

**AMERICAN NUMISMATIC
ASSOCIATION**

Financial Statements

For the Years Ended October 31, 2024 and 2023



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INDEPENDENT AUDITOR'S REPORT

To the Board of Governors
American Numismatic Association
Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of American Numismatic Association (a nonprofit corporation), which comprise the statements of financial position as of October 31, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows statement for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of American Numismatic Association as of October 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of American Numismatic Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about American Numismatic Association's ability to continue as a going concern within one

year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 American Numismatic Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about American Numismatic Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

McMillen & Company, PLLC

Colorado Springs, Colorado

June 13, 2025

AMERICAN NUMISMATIC ASSOCIATION
Statements of Financial Position
October 31, 2024 and 2023

	<u>ASSETS</u>	
	<u>2024</u>	<u>2023</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 395,546	\$ 1,231,582
Investments	31,117,797	29,280,226
Accounts receivable, net	128,334	112,901
Other receivable	401,757	
Inventory	66,545	60,639
Prepaid expenses	<u>177,106</u>	<u>76,153</u>
Total current assets	32,287,085	30,761,501
DESIGNATED INVESTMENTS	327,177	340,788
PROPERTY AND EQUIPMENT:		
Furniture, fixtures, and equipment	927,381	879,884
Museum galleries and cases	1,246,151	1,246,151
Building and improvements	4,921,663	4,913,563
Less accumulated depreciation	<u>(6,408,225)</u>	<u>(6,336,180)</u>
Property and equipment - net	686,970	703,418
OTHER ASSETS:		
Numismatic collections	44,013,288	43,087,968
Contribution receivable from remainder trust	<u>46,339,510</u>	<u>40,822,418</u>
Total other assets	<u>90,352,798</u>	<u>83,910,386</u>
TOTAL ASSETS	<u>\$ 123,654,030</u>	<u>\$ 115,716,093</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES:		
Accounts payable	\$ 117,476	\$ 76,324
Accrued liabilities	112,865	114,302
Deferred revenue	<u>734,732</u>	<u>791,558</u>
Total current liabilities	965,073	982,184
NONCURRENT LIABILITIES:		
Non-current deferred revenue	1,237,880	1,268,642
Other liabilities	<u>18,259</u>	<u>20,622</u>
Total noncurrent liabilities	<u>1,256,139</u>	<u>1,289,264</u>
Total liabilities	2,221,212	2,271,448
NET ASSETS:		
Without donor restrictions -		
Board designated	327,177	340,788
Equity in property and equipment	686,970	703,418
Undesignated	<u>28,719,472</u>	<u>27,117,131</u>
Total without donor restrictions	29,733,619	28,161,337
With donor restrictions -		
Numismatic collection	44,013,288	43,087,968
Contribution receivable from remainder trust	46,339,510	40,822,418
Program activities	<u>1,346,401</u>	<u>1,372,922</u>
Total with donor restrictions	<u>91,699,199</u>	<u>85,283,308</u>
Total net assets	<u>121,432,818</u>	<u>113,444,645</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 123,654,030</u>	<u>\$ 115,716,093</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Statement of Activities and Changes in Net Assets
For the Year Ended October 31, 2024
(With Comparative Totals for the Year Ended October 31, 2023)

	Without Donor Restrictions	With Donor Restrictions	2024 Totals	2023 Totals
SUPPORT AND REVENUE:				
Investment income	\$ 3,667,026	\$ 5,517,092	\$ 9,184,118	\$ 8,074,643
Membership dues and service fees	2,507,034		2,507,034	2,651,254
Other income	1,355,923		1,355,923	990,400
Contributions and grants	260,157	1,037,537	1,297,694	1,925,947
Satisfied program restrictions	<u>138,738</u>	<u>(138,738)</u>		
Total support and revenue	7,928,878	6,415,891	14,344,769	13,642,244
EXPENSES:				
Program services:				
Conventions	1,616,105		1,616,105	1,745,937
Editorial	908,606		908,606	893,608
Museum	759,600		759,600	676,925
Education	568,002		568,002	527,497
Summer conference	445,436		445,436	461,532
Member services	374,987		374,987	406,929
Library	210,333		210,333	179,971
Museum store	<u>88,422</u>		<u>88,422</u>	<u>85,050</u>
Total program services	4,971,491		4,971,491	4,977,449
Supporting services:				
General and administrative	1,160,111		1,160,111	966,491
Marketing and fundraising	136,670		136,670	141,053
Membership development	<u>88,324</u>		<u>88,324</u>	<u>92,241</u>
Total supporting services	<u>1,385,105</u>		<u>1,385,105</u>	<u>1,199,785</u>
Total expenses	<u>6,356,596</u>		<u>6,356,596</u>	<u>6,177,234</u>
CHANGE IN NET ASSETS	1,572,282	6,415,891	7,988,173	7,465,010
NET ASSETS, beginning of year	<u>28,161,337</u>	<u>85,283,308</u>	<u>113,444,645</u>	<u>105,979,635</u>
NET ASSETS, end of year	<u>\$ 29,733,619</u>	<u>\$ 91,699,199</u>	<u>\$ 121,432,818</u>	<u>\$ 113,444,645</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Statement of Activities and Changes in Net Assets
For the Year Ended October 31, 2023

	Without Donor Restrictions	With Donor Restrictions	2023 Totals
SUPPORT AND REVENUE:			
Investment income, net of fees	\$ 3,167,812	\$ 4,906,831	\$ 8,074,643
Membership dues and service fees	2,651,254		2,651,254
Contributions and grants	258,475	1,667,472	1,925,947
Other income	990,400		990,400
Satisfied program restrictions	179,174	(179,174)	
Total support and revenue	7,247,115	6,395,129	13,642,244
EXPENSES:			
Program services:			
Conventions	1,745,937		1,745,937
Editorial	893,608		893,608
Museum	676,925		676,925
Education	527,497		527,497
Summer conference	461,532		461,532
Member services	406,929		406,929
Library	179,971		179,971
Museum store	85,050		85,050
Total program services	4,977,449		4,977,449
Supporting services:			
General and administrative	966,491		966,491
Marketing and fundraising	141,053		141,053
Membership development	92,241		92,241
Total supporting services	1,199,785		1,199,785
Total expenses	6,177,234		6,177,234
CHANGE IN NET ASSETS	1,069,881	6,395,129	7,465,010
NET ASSETS, beginning of year	27,091,456	78,888,179	105,979,635
NET ASSETS, end of year	\$ 28,161,337	\$ 85,283,308	\$ 113,444,645

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Statement of Functional Expenses
For the Year Ended October 31, 2024

	Convention	Editorial	Museum	Summer Conference	Member Services	Education	Library	Museum Store	Total Program Services
Salaries	\$ 174,598	\$ 370,214	\$ 352,825	\$ 102,186	\$ 99,731	\$ 288,929	\$ 90,866	\$ 48,492	\$ 1,527,841
Employee benefits & payroll taxes	48,245	106,088	105,861	30,079	33,225	85,822	27,634	18,312	455,266
Security & occupancy	314,854		101,502						416,356
Bourse	346,268								346,268
Events - seminar direct costs				228,704		39,125			267,829
Contract labor	37,066	36,693	15,336	4,090	39,874	51,189	6,067		190,315
Editorial & publications		239,376			9,901	393	442		250,112
Mailings	2,982	110,255	4,411	718	59,229	10,428	4,992	75	193,090
Advertising & promotion	108,978	(26)	11,400		3,370	6,076			129,798
Travel	98,322	1,060	2,739	37,684		8,569			148,374
General service contractor	153,310								153,310
Events - convention facilities	115,000								115,000
Licenses & other fees	1,826		1,827		29,224	32,896	1,827		67,600
Insurance	8,005	1,334	52,919		1,334	1,334	11,341		76,267
Events - other direct costs	64,629		100	31,921					96,650
Equipment maintenance	14,261	325	27,280	523	941	1,463	13,554	553	58,900
Depreciation & amortization	10,712	244	20,742	109	707	1,084	10,180	416	44,194
Miscellaneous		19,892	102		6,858	8,314	2,337		37,503
Computer services	7,243	2,534	6,391	2,130	16,191	6,391	22,774		63,654
Exhibits	43,360		17,717						61,077
Bank & credit card fees	17,724	11,816	1,182	5,908	16,542	2,363	591		56,126
Awards & medals/badges	11,796	2,346		98	43,289		160		57,689
Utilities	7,232	1,113	16,134		1,113	2,782	9,458	1,113	38,945
Supplies	5,521	1,491	6,547		11,365	3,826	6,620	16	35,386
Legal fees									
Cost of sales						15,100	6	18,985	34,091
Fund development									
Bad debt	19,489	277		165					19,931
Telephone	3,395	3,559	1,840	1,121	1,240	1,428	1,226	460	14,269
Bass Gallery			12,684						12,684
Professional development	1,289	15	61		853	490	258		2,966
Charitable registrations									
Total expenses, as reported on the statement of activities	<u>\$ 1,616,105</u>	<u>\$ 908,606</u>	<u>\$ 759,600</u>	<u>\$ 445,436</u>	<u>\$ 374,987</u>	<u>\$ 568,002</u>	<u>\$ 210,333</u>	<u>\$ 88,422</u>	<u>\$ 4,971,491</u>

AMERICAN NUMISMATIC ASSOCIATION
Statement of Functional Expenses - Continued
For the Year Ended October 31, 2024

	General & Administrative	Marketing & Fundraising	Membership Development	Total Supporting Services	Total Functional Expenses
Salaries	\$ 631,388	\$ 76,156	\$ 38,732	\$ 746,276	\$ 2,274,117
Employee benefits & payroll taxes	229,810	20,538	12,007	262,355	717,621
Security & occupancy					416,356
Bourse					346,268
Events - seminar direct costs	9,302			9,302	277,131
Contract labor	58,936	5,112		64,048	254,363
Editorial & publications		3,080		3,080	253,192
Mailings		2,837		2,837	195,927
Advertising & promotion		1,123	33,028	34,151	163,949
Travel	5,470		4,557	10,027	158,401
General service contractor					153,310
Events - convention facilities					115,000
Licenses & other fees	38,254			38,254	105,854
Insurance	20,681			20,681	96,948
Events - other direct costs					96,650
Equipment maintenance	37,159			37,159	96,059
Depreciation & amortization	27,853			27,853	72,047
Miscellaneous	27,738			27,738	65,241
Computer services					63,654
Exhibits					61,077
Bank & credit card fees		2,954		2,954	59,080
Awards & medals/badges					57,689
Utilities	16,690			16,690	55,635
Supplies	13,049	47		13,096	48,482
Legal fees	38,095			38,095	38,095
Cost of sales					34,091
Fund development		20,883		20,883	20,883
Bad debt					19,931
Telephone	4,139	460		4,599	18,868
Bass Gallery					12,684
Professional development	1,547			1,547	4,513
Charitable registrations		3,480		3,480	3,480
Total expenses, as reported on the statement of activities	<u>\$ 1,160,111</u>	<u>\$ 136,670</u>	<u>\$ 88,324</u>	<u>\$ 1,385,105</u>	<u>\$ 6,356,596</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Statement of Functional Expenses
For the Year Ended October 31, 2023

	Convention	Editorial	Museum	Summer Conference	Member Services	Education	Library	Museum Store	Total Program Services
Salaries	\$ 158,530	\$ 356,450	\$ 302,638	\$ 92,913	\$ 107,247	\$ 244,766	\$ 73,217	\$ 42,883	\$ 1,378,644
Employee benefits & payroll taxes	52,070	95,141	96,638	24,651	32,603	69,097	21,633	14,268	406,101
Security & occupancy	339,423		68,311						407,734
Bourse	402,057								402,057
Contract labor	108,811	42,857	18,590	23,229	47,682	46,858	3,668		291,695
Events - seminar direct costs				252,330		22,078			274,408
Editorial & publications	699	246,494	36	36	11,912	36	5,400		264,613
Travel	164,291	647	2,702	52,532	3,920	10,857			234,949
Advertising & promotion	109,644	8,360	17,937			2,844			138,785
Mailings	3,759	99,697	4,400	1,174	51,296	10,541	7,116	104	178,087
Licenses & other fees	3,150		3,150		50,394	64,622	3,150		124,466
Events - convention facilities	134,610								134,610
Equipment maintenance	27,197	282	23,536	453	815	1,267	11,736	479	65,765
Events - other direct costs	83,577		150	4,736					88,463
Insurance	6,800	1,133	46,097		1,133	1,133	9,634		65,930
Miscellaneous		17,596	452		9,867	9,751	1,470		39,136
Depreciation & amortization	10,778	246	20,873	110	711	1,090	10,244	418	44,470
Exhibits	53,527		10,198						63,725
Bank & credit card fees	18,659	12,439	1,244	6,220	17,415	2,488	622		59,087
Utilities	7,271	1,119	16,221		1,118	2,797	9,509	1,119	39,154
Computer services	6,258	2,258	5,522	1,841	13,988	5,522	17,073		52,462
Supplies	17,590	835	4,613	279	7,674	12,067	2,472	69	45,599
Awards & medals/badges	201	769			47,394		142		48,506
Legal fees									
General service contractor	33,764								33,764
Bass Gallery			31,647						31,647
Cost of sales						4,057		25,306	29,363
Election									
Fund development									
Telephone	3,271	7,225	1,617	1,028	1,162	1,298	1,078	404	17,083
Professional development		60	353		598	14,328	1,807		17,146
Charitable registrations									
Total expenses, as reported on the statement of activities	<u>\$ 1,745,937</u>	<u>\$ 893,608</u>	<u>\$ 676,925</u>	<u>\$ 461,532</u>	<u>\$ 406,929</u>	<u>\$ 527,497</u>	<u>\$ 179,971</u>	<u>\$ 85,050</u>	<u>\$ 4,977,449</u>

AMERICAN NUMISMATIC ASSOCIATION
Statement of Functional Expenses - Continued
For the Year Ended October 31, 2023

	General & Administrative	Marketing & Fundraising	Membership Development	Total Supporting Services	Total Functional Expenses
Salaries	\$ 532,293	\$ 71,985	\$ 27,978	\$ 632,256	\$ 2,010,900
Employee benefits & payroll taxes	169,748	19,423	8,451	197,622	603,723
Security & occupancy					407,734
Bourse					402,057
Contract labor	23,051	6,113		29,164	320,859
Events - seminar direct costs	6,491			6,491	280,899
Editorial & publications	18	6,731		6,749	271,362
Travel	(1,299)			(1,299)	233,650
Advertising & promotion	1,136	1,422	50,126	52,684	191,469
Mailings	(1)	2,829		2,828	180,915
Licenses & other fees	34,624			34,624	159,090
Events - convention facilities					134,610
Equipment maintenance	33,129			33,129	98,894
Events - other direct costs	2,224			2,224	90,687
Insurance	16,207			16,207	82,137
Miscellaneous	31,516		5,686	37,202	76,338
Depreciation & amortization	28,028			28,028	72,498
Exhibits					63,725
Bank & credit card fees	696	3,110		3,806	62,893
Utilities	16,780			16,780	55,934
Computer services	(2)			(2)	52,460
Supplies	5,776	197		5,973	51,572
Awards & medals/badges					48,506
Legal fees	35,005			35,005	35,005
General service contractor					33,764
Bass Gallery					31,647
Cost of sales					29,363
Election	27,433			27,433	27,433
Fund development		25,119		25,119	25,119
Telephone	3,638	404		4,042	21,125
Professional development					17,146
Charitable registrations		3,720		3,720	3,720
Total expenses, as reported on the statement of activities	<u>\$ 966,491</u>	<u>\$ 141,053</u>	<u>\$ 92,241</u>	<u>\$ 1,199,785</u>	<u>\$ 6,177,234</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Statements of Cash Flows
For the Years Ended October 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 7,988,173	\$ 7,465,010
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Net realized and unrealized gains on investments	(3,518,041)	(3,015,391)
Depreciation	72,047	72,498
Capitalizable collection items received	(921,320)	(1,376,156)
Change in value of remainder trust	(5,517,092)	(4,906,831)
Decrease (increase) in operating assets:		
Accounts receivable	(15,433)	(65,096)
Other receivable	(401,757)	
Inventory	(5,906)	(1,461)
Prepaid expenses	(100,953)	42,819
Increase (decrease) in operating liabilities:		
Accounts payable	41,152	(26,937)
Accrued liabilities	(1,437)	11,290
Other liabilities	(2,363)	42,764
Deferred revenue	<u>(87,588)</u>	<u>160,596</u>
Total adjustments	<u>(10,458,691)</u>	<u>(9,061,905)</u>
Net cash used by operating activities	(2,470,518)	(1,596,895)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Gross purchases of other investments	(5,850)	(3,549)
Proceeds from sale of BEK stock certificates	1,695,929	2,537,537
Purchase of property and equipment	<u>(55,597)</u>	<u>(82,865)</u>
Net cash provided by investing activities	<u>1,634,482</u>	<u>2,451,123</u>
NET INCREASE (DECREASE) IN CASH	(836,036)	854,228
CASH AND CASH EQUIVALENTS, beginning of year	<u>1,231,582</u>	<u>377,354</u>
CASH AND CASH EQUIVALENTS, end of year	<u>\$ 395,546</u>	<u>\$ 1,231,582</u>

See Notes to Financial Statements

AMERICAN NUMISMATIC ASSOCIATION
Notes to Financial Statements
For the Years Ended October 31, 2024 and 2023

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

American Numismatic Association (the 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 association of its kind.

Method of Accounting

The financial statements of the Association have been prepared on the accrual basis of accounting.

New Accounting Pronouncements

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-13, *Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, in June 2016. The ASU introduces a new expected credit loss model for the recognition and measurement of credit losses on financial assets measured at amortized cost, such as loans, receivables, debt securities, and net investments in leases. The ASU also modifies the accounting for available-for-sale debt securities and provides new guidance on the presentation and disclosure of credit losses.

In accordance with ASU 2016-13 and the related subsequent pronouncements, the Association has adopted the current expected credit loss (CECL) model for measuring credit losses on financial instruments. This new standard has been applied using the modified retrospective approach, which requires a cumulative-effect adjustment to the opening balance of retained earnings as of the beginning of the first reporting period in which the guidance is effective. The adoption of ASU 2016-13 has resulted in the following changes to the Association's financial statements:

1. The allowance for credit losses, if any, has been adjusted to reflect the Association's current estimate of

American Numismatic Association
Notes to Financial Statements
October 31, 2024 and 2023

expected credit losses over the life of the financial assets.

2. The significant categories of financial assets measured at amortized cost, along with the associated allowance for credit losses, are now presented separately on the Statement of Financial Position.
3. Enhanced disclosures have been provided in the notes to the financial statements, detailing the basis for measuring credit losses, if any, and the factors that influenced the Association's estimate of expected credit losses.

The adoption of ASU 2016-13 did not have a material impact on the financial statements and did not require any cumulative adjustment to beginning balances, since the Association does not currently report any financial instruments within the scope of the ASU 2016-13. However, the Association has reviewed and updated its policies and procedures to ensure compliance with the new standard and to maintain effective internal controls over financial reporting.

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 two classes of net assets:

- Net assets without donor restrictions: net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Association.
- Net assets with donor restrictions: net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature, such as those that will be met by the passage of time or other purposes specified by the donor. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor restrictions may be perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

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Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

Cash and Cash Equivalents

Cash and cash equivalents consist of the Association's checking, money market accounts, and other highly liquid investments not restricted or designated for other use. The Association maintains its cash and cash equivalents at a commercial bank, credit union, and at a brokerage firm. In the event of an institution's failure, the Association might only be able to recover the amounts insured.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities, and the reported amounts of revenues and expenses. 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, and valuation of the contribution receivable from the remainder trust.

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 net assets with donor restrictions, temporary or permanent in nature, depending on the nature of the restrictions. When temporary restrictions expire or are otherwise satisfied, net assets with donor restrictions, temporary in nature, are reclassified to net assets without donor restrictions.

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As of October 31, 2024 and 2023, Management considers all contributions receivable, if any, to be fully collectible; accordingly, no allowance for doubtful contributions receivable has been recorded.

Accounts Receivable

Accounts receivable are stated at the amount the Association expects to collect from balances outstanding at year end. Based on management's assessment of the outstanding balances, it has concluded that an allowance for doubtful accounts of \$5,732 is necessary for each of the years ended October 31, 2024 and 2023.

Revenue Recognition

The Association has analyzed the provisions of the FASB's ASC Topic 606, *Revenue from Contracts with Customers*. The Association's revenue recognition policies are as follows:

- Membership dues and fees - Membership dues and fees revenue is recognized in an amount that reflects the consideration that the Association is entitled to in exchange for providing membership services. Registrations are recognized as revenue in the period in which the Association satisfies its performance obligation to its members. A performance obligation is a promise in a contract to transfer a distinct good or service to a customer, as defined by ASC 606. The Association's performance obligation for membership registration revenue is to provide access to special events, membership services, and other benefits accessible only to members.

Revenue recognition for life membership fees is deferred upon receipt and recognized over 30 years. Such recognized revenue is included within membership dues and fees in the statement of activities.

- Advertising revenue - Advertising revenue is recognized in an amount that reflects the consideration that the Association is entitled to in exchange for substantially fulfilling performance obligations specific to each contract. Advertising is recognized as revenue in the period in which the Association satisfies its performance obligation to its clients. The Association's performance obligations for advertising revenue are to provide

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promotion and advertising opportunities on its magazine as arranged under each contract. The Association has determined that performance obligations of existing multi-year contracts do not materially differ from year-to-year; but it continues to evaluate each new contract for proper recognition under ASC 606.

- Other income - Service fees and Bourse revenue are recognized as the Association delivers specific performance obligations, such as holding major events. Revenue is recognized at a single point in time when the events occur and when ownership, risks, and rewards transfer to the participant.

Depreciation and Amortization

Property and equipment are recorded at cost as of the date of acquisition or fair value as of the date of receipt in the case of gifts. Capital expenditures exceeding \$1,000 are capitalized and depreciated over the appropriate term according to the Association's policies. Depreciation is recorded using the straight-line method over estimated useful lives of five to 40 years for buildings and land improvements, three to 10 years for furniture and equipment, and three to 20 years for museum galleries and cases.

Investments

The Association accounts for their investments in accordance with FASB ASC 958, "Not-for-Profit Entities". Investments in marketable equity securities with readily determinable fair values are stated at fair value based on quoted prices in active markets (Level 1 measurements). Closely held stock without readily determinable fair values are stated at book value determined by information provided by the closely held corporation (Level 3 measurements). Unrealized gains and losses are reported as revenue in the accompanying statement of activities and changes in net assets. Realized gains and losses on investments sold, determined on a specific identification basis, are also included in revenue.

Supplemental Cash Flow Disclosure

The Association paid no interest or income taxes during the years ended October 31, 2024 and 2023.

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Inventory

The Association records inventories at the lower of first-in first-out (FIFO) cost and net realizable value. Net realizable value is generally based on the selling price.

Numismatic Collections

The Association maintains a numismatic collection of over 275,000 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.

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 net assets without donor restrictions or net assets with donor restrictions, depending on the existence of any previous 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. It is the policy of the Association that proceeds from deaccessions, which are reflected as an increase in the appropriate net asset class, are used to acquire other items for the collection or for direct care of the remaining collections. The Association defines the direct care of collections as any activity that involves the conservation, protection, storage, maintenance, cataloging, and preservation of the collection. This includes the salary and benefits of the museum curator, consultant fees, and direct costs like the digitalization costs of the Numismatic library.

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During the years ended October 31, 2024 and 2023, the Association received \$921,320 and \$1,376,157, respectively, of newly donated items into the collection.

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.

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 and changes in net assets. 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 \$163,949 and \$191,469, respectively, for the years ended October 31, 2024 and 2023.

B. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Association has cash and cash equivalents and certain investments as a primary source of liquidity at its disposal.

In addition to currently held financial assets available to meet general expenditures over the next 12 months, the Association operates under an approved budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources or by planned liquidation of investments.

As of October 31, the following financial assets could readily be made available within one year of the balance sheet date to meet general expenditures:

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	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 395,546	\$ 1,231,582
Investments	31,444,974	29,621,014
Accounts receivable	128,334	112,901
Other receivable	<u>401,757</u>	<u> </u>
Total liquid financial assets	32,370,611	30,965,497
Less:		
Board-designations	(327,177)	(340,788)
Restricted net assets - program activities	<u>(1,346,401)</u>	<u>(1,372,922)</u>
Total financial assets available	<u>\$ 30,697,033</u>	<u>\$ 29,251,787</u>

As of October 31, 2024 and 2023, the Association also has contributions receivable from remainder trusts (Note F) of \$46,339,510 and \$40,822,418, respectively; but, those shares are not received until after the deaths of certain beneficiaries of the trust.

C. FAIR VALUE MEASUREMENTS

The Association applies Generally Accepted Accounting Principles (GAAP) for fair value measurements of financial assets that are recognized or disclosed at fair value in the financial statements on a recurring basis. GAAP establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Association has the ability to access at the measurement date.
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for the asset or liability.

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The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

The following tables present assets that are measured at fair value on a recurring basis at October 31, 2024 and 2023:

Assets at Fair Value as of October 31, 2024

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 8,749	\$	\$	\$ 8,749
Other		52,875		52,875
Mutual funds - equity and fixed income	400,615			400,615
Closely-held corporate stock			30,982,735	30,982,735
	<u>\$ 409,364</u>	<u>\$ 52,875</u>	<u>\$ 30,982,735</u>	<u>\$ 31,444,974</u>

Assets at Fair Value as of October 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities	\$ 8,749	\$	\$	\$ 8,749
Other		51,035		51,035
Mutual funds - equity and fixed income	334,733			334,733
Closely-held corporate stock			29,226,497	29,226,497
	<u>\$ 343,482</u>	<u>\$ 51,035</u>	<u>\$ 29,226,497</u>	<u>\$ 29,621,014</u>

Below is a reconciliation of the beginning and ending balance of assets measured at fair value on a recurring basis using significant unobservable inputs (Level 3) during the years ended October 31:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 29,226,497	\$ 28,775,681
Interest & dividends	62,823	62,557
Change in value of closely-held stock	<u>3,452,167</u>	<u>2,988,352</u>
Withdrawals	<u>(1,758,752)</u>	<u>(2,600,093)</u>
Ending balance	<u>\$ 30,982,735</u>	<u>\$ 29,226,497</u>

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The change in value of the closely held corporate stock of \$3,452,158 and \$2,988,352, for the years ended October 31, 2024 and 2023, respectively, is attributable to the unrealized gain on the increase of the book value per share as of October 31, 2024 and 2023. The value of the closely held stock is determined by inputs provided by the closely held corporation, based on its audited financial statements, subject to a first-right of refusal agreement to sell shares back to the closely held corporation at 85% of book value (Note G).

D. INVESTMENT INCOME

Investment income consists of the following for the years ended October 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Interest and dividends	\$ 155,680	\$ 157,868
Net realized and unrealized gains on investment	3,511,346	3,009,944
Change in value of split interest agreement	<u>5,517,092</u>	<u>4,906,831</u>
	<u>\$ 9,184,118</u>	<u>\$ 8,074,643</u>

E. CONTRACT ASSETS AND LIABILITIES

The timing of revenue recognition, billings, and cash collections may result in billed accounts receivable, unbilled receivables (contract assets), and customer advances and deposits (contract liabilities) on the Statement of Financial Position. Amounts are billed as work progresses in accordance with agreed-upon contractual terms. Revenue is recognized upon satisfaction of performance obligations (Note A).

As of October 31, the contract balances were as follows:

	<u>2024</u>	<u>2023</u>	<u>2022</u>
Accounts receivable, net	\$ 128,334	\$ 112,901	\$ 47,805
Deferred revenue	\$ 1,972,612	\$ 2,060,200	\$ 1,854,309

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F. DEFERRED REVENUE

Deferred revenue consists of the following at October 31, 2024 and 2023:

	<u>2024</u>	<u>2023</u>
Membership Dues	\$ 1,740,908	\$ 1,773,621
Bourse	153,683	292,179
Other	<u>78,021</u>	<u>(5,600)</u>
	<u>\$ 1,972,612</u>	<u>\$ 2,060,200</u>

G. CONTRIBUTION RECEIVABLE FROM REMAINDER TRUST

Contribution receivable from remainder trust is based on the estimated net present value of the estimated fair value of closely held corporate shares to be received by the Association in the future, after the deaths of certain beneficiaries of the trust, and the estimated present value of future dividend income on the shares currently held in trust, as discussed in Note C. The remainder trust distributes dividend income on shares held in trust, when received, to the Association. The net present value is based on the expected life of the income beneficiaries, using 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, 2024 and 2023.

H. 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 \$18,259 and \$20,622, as of October 31, 2024 and 2023, respectively. 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, 2024 and 2023.

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I. RETIREMENT PLAN

In October 2013, the Association created the American Numismatic Association 401(k) Plan (the "Plan") to be effective January 1, 2014. The Association will make a safe-harbor contribution in an amount not less than 3% of an eligible employee's compensation.

Also, the Plan allows employees to make elective salary reduction contributions up to 100% of their compensation (subject to IRS limits); and, the Association may, at its sole discretion, make matching contributions up to a maximum of the "Matched Employee Contribution" as described in the Plan. The Association may also make discretionary contributions to the Plan. Employees must have attained the age of 18 and be employed on the last day of the Plan year.

In addition to the 3% safe harbor contribution, for the years ended October 31, 2024 and 2023, the Association made matching contributions up to 3% of employee compensation and a discretionary 1% contribution of employee compensation. The Association's contributions to the Plan totaled \$139,890 and \$131,343 for the years ended October 31, 2024 and 2023, respectively.

J. BOARD DESIGNATED NET ASSETS

Board designated net assets are available for the following areas:

	<u>2024</u>	<u>2023</u>
NGS Settlement fund	\$ 204,592	\$ 204,592
Publications	72,025	80,025
YN Scholarship	50,560	50,560
Museum		5,611
	<u>\$ 327,177</u>	<u>\$ 340,788</u>

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K. NET ASSETS WITH DONOR RESTRICTIONS: TEMPORARY IN NATURE

Net assets with donor restrictions, temporary in nature, are available for the following areas:

	<u>2024</u>	<u>2023</u>
Numismatic collection	\$ 44,013,288	\$ 43,087,968
Contribution receivable from remainder trust	46,339,510	40,822,418
Program activities:		
Exhibit awards	378,077	341,640
Young Numismatists	258,465	267,385
Museum	183,521	187,521
Education fund	158,831	165,831
College scholarships	136,465	136,465
Lecture series	75,583	90,432
Reagan staff education	52,779	52,779
Engraving program	36,676	44,578
Harry Bass fund	23,001	23,001
Defense fund	12,619	12,619
David Ganz fund	10,912	10,912
School of Numismatics scholarships	9,112	8,112
Club rep reserve	5,831	1,331
Education outreach	3,428	1,828
Van	1,030	1,030
Rent	71	71
Bob Lecce fund		27,387
	<u>\$ 91,699,199</u>	<u>\$ 85,283,308</u>

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Net assets are released from donor restrictions by incurring expenses that satisfy the restricted purpose. During the years ended October 31, 2024 and 2023, temporarily restricted net assets were released from restrictions for the following programs:

	<u>2024</u>	<u>2023</u>
Young Numismatists	\$ 75,012	\$ 66,014
Bob Lecce fund	31,912	34,200
Lecture series	14,849	3,837
Engraving	7,902	
Education	7,000	
Exhibit awards	2,063	757
Museum		53,366
School of Numismatics		
scholarships		14,000
College scholarships		7,000
	<u>\$ 138,738</u>	<u>\$ 179,174</u>

L. 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 the management, no fees or penalties are expected to be paid under these contracts and, therefore, no liability has been recorded. The Association has also 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.

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M. INCOME TAXES

Under Section 501(c)(3) of the Internal Revenue Code, the Association is exempt from federal income tax on all income except unrelated business income as noted under Section 511 of the Internal Revenue Code. Internal Revenue Code Section 513(a) defines an unrelated trade or business of an exempt Association as any trade or business which is not substantially related to the exercise or performance of its exempt purpose. The advertising income derived from the publication of *The Numismatist* and the convention program guides is considered unrelated business income. Since related expenses exceeded the income, no provision for income taxes has been accrued.

Management of the Association believes that it does not have any uncertain tax positions that are material to the financial statements.

N. SUBSEQUENT EVENTS

In preparing the financial statements, the Association has evaluated events and transactions for potential recognition or disclosure through June 13, 2025, the date that the financial statements were available to be issued. No subsequent events or transactions were identified for recognition or disclosure except as described below.

Subsequent to the fiscal year ended October 31, 2024, the Association sold 45 shares of BEK class A \$10.00 par common stock for \$31,810 per share receiving total proceeds of \$1,431,441.

O. EMPLOYEE RETENTION TAX CREDIT

Under the provisions of the Coronavirus Aid, Relief, and Economic Security Act (the "CARES Act") signed into law on March 27, 2020, and other subsequent legislation, the Association was eligible for the employee retention tax credit, subject to certain criteria. During the fiscal year ended October 31, 2024, the Association applied for \$749,873 in credits. The Association accrued \$402,515 (including \$24,282 in interest), as of the fiscal year-end, which it received subsequent to year end. However, due to ongoing uncertainties related to the program, the Association has not recorded the remaining amount as a receivable as of October 31, 2024.