

THE AMERICAN NUMISMATIC SOCIETY
CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2007 AND 2006

THE AMERICAN NUMISMATIC SOCIETY

CONTENTS

SEPTEMBER 30, 2007 AND 2006

	<u>Page</u>
Independent auditor's report	1
Financial statements:	
Statement of financial position	2
Statement of activities, 2007	3 - 4
Statement of activities, 2006	5 - 6
Statement of changes in net assets	7
Statement of cash flows	8
Notes to financial statements	9 - 22
Additional information:	
Schedule of changes in unrestricted, temporarily restricted, and permanently restricted net assets, 2007	23 - 26
Schedule of functional expenses, 2007	27
Schedule of functional expenses, 2006	28

D'Arcangelo & Co., LLP
Certified Public Accountants & Consultants

3000 Westchester Ave., Purchase, N.Y. 10577-2538
914-694-4600 Fax: 914-694-3658

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
The American Numismatic Society
New York, New York

We have audited the accompanying statement of financial position of The American Numismatic Society (a nonprofit corporation) as of September 30, 2007 and 2006, and the related statements of activities, changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Society'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 that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Numismatic Society as of September 30, 2007 and 2006, 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.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedules of changes in unrestricted, temporarily restricted and permanently restricted net assets and functional expenses are presented for the purpose of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

D'Arcangelo + Co., LLP

March 7, 2008

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF FINANCIAL POSITION

SEPTEMBER 30, 2007 AND 2006

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash	\$ 388,712	\$ 332,687
Pledges receivable	287,000	287,000
Other receivables and prepaid expenses	412,186	216,736
Investments in marketable securities, at fair value (note 5)	29,417,042	21,372,935
Beneficial interest in perpetual trusts	2,581,189	2,520,124
Deferred leasing costs	91,780	-
Real estate held for disposal (note 8)	11,771,720	12,013,763
Pledged cash	2,827,863	-
Property and equipment, net (note 7)	999,910	677,033
Society collections	<u>-</u>	<u>-</u>
Total assets	<u>\$ 48,777,402</u>	<u>\$ 37,420,278</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable	\$ 400,543	\$ 137,321
Deposit on sale of building	<u>2,018,986</u>	<u>-</u>
Total liabilities	<u>2,419,529</u>	<u>137,321</u>
Net assets:		
Unrestricted:		
Undesignated	9,105,594	7,450,377
Designated	<u>12,771,630</u>	<u>12,690,796</u>
Total unrestricted net assets	21,877,224	20,141,173
Temporarily restricted	15,915,699	8,956,711
Permanently restricted	<u>8,564,950</u>	<u>8,185,073</u>
Total net assets	<u>46,357,873</u>	<u>37,282,957</u>
Total liabilities and net assets	<u>\$ 48,777,402</u>	<u>\$ 37,420,278</u>

See notes to financial statements.

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2007

	<u>Unrestricted</u>		Temporarily restricted	Permanently restricted	Total	
	<u>Undesignated</u>	<u>Designated</u>				Total unrestricted
Operating revenues, gains and other support:						
Contributions	\$ 401,681	\$ -	\$ 401,681	\$ 42,500	\$ 318,813	\$ 762,994
Sales, membership dues and other income	342,598	-	342,598	73,923	-	416,521
Investment income	2,767,909	-	2,767,909	2,932,884	-	5,700,793
Unrealized gain in perpetual trusts	-	-	-	-	61,064	61,064
Special events, net	144,928	-	144,928	-	-	144,928
Net assets released from restrictions:						
Satisfaction of program restrictions	<u>1,125,035</u>	<u>-</u>	<u>1,125,035</u>	<u>(1,125,035)</u>	<u>-</u>	<u>-</u>
 Total operating revenues, gains and other support	<u>4,782,151</u>	<u>-</u>	<u>4,782,151</u>	<u>1,924,272</u>	<u>379,877</u>	<u>7,086,300</u>
 Operating expenses:						
Program services	2,178,068	304,411	2,482,479	-	-	2,482,479
Management and general	347,024	-	347,024	-	-	347,024
Fundraising	<u>102,626</u>	<u>-</u>	<u>102,626</u>	<u>-</u>	<u>-</u>	<u>102,626</u>
 Total operating expenses	<u>2,627,718</u>	<u>304,411</u>	<u>2,932,129</u>	<u>-</u>	<u>-</u>	<u>2,932,129</u>
 Change in net assets from operating activities	<u>2,154,433</u>	<u>(304,411)</u>	<u>1,850,022</u>	<u>1,924,272</u>	<u>379,877</u>	<u>4,154,171</u>

(continued)

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF ACTIVITIES

(continued)

YEAR ENDED SEPTEMBER 30, 2007

	Unrestricted					
	Undesignated	Designated	Total unrestricted	Temporarily restricted	Permanently restricted	Total
Change in net assets from operating activities	\$ 2,154,433	\$ (304,411)	\$ 1,850,022	\$ 1,924,272	\$ 379,877	\$ 4,154,171
Non-operating activities:						
Sale of collection items	-	-	-	5,034,716	-	5,034,716
Purchase of collection items	(113,971)	-	(113,971)	-	-	(113,971)
Change in net assets from non-operating activities	(113,971)	-	(113,971)	5,034,716	-	4,920,745
Change in net assets	\$ 2,040,462	\$ (304,411)	\$ 1,736,051	\$ 6,958,988	\$ 379,877	\$ 9,074,916

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF ACTIVITIES

YEAR ENDED SEPTEMBER 30, 2006

	<u>Unrestricted</u>		Total unrestricted	Temporarily restricted	Permanently restricted	Total
	<u>Undesignated</u>	<u>Designated</u>				
Operating revenues, gains and other support:						
Contributions	\$ 342,297	\$ -	\$ 342,297	\$ 10,000	\$ 551,915	\$ 904,212
Sales, membership dues and other income	341,181	-	341,181	67,543	-	408,724
Investment income	497,658	-	497,658	613,374	-	1,111,032
Unrealized gain in perpetual trusts	-	-	-	-	234,331	234,331
Special events, net	345,229	-	345,229	22,061	-	367,290
Net assets released from restrictions:						
Satisfaction of program restrictions	<u>666,744</u>	<u>-</u>	<u>666,744</u>	<u>(666,744)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>2,193,109</u>	<u>-</u>	<u>2,193,109</u>	<u>46,234</u>	<u>786,246</u>	<u>3,025,589</u>
Operating expenses:						
Program services	1,706,528	293,626	2,000,154	-	-	2,000,154
Management and general	321,661	-	321,661	-	-	321,661
Fundraising	<u>262,098</u>	<u>-</u>	<u>262,098</u>	<u>-</u>	<u>-</u>	<u>262,098</u>
Total expenses	<u>2,290,287</u>	<u>293,626</u>	<u>2,583,913</u>	<u>-</u>	<u>-</u>	<u>2,583,913</u>
Change in net assets from operating activities	<u>(97,178)</u>	<u>(293,626)</u>	<u>(390,804)</u>	<u>46,234</u>	<u>786,246</u>	<u>441,676</u>

(continued)

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF ACTIVITIES
(continued)

YEAR ENDED SEPTEMBER 30, 2006

	Unrestricted			Temporarily restricted	Permanently restricted	Total
	Undesignated	Designated	Unrestricted			
Change in net assets from operating activities	\$ (97,178)	\$ (293,626)	\$ (390,804)	\$ 46,234	\$ 786,246	\$ 441,676
Non-operating activities:						
Satisfaction of restrictions:						
Sale of collection items	-	-	-	1,647,941	-	1,647,941
Purchase of collection items	<u>(68,908)</u>	<u>-</u>	<u>(68,908)</u>	<u>-</u>	<u>-</u>	<u>(68,908)</u>
Change in net assets from non-operating activities	<u>(68,908)</u>	<u>-</u>	<u>(68,908)</u>	<u>1,647,941</u>	<u>-</u>	<u>1,579,033</u>
Change in net assets	<u>\$ (166,086)</u>	<u>\$ (293,626)</u>	<u>\$ (459,712)</u>	<u>\$ 1,694,175</u>	<u>\$ 786,246</u>	<u>\$ 2,020,709</u>

THE AMERICAN NUMISMATIC SOCIETY
STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED SEPTEMBER 30, 2007 AND 2006

	Unrestricted		Total unrestricted	Temporarily restricted	Permanently restricted	Total
	Undesignated	Designated				
Net assets, October 1, 2005	\$ 8,517,336	\$ 12,083,549	\$ 20,600,885	\$ 7,266,620	\$ 7,394,743	\$ 35,262,248
Change in net assets	(166,086)	(293,626)	(459,712)	1,694,175	786,246	2,020,709
Transfers	<u>(900,873)</u>	<u>900,873</u>	<u>-</u>	<u>(4,084)</u>	<u>4,084</u>	<u>-</u>
Net assets, September 30, 2006	7,450,377	12,690,796	20,141,173	8,956,711	8,185,073	37,282,957
Change in net assets	2,040,462	(304,411)	1,736,051	6,958,988	379,877	9,074,916
Transfers	<u>(385,245)</u>	<u>385,245</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net assets, September 30, 2007	<u>\$ 9,105,594</u>	<u>\$ 12,771,630</u>	<u>\$ 21,877,224</u>	<u>\$ 15,915,699</u>	<u>\$ 8,564,950</u>	<u>\$ 46,357,873</u>

THE AMERICAN NUMISMATIC SOCIETY

STATEMENT OF CASH FLOWS

YEARS ENDED SEPTEMBER 30, 2007 AND 2006

	2007	2006
Cash flows from operating activities:		
Change in net assets	\$ 9,074,916	\$ 2,020,709
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Net (gains) on marketable securities	(5,535,768)	(908,866)
Unrealized (gains) on perpetual trusts	(61,064)	(234,331)
Depreciation and amortization	304,411	293,626
Contributions restricted for endowments	(318,813)	(551,915)
(Increase) decrease in operating assets:		
Pledges receivable	-	(27,731)
Other receivables and prepaid expenses	(195,450)	(29,447)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	263,222	(138,138)
Net cash provided by operating activities	3,531,454	423,907
Cash flows from investing activities:		
Purchase of marketable securities	(37,512,637)	(111,234,684)
Proceeds from sales of marketable securities	34,195,420	110,250,561
Purchase of property and equipment	(385,245)	(13,719)
Payment of deferred leasing costs	(91,780)	-
Net cash (used in) investing activities	(3,794,242)	(997,842)
Cash flows from financing activities:		
Contributions permanently restricted for endowments	318,813	551,915
Net increase (decrease) in cash	56,025	(22,020)
Cash, beginning of year	332,687	354,707
Cash, end of year	\$ 388,712	\$ 332,687

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

1. **Organization and purpose:**

The American Numismatic Society ("the Society") is a nonprofit organization organized in 1858 and incorporated in 1865. The mission of the Society is to be the pre-eminent national institution advancing the study and public appreciation of coins, medals and related objects of all cultures as historic and artistic documents, by maintaining the foremost numismatic collection and library; by supporting scholarly research and publications; and by sponsoring educational and interpretive programs for diverse audiences. Items in the Society collections are available for loan to other museums for exhibits on particular themes. The Society's revenues are primarily derived from contributions and investment income.

2. **Summary of significant accounting policies:**

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis. Accordingly, revenues and their related assets are recognized when earned, and expenses and their related liabilities are recognized when incurred.

Net assets:

The Society reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Unrestricted net assets are neither permanently restricted nor temporarily restricted by donor-imposed restrictions. As reflected in the accompanying statement of financial position, the Society has designated its unrestricted net assets into the following two categories:

Undesignated net assets are net assets that are an integral part of the Society's programs and supporting activities and include realized capital gains and unrealized appreciation on permanently restricted net assets in the absence of donor imposed restrictions on either income or capital appreciation. These net assets are resources over which the Board of Trustees ("Trustees") has discretionary control to use for operations.

Designated net assets are net assets which the Trustees have established a restriction for specified purposes. These net assets are differentiated from temporarily restricted net assets inasmuch as the Trustees can remove the restrictions it imposed.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. Summary of significant accounting policies (continued):

Net assets (continued):

Temporarily restricted net assets contain donor imposed restrictions that permit the Society to use up or expend the donated assets as specified. These restrictions may or will be met either by actions of the Society and/or the passage of time.

Permanently restricted net assets contain donor-imposed restrictions that stipulate the resources be maintained permanently but permit the Society to use or expend part or all of the income from the donated assets for specified or unspecified purposes.

Contributions:

Contributions, including promises to give, are recorded 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. It is the Society's policy to record temporarily restricted contributions received and expended in the same accounting period in the temporarily restricted net asset category.

The Society recognizes contributions restricted by a donor for the acquisition or construction of long-lived assets as temporarily restricted support and reclassifies such support to unrestricted net assets, as net assets released from restriction, when the asset is acquired or placed in service.

Nonmonetary contributions (stocks, bonds, etc.) are recorded at estimated fair value at date of receipt.

Use of estimates in the preparation of financial statements:

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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of income and expenses during the reporting period. Actual results could differ from those estimates.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. Summary of significant accounting policies (continued):

Investments in marketable securities:

The Society carries investments in debt securities and equity securities that have readily determinable fair values, at fair value in the statement of financial position and recognizes increases and decreases in fair values in the statement of activities. Realized gains and losses and unrealized appreciation and depreciation on security transactions are allocated among individual restricted and unrestricted funds on the basis of the respective percentage share in the fund balance which exists at the beginning of each quarter in which income and realized and unrealized gains or losses are earned. Purchases and sales of fixed-income and equity securities are reflected on a trade-date basis. Investment income is recorded on an accrual basis. Dividends are recorded based upon ex-dividend dates.

Beneficial interest in perpetual trusts held by third parties:

The Society is the beneficiary of certain perpetual trusts under which the trust income is received annually for unrestricted use. The assets are held by trustees, which are separate entities. The Society's beneficial interest in these perpetual trusts is recorded based on the fair value of the assets held in the trusts as reported by the trustees and is reported as permanently restricted net assets. Annual changes in such amounts are shown as permanently restricted unrealized gains or losses.

Society collections:

The Society's collections consist primarily of coins, medals and manuscripts. They are cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed. The Society's collections, acquired through purchase and contributions, are not recognized as assets on the statement of financial position. Purchases of collection items are recorded in the year in which the items were acquired as decreases in unrestricted, temporarily restricted or permanently restricted net assets based on the restrictions placed on assets used to purchase the items by the donors. Contributed collection items are not reflected in the financial statements. Proceeds from deaccessions, which are reflected as increases in the appropriate net asset class, are used to acquire other items for the collection. Collection items include coins, medals, paper currency, library books and other objects and documents. The current value of the collections is not readily determinable.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. Summary of significant accounting policies (continued):

Property and equipment:

Property and equipment are recorded at cost less accumulated depreciation. The cost of maintenance and repairs is charged to expense as incurred. Significant renewals and replacements which substantially extend the lives of the assets are capitalized when the cost exceeds \$1,000.

Assets currently in service are depreciated principally using straight-line methods over the estimated useful lives of the assets as follows:

Computer equipment	5-10 Years
Furniture and office equipment	5-10 Years
Building - William Street	40 Years

The estimated useful lives of the construction in progress will be determined when the construction in progress is placed into service.

Deferred leasing costs:

The deferred leasing costs relate to the inception of the lease at Hudson Square. The costs will be amortized over the life of the lease (20 years and 8 months).

Income taxes:

No provision for federal and state income taxes has been provided on the earnings of the Society since it has received an exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Society has been classified as an organization that is not a private foundation under Section 509(a)(2) of the Internal Revenue Code. The Society continues to meet the public support tests under Section 509(a)(1) of the Internal Revenue Code.

Donated services:

The Society received donated services from its officers, directors and other volunteers. No amounts are reflected in the financial statements for these services, as there is no objective basis available by which to measure the value of such services.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

2. Summary of significant accounting policies (continued):

Reclassifications:

The 2006 financial statements were reclassified to conform to the presentation used for 2007. The reclassification was done to segregate real estate held for disposal. The new presentation had no effect on the change in net assets.

3. Concentrations:

Financial instruments that potentially subject the Society to concentrations of credit risk consist principally of cash and money market accounts in financial institutions, which may exceed the federal depository insurance coverage limit, brokerage accounts, which may exceed insurance coverage limits, and investments. The Society maintains the cash accounts with high quality financial institutions to minimize risk. Additionally, the Society reviews its investment portfolios throughout the year in order to minimize risk.

The Society receives its contributions primarily from its members, members of the Board of Trustees, and foundations interested in its programs. There is no assurance that the funding will continue at its present levels in the future.

4. Pledges receivable:

Pledges receivable consist of the following:

	<u>2007</u>	<u>2006</u>
Restricted to:		
Building purchase and renovation	<u>\$ 287,000</u>	<u>\$ 287,000</u>

The pledges receivable were originally restricted for the development of the Exhibition Hall at the William Street location. With the pending sale of the William Street building, the donors have modified their pledges so that the funds are now restricted for the development of the Hudson Square facility.

For the years ended September 30, 2007 and 2006, all of the pledges receivable were expected to be collected within the next fiscal year. During 2007, the donors postponed payment of the pledges that were expected to be collected in 2007 until the status of the proposed relocation of the Society facilities was finalized.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

5. Investments in marketable securities:

Marketable securities consist of the following:

	2007		2006	
	Cost	Fair value	Cost	Fair value
Partnership interest (A)	\$ 19,098,146	\$ 23,126,463	\$ -	\$ -
Common stocks	952	3,442	13,072,731	14,657,583
Government agency bonds	5,745,943	5,841,061	6,425,550	6,508,217
Money market funds	<u>446,076</u>	<u>446,076</u>	<u>207,136</u>	<u>207,136</u>
	<u>\$ 25,291,117</u>	<u>\$ 29,417,042</u>	<u>\$ 19,705,529</u>	<u>\$ 21,372,935</u>

(A) Effective January 1, 2007, the Society converted its individual security holdings in a managed investment account into an investment in a Delaware limited partnership whose purpose is to serve as a fund through which the invested assets of its partners will be utilized to invest, hold and trade in securities and other financial instruments and rights relating thereto. The general partner of the partnership is an LLC of which a member of the Board of Trustees is a principal. The general partner has the sole discretion of making investments on behalf of the partnership and is responsible for all management activities. The general partner receives a fee as determined by the partnership agreement for its services. All or part of the Society's basic capital account can be withdrawn upon 45 days written notice.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

5. Investments in marketable securities (continued):

The following is a summary of the relationship between the carrying values and fair values of investment assets:

	2007		Excess (deficiency) of fair value over cost	2006 Excess (deficiency) of fair value over cost
	Cost	Fair value		
Balance, beginning of year	<u>\$ 19,705,529</u>	<u>\$ 21,372,935</u>	\$ 1,667,406	\$ 2,152,524
Balance, end of year	<u>\$ 25,291,117</u>	<u>\$ 29,417,042</u>	<u>4,125,925</u>	<u>1,667,406</u>
Net change in fair value			2,458,519	(485,118)
Net realized gains on sales of marketable securities			<u>3,077,249</u>	<u>1,393,984</u>
Net gain on marketable securities			<u>\$ 5,535,768</u>	<u>\$ 908,866</u>

Investment income for the years ended September 30, 2007 and 2006 consist of the following:

	2007	2006
Net gain on marketable securities	\$ 5,535,768	\$ 908,866
Interest and dividend income	115,168	293,626
Management fees paid	<u>(36,637)</u>	<u>(165,089)</u>
	5,614,299	1,037,403
Distributions from perpetual trusts	<u>86,494</u>	<u>73,629</u>
	<u>\$ 5,700,793</u>	<u>\$ 1,111,032</u>

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

6. Society collections:

Various coins were lent to the Society by several organizations. The collection of coins lent to the Society by other organizations of as September 30, 2007 is as follows:

Hispanic Society of America	38,683
New Jersey Historical Society	<u>271</u>
Total coins loaned to the Society	<u>38,954</u>

The Society also has coins on loan with several organizations, including 2 coins on permanent loan and 22 coins confiscated by the Greek government. Those coins that were lent to other organizations as of September 30, 2007 total:

Federal Reserve Exhibit	767
Other organizations	<u>410</u>
Total coins loaned by the Society	<u>1,177</u>

7. Property and equipment:

Property and equipment are summarized as follows:

	<u>2007</u>	<u>2006</u>
Furniture and office equipment	\$ 857,667	\$ 854,663
Construction in progress	<u>382,241</u>	<u>-</u>
	1,239,908	854,663
Accumulated depreciation	<u>(239,998)</u>	<u>(177,629)</u>
Net book value	<u>\$ 999,910</u>	<u>\$ 677,033</u>

Depreciation and amortization expense, including real estate held for disposal, amounted to \$304,411 and \$293,626 for the years ended September 30, 2007 and 2006.

The Society is currently performing architectural and design work on its new leased facility designated as Hudson Square, see note 16. As of September 30, 2007, construction in progress totaled \$382,241 of which the Society has unexpended commitments for the architectural and design services which approximate \$146,000 and are included in accounts payable.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

8. Real estate held for disposal:

On June 4, 2007, the Society executed an agreement to sell its facility on William Street in Manhattan, New York to an unrelated entity for a total of \$23,900,000. Simultaneously with the execution of the sales agreement, the Society executed a lease with the purchaser to remain in the facility until the new facility is placed into service. See note 16.

The sale was completed on November 27, 2007. Of the proceeds to be received, \$21,900,000 was received in cash and the purchaser executed a \$2,000,000 purchase money note bearing interest at 8% per annum, compounded quarterly. The total principal and accrued interest is due and payable on the maturity date which is the later to occur of the one year anniversary of the date of the note or on the date the Society terminates the lease (dated June 4, 2007) and vacates the William Street facility as required by the lease.

The net book value of the land and building as of September 30, 2007 (with comparative totals for 2006) is as follows:

	<u>2007</u>	<u>2006</u>
Building, 140 William Street	9,548,368	9,548,368
Accumulated depreciation	<u>(776,648)</u>	<u>(534,605)</u>
	8,771,720	9,013,763
Land, 140 William Street	<u>3,000,000</u>	<u>3,000,000</u>
Net book value	<u>\$ 11,771,720</u>	<u>\$ 12,013,763</u>

Costs to the Society during the rental period are expected to be limited to normal insurance, utility, and maintenance expenses.

9. Designated unrestricted net assets:

The Trustees established the following designated funds from the unrestricted net assets as of September 30, 2007 and 2006:

	<u>2007</u>	<u>2006</u>
Property and equipment	<u>\$ 12,771,630</u>	<u>\$ 12,690,796</u>

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

10. Francis Campbell Library Fund campaign:

During the year ended September 30, 2002, the Trustees designated a portion of the unrestricted net assets to fund the salaries of the Society's librarians. The initial amounts transferred into this fund came from the sale of duplicate items from the library collection and the partial payment to the Society of \$25,000 from the Huntington Free Library settlement. During the year ended September 30, 2003, the Library Salary Support Fund was transferred to the Francis Campbell Library Fund, a temporarily restricted fund. The Society received an additional \$50,000 from the Huntington Free Library as part of the settlement during the year ended September 30, 2004.

11. Temporarily restricted net assets:

The Society has a total of 35 temporarily restricted funds as of September 30, 2007, of which 23 represent balances from permanently restricted net assets that are available for release to fund specific programs or purposes.

As of September 30, 2007 and 2006, temporarily restricted net assets are available for the following purposes:

	<u>2007</u>	<u>2006</u>
Coin and medal purchases	\$ 8,006,659	\$ 2,654,718
Library purchases	363,242	301,808
Education	1,334,658	1,032,725
140 William Street:		
Museum renovations	-	710,938
Hudson Street facility	876,694	-
Departmental support	5,228,291	4,168,429
Other	<u>106,155</u>	<u>88,093</u>
	<u>\$ 15,915,699</u>	<u>\$ 8,956,711</u>

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

12. Permanently restricted net assets:

The Society has a total of 23 permanently restricted funds as of September 30, 2007. The investment income earned on the balances are recorded as temporarily restricted net assets, and are available to fund specific programs and purposes.

As of September 30, 2007 and 2006, permanently restricted net assets are available for the following purposes:

	<u>2007</u>	<u>2006</u>
Program activities:		
Museum operations	\$ 2,906,867	\$ 2,842,303
Library purchases	128,268	115,368
Coin purchases	138,006	138,006
Education	707,983	690,833
Computer related activities	833,500	833,500
Medals purchases	8,001	8,001
Curators	3,799,325	3,507,962
Other	<u>43,000</u>	<u>49,100</u>
	<u>\$ 8,564,950</u>	<u>\$ 8,185,073</u>

13. Special events

Special events are presented net in the statement of activities for the years ended September 30, 2007 and 2006. The activities are summarized as follows:

	<u>2007</u>	<u>2006</u>
Revenues from events:		
Annual dinner	\$ 214,429	\$ 415,838
Amandry dinner	360	4,200
Other events	<u>-</u>	<u>22,061</u>
Total revenues from events	<u>214,789</u>	<u>442,099</u>
Cost of events:		
Annual dinner	<u>69,860</u>	<u>74,810</u>
Total cost of events	<u>69,860</u>	<u>74,810</u>
Revenues in excess of costs	<u>\$ 144,929</u>	<u>\$ 367,289</u>

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

14. Retirement plan:

The Society maintains a retirement benefits plan that covers all eligible employees through defined contributions by the Society for the purchase of individual annuity contracts with Teachers Insurance and Annuity Association/College Retirement Equities Fund. The plan is funded as accrued, and all full-time employees are eligible to participate. Contributions to the plan amounted to \$71,267 and \$60,263 for the years ended September 30, 2007 and 2006, respectively.

15. Related party transactions:

The Society paid investment advisory fees of \$36,637 and \$165,089 for the years ended September 30, 2007 and 2006, respectively, to a firm in which a member of the Board of Trustees is a principal. Effective January 1, 2007, the Society converted its individual security holdings in a managed investment account into an investment in a Delaware limited partnership. The general partner of the partnership is an LLC of which a member of the Board of Trustees is a principal. The general partner receives a fee as determined by the partnership agreement for its services.

16. Rental commitments:

William Street building:

In conjunction with the agreement to sell the William Street facility (see note 8), the Society signed a lease to remain in the building while the arrangements for completion of the Hudson Street facility are completed. The significant terms of the lease provide for occupancy of the demised premises from the date of the sale of the facility until August 31, 2008 at a monthly rental of \$63,833. In addition, the Society is required to deliver to the lessor an unconditional, irrevocable letter of credit in the amount of \$150,000 as a security deposit.

Hudson Street facility:

The Society signed a lease on July 1, 2007 for space in a building known as One Hudson Square. The lease covers a term of 20 years and 8 months following the commencement date of the lease, which occurs when the landlord substantially completes the work as stated in the lease. The commencement date of the lease is _____. The lease provides for the tenant to pay escalations in real estate taxes over the base year and percentage escalations as provided in the lease for increases in the landlord's operating costs. In addition, the lease provides that the tenant shall purchase its utilities from the landlord. The lease provides for a five year renewal term with the lease payment to be the greater of the rent payable for the last year of the lease or the annual fair market value of the rent determined in accordance with the lease.

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

16. Rental commitments (continued):

Hudson Street facility (continued):

The fixed minimum rent for the term of the lease is as follows:

Annual rental:	<u>Amount</u>
First 5 years and 8 months	\$ 799,869
Next 5 years	877,905
Next 5 years	955,941
Next 5 years	1,033,977

The annual rent for the next 5 years (subject to the inception of the lease) is as follows:

<u>Year ending</u> <u>September 30:</u>	<u>Amount</u>
2008	\$ 799,869
2009	819,866
2010	840,362
2011	861,371
2012	882,906

Equipment leases:

The Society leases copiers, printing and mailing equipment under three operating leases expiring between December 31, 2009 and April 4, 2011. Minimum lease payments required under the leases are as follows:

<u>Years ending</u> <u>September 30.</u>	<u>Amount</u>
2008	\$ 6,648
2009	6,648
2010	2,571
2011	<u>455</u>
	<u>\$ 16,322</u>

THE AMERICAN NUMISMATIC SOCIETY

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2007 AND 2006

17. Other commitments:

The Society has an outstanding letter of credit in the amount of \$799,869 maturing on _____, which is used to provide a security deposit for the lease of the Hudson Square facility.

18. Subsequent events:

Subsequent to year-end, the Society sold its facility on William Street (see note 8) and commenced the lease on the William Street building (see note 16).

THE AMERICAN NUMISMATIC SOCIETY

**SCHEDULE OF CHANGES IN UNRESTRICTED, TEMPORARILY RESTRICTED,
AND PERMANENTLY RESTRICTED NET ASSETS**

YEAR ENDED SEPTEMBER 30, 2007

	<u>Contributions</u>	<u>Investment income</u>	<u>Other income</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Net change in fund</u>	<u>Net assets, October 1,2006</u>	<u>Net assets September 30, 2007</u>
Unrestricted:								
Undesignated	\$ 401,681	\$ 2,767,909	\$ 487,526	\$ (1,616,654)	\$ (385,245)	\$ 1,655,217	\$ 7,450,377	\$ 9,105,594
Designated								
Property and equipment	-	-	-	(304,411)	385,245	80,834	12,690,796	12,771,630
Total unrestricted funds	<u>401,681</u>	<u>2,767,909</u>	<u>487,526</u>	<u>(1,921,065)</u>	<u>-</u>	<u>1,736,051</u>	<u>20,141,173</u>	<u>21,877,224</u>
Temporarily restricted:								
Designated for coin and medal purchases:								
A. S. Sullivan Medal fund	-	1,291	-	-	-	1,291	3,295	4,586
Avery Coin Purchase fund	-	19,759	-	(4,821)	-	14,938	96,432	111,370
Edward P. Groh Memorial fund	-	4,670	-	-	-	4,670	22,777	27,447
Fecht Coin Purchase fund	-	48,121	-	(11,700)	-	36,421	234,706	271,127
George H. Clapp Coin Purchase fund	-	11,520	-	-	-	11,520	51,185	62,705
Gale Coin Purchase fund	-	27,294	-	(8,730)	-	18,564	111,428	129,992
General Coin Purchases including E.T. Newell Coin Purchase fund	-	424,611	5,034,636	(205,818)	-	5,253,429	2,040,133	7,293,562
J. Sanford Saltus Medal fund	-	8,802	-	(7,647)	-	1,155	38,845	40,000
John & Mary Lhotka Memorial Purchase fund	-	3,913	-	-	-	3,913	16,511	20,424
Memorial Decorations fund	-	5,958	-	(1,500)	-	4,458	29,055	33,513
Revolving Coin Purchase fund	-	2,124	-	(542)	-	1,582	10,351	11,933
Total designated for coin and medal purchases	<u>-</u>	<u>558,063</u>	<u>5,034,636</u>	<u>(240,758)</u>	<u>-</u>	<u>5,351,941</u>	<u>2,654,718</u>	<u>8,006,659</u>

(continued)

THE AMERICAN NUMISMATIC SOCIETY

**SCHEDULE OF CHANGES IN UNRESTRICTED, TEMPORARILY RESTRICTED,
AND PERMANENTLY RESTRICTED NET ASSETS
(continued)**

YEAR ENDED SEPTEMBER 30, 2007

	<u>Contributions</u>	<u>Investment income</u>	<u>Other income</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Net change in fund</u>	<u>Net assets, October 1,2006</u>	<u>Net assets September 30, 2007</u>
Temporarily restricted (continued):								
Designated for library purchases:								
Bass Library fund	\$ -	\$ 52,879	\$ -	\$ (19,215)	\$ -	\$ 33,664	\$ 167,471	\$ 201,135
W. Gedney Beatty Library fund	-	12,681	-	-	-	12,681	61,847	74,528
Merritt Library fund	-	11,950	-	-	-	11,950	58,284	70,234
Michael Louis Backowske Memorial Purchase fund	<u>-</u>	<u>3,139</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,139</u>	<u>14,206</u>	<u>17,345</u>
Total designated for library purchases	<u>-</u>	<u>80,649</u>	<u>-</u>	<u>(19,215)</u>	<u>-</u>	<u>61,434</u>	<u>301,808</u>	<u>363,242</u>
Designated for education:								
Donald Groves fund	-	9,254	-	(5,000)	-	4,254	45,134	49,388
EPN - Education fund	-	244,502	-	(55,760)	-	188,742	663,548	852,290
Frances M. Schwartz Memorial fund	-	30,926	-	-	-	30,926	108,817	139,743
Harry W. Fowler Memorial Lecture fund	-	20,610	-	(450)	-	20,160	49,622	69,782
Stack Family fund	-	10,251	-	-	-	10,251	2,506	12,757
Krause/Mishler fund	-	10,355	-	-	-	10,355	35,440	45,795
Mark Salton Memorial Lecture fund	-	4,652	-	-	-	4,652	-	4,652
Scher Lecture fund	-	10,251	-	-	-	10,251	584	10,835
Thompson Memorial fund	<u>-</u>	<u>25,491</u>	<u>-</u>	<u>(3,149)</u>	<u>-</u>	<u>22,342</u>	<u>127,074</u>	<u>149,416</u>
Total designated for education	<u>-</u>	<u>366,292</u>	<u>-</u>	<u>(64,359)</u>	<u>-</u>	<u>301,933</u>	<u>1,032,725</u>	<u>1,334,658</u>

(continued)

THE AMERICAN NUMISMATIC SOCIETY

**SCHEDULE OF CHANGES IN UNRESTRICTED, TEMPORARILY RESTRICTED,
AND PERMANENTLY RESTRICTED NET ASSETS
(continued)**

YEAR ENDED SEPTEMBER 30, 2007

	<u>Contributions</u>	<u>Investment income</u>	<u>Other income</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Net change in fund</u>	<u>Net assets, October 1,2006</u>	<u>Net assets September 30, 2007</u>
Temporarily restricted funds (continued):								
Designated for new building:								
Hudson Square Building fund	\$ -	\$ -	\$ -	\$ -	\$ 876,694	\$ 876,694	\$ -	\$ 876,694
Exhibition Hall fund	<u>20,000</u>	<u>145,756</u>	<u>-</u>	<u>-</u>	<u>(876,694)</u>	<u>(710,938)</u>	<u>710,938</u>	<u>-</u>
Total designated for new building	<u>20,000</u>	<u>145,756</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>165,756</u>	<u>710,938</u>	<u>876,694</u>
Departmental support funds:								
Eidlitz Building Maintenance fund	-	16,332	-	(16,346)	-	(14)	119,357	119,343
General Publications including E.T. Newell Publications fund	22,500	257,176	73,923	(283,912)	-	69,687	1,218,042	1,287,729
Harry Bass Endowment for Computers fund	-	296,536	-	(100,372)	-	196,164	657,011	853,175
Margaret Thompson Curator of Greek Coins fund	-	485,870	-	(137,870)	-	348,000	1,458,547	1,806,547
Francis Campbell Library fund	-	311,723	80	(106,223)	-	205,580	343,914	549,494
James H. Schwartz fund	-	21,904	-	(10,010)	-	11,894	38,232	50,126
U. S. Chair fund	-	347,942	-	(128,970)	-	218,972	297,310	516,282
Islamic Chair fund	<u>-</u>	<u>26,579</u>	<u>-</u>	<u>(17,000)</u>	<u>-</u>	<u>9,579</u>	<u>36,016</u>	<u>45,595</u>
Total departmental support funds	<u>22,500</u>	<u>1,764,062</u>	<u>74,003</u>	<u>(800,703)</u>	<u>-</u>	<u>1,059,862</u>	<u>4,168,429</u>	<u>5,228,291</u>
Other designations:								
Short term special purpose	-	10,903	-	-	-	10,903	53,178	64,081
Special events	<u>-</u>	<u>7,159</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,159</u>	<u>34,915</u>	<u>42,074</u>
Total other designations	<u>-</u>	<u>18,062</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,062</u>	<u>88,093</u>	<u>106,155</u>
Total temporarily restricted funds	<u>42,500</u>	<u>2,932,884</u>	<u>5,108,639</u>	<u>(1,125,035)</u>	<u>-</u>	<u>6,958,988</u>	<u>8,956,711</u>	<u>15,915,699</u>

(continued)

THE AMERICAN NUMISMATIC SOCIETY
SCHEDULE OF CHANGES IN UNRESTRICTED, TEMPORARILY RESTRICTED,
AND PERMANENTLY RESTRICTED NET ASSETS
(continued)
YEAR ENDED SEPTEMBER 30, 2007

	<u>Contributions</u>	<u>Investment income</u>	<u>Other income</u>	<u>Expenses</u>	<u>Transfers</u>	<u>Net change in fund</u>	<u>Net assets, October 1,2006</u>	<u>Net assets September 30, 2007</u>
Permanently restricted:								
Operations:								
Operations	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 215,162	\$ 215,162
Salary support								
James H. Schwartz fund	3,500	-	-	-	-	3,500	106,838	110,338
Perpetual trusts	-	<u>61,064</u>	-	-	-	<u>61,064</u>	<u>2,520,303</u>	<u>2,581,367</u>
Total operations	<u>3,500</u>	<u>61,064</u>	-	-	-	<u>64,564</u>	<u>2,842,303</u>	<u>2,906,867</u>
Bass Library fund	7,500	-	-	-	-	7,500	86,700	94,200
EPN - Education fund	4,000	-	-	-	-	4,000	525,023	529,023
Frances M. Schwartz Memorial fund	-	-	-	-	(6,100)	(6,100)	49,100	43,000
Gale Coin Purchase fund	-	-	-	-	-	-	21,701	21,701
George H. Clapp Coin Purchase fund	-	-	-	-	-	-	5,000	5,000
General Coin Purchases including E. T. Newell Coin Purchase fund	-	-	-	-	-	-	111,305	111,305
General Publications including E. T. Newell Publications fund	5,400	-	-	-	-	5,400	25,000	30,400
Harry Bass Endowment fund	-	-	-	-	-	-	833,500	833,500
Harry W. Fowler Memorial Lecture fund	250	-	-	-	-	250	50,750	51,000
John & Mary Lhotka Memorial Purchase fund	-	-	-	-	-	-	2,568	2,568
J. Sanford Saltus Medal fund	-	-	-	-	-	-	5,000	5,000
A. S. Sullivan Medal fund	-	-	-	-	-	-	3,001	3,001
Margaret Thompson Curator of Greek Coins	9,600	-	-	-	-	9,600	949,968	959,568
Mark Salton Memorial Lecture fund	6,800	-	-	-	6,100	12,900	-	12,900
Michael Louis Backowske Memorial Purchase fund	-	-	-	-	-	-	1,100	1,100
Stack Family fund	-	-	-	-	-	-	50,000	50,000
Scher Lecture fund	-	-	-	-	-	-	50,000	50,000
Krause/Mishler fund	-	-	-	-	-	-	15,060	15,060
Francis Campbell Library fund	80,588	-	-	-	-	80,588	1,203,037	1,283,625
U. S. Chair fund	200,625	-	-	-	-	200,625	1,251,000	1,451,625
Islamic Chair fund	<u>550</u>	-	-	-	-	<u>550</u>	<u>103,957</u>	<u>104,507</u>
Total permanently restricted	<u>318,813</u>	<u>61,064</u>	-	-	-	<u>379,877</u>	<u>8,185,073</u>	<u>8,564,950</u>
Total	<u>\$ 762,994</u>	<u>\$ 5,761,857</u>	<u>\$ 5,596,165</u>	<u>\$ (3,046,100)</u>	<u>\$ -</u>	<u>\$ 9,074,916</u>	<u>\$ 37,282,957</u>	<u>\$ 46,357,873</u>

THE AMERICAN NUMISMATIC SOCIETY

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2007

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits and payroll taxes	\$ 1,041,766	\$ 157,581	\$ 21,523	\$ 1,220,870
Professional and consulting fees	147,174	39,122	39,961	226,257
Supplies	49,317	22,535	1,001	72,853
Telephone	14,025	3,919	266	18,210
Postage and shipping	46,046	2,013	3,551	51,610
Occupancy, William Street	583,367	70,920	34,316	688,603
Printing and publications	162,133	10,297	486	172,916
Conferences, conventions, meetings and travel	29,369	15,240	1,522	46,131
Membership dues	4,822	-	-	4,822
Awards and grants	813	-	-	813
Rental and maintenance of equipment	9,821	10,763	-	20,584
Depreciation and amortization	304,411	-	-	304,411
Exhibition and lecture	89,415	-	-	89,415
Other service fees	-	14,634	-	14,634
	<u>\$ 2,482,479</u>	<u>\$ 347,024</u>	<u>\$ 102,626</u>	<u>\$ 2,932,129</u>

THE AMERICAN NUMISMATIC SOCIETY

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED SEPTEMBER 30, 2006

	<u>Program services</u>	<u>Management and general</u>	<u>Fundraising</u>	<u>Total</u>
Salaries, benefits and payroll taxes	\$ 897,939	\$ 144,766	\$ 99,294	\$ 1,141,999
Professional and consulting fees	102,462	73,626	87,707	263,795
Supplies	12,619	20,244	18,211	51,074
Telephone	16,225	4,534	308	21,067
Postage and shipping	10,310	2,320	26,300	38,930
Occupancy, William Street	419,186	50,628	24,658	494,472
Printing and publications	164,457	498	4,899	169,854
Conferences, conventions, meetings and travel	15,713	4,947	721	21,381
Membership dues	4,186	-	-	4,186
Awards and grants	4,930	-	-	4,930
Rental and maintenance of equipment	828	7,654	-	8,482
Depreciation and amortization	293,626	-	-	293,626
Exhibition and lecture	57,673	-	-	57,673
Other service fees	-	12,444	-	12,444
	<u>\$ 2,000,154</u>	<u>\$ 321,661</u>	<u>\$ 262,098</u>	<u>\$ 2,583,913</u>