rendered before the Association had adopted a formal pension plan. The recorded liability for the estimated present value of future benefits due under this agreement is \$48,720 and \$51,839 as of March 31, 2007 and 2006, respectively.
- A policy of providing directors and appointed officers a salary continuation benefit, payable upon retirement after age 65. During the year ended March 31, 2001, the Association discontinued this policy for future retirees; however, there is one retired employee that is receiving benefits under it. The recorded liability for the estimated present value of future benefits due under this agreement is \$9,074 and \$27,255 as of March 31, 2007 and 2006, respectively.
- The Association has committed to forming a deferred compensation plan for the current Executive Director. A liability is recorded in the amount of \$41,400 for the funding of this plan. Since the plan has not been formed as of March 31, 2007, this amount is reflected as restricted cash in the accompanying statement of financial position.

8. LINE OF CREDIT

The Association has a line of credit agreement with a financial institution in the amount of \$1,000,000 dated May 16, 2005. The line of credit is due on demand; however, if no demand is made, the line of credit expires during October 2007. The line of credit bears interest at 8.0% and is unsecured. The line of credit requires the Association to maintain a maximum debt to tangible net worth of .40, measured annually. The unpaid balance on this line of credit as of March 31, 2007 and 2006 was \$925,000 and \$850,000, respectively.

**AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006**

9. RESTRICTED NET ASSETS

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

	<u>2007</u>	<u>2006</u>
Program activities:		
Scholarships	\$ 369,808	\$ 370,176
Exhibit awards	134,876	134,783
Lecture series	111,501	108,478
Engraving programs	116,203	88,633
Other	<u>27,062</u>	<u>26,767</u>
 Total restricted as to purpose	 759,450	 728,837
Contributions receivable from remainder trust	<u>9,973,876</u>	<u>8,252,533</u>
 Total	 <u><u>\$ 10,733,326</u></u>	 <u><u>\$ 8,981,370</u></u>

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

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 established.

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

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.

AMERICAN NUMISMATIC ASSOCIATION
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2007 AND 2006

11. NEW ACCOUNTING STANDARD

In 2006, the FASB issued SFAS No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans - an amendment to FASB Statements No. 87, 88, 106 and 132(R)*. SFAS No. 158 requires the recognition of the funded status of retirement-related benefit plans in the Statement of Financial Position and the recognition of the changes in the funded status in the year in which the changes occur through gains and losses not affecting net assets. SFAS No. 158 is effective for fiscal years ending after December 15, 2008. Management has not yet evaluated the impact on the Association's financial statements of adopting SFAS No. 158 in future years.