

**THE NEW YORK SOCIETY  
OF  
SECURITY ANALYSTS, INC.**

**Financial Statements  
for the years ended  
August 31, 2016  
and  
August 31, 2015**

**Independent Auditor's Report**

To the Board of Directors of  
The New York Society of Security Analysts, Inc.

We have audited the accompanying financial statements of The New York Society of Security Analysts, Inc. which comprise the statements of financial position as of August 31, 2016 and August 31, 2015 and the related statements of activities, functional expenses and cash flows for the years then ended and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The New York Society of Security Analysts, Inc. as of August 31, 2016 and August 31, 2015 and the results of its activities and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Condon O'Meara McGinty & Donnelly LLP*

November 21, 2016

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.**

**Statements of Financial Position**

**Assets**

	<b>August 31</b>	
	<b>2016</b>	<b>2015</b>
<b>Current assets</b>		
Cash and cash equivalents	\$ 2,417,159	\$ 1,626,027
Certificates of deposit	2,896,820	2,954,400
Accounts receivable, net	1,002,860	201,327
Prepaid expenses and other current assets	<u>186,269</u>	<u>262,064</u>
Total current assets	6,503,108	5,043,818
<b>Restricted cash and cash equivalents</b>	211,679	210,991
<b>Furniture, fixtures, equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization</b>	<u>1,891,850</u>	<u>2,199,837</u>
<b>Total assets</b>	<b><u>\$ 8,606,637</u></b>	<b><u>\$ 7,454,646</u></b>

**Liabilities and Net Assets**

<b>Current liabilities</b>		
Accounts payable	\$ 38,719	\$ 8,004
Accrued expenses	289,458	285,419
Unearned dues revenue	2,355,895	1,278,949
Unearned other revenue	350,525	236,940
Current amortization of deferred lease incentive	<u>115,873</u>	<u>115,873</u>
Total current liabilities	3,150,470	1,925,185
<b>Deferred lease incentive, net of current amortization</b>	<u>1,359,879</u>	<u>1,475,752</u>
<b>Total liabilities</b>	<u>4,510,349</u>	<u>3,400,937</u>
<b>Net assets</b>		
Unrestricted		
Operating fund (deficit)	140,305	(149,682)
Board designated		
Building fund	3,057,128	3,591,678
Initiatives fund	<u>529,441</u>	<u>229,441</u>
Total unrestricted	<u>3,726,874</u>	<u>3,671,437</u>
Temporarily restricted		
Scholarship fund	272,547	285,405
Value investing archive fund	<u>96,867</u>	<u>96,867</u>
Total temporarily restricted	<u>369,414</u>	<u>382,272</u>
Total net assets	<u>4,096,288</u>	<u>4,053,709</u>
<b>Total liabilities and net assets</b>	<b><u>\$ 8,606,637</u></b>	<b><u>\$ 7,454,646</u></b>

See notes to financial statements.

# THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.

## Statements of Activities

	For the Year Ended August 31			
	2016		2015	
	Unrestricted	Temporarily Restricted	Total	Unrestricted
<b>Support and revenue</b>				Temporarily Restricted
Membership dues and fees	\$ 1,828,361	\$ -	\$ 1,828,361	\$ -
Education	1,383,178	-	1,383,178	-
Presentations	126,050	-	126,050	-
Seminars	241,751	-	241,751	-
Contributions	-	2,008	2,008	-
Special activity dinners	67,355	-	67,355	-
Other operating revenue	854,764	-	854,764	-
Net assets released from restrictions	15,150	(15,150)	-	(24,150)
Total support and revenue	4,516,609	(13,142)	4,503,467	(21,998)
			4,351,951	4,329,953
<b>Expenses</b>				
Program services				
Education	2,230,134	-	2,230,134	-
Presentations	82,268	-	82,268	-
Seminars	718,445	-	718,445	-
Membership	951,406	-	951,406	-
Books and publications	33,286	-	33,286	-
Total program services	4,015,539	-	4,015,539	-
Supporting services				
Management and general	513,414	-	513,414	-
Total expenses	4,528,953	-	4,528,953	-
			331,058	331,058
			4,997,651	4,997,651
Increase (decrease) in net assets before other additions (deduction)	(12,344)	(13,142)	(25,486)	(21,998)
Interest	42,361	284	42,645	335
Unrealized gain (loss) on investments	25,420	-	25,420	-
			(18,775)	(18,775)
Increase (decrease) in net assets	55,437	(12,858)	42,579	(21,663)
Net assets, beginning of year	3,671,437	382,272	4,053,709	403,935
Net assets, end of year	\$ 3,726,874	\$ 369,414	\$ 4,096,288	\$ 382,272
			\$ 3,671,437	\$ 4,053,709

See notes to financial statements.

# THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.

## Statement of Functional Expenses For the Year Ended August 31, 2016 (with summarized comparative information for 2015)

	Program Services				Books and Publications	Supporting Services Management and General		2016 Total	2015 Total
	Education	Presentations	Seminars	Membership		General			
Staff payroll and benefits	\$ 597,209	\$ 20,329	\$ 348,106	\$ 312,917	\$ -	\$ 1,278,561	\$ 164,664	\$ 1,443,225	\$ 1,283,001
Temporary help	1,796	-	-	4,570	-	6,366	-	6,366	-
Professional fees	752,099	16,492	41,373	92,843	20,770	923,577	15,780	939,357	1,328,053
Scholarships granted	15,000	-	-	-	-	15,000	-	15,000	29,000
Books and publications	1,940	-	-	-	101	2,041	-	2,041	152,609
Printed marketing materials	9,091	-	-	-	-	9,091	-	9,091	15,314
Printing and stationery	-	-	-	3,479	-	3,479	-	3,479	10,039
Office expenses	107,910	3,521	38,318	47,328	122	197,199	21,470	218,669	233,000
Data processing	56,133	2,242	22,965	39,557	-	120,897	7,692	128,589	164,747
Delivery and mail handling	6,242	-	-	2,491	2,118	10,851	-	10,851	23,225
Catering	8,216	7,048	58,817	21,671	5,005	100,757	44,839	145,596	105,562
Promotional activities	51,136	5,596	9,309	16,070	894	83,005	2,334	85,339	57,459
Occupancy	389,739	19,670	130,437	177,982	1,300	719,128	233,242	952,370	943,414
Rental expenses	62,400	-	-	27,078	-	89,478	-	89,478	62,432
Depreciation and amortization	149,274	6,079	60,891	105,855	-	322,099	20,400	342,499	392,739
Bank and credit card service charges	15,882	893	5,889	14,568	-	37,232	2,081	39,313	103,500
Miscellaneous	6,067	398	2,340	84,997	2,976	96,778	912	97,690	93,557
<b>Total expenses</b>	<b>\$ 2,230,134</b>	<b>\$ 82,268</b>	<b>\$ 718,445</b>	<b>\$ 951,406</b>	<b>\$ 33,286</b>	<b>\$ 4,015,539</b>	<b>\$ 513,414</b>	<b>\$ 4,528,953</b>	<b>\$ 4,997,651</b>

See notes to financial statements.

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.

Statement of Functional Expenses  
For the Year Ended August 31, 2015

	Program Services					Books and Publications	Total	Supporting Services	
	Education	Presentations	Seminars	Membership				Management and General	Total
Staff payroll and benefits	\$ 499,627	\$ 33,501	\$ 274,382	\$ 383,271	\$ -	\$ -	\$ 1,190,781	\$ 92,220	\$ 1,283,001
Professional fees	847,183	45,718	122,145	242,770	56,424	1,314,240	13,813	1,328,053	
Scholarships granted	24,000	-	-	5,000	-	29,000	-	-	29,000
Books and publications	31,132	-	206	306	120,965	152,609	-	-	152,609
Printed marketing materials	15,314	-	-	-	-	15,314	-	-	15,314
Printing and stationery	34	-	-	10,005	-	10,039	-	-	10,039
Office expenses	113,439	6,406	45,139	55,374	-	220,358	12,642	233,000	
Data processing	69,166	5,033	39,958	47,020	-	161,177	3,570	164,747	
Delivery and mail handling	14,702	-	-	8,361	-	23,063	162	23,225	
Catering	201	12,432	19,734	17,237	-	49,604	55,958	105,562	
Promotional activities	18,476	5,131	13,322	15,489	-	52,418	5,041	57,459	
Occupancy	420,591	31,531	159,079	196,549	-	807,750	135,664	943,414	
Rental expenses	37,400	-	-	25,032	-	62,432	-	-	62,432
Depreciation and amortization	164,970	12,005	95,307	112,090	-	384,372	8,367	392,739	
Bank and credit card service charges	43,581	3,161	25,091	29,460	-	101,293	2,207	103,500	
Miscellaneous	2,433	105	18,485	70,895	225	92,143	1,414	93,557	
<b>Total expenses</b>	<b>\$ 2,302,249</b>	<b>\$ 155,023</b>	<b>\$ 812,848</b>	<b>\$ 1,218,859</b>	<b>\$ 177,614</b>	<b>\$ 4,666,593</b>	<b>\$ 331,058</b>	<b>\$ 4,997,651</b>	

See notes to financial statements.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.**

**Statements of Cash Flows**

	<b>For the Year Ended August 31</b>	
	<u><b>2016</b></u>	<u><b>2015</b></u>
<b>Cash flows from operating activities</b>		
Increase (decrease) in net assets	\$ 42,579	\$ (644,880)
Adjustments to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities		
Depreciation and amortization	342,499	392,739
Unrealized (gain) loss on investments	(25,420)	18,775
(Increase) decrease in current assets		
Accounts receivable	(801,533)	157,275
Prepaid expenses and other current assets	75,795	(89,159)
Increase (decrease) in current liabilities		
Accounts payable	30,715	(13,187)
Accrued expenses	4,039	174,752
Unearned dues revenue	1,076,946	(303,012)
Unearned other revenue	113,585	(51,014)
Change in deferred lease incentive	<u>(115,873)</u>	<u>(51,631)</u>
Net cash provided by (used in) operating activities	<u>743,332</u>	<u>(409,342)</u>
<b>Cash flows from investing activities</b>		
Purchases of certificates of deposit	(1,152,000)	(1,239,000)
Proceeds from sale and maturities of certificates of deposit	1,235,000	742,999
Purchases of furniture, fixtures, equipment and leasehold improvements	<u>(34,512)</u>	<u>(134,932)</u>
Net cash provided by (used in) investing activities	<u>48,488</u>	<u>(630,933)</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>791,820</b>	<b>(1,040,275)</b>
<b>Cash and cash equivalents, beginning of year</b>	<u><b>1,837,018</b></u>	<u><b>2,877,293</b></u>
<b>Cash and cash equivalents, end of year</b>	<u><b>\$2,628,838</b></u>	<u><b>\$1,837,018</b></u>
<b>Consists of:</b>		
Current assets	\$2,417,159	\$1,626,027
Restricted	<u>211,679</u>	<u>210,991</u>
Total cash and cash equivalents	<u><b>\$2,628,838</b></u>	<u><b>\$1,837,018</b></u>

See notes to financial statements.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.****Notes to Financial Statements  
August 31, 2016 and August 31, 2015****Note 1 – Nature of organization**

The New York Society of Security Analysts, Inc. (the “Society”) is a not-for-profit, educational organization whose mission is to serve investment industry professionals and the investing public. The Society is committed to the promotion of best practices and the highest professional and ethical standards in the investment industry. The Society also strives to assist its members and other financial professionals in their investment industry career development. The Society generates revenue from three primary sources: (1) membership dues; (2) educational seminars (the largest seminar producer of income is Chartered Financial Analysts classes); and (3) meetings and events whereby corporations pay a sponsorship fee.

**Note 2 – Summary of significant accounting policies****Net assets****Unrestricted****Operating Fund**

Net assets that are not subject to donor-imposed stipulations and that may be expendable for any purpose in performing the primary objectives of the Society are considered unrestricted in nature. During the 2016 fiscal year, \$300,000 was transferred to the Operating Fund from the Building Fund.

**Building Fund**

The Society maintains a building fund to provide for the eventual replacement or improvement of the Society’s facility. Any interest earned or unrealized gain or loss on the assets is credited to or deducted from the building fund balance. During the 2016 fiscal year, the Board of Directors approved transfers totaling \$600,000 from the Building Fund to the Operating Fund and Initiatives Fund.

**Initiatives Fund**

The Society’s Board of Directors established a fund which shall be segregated and only be utilized for initiatives, to be pre-approved by the Board. During the 2016 fiscal year, \$300,000 was transferred to the Initiatives Fund from the Building Fund.

**Temporarily restricted**

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Society and/or the passage of time are considered temporarily restricted. As the restrictions are satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the accompanying financial statements as net assets released from restrictions.



**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.****Notes to Financial Statements (continued)  
August 31, 2016 and August 31, 2015****Note 2 – Summary of significant accounting policies (continued)**Cash equivalents

The Society considers highly liquid investments with original maturities of 90 days or less to be cash equivalents. Included in cash equivalents are money market funds.

Certificates of deposit

The Society reports certificates of deposit at fair value in the statements of financial position. The certificates of deposit have maturities ranging from one to five years from the date of purchase and are valued using a cost-based measure, which is the original cost plus accrued interest. Unrealized gains and losses are reflected in the statements of activities as increases or decreases in unrestricted net assets.

Allowance for doubtful accounts

The Society has an allowance of \$2,000 as of August 31, 2016 and August 31, 2015, respectively, for accounts receivable that may not be collectible. Such estimate is based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

Furniture, fixtures, equipment and leasehold improvements

The Society capitalizes expenditures for property and equipment above \$500. Furniture, fixtures and equipment are depreciated on the straight-line method over the estimated useful lives of the assets ranging from three to seven years. Leasehold improvements are amortized over the life of the lease.

Membership dues

Membership dues are recognized as revenue in the applicable membership period. Consistent with past practice, it is the Society's policy to record the remainder of the anticipated members' annual dues as accounts receivable and unearned dues revenue as of August 31<sup>st</sup> each year.

Functional expenses

The cost of providing the various programs and other activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.****Notes to Financial Statements (continued)**  
**August 31, 2016 and August 31, 2015****Note 2 – Summary of significant accounting policies (continued)**In-kind services

Organizations are required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills, are provided by individuals possessing those skills and typically would have been purchased if not provided in-kind. Board members and other individuals volunteer their time and perform a variety of tasks that assist the Society in carrying out its programs. These services do not meet the criteria to be recorded and have not been included in these financial statements.

Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect amounts reported in the financial statements. Actual results could differ from these estimates.

Concentrations of credit risk

The Society's financial instruments that are potentially exposed to concentrations of credit risk consist of cash, cash equivalents, certificates of deposit and accounts receivable. The Society places its cash, cash equivalents and certificates of deposit with what it believes to be quality financial institutions. At times, the balances in the Society's cash and certain cash equivalents may be in excess of FDIC insurance limits. However, the Society has not experienced any losses in such accounts to date. Accounts receivable consists primarily of amounts due from a number of individuals and corporations for membership dues and Society conferences. The Society routinely assesses the financial strength of its cash, cash equivalents, certificates of deposit and the collectability of its accounts receivable. As a consequence, the Society's management believes that concentrations of credit risk are limited.

Subsequent events

The Society has evaluated events and transactions for potential recognition or disclosure through November 21, 2016, which is the date the financial statements were available to be issued.

## THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.

## Notes to Financial Statements (continued)

August 31, 2016 and August 31, 2015

Note 3 – Cash, cash equivalents and certificates of deposit

Cash, cash equivalents and certificates of deposit are composed of the following as of August 31, 2016 and August 31, 2015:

	2016					
	Operating Fund	Initiatives Fund	Building Fund	Scholarship Fund	Value Investing Archive Fund	Total
Cash on hand	\$ 365	\$ -	\$ -	\$ -	\$ -	\$ 365
Checking	1,334,754	-	-	-	-	1,334,754
Money market account	31,863	529,441	-	-	96,867	658,171
Payroll account	76	-	-	-	-	76
Money market funds	-	-	151,246	272,547	-	423,793
Certificates of deposit	-	-	2,896,820	-	-	2,896,820
Total	<u>\$1,367,058</u>	<u>\$ 529,441</u>	<u>\$3,048,066</u>	<u>\$ 272,547</u>	<u>\$ 96,867</u>	<u>\$5,313,979</u>

  

	2015					
	Operating Fund	Initiatives Fund	Building Fund	Scholarship Fund	Value Investing Archive Fund	Total
Cash on hand	\$ 590	\$ -	\$ -	\$ -	\$ -	\$ 590
Checking	354,476	-	-	-	-	354,476
Money market account	31,039	229,441	-	-	96,867	357,347
Payroll account	302	-	-	-	-	302
Money market funds	-	-	627,907	285,405	-	913,312
Certificates of deposit	-	-	2,954,400	-	-	2,954,400
Total	<u>\$ 386,407</u>	<u>\$ 229,441</u>	<u>\$3,582,307</u>	<u>\$ 285,405</u>	<u>\$ 96,867</u>	<u>\$4,580,427</u>

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.**

**Notes to Financial Statements (continued)**  
**August 31, 2016 and August 31, 2015**

**Note 4 – Furniture, fixtures, equipment and leasehold improvements**

The following is a summary of the furniture, fixtures, equipment and leasehold improvements as of August 31, 2016 and August 31, 2015:

	<u>2016</u>	<u>2015</u>
Furniture, fixtures and equipment	\$ 550,406	\$ 810,464
Leasehold improvements	2,985,222	2,983,621
Other	<u>650</u>	<u>2,800</u>
Sub-Total	3,536,278	3,796,885
Less: accumulated depreciation and amortization	<u>1,644,428</u>	<u>1,597,048</u>
Total furniture, fixtures, equipment and leasehold improvements	<u>\$1,891,850</u>	<u>\$2,199,837</u>

In the 2016 and 2015 fiscal years, the Society wrote off fully depreciated assets of \$295,119 and \$290,008, respectively.

**Note 5 – Commitments**

**Office lease agreement**

During August 2009, the Society entered into an agreement to lease office and conference space, commencing August 2009 for a term of 16 years through August 2025 with an option to renew for an additional 5-year period. The lease requires monthly lease payments commencing in August 2010 of \$68,524 plus utilities and a proportionate share of certain operating expenses of the landlord as defined in the lease agreement. Rent expense totaled \$952,370 and \$943,117 for the 2016 and 2015 fiscal years, respectively.

The future minimum lease payments would be as follows:

<u>Fiscal Year</u>	
2017	\$ 907,944
2018	907,944
2019	907,944
2020	929,358
2021	993,600
2022 and thereafter	<u>3,891,600</u>
Total	<u>\$ 8,538,390</u>

As part of the lease agreement, the Society received free rent. The Society amortizes rent expense each year equally over the term of the lease. The difference between rent expense recorded in this manner and the actual cash paid per the lease agreement is included in the deferred lease incentive. The Society also received a build-out allowance under the terms of its lease agreement. The Society has included the build-out allowance in the deferred lease incentive and is amortizing the amount equally over the term of the lease.

# THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.

## Notes to Financial Statements (continued) August 31, 2016 and August 31, 2015

### Note 5 – Commitments (continued)

#### Office lease agreement (continued)

In connection with the lease on the previous page, the Society delivered to the landlord a letter of credit in the amount of \$204,732 as security for the lease agreement. In connection with the letter of credit, the Society established a separate certificate of deposit account as required by the lease. At August 31, 2016, the value of such certificate of deposit was \$211,679.

In addition to the rental of office space, the Society rents space on an as needed basis for its educational programs. Rental expense for the education programs for the years ended August 31, 2016 and August 31, 2015 totaled \$62,400 and \$37,400, respectively.

#### Office sublease agreement

During April 2015, the Society entered into an agreement to sublease a portion of its office space, commencing May 1, 2015 for a term of 5 years through April 30, 2020. In connection with the sublease, the Society obtained a \$30,800 deposit, which is included in accounts payable on the statements of financial position.

Annual lease payments required under the agreement for future years as of August 31, 2016 are as follows:

<u>Fiscal Year</u>	<u>Amount</u>
2017	\$ 95,499
2018	97,886
2019	100,333
2020	<u>67,996</u>
Total	<u>\$ 361,714</u>

### Note 6 – Temporarily restricted net assets

In 1996, the Society established the Heloise S. Ham Educational Scholarship Fund (the "Fund") from a pledge received from the family of Heloise S. Ham to endow a scholarship program and recorded it as temporarily restricted. On an ongoing basis, the Fund is funded by contributions from the family of Heloise S. Ham, income from the Fund assets and contributions from Society members. Scholarships are available to undergraduate students who are enrolled full-time in a college or university in the greater New York area and who have completed at least their sophomore year by the time the program begins in the summer.

The students must also demonstrate academic excellence and have an interest in the securities profession. Because these funds can only be used for scholarship purposes, the assets of the Fund are considered temporarily restricted.

During the 2016 and 2015 fiscal years, the Society did not receive any additional funds towards maintenance of an archive to benefit value-investing research. The fund is recorded as temporarily restricted.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.**

**Notes to Financial Statements (continued)**  
**August 31, 2016 and August 31, 2015**

**Note 6 – Temporarily restricted net assets (continued)**

The following is a summary of the activity of the temporarily restricted net assets for the years ended August 31, 2016 and August 31, 2015:

<b>2016</b>				
	<b><u>Balance, Beginning of Year</u></b>	<b><u>Additions</u></b>	<b><u>Net Assets Released from Restrictions</u></b>	<b><u>Balance, End of Year</u></b>
Scholarship fund	\$ 285,405	\$ 2,292	\$ (15,150)	\$ 272,547
Value investing archive	96,867	-	-	96,867
Total	<u>\$ 382,272</u>	<u>\$ 2,292</u>	<u>\$ (15,150)</u>	<u>\$ 369,414</u>

  

<b>2015</b>				
	<b><u>Balance, Beginning of Year</u></b>	<b><u>Additions</u></b>	<b><u>Net Assets Released from Restrictions</u></b>	<b><u>Balance, End of Year</u></b>
Scholarship fund	\$ 307,068	\$ 2,487	\$ (24,150)	\$ 285,405
Value investing archive	96,867	-	-	96,867
Total	<u>\$ 403,935</u>	<u>\$ 2,487</u>	<u>\$ (24,150)</u>	<u>\$ 382,272</u>

**Note 7 – Net assets released from restrictions**

Net assets were released from donor restrictions by incurring expenses that satisfied the restricted purposes specified by donors as follows for the years ended August 31, 2016 and August 31, 2015:

	<b><u>2016</u></b>	<b><u>2015</u></b>
<b>Purpose restriction accomplished:</b>		
Scholarships	\$ 15,000	\$ 24,000
Bank service charges	150	150
Total	<u>\$ 15,150</u>	<u>\$ 24,150</u>

**Note 8 – Retirement plan**

The Society maintains a 401(k) Profit Sharing Plan covering all eligible employees. The Society makes a 3% Safe Harbor employer contribution to the Plan. Any employer discretionary contributions in excess of the Safe Harbor contribution are determined annually by the Society's Board of Directors. The Safe Harbor contributions are 100% vested and any additional discretionary contributions vest to the Plan participants at 20% per year over five years, beginning in year two. The Society did not make any discretionary contributions to the plan during the 2016 or 2015 fiscal years.

The total retirement plan expense amounted to \$37,246 and \$40,112 for years ended August 31, 2016 and August 31, 2015, respectively.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.**

**Notes to Financial Statements (continued)**  
**August 31, 2016 and August 31, 2015**

**Note 9 – Tax status**

The Society is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Society has been determined by the Internal Revenue Service to be a publicly supported organization, and not a private foundation, within the meaning of Section 509(a)(2) of the Code.

**Note 10 – Unrestricted net assets**

The following is a summary of the activity of the unrestricted operating and board designated – Building Fund and Initiatives Fund for the years ended August 31, 2016 and August 31, 2015:

	<b>Unrestricted</b>			
		<b>Board-Designated</b>		
	<b>Operating Fund</b>	<b>Building Fund</b>	<b>Initiatives Fund</b>	<b>Total</b>
<b>Balance, at August 31, 2014</b>	<b>\$ 494,183</b>	<b>\$ 3,571,030</b>	<b>\$ 229,441</b>	<b>\$ 4,294,654</b>
Revenue				
Investment return	1,685	20,798	-	22,483
Other	4,351,951	-	-	4,351,951
Total revenue	4,353,636	20,798	-	4,374,434
Less: expenses	(4,997,501)	(150)	-	(4,997,651)
Increase (decrease) in net assets	(643,865)	20,648	-	(623,217)
<b>Balance (deficit), at August 31, 2015</b>	<b>(149,682)</b>	<b>3,591,678</b>	<b>229,441</b>	<b>3,671,437</b>
Revenue				
Investment return	2,121	65,660	-	67,781
Other	4,516,609	-	-	4,516,609
Total revenue	4,518,730	65,660	-	4,584,390
Less: expenses	(4,528,743)	(210)	-	(4,528,953)
Increase (decrease) in net assets	(10,013)	65,450	-	55,437
Interfund transfers	300,000	(600,000)	300,000	-
<b>Balance, at August 31, 2016</b>	<b>\$ 140,305</b>	<b>\$ 3,057,128</b>	<b>\$ 529,441</b>	<b>\$ 3,726,874</b>