

The American Numismatic Society

Financial Statements

September 30, 2017 and 2016

Independent Auditors' Report

Board of Trustees The American Numismatic Society

We have audited the accompanying financial statements of The American Numismatic Society (the "Society") which comprise the statements of financial position as of September 30, 2017 and 2016, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The American Numismatic Society as of September 30, 2017 and 2016, 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.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of changes in unrestricted, temporarily restricted and permanently restricted net assets for the year ended September 30, 2017 and functional expenses for the years ended September 30, 2017 and 2016 on pages 20 - 24 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

PKF O'Connor Davies, LLP

January 12, 2018

The American Numismatic Society

Statements of Financial Position

	September 30,	
	2017	2016
ASSETS		
Cash and cash equivalents	\$ 123,234	\$ 120,923
Pledges receivable	104,975	184,970
Other receivables and prepaid expenses	475,859	366,158
Due from broker	58,419	-
Investments	34,017,806	31,379,127
Deferred leasing costs, net	54,561	61,547
Restricted investments	7,637,551	7,429,086
Beneficial interest in perpetual trusts	2,737,529	2,501,576
Property and equipment, net	<u>2,602,974</u>	<u>2,882,212</u>
	<u>\$ 47,812,908</u>	<u>\$ 44,925,599</u>
 LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable	\$ 159,140	\$ 169,968
Deferred rent	<u>2,115,918</u>	<u>2,018,708</u>
Total Liabilities	<u>2,275,058</u>	<u>2,188,676</u>
 Net Assets		
Unrestricted		
Undesignated	19,503,280	18,949,127
Designated	<u>3,018,208</u>	<u>3,235,493</u>
Total Unrestricted Net Assets	22,521,488	22,184,620
Temporarily restricted	12,641,282	10,621,641
Permanently restricted	<u>10,375,080</u>	<u>9,930,662</u>
Total Net Assets	<u>45,537,850</u>	<u>42,736,923</u>
	<u>\$ 47,812,908</u>	<u>\$ 44,925,599</u>

See notes to financial statements

The American Numismatic Society

Statement of Activities Year Ended September 30, 2017

	Unrestricted		Total	Temporarily Restricted	Permanently Restricted	Total
	Undesignated	Designated				
OPERATING REVENUES, GAINS AND OTHER SUPPORT						
Contributions	\$ 880,721	\$ -	\$ 880,721	\$ 46,657	\$ 208,465	\$ 1,135,843
Government grants	76,119	-	76,119	-	-	76,119
Sales and other income	88,230	-	88,230	76,297	-	164,527
Membership dues	131,060	-	131,060	-	-	131,060
Investment return	2,180,214	54,938	2,235,152	2,806,981	-	5,042,133
Unrealized gain in perpetual trusts	-	-	-	-	235,953	235,953
Special events, net	98,619	-	98,619	-	-	98,619
Net assets released from restrictions	850,328	-	850,328	(850,328)	-	-
Total Operating Revenues, Gains and Other Support	<u>4,305,291</u>	<u>54,938</u>	<u>4,360,229</u>	<u>2,079,607</u>	<u>444,418</u>	<u>6,884,254</u>
OPERATING EXPENSES						
Program services	3,045,929	316,955	3,362,884	-	-	3,362,884
Management and general	544,403	-	544,403	-	-	544,403
Fundraising	142,942	-	142,942	-	-	142,942
Total Operating Expenses	<u>3,733,274</u>	<u>316,955</u>	<u>4,050,229</u>	<u>-</u>	<u>-</u>	<u>4,050,229</u>
Change in Net Assets from Operating Activities	<u>572,017</u>	<u>(262,017)</u>	<u>310,000</u>	<u>2,079,607</u>	<u>444,418</u>	<u>2,834,025</u>
NON-OPERATING ACTIVITIES						
Sale of collection items	-	27,015	27,015	13,052	-	40,067
Purchase of collection items	(147)	-	(147)	(73,018)	-	(73,165)
Total Non-Operating Activities	<u>(147)</u>	<u>27,015</u>	<u>26,868</u>	<u>(59,966)</u>	<u>-</u>	<u>(33,098)</u>
Interfund transfers	(17,717)	17,717	-	-	-	-
Change in Net Assets	554,153	(217,285)	336,868	2,019,641	444,418	2,800,927
NET ASSETS						
Beginning of year	<u>18,949,127</u>	<u>3,235,493</u>	<u>22,184,620</u>	<u>10,621,641</u>	<u>9,930,662</u>	<u>42,736,923</u>
End of year	<u>\$ 19,503,280</u>	<u>\$ 3,018,208</u>	<u>\$ 22,521,488</u>	<u>\$ 12,641,282</u>	<u>\$ 10,375,080</u>	<u>\$ 45,537,850</u>

See notes to financial statements

The American Numismatic Society

Statement of Activities Year Ended September 30, 2016

	Unrestricted		Total	Temporarily Restricted	Permanently Restricted	Total
	Undesignated	Designated				
OPERATING REVENUES, GAINS AND OTHER SUPPORT						
Contributions	\$ 631,477	\$ -	\$ 631,477	\$ 300	\$ 441,945	\$ 1,073,722
Government grants	56,497	-	56,497	-	-	56,497
Sales and other income	98,651	-	98,651	92,513	-	191,164
Membership dues	118,323	-	118,323	-	-	118,323
Investment return	1,067,318	18,967	1,086,285	977,826	-	2,064,111
Unrealized loss in perpetual trusts	-	-	-	-	92,895	92,895
Special events, net	161,093	-	161,093	390	-	161,483
Bad debt recovery - Swig	1,469,638	-	1,469,638	-	-	1,469,638
Net assets released from restrictions	870,902	-	870,902	(870,902)	-	-
Total Operating Revenues, Gains and Other Support	<u>4,473,899</u>	<u>18,967</u>	<u>4,492,866</u>	<u>200,127</u>	<u>534,840</u>	<u>5,227,833</u>
OPERATING EXPENSES						
Program services	2,819,007	296,535	3,115,542	-	-	3,115,542
Management and general	782,140	-	782,140	-	-	782,140
Fundraising	159,771	-	159,771	-	-	159,771
Total Operating Expenses	<u>3,760,918</u>	<u>296,535</u>	<u>4,057,453</u>	<u>-</u>	<u>-</u>	<u>4,057,453</u>
Change in Net Assets from Operating Activities	<u>712,981</u>	<u>(277,568)</u>	<u>435,413</u>	<u>200,127</u>	<u>534,840</u>	<u>1,170,380</u>
NON-OPERATING ACTIVITIES						
Sale of collection items	-	23,700	23,700	15,542	-	39,242
Purchase of collection items	(65)	-	(65)	(32,399)	-	(32,464)
Total Non-Operating Activities	<u>(65)</u>	<u>23,700</u>	<u>23,635</u>	<u>(16,857)</u>	<u>-</u>	<u>6,778</u>
Interfund transfers	(81,186)	72,417	(8,769)	8,769	-	-
Change in Net Assets	631,730	(181,451)	450,279	192,039	534,840	1,177,158
NET ASSETS						
Beginning of year	<u>18,317,397</u>	<u>3,416,944</u>	<u>21,734,341</u>	<u>10,429,602</u>	<u>9,395,822</u>	<u>41,559,765</u>
End of year	<u>\$ 18,949,127</u>	<u>\$ 3,235,493</u>	<u>\$ 22,184,620</u>	<u>\$ 10,621,641</u>	<u>\$ 9,930,662</u>	<u>\$ 42,736,923</u>

See notes to financial statements

The American Numismatic Society

Statements of Cash Flows

	Year Ended	
	September 30,	
	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 2,800,927	\$ 1,177,158
Adjustments to reconcile change in net assets to net cash from operating activities		
Net realized (gain) loss on investments	(3,229,951)	26,382
Unrealized gain on investments	(1,072,303)	(1,381,136)
Unrealized gain on perpetual trusts	(235,953)	(92,895)
Donated stock	-	(77,729)
Depreciation and amortization	303,941	310,543
Deferred rent	97,210	123,028
Contributions restricted for endowments	(208,465)	(441,945)
Purchase of collection items	73,165	32,464
Sale of collection items	(40,067)	(39,242)
Bad debt expense	4,959	84
Donated in-kind property and equipment	-	(49,594)
Net changes in operating assets and liabilities		
Pledges receivable	79,995	(150,000)
Other receivables and prepaid expenses	(114,660)	54,647
Due from broker	(58,419)	61,216
Loan receivable, 140 William Street, LLC	-	584,554
Accounts payable	(10,828)	9,686
Net Cash from Operating Activities	(1,610,449)	147,221
CASH FLOWS FROM INVESTING ACTIVITIES		
Sale of collection items	40,067	39,242
Purchase of collection items	(73,165)	(32,464)
Purchase of investments	(20,060,288)	(28,693,187)
Proceeds from investments	21,515,398	27,861,021
Purchase of property and equipment	(17,717)	(32,787)
Net Cash from Investing Activities	1,404,295	(858,175)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions permanently restricted for endowments	208,465	441,945
Change in Cash and Cash Equivalents	2,311	(269,009)
CASH AND CASH EQUIVALENTS		
Beginning of year	120,923	389,932
End of year	\$ 123,234	\$ 120,923
SUPPLEMENTAL CASH FLOW INFORMATION		
Property and equipment contributions in-kind	\$ -	\$ 49,594

See notes to financial statements

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

1. Organization

The American Numismatic Society (the "Society") is a nonprofit organization organized in 1858 and incorporated in 1865. The mission of the Society is to promote and advance the study, research, and appreciation of numismatics. Items in Society collections are available for loan to other museums for exhibits on particular themes. The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Basis of Presentation and Use of Estimates

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("US GAAP"), which 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. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include short-term investments with maturities of three months or less at the time of purchase, except for those short-term investments managed by the Society's investment manager as part of the Society's long-term investment strategies.

Investment Valuation and Investment Income Recognition

Investments are carried at fair value. The fair value of alternative investments has been estimated using Net Asset Value ("NAV") as reported by the management of the respective alternative investment fund. US GAAP guidance provides for the use of NAV as a "Practical Expedient" for estimating fair value of alternative investments.

Purchases and sales of investments are reflected on a trade-date basis. Interest income is recorded on an accrual basis. Dividends are recorded based upon ex-dividend dates. Realized and unrealized gains and losses are included in the statements of activities and allocated among individual restricted and unrestricted funds on the basis of the respective percentage share in the pooled funds at the beginning of each quarter in which income and realized and unrealized gains or losses are earned.

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 independent from the Society. Distributions from the trusts are recorded as unrestricted contributions when received. 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.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

2. Summary of Significant Accounting Policies *(continued)*

Fair Value Measurements

The Society follows US GAAP guidance on Fair Value Measurements which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Pursuant to US GAAP guidance, alternative investments where fair value is measured using the NAV per share as a practical expedient are not categorized within the fair value hierarchy.

Investments Risks and Uncertainties

Alternative investments consist of non-traditional, not readily marketable investments, some of which may be structured as offshore limited partnerships, venture capital funds, hedge funds, private equity funds and common trust funds. Some of the underlying investments of such funds, whether invested in stock or other securities, may not be currently traded in a public market and typically may be subject to restrictions on resale. Values determined by investment managers and general partners of underlying securities that are thinly traded or not traded in an active market may be based on historical cost, appraisals, a review of the investees' financial results, financial condition and prospects, together with comparisons to similar companies for which quoted market prices are available or other estimates that require varying degrees of judgment.

Because of the inherent uncertainty of valuations, the estimated fair values may differ significantly from the values that would have been used had a ready market for such investments existed or had such investments been liquidated, and those differences could be material.

Society Collections

The Society's collections consist primarily of coins, medals, paper money and books. They are cataloged, preserved, and cared for, and activities verifying their existence and assessing their condition are performed periodically. The Society's collections, acquired through purchase and contributions, are not recognized as assets in the statements 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 donor restrictions placed on assets used to purchase the items. Proceeds from deaccessions are reflected as increases in the appropriate net asset class, and are used to acquire other items for the collection. The current value of the collections is not readily determinable.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

2. Summary of Significant Accounting Policies *(continued)*

Receivables

Receivables are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding, after management has used reasonable collection efforts, are written off through a charge to the valuation allowance and a credit to accounts receivable. Management of the Society reviewed the collectible status of its receivables and deemed an allowance unnecessary at September 30, 2017 and 2016.

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 \$5,000.

Assets currently in service, furniture and office equipment, are depreciated principally using the straight-line method over the estimated useful lives of the assets which is estimated to be five to ten years. Leasehold improvements are amortized over the shorter of the lease inclusive of expected renewals and the estimated useful life of the asset.

Asset Recoverability

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying value amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated undiscounted future cash flows, an impairment charge is recognized in the amount by which the carrying amount of the asset exceeds the fair value of the asset. No impairment charge has been recognized.

Deferred Leasing Costs

The deferred leasing costs relate to the inception of the lease at Hudson Square. The costs are amortized over the life of the lease (20 years and 8 months) on a straight-line basis.

Net Asset Presentation

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.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

2. Summary of Significant Accounting Policies *(continued)*

Net Asset Presentation (continued)

Unrestricted net assets are neither permanently restricted nor temporarily restricted by donor-imposed restrictions. As reflected in the accompanying statements 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 because the Trustees can remove the restrictions it imposed. The Trustees have designated these net assets for property and equipment and the Curatorial Expense Fund.

Temporarily restricted net assets contain donor-imposed restrictions that permit the Society to use or expend the donated assets as specified. These restrictions are met by actions of the Society.

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

Deferred Rent

The Society has entered into an operating lease agreement which contains a provision for future rent increases. The total amount of rental payments due over the lease term is being charged to rent expense on the straight-line method over the term of the lease. The difference between rent expense recorded and the amount paid is reflected as deferred rent, in the accompanying statements of financial position.

Governmental Grants and Appropriations

Cost-reimbursement governmental grants are recognized as revenue at the same time as expenses are incurred based on the terms of the grant.

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 i.e., 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 activities as net assets released from restrictions.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

2. Summary of Significant Accounting Policies *(continued)*

Contributions (continued)

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 when the asset is placed in service.

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

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 such services do not meet the criteria for recognition in the financial statements.

Functional Allocations of Expenses

The costs of providing for the various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Accounting for Uncertainty in Income Taxes

The Society recognizes the effect of income tax positions only if those positions are more likely than not to be sustained. Management has determined that the Society had no uncertain tax positions that would require financial statement recognition or disclosure. The Society is no longer subject to examinations by the applicable taxing jurisdictions for periods prior to fiscal 2014.

Reclassifications

Certain amounts in the 2016 financial statements have been reclassified to conform to the 2017 financial statement presentation.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is January 12, 2018.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

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 in marketable securities and investment partnerships. The Society's cash management policy is to mitigate the Society's credit risks by investing in or through major financial institutions. Additionally, the Society has retained an investment advisor to assist with periodic reviews of the Society's investment portfolio in order to minimize risk.

The Society receives its contributions primarily from its members, Trustees, and other 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 at September 30 are summarized as follows:

	<u>2017</u>	<u>2016</u>
Due within one year	\$ 64,970	\$ 84,970
Due within two to three years	<u>40,005</u>	<u>100,000</u>
	<u>\$ 104,975</u>	<u>\$ 184,970</u>

Management of the Society reviewed the collectible status of its pledges receivable and deemed an allowance to be unnecessary at September 30, 2017 and 2016.

5. Property and Equipment

Property and equipment are summarized as follows:

	<u>2017</u>	<u>2016</u>
Furniture and office equipment	\$ 1,468,824	\$ 1,460,761
Leasehold improvements	<u>4,210,070</u>	<u>4,200,416</u>
	5,678,894	5,661,177
Accumulated depreciation and amortization	<u>(3,075,920)</u>	<u>(2,778,965)</u>
	<u>\$ 2,602,974</u>	<u>\$ 2,882,212</u>

Depreciation and amortization expense amounted to \$296,955 and \$305,304 for the years ended September 30, 2017 and 2016.

The American Numismatic Society

Notes to Financial Statements September 30, 2017 and 2016

6. Fair Value Measurements

The following are the major categories of assets measured at estimated fair value categorized by the fair value hierarchy as of September 30:

	2017			
	Level 1	Level 2	Level 3	Total
Equity Securities				
Consumer discretionary	\$ 2,271,813	\$ -	\$ -	\$ 2,271,813
Financial	1,651,621	-	-	1,651,621
Health care	658,310	-	-	658,310
Industrials	588,577	-	-	588,577
Information technology	1,307,816	-	-	1,307,816
Other	605,132	-	-	605,132
Mutual Funds				
Equity	17,925,546	-	-	17,925,546
Fixed income	4,318,992	-	-	4,318,992
Other	4,355,040	-	-	4,355,040
Bonds				
U.S Government securities	-	4,864,114	-	4,864,114
Corporate Bonds	-	2,468,985	-	2,468,985
Total Investments at Fair Value	<u>33,682,847</u>	<u>7,333,099</u>	-	41,015,946
Beneficial interest in perpetual trust	-	-	2,737,529	2,737,529
Total Assets at Fair Value	<u>\$ 33,682,847</u>	<u>\$ 7,333,099</u>	<u>\$ 2,737,529</u>	43,753,475
Cash and money market funds, at cost				639,411
Total				<u>\$ 44,392,886</u>

	2016				
	Level 1	Level 2	Level 3	Investments Valued using NAV (*)	Total
Equity Securities					
Consumer discretionary	\$ 1,870,672	\$ -	\$ -	\$ -	\$ 1,870,672
Financial	996,807	-	-	-	996,807
Health care	676,051	-	-	-	676,051
Industrials	462,698	-	-	-	462,698
Information technology	1,018,199	-	-	-	1,018,199
Other	618,864	-	-	-	618,864
Mutual Funds					
Equity	11,445,117	-	-	-	11,445,117
Fixed income	4,843,147	-	-	-	4,843,147
Other	3,554,278	-	-	-	3,554,278
Bonds					
U.S Government securities	-	2,770,341	-	-	2,770,341
Corporate Bonds	-	1,728,448	-	-	1,728,448
Hedge Funds					
Emerging markets	-	-	-	-	-
Hedged equity	-	-	-	3,362,024	3,362,024
Multi-strategy/credit	-	-	-	4,352,422	4,352,422
Total Investments at Fair Value	<u>25,485,833</u>	<u>4,498,789</u>	-	<u>7,714,446</u>	37,699,068
Beneficial interest in perpetual trust	-	-	2,501,576	-	2,501,576
Total Assets at Fair Value	<u>\$ 25,485,833</u>	<u>\$ 4,498,789</u>	<u>\$ 2,501,576</u>	<u>\$ 7,714,446</u>	40,200,644
Cash and money market funds, at cost					1,109,145
Total					<u>\$ 41,309,789</u>

(*) As discussed in Note 2, investments that are measured using the practical expedient are not classified within the fair value hierarchy.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

6. Fair Value Measurements *(continued)*

The table below sets forth a summary of changes in the fair value of the Level 3 assets for the year ended September 30:

	<u>2017</u>	<u>2016</u>
Balance, beginning of year	\$ 2,501,576	\$ 2,408,681
Total unrealized appreciation relating to instruments still held at the reporting date included in earnings	<u>235,953</u>	<u>92,895</u>
Balance, end of year	<u>\$ 2,737,529</u>	<u>\$ 2,501,576</u>

7. Investment Return

Investment return for the years ended September 30 is summarized as follows:

	<u>2017</u>	<u>2016</u>
Interest and dividend income	\$ 876,661	\$ 819,073
Realized gain (loss)	3,229,951	(26,382)
Unrealized gain	1,072,303	1,381,136
Investment-related expenses	<u>(136,782)</u>	<u>(109,716)</u>
	<u>\$ 5,042,133</u>	<u>\$ 2,064,111</u>

8. Endowment Funds

The Society's endowment consists of various individual gifts established primarily to support the mission of the Society. Its endowment consists of donor-restricted endowment funds. As required by US GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Trustees of the Society have interpreted New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary, or in those cases where the law allows appropriation for spending of the original gift amounts. As a result of this interpretation, the Trustees classify as permanently restricted net assets (a) the original value of the gifts donated to the permanent endowment and (b) the original value of subsequent gifts to the permanent endowment. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets, until those amounts are appropriated for expenditure by the Trustees in a manner consistent with the standard of prudence prescribed by NYPMIFA.

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

8. Endowment Funds *(continued)*

Interpretation of Relevant Law (continued)

Annual investment returns are allocated to unrestricted and restricted net assets based on the respective percentage share in the pooled funds at the beginning of each quarter in which income and realized and unrealized gains or losses are earned.

Return Objective and Risk Parameters

The Society utilizes a total return investment approach with its asset allocation diversified over multiple asset classes. Target allocation percentages are established for various asset classes and are modified over time. Performance is measured against composite benchmark of investment indices reflecting the target asset allocation.

Endowment assets include both those assets of donor-restricted funds that the Society must hold in perpetuity as well as their accumulated earnings. Under this policy, as approved by the Trustees, the endowment assets are invested in a number of different asset classes and investment strategies to diversify the investments to provide a balance that will enhance the long-term total return of the overall investment portfolio while avoiding undue risk or concentration in any single asset class or investment category.

Under the Society's current spending policy, up to 5% of the average market value of the Society's net assets of the previous three year period is available for appropriation. For 2017 and 2016, this amount totaled \$1,968,145 and \$1,977,755. In the year when annual investment returns are in excess of annual expenditures, there is no spending down of net assets, only an increase to the total net assets.

The following is a reconciliation of the investment activity in donor restricted funds for the years ended September 30, 2017 and 2016:

	Board Designated	Temporarily Restricted	Permanently Restricted	Total
Balance, October 1, 2015	\$ 75,306	\$ 387,508	\$ 6,987,141	\$ 7,449,955
Contributions	-	-	291,945	291,945
Interest and dividends	-	154,407	-	154,407
Realized loss	-	(4,973)	-	(4,973)
Unrealized gains	-	260,363	-	260,363
Investment fees	-	(20,683)	-	(20,683)
Appropriation for expenditures	-	(170,323)	-	(170,323)
Balance, September 30, 2016	75,306	606,299	7,279,086	7,960,691
Contributions	-	-	268,465	268,465
Interest and dividends	-	167,083	-	167,083
Realized gain	-	623,074	-	623,074
Unrealized gain	-	253,055	-	253,055
Investment fees	-	(26,458)	-	(26,458)
Appropriation for expenditures	-	(202,397)	-	(202,397)
Balance, September 30, 2017	<u>\$ 75,306</u>	<u>\$ 1,420,656</u>	<u>\$ 7,547,551</u>	<u>\$ 9,043,513</u>

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

8. Endowment Funds *(continued)*

Return Objective and Risk Parameters (continued)

Due to unfavorable market fluctuations, from time to time the fair value of assets associated with individual donor-restricted endowment funds may decline below historic dollar value of the donor's original permanently restricted contribution. The Society is not aware of any funds with deficiencies as of September 30, 2017 and 2016.

9. Society Collections

Various coins were lent to the Society by several organizations. The number of coins on loan to the Society as of September 30, 2017 and 2016 is as follows:

New Jersey Historical Society	271
Private parties	<u>22,659</u>
Total Number of Coins on Loan to the Society	<u><u>22,930</u></u>

10. Deferred Leasing Costs

Deferred leasing costs at September 30 consist of the following:

	2017	2016
Cost	\$ 104,773	\$ 104,773
Accumulated amortization	<u>(50,212)</u>	<u>(43,226)</u>
	<u><u>\$ 54,561</u></u>	<u><u>\$ 61,547</u></u>

11. Temporarily Restricted Net Assets

The Society has a total of 34 temporarily restricted funds as of September 30, 2017, of which 24 represent balances from permanently restricted net assets that are available for release to fund specific programs or purposes.

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

	2017	2016
Coin and medal purchases	\$ 7,645,074	\$ 6,852,568
Library purchases	341,312	299,643
Education	1,397,376	1,128,054
Department support	<u>3,257,520</u>	<u>2,341,376</u>
	<u><u>\$ 12,641,282</u></u>	<u><u>\$ 10,621,641</u></u>

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

11. Temporarily Restricted Net Assets *(continued)*

Net assets released from restrictions consist of the following for the years ended September 30:

	2017	2016
Coin and medal purchases	\$ 347,738	\$ 386,671
Library purchases	22,235	15,547
Education	43,416	48,476
Department support	509,957	452,607
	\$ 923,346	\$ 903,301

12. Permanently Restricted Net Assets

The Society has a total of 25 permanently restricted funds as of September 30, 2017. The investment income earned on the balances is recorded as temporarily restricted net assets until appropriated to fund specific programs and purposes.

As of September 30, 2017 and 2016, permanently restricted net assets are available for the following purposes:

	2017	2016
Program Activities		
Coin and medal purchases	\$ 143,925	\$ 143,925
Library purchases	106,896	101,331
Education	881,428	881,428
Department support	6,289,963	6,087,063
Museum operations	2,952,868	2,716,915
	\$ 10,375,080	\$ 9,930,662

13. Special Events

Special events are presented net in the statements of activities and are summarized as follows for the years ended September 30:

	2017	2016
Revenue from Events		
Annual dinner	\$ 171,995	\$ 219,025
Other events	63,267	69,587
Total Revenue from Events	235,262	288,612
Cost of Events		
Annual dinner	70,136	85,548
Trustees dinner	6,802	20,268
Other events	59,705	21,313
Total Expenses from Events	136,643	127,129
Net Revenue	\$ 98,619	\$ 161,483

The American Numismatic Society

Notes to Financial Statements
September 30, 2017 and 2016

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. Society contributions to the plan amounted to \$99,654 and \$96,980 for the years ended September 30, 2017 and 2016.

15. Rental Commitments

Hudson Street Facility

The Society leases space in a building known as One Hudson Square. The lease commenced on March 1, 2008 and expires on November 30, 2028. The lease provides for the tenant to pay escalations in real estate taxes over the base year and fixed 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 value of the rent determined in accordance with the lease. Under the terms of this lease, the Society provided the landlord an irrevocable standby letter of credit in the amount of approximately \$400,000 as a security deposit. During the 2011 fiscal year, the Society entered into an additional lease agreement to rent space in the basement of One Hudson Square. This lease covers a term of 17 years and 5 months following the commencement date of the lease, May 1, 2011. The lease requires the Society to make a monthly payment of \$373 the first of every month. Rent expense for the years ended September 30, 2017 and 2016 totaled \$1,169,533 and \$1,170,284 which included \$97,209 and \$123,028 of amortized deferred rent.

Future minimum annual rent commitments for years ending September 30, under the leases (including fixed common area maintenance charges) is as follows:

	<u>Amount</u>
2018	\$ 1,099,540
2019	1,204,703
2020	1,234,458
2021	1,264,958
2022	1,296,220
2023 and thereafter	<u>8,889,167</u>
	<u>\$ 14,989,046</u>

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The American Numismatic Society

Supplementary Information

September 30, 2017 and 2016

The American Numismatic Society

Schedule of Changes in Unrestricted, Temporarily Restricted, and Permanently Restricted Net Assets Year Ended September 30, 2017

	Contributions and Grants	Investment Income	Other Income	Expenses	Transfers	Net Change	Net Assets Beginning of Year	Net Assets End of Year
Unrestricted Net Assets								
Undesignated	\$ 956,840	\$ 2,180,214	\$ 317,909	\$ (2,883,093)	\$ (17,717)	\$ 554,153	\$ 18,949,127	\$ 19,503,280
Board Designated Curatorial Expense Fund	-	54,938	27,015	(20,000)	-	61,953	353,281	415,234
Board Designated Invested in Property and Equipment	-	-	-	(296,955)	17,717	(279,238)	2,882,212	2,602,974
Total Unrestricted Net Assets	<u>956,840</u>	<u>2,235,152</u>	<u>344,924</u>	<u>(3,200,048)</u>	<u>-</u>	<u>336,868</u>	<u>22,184,620</u>	<u>22,521,488</u>
Temporarily Restricted Net Assets								
Designated for Coin and Medal Purchases								
A.S. Sullivan Medal Fund	-	939	-	-	-	939	3,035	3,974
Avery Coin Purchase Fund	-	13,144	-	(1,890)	-	11,254	84,524	95,778
Edward P. Groh Memorial Fund	-	3,959	-	(2,455)	-	1,504	25,458	26,962
Fecht Coin Purchase Fund	-	28,764	-	(8,352)	-	20,412	184,971	205,383
George H. Clapp Coin Purchase Fund	-	10,816	-	-	-	10,816	64,555	75,371
Gale Coin Purchase Fund	-	20,484	-	(8,352)	-	12,132	110,018	122,150
General Coin Purchase Fund including E.T. Newell including E.T. Newell	-	1,032,313	18,784	(324,839)	-	726,258	6,311,572	7,037,830
John and Mary Lhotka	-	3,955	-	(792)	-	3,163	22,867	26,030
Memorial Purchase Fund	-	5,532	-	(1,058)	-	4,474	35,577	40,051
Revolving Coin Purchase Fund	-	1,554	-	-	-	1,554	9,991	11,545
Total Designated for Coin and Medal Purchases	<u>-</u>	<u>1,121,460</u>	<u>18,784</u>	<u>(347,738)</u>	<u>-</u>	<u>792,506</u>	<u>6,852,568</u>	<u>7,645,074</u>
Designated for Library Purchases								
Bass Library Fund	1,550	35,831	-	(18,235)	-	19,146	130,180	149,326
W. Gedney Beatty Library Fund	-	12,376	-	-	-	12,376	79,582	91,958
Merritt Library Fund	-	10,895	-	(2,000)	-	8,895	70,062	78,957
Michael Louis Backowske	-	3,252	-	(2,000)	-	1,252	19,819	21,071
Total Designated for Library Purchases	<u>1,550</u>	<u>62,354</u>	<u>-</u>	<u>(22,235)</u>	<u>-</u>	<u>41,669</u>	<u>299,643</u>	<u>341,312</u>
Designated for Education								
J. Sanford Saltus Medal Fund	-	6,981	-	-	-	6,981	39,902	46,883
Clain-Stefanelli Lecture Fund	-	18,564	-	-	-	18,564	19,378	37,942
Donald Groves Fund	-	8,499	-	-	-	8,499	54,655	63,154
EPN - Education Fund	-	174,274	-	(40,275)	-	133,999	590,660	724,659
Frances M. Schwartz Memorial Fund	-	29,737	-	(158)	-	29,579	148,227	177,806
Harry W. Fowler Memorial Lecture Fund	250	17,089	-	(1,168)	-	16,171	57,989	74,160
Stack Family Fund	-	12,915	-	-	-	12,915	22,505	35,420
Krause/Mishler Fund	-	9,403	-	-	-	9,403	45,404	54,807
Mark Salton Memorial Lecture Fund	-	4,536	-	(290)	-	4,246	3,265	7,511
Scher Lecture Fund	-	10,446	-	(1,525)	-	8,921	17,174	26,095
Silvia Hurter Memorial	-	20,044	-	-	-	20,044	128,895	148,939
Total Designated for Education	<u>250</u>	<u>312,488</u>	<u>-</u>	<u>(43,416)</u>	<u>-</u>	<u>269,322</u>	<u>1,128,054</u>	<u>1,397,376</u>

See independent auditors' report

The American Numismatic Society

Schedule of Changes in Unrestricted, Temporarily Restricted, and Permanently Restricted Net Assets (continued) Year Ended September 30, 2017

	Contributions and Grants	Investment Income	Other Income	Expenses	Transfers	Net Change	Net Assets Beginning of Year	Net Assets End of Year
Temporarily Restricted Net Assets (continued)								
Departmental Support Funds								
Eidlitz Building Maintenance Fund	\$ -	\$ 11,138	\$ -	\$ (3,737)	\$ -	\$ 7,401	\$ 71,622	\$ 79,023
General Publications including								
E.T. Newell Publications Fund	43,857	141,907	70,405	(132,338)	-	123,831	793,197	917,028
Henry Bass Endowment for Computers Fund	-	185,437	-	(50,109)	-	135,328	358,968	494,296
European Chair Fund	-	32,812	160	(5,802)	-	27,170	10,781	37,951
Margaret Thompson Curator of Greek Coins Fund	-	292,835	-	(93,566)	-	199,269	920,932	1,120,201
Francis Campbell Library Fund	1,000	217,902	-	(72,768)	-	146,134	75,596	221,730
James H. Schwartz Fund	-	18,662	-	(938)	-	17,724	9,554	27,278
North American Chair Fund	-	248,453	-	(122,453)	-	126,000	70,872	196,872
Executive Director Chair Fund	-	140,486	-	(23,246)	-	117,240	8,706	125,946
Islamic Chair Fund	-	21,047	-	(5,000)	-	16,047	21,148	37,195
Total Departmental Support Funds	<u>44,857</u>	<u>1,310,679</u>	<u>70,565</u>	<u>(509,957)</u>	<u>-</u>	<u>916,144</u>	<u>2,341,376</u>	<u>3,257,520</u>
Total Temporarily Restricted Net Assets	<u>46,657</u>	<u>2,806,981</u>	<u>89,349</u>	<u>(923,346)</u>	<u>-</u>	<u>2,019,641</u>	<u>10,621,641</u>	<u>12,641,282</u>
Permanently Restricted Net Assets								
Museum Operations								
Operations	-	-	-	-	-	-	215,339	215,339
Perpetual trusts	-	-	235,953	-	-	235,953	2,501,576	2,737,529
Total Museum Operations	<u>-</u>	<u>-</u>	<u>235,953</u>	<u>-</u>	<u>-</u>	<u>235,953</u>	<u>2,716,915</u>	<u>2,952,868</u>
Designated for Coin and Medal Purchases								
A.S. Sullivan Medal Fund	-	-	-	-	-	-	3,001	3,001
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	-	-	-	-	-	-	111,655	111,655
John and Mary Lhohtka Memorial Purchase Fund	-	-	-	-	-	-	2,568	2,568
Total Designated for Coin and Medal Purchases	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,925</u>	<u>143,925</u>
Designated for Library Purchases								
Bass Library Fund	5,565	-	-	-	-	5,565	100,231	105,796
Michael Louis Backowske								
Memorial Purchase Fund	-	-	-	-	-	-	1,100	1,100
Total Designated for Library Purchases	<u>5,565</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,565</u>	<u>101,331</u>	<u>106,896</u>

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The American Numismatic Society

Schedule of Changes in Unrestricted, Temporarily Restricted, and Permanently Restricted Net Assets (continued) Year Ended September 30, 2017

	Contributions and Grants	Investment Income	Other Income	Expenses	Transfers	Net Change	Net Assets Beginning of Year	Net Assets End of Year
Permanently Restricted Net Assets (continued)								
Designated for Education								
EPN - Education Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 530,023	\$ 530,023
Frances M. Schwartz Memorial Fund	-	-	-	-	-	-	43,000	43,000
Harry W. Fowler Memorial Lecture Fund	-	-	-	-	-	-	51,900	51,900
Krause/Mishler Fund	-	-	-	-	-	-	15,060	15,060
J. Sanford Saltus Medal Fund	-	-	-	-	-	-	5,000	5,000
Clain-Stefanelli Lecture Fund	-	-	-	-	-	-	100,000	100,000
Mark Salton Memorial Lecture Fund	-	-	-	-	-	-	25,900	25,900
Stack Family Fund	-	-	-	-	-	-	60,545	60,545
Scher Lecture Fund	-	-	-	-	-	-	50,000	50,000
Total Designated for Education	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>881,428</u>	<u>881,428</u>
Departmental Support Funds								
General Publications including								
E.T. Newell Publications Fund	-	-	-	-	-	-	119,364	119,364
Harry Bass Endowment Fund	-	-	-	-	-	-	833,500	833,500
James H. Schwartz Fund	-	-	-	-	-	-	110,453	110,453
European Chair Fund	-	-	-	-	-	-	200,216	200,216
Margaret Thompson Curator								
Margaret Thompson Curator of Greek Coins	-	-	-	-	-	-	962,168	962,168
Francis Campbell Library Fund	900	-	-	-	-	900	1,325,640	1,326,540
North American Chair Fund	-	-	-	-	-	-	1,526,825	1,526,825
Executive Director Chair Fund	202,000	-	-	-	-	202,000	894,700	1,096,700
Islamic Chair Fund	-	-	-	-	-	-	114,197	114,197
Total Departmental Support Funds	<u>202,900</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>202,900</u>	<u>6,087,063</u>	<u>6,289,963</u>
Total Permanently Restricted Net Assets	<u>208,465</u>	<u>-</u>	<u>235,953</u>	<u>-</u>	<u>-</u>	<u>444,418</u>	<u>9,930,662</u>	<u>10,375,080</u>
Total	<u>\$ 1,211,962</u>	<u>\$ 5,042,133</u>	<u>\$ 670,226</u>	<u>\$ (4,123,394)</u>	<u>\$ -</u>	<u>\$ 2,800,927</u>	<u>\$ 42,736,923</u>	<u>\$ 45,537,850</u>

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The American Numismatic Society

Schedule of Functional Expenses Year Ended September 30, 2017

	Program Services	Management and General	Fund- raising	Total
Salaries, benefits and payroll taxes	\$ 1,390,659	\$ 253,935	\$ 4,818	\$ 1,649,412
Professional and consulting fees	22,438	140,549	109,871	272,858
Supplies	13,409	1,178	147	14,734
Telephone	21,031	2,388	478	23,897
Postage and shipping	3,888	500	3,942	8,330
Occupancy	1,307,362	114,932	14,367	1,436,661
Insurance	50,498	4,440	555	55,493
Printing and publications	147,139	-	8,111	155,250
Conferences, conventions, meeting and travel	690	21,250	-	21,940
Membership dues	5,026	-	-	5,026
Awards and grants	23,213	-	-	23,213
Rental and maintenance of equipment	29,055	2,555	319	31,929
Depreciation and amortization	303,941	-	-	303,941
Exhibition and lecture	9,147	-	-	9,147
Bad debt expense	4,959	-	-	4,959
Other service fees	30,429	2,676	334	33,439
	<u>\$ 3,362,884</u>	<u>\$ 544,403</u>	<u>\$ 142,942</u>	<u>\$ 4,050,229</u>

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The American Numismatic Society

Schedule of Functional Expenses Year Ended September 30, 2016

	Program Services	Management and General	Fund- raising	Total
Salaries, benefits and payroll taxes	\$ 1,062,119	\$ 377,080	\$ 4,515	\$ 1,443,714
Professional and consulting fees	46,275	231,871	128,050	406,196
Supplies	26,240	2,307	288	28,835
Telephone	18,722	2,127	425	21,274
Postage and shipping	12,112	1,411	4,111	17,634
Occupancy	1,308,820	115,061	14,383	1,438,264
Insurance	48,956	4,304	538	53,798
Printing and publications	209,169	-	6,929	216,098
Conferences, conventions, meeting and travel	1,399	24,936	-	26,335
Membership dues	5,433	-	-	5,433
Awards and grants	21,323	-	-	21,323
Rental and maintenance of equipment	29,885	2,627	328	32,840
Depreciation and amortization	310,543	-	-	310,543
Exhibition and lecture	4,658	-	-	4,658
Bad debt expense	84	-	-	84
Other service fees	9,804	20,416	204	30,424
	<u>\$ 3,115,542</u>	<u>\$ 782,140</u>	<u>\$ 159,771</u>	<u>\$ 4,057,453</u>

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