

**THE NEW YORK SOCIETY
OF
SECURITY ANALYSTS, INC.
d/b/a
CFA SOCIETY NEW YORK**

**Financial Statements
for the years ended
August 31, 2021
and
August 31, 2020**

Independent Auditor's Report

To the Board of Directors of
The New York Society of Security Analysts, Inc.
d/b/a CFA Society New York

We have audited the accompanying financial statements of The New York Society of Security Analysts, Inc. d/b/a CFA Society New York which comprise the statements of financial position as of August 31, 2021 and August 31, 2020 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. d/b/a CFA Society New York as of August 31, 2021 and August 31, 2020 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.

December 10, 2021

Condon O'Meara McGinty & Donnelly LLP

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

Statements of Financial Position

Assets		August 31	
		2021	2020
Current assets			
Cash and cash equivalents	\$	9,762,661	\$ 8,378,193
Certificates of deposit		-	459,849
Accounts receivable		957,006	1,437,192
Prepaid expenses and other current assets		80,518	86,077
Total current assets		10,800,185	10,361,311
Restricted certificate of deposit		214,371	213,110
Furniture, fixtures, equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization		1,273,076	1,518,764
Total assets		\$ 12,287,632	\$ 12,093,185
Liabilities and Net Assets			
Current liabilities			
Accounts payable and accrued expenses	\$	215,099	\$ 201,879
Unearned dues revenue		2,380,432	2,582,186
Unearned other revenue		892,890	903,291
Current portion of deferred lease incentive		115,873	115,873
Total current liabilities		3,604,294	3,803,229
Deferred lease incentive, net of current portion		673,445	874,973
Total liabilities		4,277,739	4,678,202
Net assets			
Without donor restrictions			
Operating fund		3,746,206	3,139,235
Board designated			
Building fund		3,374,205	3,373,937
Initiatives fund		529,441	529,441
Total without donor restrictions		7,649,852	7,042,613
With donor restrictions			
Scholarship fund – temporarily restricted		163,174	175,503
Value investing archive fund		96,867	96,867
Other		50,000	50,000
Scholarship fund – perpetually restricted		50,000	50,000
Total with donor restrictions		360,041	372,370
Total net assets		8,009,893	7,414,983
Total liabilities and net assets		\$ 12,287,632	\$ 12,093,185

See notes to financial statements.

See notes to financial statements.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Statement of Functional Expenses
For the Year Ended August 31, 2021
(with summarized comparative information for 2020)**

	2021						2020
	Program Services					Supporting Activities Management and General	Total
	Education	Presentations	Seminars	Membership	Books and Publications	Total	Total
Staff payroll and benefits	\$ 169,350	\$ 11,345	\$ 1,005,809	\$ 481,038	\$ -	\$ 1,667,542	\$ 2,328,031
Temporary help	-	-	-	-	-	-	11,472
Professional fees	94,090	2,148	259,010	144,279	1,136	500,663	772,397
Scholarships	12,200	-	-	-	-	12,200	16,250
Books and publications	10,223	-	-	-	-	10,223	114,441
Printing and stationery	-	-	-	93	-	93	3,554
Office expenses	6,805	487	40,379	49,290	-	96,961	203,430
Data processing	10,684	714	65,495	30,283	-	107,176	183,293
Delivery and mail handling	-	-	-	-	-	-	1,937
Catering	-	-	-	-	-	-	170,264
Promotional activities	2,207	123	13,117	12,502	-	27,949	125,127
Occupancy	94,161	6,150	547,631	261,430	-	909,372	1,030,987
Rental expenses	-	-	-	-	-	-	198,260
Depreciation and amortization	30,153	2,010	179,028	85,465	-	296,656	330,656
Bank and credit card service charges	1,708	80	8,547	4,074	-	14,409	19,399
Meals and entertainment	-	-	-	662	-	662	170,518
Miscellaneous	-	-	962	871	-	1,833	32,993
Total	\$ 431,581	\$ 23,057	\$ 2,119,978	\$ 1,069,987	\$ 1,136	\$ 3,645,739	\$ 5,713,009
						\$ 613,209	\$ 4,258,948

See notes to financial statements.

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Statement of Functional Expenses
For the Year Ended August 31, 2020

	Program Services				Books and Publications	Total		Supporting Activities Management and General	Total
	Education	Seminars	Membership						
Staff payroll and benefits	\$ 228,359	\$ 1,265,826	\$ 748,873	\$ -	-	\$ 2,243,058	\$ 84,973	\$ 2,328,031	
Temporary help	-	10,003	1,469	-	-	11,472	-	11,472	
Professional fees	149,743	253,049	235,706	1,155		639,653	132,744	772,397	
Scholarships	16,250	-	-	-	-	16,250	-	16,250	
Books and publications	114,441	-	-	-	-	114,441	-	114,441	
Printing and stationery	-	2,028	1,526	-	-	3,554	-	3,554	
Office expenses	24,599	92,440	77,683	-	-	194,722	8,708	203,430	
Data processing	16,426	107,373	52,936	-	-	176,735	6,558	183,293	
Delivery and mail handling	-	117	1,820	-	-	1,937	-	1,937	
Catering	17,943	124,590	15,890	-	-	158,423	11,841	170,264	
Promotional activities	3,158	15,172	105,577	-	-	123,907	1,220	125,127	
Occupancy	151,382	459,302	311,780	-	-	922,464	108,523	1,030,987	
Rental expenses	2,620	2,500	193,140	-	-	198,260	-	198,260	
Depreciation and amortization	33,363	174,581	109,223	-	-	317,167	13,489	330,656	
Bank and credit card service charges	2,210	10,238	6,194	-	-	18,642	757	19,399	
Meals and entertainment	-	140,628	29,890	-	-	170,518	-	170,518	
Miscellaneous	1,837	23,618	7,091	-	-	32,546	447	32,993	
Total	\$ 762,331	\$ 2,681,465	\$ 1,898,798	\$ 1,155		\$ 5,343,749	\$ 369,260	\$ 5,713,009	

See notes to financial statements.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

Statements of Cash Flows

	For the Year Ended August 31	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities		
Increase in net assets	\$ 594,910	\$ 298,717
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	355,765	330,656
Unrealized (gain) loss on investments	1,849	(787)
(Increase) decrease in assets		
Accounts receivable	480,186	(403,435)
Prepaid expenses and other current assets	5,559	117,017
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	13,220	(141,755)
Unearned dues revenue	(201,754)	31,720
Unearned other revenue	(10,401)	71,489
Change in deferred lease incentive	<u>(201,528)</u>	<u>(137,287)</u>
Net cash provided by operating activities	<u>1,037,806</u>	<u>166,335</u>
Cash flows from investing activities		
Proceeds from sale and maturities of certificates of deposit	456,739	695,000
Purchases of furniture, fixtures, equipment and leasehold improvements	<u>(110,077)</u>	<u>(189,856)</u>
Net cash provided by investing activities	<u>346,662</u>	<u>505,144</u>
Net increase in cash and cash equivalents	1,384,468	671,479
Cash and cash equivalents, beginning of year	<u>8,378,193</u>	<u>7,706,714</u>
Cash and cash equivalents, end of year	<u>\$9,762,661</u>	<u>\$8,378,193</u>

See notes to financial statements.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Notes to Financial Statements
August 31, 2021 and August 31, 2020**

Note 1 – Nature of organization

The New York Society of Security Analysts, Inc. d/b/a CFA Society New York (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.

Corporate reorganization

On December 17, 2018, the Society’s Board of Directors passed a resolution to form a new nonprofit corporation to be named the CFA Society New York, Inc. (CFASNY) with purposes consistent with Section 501(c)(6) of the Internal Revenue Code and reorganize the Society so that it is an educational foundation affiliated with CFASNY. The reorganization of the Society will include a change of name to the Graham Center, Inc. (“Corporation”) and changes to the purposes of the Society, as outlined in the resolution. The Board of Directors of the Corporation will be the initial Board of Directors of CFASNY. CFASNY will be the sole member of the Corporation.

On March 18, 2019, the Corporation applied to the Attorney General of the State of New York (“Attorney General”) for the approval to transfer all assets relating to credentialing support and membership benefit programs to CFASNY. The programs to be transferred represent approximately 95% of the Corporation’s assets. The Corporation will also transfer its lease obligation to CFASNY. On February 3, 2020, the Attorney General approved the Society’s application for the transfer of the assets. As of December 10, 2021, the date of this report, the Society is in the process of determining when the transfer of the assets will be made.

Note 2 – Summary of significant accounting policies

Net assets

Without donor restrictions

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 without donor restrictions.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020**

Note 2 – Summary of significant accounting policies (continued)

Net assets (continued)

Without donor restrictions (continued)

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.

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.

With donor restrictions

Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Society or the passage of time are considered with donor restrictions. As the restrictions are satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Net assets with donor restrictions also contain net assets with donor imposed restrictions that they be maintained in perpetuity, but permit the Society to use all or part of the investment return on these assets for either specified or unspecified purposes.

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 net assets without donor restrictions.

Allowance for doubtful accounts

As of August 31, 2021 and August 31, 2020, the Society deems all receivables to be collectable and accordingly, has not established an allowance for doubtful accounts. Such estimates are based on management's experience, the aging of the receivables, subsequent receipts and current economic conditions.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020**

Note 2 – Summary of significant accounting policies (continued)

Furniture, fixtures, equipment and leasehold improvements

The Society capitalizes expenditures for property and equipment above \$1,000. Furniture, fixtures and equipment are depreciated on the straight-line method over the estimated useful lives of the assets which range from three to seven years. Leasehold improvements are amortized over the life of the lease or their estimated useful lives, whichever is shorter.

Membership dues

Membership dues are recognized as revenue in the applicable membership period. 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 31st each year.

Functional expenses

The cost of providing the various program services and supporting activities has been summarized on a functional basis. Accordingly, certain costs have been allocated among the program services and supporting activities benefited. Expenses attributable to more than one functional category are allocated based on square footage.

In-kind contributions

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. During the 2021 and 2020 fiscal years, the Society received in-kind contributions of \$17,438 and \$253,140, respectively, for advertising, consulting, legal fees and other operating support.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Society in carrying out its operations. 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.

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020

Note 2 – Summary of significant accounting policies (continued)

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 accounts 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.

Risks and uncertainties

On March 13, 2020, a national emergency was declared due to extraordinary circumstances resulting from the coronavirus. As the coronavirus pandemic continues, the economic impact on the Society's financial operations will depend on future developments, which are uncertain and cannot be predicted.

Subsequent events

The Society has evaluated events and transactions for potential recognition or disclosure through December 10, 2021, which is the date the financial statements were available to be issued.

Note 3 – Liquidity and availability of financial assets

The Society's cash flows are subject to seasonal fluctuations due to the timing of collection of membership dues and fees, education fees, seminar fees and other revenue items.

As of August 31, 2021 and August 31, 2020, financial assets available within one year of the statements of financial position date for general expenditures were as follows:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 9,762,661	\$ 8,378,193
Accounts receivable	957,006	1,437,192
Certificates of deposit	<u>214,371</u>	<u>672,959</u>
Sub-total	10,934,038	10,488,344
Less: Restricted certificate of deposit	(214,371)	(213,110)
Board designated net assets	(3,903,646)	(3,903,378)
Net assets with perpetual donor restrictions	<u>(50,000)</u>	<u>(50,000)</u>
Total	<u>\$ 6,766,021</u>	<u>\$ 6,321,856</u>

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020

Note 3 – Liquidity and availability of financial assets (continued)

The Society has available \$3,903,646 and \$3,903,378 in Board designated net assets at August 31, 2021 and August 31, 2020, respectively, that can be used for general expenditures if approved by the Board.

Note 4 – Cash, cash equivalents and certificates of deposit

Cash, cash equivalents and certificates of deposit are composed of the following as of August 31, 2021 and August 31, 2020:

	2021						
	Operating Fund	Building Fund	Initiatives Fund	Scholarship Fund	Value Investing Archive Fund	With Temporary Donor Restrictions	Total
Checking	\$ 3,475,008	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ 3,525,008
Money market accounts	2,023,956	3,374,205	529,441	213,174	96,867	-	6,237,643
Payroll account	10	-	-	-	-	-	10
Certificate of deposit	214,371	-	-	-	-	-	214,371
Total	<u>\$ 5,713,345</u>	<u>\$ 3,374,205</u>	<u>\$ 529,441</u>	<u>\$ 213,174</u>	<u>\$ 96,867</u>	<u>\$ 50,000</u>	<u>\$ 9,977,032</u>
	2020						
	Operating Fund	Building Fund	Initiatives Fund	Scholarship Fund	Value Investing Archive Fund	With Temporary Donor Restrictions	Total
Cash on hand	\$ 32	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 32
Checking	4,543,078	-	-	-	-	50,000	4,593,078
Money market accounts	20,671	2,911,653	529,441	225,492	96,867	-	3,784,124
Payroll account	959	-	-	-	-	-	959
Certificates of deposit	213,110	459,849	-	-	-	-	672,959
Total	<u>\$ 4,777,850</u>	<u>\$ 3,371,502</u>	<u>\$ 529,441</u>	<u>\$ 225,492</u>	<u>\$ 96,867</u>	<u>\$ 50,000</u>	<u>\$ 9,051,152</u>

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020**

Note 5 – Furniture, fixtures, equipment and leasehold improvements

The following is a summary of the furniture, fixtures, equipment and leasehold improvements as of August 31, 2021 and August 31, 2020:

	<u>2021</u>	<u>2020</u>
Furniture, fixtures and equipment	\$ 492,128	\$ 479,915
Leasehold improvements	3,336,719	3,336,719
Other	<u>24,291</u>	<u>21,652</u>
Sub-total	3,853,138	3,838,286
Less: accumulated depreciation and amortization	<u>2,580,062</u>	<u>2,319,522</u>
Total furniture, fixtures, equipment and leasehold improvements	<u>\$ 1,273,076</u>	<u>\$ 1,518,764</u>

In the 2021 and 2020 fiscal years, the Society wrote off fully depreciated assets of \$95,225 and \$88,075, respectively.

Note 6 – Commitments

Education services agreement

During December 2016, the Society entered into a collaborative agreement with a company to administer educational services to CFA candidates within the New York Area. As outlined in the agreement, the Society and the company have agreed to share certain revenues and expenses relating to those education services. The agreement requires an annual guaranteed minimum payment is made to the Society and includes annual increases. The initial term of the agreement expires on December 31, 2023 and will be automatically renewed for successive seven year terms unless termination of the agreement is given by either party prior to or after the end of the initial term. Termination is subject to certain fees as outlined in the agreement.

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 July 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 \$1,071,716 and \$1,031,967 for the 2021 and 2020 fiscal years, respectively.

**THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK**

**Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020**

Note 6 – Commitments (continued)

Office lease agreement (continued)

The future minimum lease payments are as follows as of August 31, 2021:

<u>Fiscal Year</u>	<u>Amount</u>
2022	\$ 993,600
2023	993,600
2024	993,600
2025	910,800
Total	<u>\$ 3,891,600</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.

In connection with the lease agreement, the Society delivered to the landlord a letter of credit in the original 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, 2021 and August 31, 2020, the value of such certificate of deposit, including interest earned, was \$214,371 and \$213,110.

Note 7 – Net assets with donor restrictions

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. The original pledge of \$50,000 has been recorded as net assets with perpetual donor restrictions. 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. In accordance with a Board of Director’s resolution, the Fund’s selection parameters will focus its program on under-represented populations, as outlined in the resolution. Because these funds can only be used for scholarship purposes, the assets of the Fund, other than the original pledge, are considered to be with temporary donor restrictions.

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Notes to Financial Statements (continued)

August 31, 2021 and August 31, 2020

Note 7 – Net assets with donor restrictions (continued)

During the 2021 and 2020 fiscal years, the Society did not receive any additional funds towards maintenance of an archive to benefit value-investing research. The following is a summary of the activity of the net assets with donor restrictions as of and for the years ended August 31, 2021 and August 31, 2020:

	2021			
	Balance, Beginning of Year	Additions	Net Assets Released from Restrictions	Balance, End of Year
<u>Temporary restrictions</u>				
Heloise S. Ham Educational Scholarship Fund	\$ 175,503	\$ 141	\$ (12,470)	\$ 163,174
Value investing archive	96,867	-	-	96,867
Other	50,000	-	-	50,000
<u>Perpetually restricted</u>				
Heloise S. Ham Educational Scholarship Fund	50,000	-	-	50,000
Total	<u>\$ 372,370</u>	<u>\$ 141</u>	<u>\$ (12,470)</u>	<u>\$ 360,041</u>
	2020			
	Balance, Beginning of Year	Additions	Net Assets Released from Restrictions	Balance, End of Year
<u>Temporary restrictions</u>				
Heloise S. Ham Educational Scholarship Fund	\$ 190,452	\$ 2,078	\$ (17,027)	\$ 175,503
Value investing archive	96,867	-	-	96,867
Other	114,140	-	(64,140)	50,000
<u>Perpetually restricted</u>				
Heloise S. Ham Educational Scholarship Fund	50,000	-	-	50,000
Total	<u>\$ 451,459</u>	<u>\$ 2,078</u>	<u>\$ (81,167)</u>	<u>\$ 372,370</u>

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020

Note 8 – 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, 2021 and August 31, 2020:

	<u>2021</u>	<u>2020</u>
Purpose restriction accomplished:		
Operating		
Scholarships	\$ 12,200	\$ 16,250
Legal fees	-	567
Bank service charges	<u>270</u>	<u>210</u>
Sub-total	12,470	17,027
Non-operating		
Audio visual equipment	<u>-</u>	<u>64,140</u>
Total	<u>\$ 12,470</u>	<u>\$ 81,167</u>

Note 9 – Paycheck Protection Program

During 2020, the Society applied for and received \$373,780 under the Paycheck Protection Program (“PPP”) which is a business loan program established under the Coronavirus Aid, Relief, and Economic Security Act. The Society has elected to record the proceeds as revenue during the 2020 fiscal year and is included in other operating revenue in the statements of activities. The entire amount of the loan was forgiven in December 2020.

During 2021, the Society applied for and received a second draw PPP of \$392,602 under similar terms as the first PPP. The Society has elected to record the proceeds as revenue during the 2021 fiscal year and is included in other operating revenue in the statements of activities. The entire amount of the loan was forgiven in October 2021.

Note 10 – 401(k) plan

The Society maintains a 401(k) Profit Sharing Plan (the “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. In addition, effective January 2, 2019, the Society is making a matching contribution of up to 3% of an employees’ eligible compensation.

The total retirement plan expense amounted to \$66,896 and \$83,428 for years ended August 31, 2021 and August 31, 2020, respectively.

THE NEW YORK SOCIETY OF SECURITY ANALYSTS, INC.
d/b/a CFA SOCIETY NEW YORK

Notes to Financial Statements (continued)
August 31, 2021 and August 31, 2020

Note 11 – 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. Certain of the Society’s room rentals and catering revenue are subject to unrelated business income tax, less any applicable expenses.

Note 12 – Net assets without donor restrictions

The following is a summary of the activity of the operating and board designated – Building Fund and Initiatives Fund for the years ended August 31, 2021 and August 31, 2020:

	<u>Operating Fund</u>	<u>Board-Designated Building Fund</u>	<u>Initiatives Fund</u>	<u>Total</u>
Balance, at August 31, 2019	<u>\$ 2,776,798</u>	<u>\$ 3,358,568</u>	<u>\$ 529,441</u>	<u>\$ 6,664,807</u>
Revenue				
Investment return, net	19,757	787	-	20,544
Other	<u>5,991,369</u>	<u>14,762</u>	<u>-</u>	<u>6,006,131</u>
Total revenue	6,011,126	15,549	-	6,026,675
Less: expenses	<u>(5,648,689)</u>	<u>(180)</u>	<u>-</u>	<u>(5,648,869)</u>
Increase in net assets	<u>362,437</u>	<u>15,369</u>	<u>-</u>	<u>377,806</u>
Balance, at August 31, 2020	<u>3,139,235</u>	<u>3,373,937</u>	<u>529,441</u>	<u>7,042,613</u>
Revenue				
Investment return, net	6,506	418	-	6,924
Other	<u>4,859,263</u>	<u>-</u>	<u>-</u>	<u>4,859,263</u>
Total revenue	4,865,769	418	-	4,866,187
Less: expenses	<u>(4,258,798)</u>	<u>(150)</u>	<u>-</u>	<u>(4,258,948)</u>
Increase in net assets	<u>606,971</u>	<u>268</u>	<u>-</u>	<u>607,239</u>
Balance, at August 31, 2021	<u>\$ 3,746,206</u>	<u>\$ 3,374,205</u>	<u>\$ 529,441</u>	<u>\$ 7,649,852</u>

**CONDON
O'MEARA
McGINTY &
DONNELLY LLP**

Certified Public Accountants

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New York, NY 10004-1405
Tel: (212) 661 - 7777
Fax: (212) 661 - 4010

December 10, 2021

Ms. Marya Ann Savola, CFA, MBA
Chair of the Audit Committee
The New York Society of Security Analysts, Inc.
d/b/a CFA Society New York
1540 Broadway, Suite 1010
New York, NY 10036

Dear Ms. Savola:

In planning and performing our audit of the financial statements of The New York Society of Security Analysts, Inc. d/b/a CFA Society New York (the "Society") as of and for the year ended August 31, 2021, in accordance with auditing standards generally accepted in the United States of America, we considered the Society's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, we do not express an opinion on the effectiveness of the Society's internal control.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

Although our consideration would not necessarily disclose all matters that concern the internal control, we submit, for your consideration, certain comments and recommendations, which we believe are opportunities for strengthening the internal control.

This report is intended solely for the information and use of management of the Society and is not intended to be used and should not be used by anyone other than these specified parties.

We wish to express our appreciation for the cooperation and courtesies extended to our representatives during the audit. We would be pleased to discuss our comments with you further, should you so desire.

Very truly yours,

Condon O'Meara McIntyre & Donnelly LLP

cc: Ms. Deepika Sharma, CFA, Chair of the Board of Directors
Mr. Thomas Brigandi, CFA, Vice Chair
Mr. Andrew Auslander, CFA, Treasurer
Ms. Amelie Derosne, CFA, Audit Committee Member
Mr. Sean Conaton, Interim Chief Executive Officer
Mr. Steven Frasier, Director of Finance

Cash

We again recommend that an appropriate official periodically review the monthly bank reconciliations and question unusual reconciling items, if any. In addition, on a test basis, we again recommend that an appropriate official log in through the bank's secure website and review the accompanying canceled checks, ACH payments and any other electronic debits from the accounts. Furthermore, the officer performing this review should initial the bank reconciliations as a positive indication of the review and approval.

Corporate governance

On December 18, 2013, the Nonprofit Revitalization Act (the "Act") was signed into law by New York State. The Act modernizes the laws applicable to nonprofits and enhances nonprofit governance and oversight. Most provisions of the Act took effect on July 1, 2014 and the remaining provisions of the Act took effect on January 1, 2015. We again recommend that the Society familiarize itself with the Act in order to be in compliance with the required guidelines of the Act. The Society should consider engaging counsel to assist in reviewing the applicable provisions of the Act.

401(k) plan

As far as we could ascertain, there are no formal minutes maintained for actions taken by the Trustees of the Society's 401(k) plan (the "Plan"). With the complexity of investment alternatives and tax laws covering the qualifications of the retirement plan and fiduciary responsibilities of the Trustees, it is important that the Trustees adequately document the due diligence they exercise over operations of the retirement plan. We again recommend the Trustees/Plan Administrator establish procedures for carrying out these procedures and document the establishment of those procedures in formal minutes. Procedures should include performance and documentation in the minutes of (a) an annual review of investment performance compared with market benchmarks for each related market sector; (b) a periodic review of the operations of the Plan as carried out by the Plan Administrator and monitor tax and qualification compliance, and approve Plan amendments, third-party administrator and investments and investment manager; and (c) review and approval of all benefit distributions.

General

1. We are pleased to note that the Society has an accounting manual. In light of the present working environment and issues in connection with Covid-19, we again recommend that this manual be reviewed and updated to include all of the current accounting policies procedures of the Society.
2. We again recommend that, on a test basis, an appropriate official review the journal entries and question unusual transactions, if any. This review should be formally documented in writing.

Financial Statement Report Processing Checklist

Handwritten initials: FIS

Client: **New York Society of Security Analysts d/b/a
CFA Society NY**

Job No. **121**

Individual/ Department	Procedure	Initials	Date Procedure Completed	Notes
In-Charge Accountant	Draft report completed	JE	11/10/21	
Senior Manager/ Manager	Draft report approved for typing			
Partner	Draft report approved for typing			
Word Processing	Report typed			
Checking	Typed draft checked			
Senior Manager/ Manager	Typed draft read			
2nd Partner	Read typed draft			
Partner	Final review and sign opinion			
Reproduction	Final report issued	<i>Handwritten signature</i>	<i>12/21/2021</i>	
Word Processing	Cover letter and labels prepared			
Manager/Partner	Test check final reproduced report			
File Department	Copy of final report inserted in workpaper file	<i>Handwritten signature</i>	<i>12/21/2021</i>	

Corrections:

Word
Processing

Checking

Reading

Instructions for use of checklist:

1. As report is processed, individuals responsible for each processing procedure must initial and date each step to signify completion or approval.
2. Upon completion of all steps, checklist should be attached to the copy of the final typed report that is filed with the workpapers.

Year End

August 31, 2021**Delivery Instruction Sheet**

(All information must be legible and spelled correctly.)

**Report Title
(Exactly as it
is to Appear
on Cover)**New York Society of Security Analysts d/b/aCFA Society NYFinancial Statementsfor year ended**Period Ended**August 31, 2021

Copies		Name and Title	Address
10		Steven Frasier	New York Society of Security Analysts d/b/a
		Director of Finance	CFA Society NY
			1540 Broadway Suite 1010
1	PDF		New York, NY 10036
1		Kevin Foley (Partner)	
1		Mike Asaro (Manager)	
1		Extra	
1		Work paper File	
1		Office Copy	
16			

Requested date for typed drafts

AM or PM

Date Report *Must be Sent* to Client

AM or PM

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**Pending Matters to be Cleared
Before Release of Report**

	Cleared By	Date
A - Confirmation: (list)		
B - Other: (list)		

Management Letter Report Processing Checklist

Client: **New York Society of Security Analysts d/b/a
CFA Society NY**

Job No. **121**

M/14
Date
Procedure
Completed

Individual/ Department	Procedure	Initials	Date Procedure Completed	Notes
In-Charge Accountant	Draft report completed	JE	11/11/21	
Senior Manager/ Manager	Draft report approved for typing			
Partner	Draft report approved for typing			
Word Processing	Report typed			
Checking	Typed draft checked			
Senior Manager/ Manager	Typed draft read			
2nd Partner	Read typed draft			
Partner	Final review and sign opinion			
Reproduction	Final report issued	<i>SV</i>	<i>12/21/2021</i>	
Word Processing	Cover letter and labels prepared			
Manager/Partner	Test check final reproduced report			
File Department	Copy of final report inserted in workpaper file	<i>SV</i>	<i>12/21/2021</i>	

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Year End

8/31/2021**Delivery Instruction Sheet**

(All information must be legible and spelled correctly.)

**Report Title
(Exactly as it
is to Appear
on Cover)**New York Society of Security Analysts d/b/aCFA Society NYManagement Letterfor year ended**Period Ended**8/31/2021**Copies****Name and Title****Address**10Steven FrasierNew York Society of Security Analysts d/b/aDirector of FinanceCFA Society NY1540 Broadway Suite 10101PDFNew York, NY 100361Kevin Foley (Partner)1Mike Asaro (Manager)1Extra1Work paper File1Office Copy16Requested date for typed draftsAM or PM**Date Report *Must be Sent* to Client**AM or PM

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**Pending Matters to be Cleared
Before Release of Report**

Cleared By**Date****A - Confirmation: (list)****B - Other: (list)**