

**CFA SOCIETY NEW YORK, INC.
AND
SUBSIDIARY**

**Consolidated Financial Statements
for the years ended
August 31, 2024
and
August 31, 2023**

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Independent Auditor's Report

To the Board of Directors of
CFA Society New York, Inc.

Opinion

We have audited the accompanying consolidated financial statements of the CFA Society New York, Inc. and Subsidiary (collectively, the "Society") which comprise the consolidated statements of financial position as of August 31, 2024 and August 31, 2023, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Society as of August 31, 2024 and August 31, 2023, and the results of their activities and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibilities of Management for the Financial Statements

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

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Society's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying supplementary information on pages 22 and 23, is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Condon O'Meara McGinty + Donnelly LLP

December 9, 2024

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Consolidated Statements of Financial Position

Assets

	<u>August 31</u>	
	<u>2024</u>	<u>2023</u>
Current assets		
Cash and cash equivalents	\$ 3,727,324	\$ 8,265,200
Investments, at fair value	8,417,251	2,092,070
Accounts receivable	667,023	1,095,841
Prepaid expenses and other current assets	186,036	78,963
Total current assets	<u>12,997,634</u>	<u>11,532,074</u>
Restricted certificate of deposit	210,855	214,580
Furniture, fixtures, equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization	436,865	654,426
Right-of-use asset – operating lease	<u>10,033,307</u>	<u>1,453,180</u>
Total assets	<u>\$ 23,678,661</u>	<u>\$ 13,854,260</u>

Liabilities and Net Assets

Current liabilities		
Accounts payable and accrued expenses	\$ 147,834	\$ 170,414
Unearned dues revenue	2,366,554	2,398,819
Unearned other revenue	343,014	124,027
Current portion of operating lease payable	896,553	942,890
Total current liabilities	<u>3,753,955</u>	<u>3,636,150</u>
Operating lease payable, net of current portion	<u>9,321,489</u>	<u>896,553</u>
Total liabilities	<u>13,075,444</u>	<u>4,532,703</u>
Net assets		
Without donor restrictions		
Operating fund	10,245,586	4,889,381
Board designated		
Building fund	-	3,546,087
Initiatives fund	-	529,441
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	-	50,223
Total without donor restrictions	<u>10,245,586</u>	<u>9,015,132</u>
With donor restrictions		
Temporarily restricted		
Heloise S. Ham Educational Scholarship Fund	153,470	159,125
Value Investing Archive Fund	101,677	97,300
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	2,484	-
Perpetually restricted		
Heloise S. Ham Educational Scholarship Fund	50,000	50,000
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	50,000	-
Total with donor restrictions	<u>357,631</u>	<u>306,425</u>
Total net assets	<u>10,603,217</u>	<u>9,321,557</u>
Total liabilities and net assets	<u>\$ 23,678,661</u>	<u>\$ 13,854,260</u>

See notes to consolidated financial statements.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY
Consolidated Statements of Activities

For the Year Ended August 31

	2024			2023		
	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Support and revenue						
Membership dues and fees	\$ 2,622,525	\$ -	\$ 2,622,525	\$ 2,682,627	\$ -	\$ 2,682,627
Education	601,111	-	601,111	669,858	-	669,858
Presentations	-	-	-	19,486	-	19,486
Seminars	355,725	-	355,725	289,938	-	289,938
Special activity dinners	118,920	-	118,920	132,863	-	132,863
Contributions of non-financial assets	10,000	-	10,000	10,000	-	10,000
Other operating revenue	651,215	-	651,215	711,326	-	711,326
Employee retention credits	65,242	-	65,242	-	-	-
Net assets released from restrictions	<u>14,900</u>	<u>(14,900)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total support and revenue	<u>4,439,638</u>	<u>(14,900)</u>	<u>4,424,738</u>	<u>4,516,098</u>	<u>-</u>	<u>4,516,098</u>
Expenses						
Program services						
Education	217,994	-	217,994	215,839	-	215,839
Presentations	-	-	-	117,890	-	117,890
Seminars	2,287,280	-	2,287,280	2,400,630	-	2,400,630
Membership	882,909	-	882,909	644,719	-	644,719
Books and publications	<u>-</u>	<u>-</u>	<u>-</u>	<u>25</u>	<u>-</u>	<u>25</u>
Total program services	3,388,183	-	3,388,183	3,379,103	-	3,379,103
Supporting activities						
Management and general	<u>549,089</u>	<u>-</u>	<u>549,089</u>	<u>609,031</u>	<u>-</u>	<u>609,031</u>
Total expenses	<u>3,937,272</u>	<u>-</u>	<u>3,937,272</u>	<u>3,988,134</u>	<u>-</u>	<u>3,988,134</u>
Increase (decrease) in net assets before other	502,366	(14,900)	487,466	527,964	-	527,964
Other						
Investment return, net	778,311	15,883	794,194	336,247	1,586	337,833
Reclassification	<u>(50,223)</u>	<u>50,223</u>	<u>-</u>	<u>50,223</u>	<u>(50,223)</u>	<u>-</u>
Increase (decrease) in net assets	1,230,454	51,206	1,281,660	914,434	(48,637)	865,797
Net assets, beginning of year	<u>9,015,132</u>	<u>306,425</u>	<u>9,321,557</u>	<u>8,100,698</u>	<u>355,062</u>	<u>8,455,760</u>
Net assets, end of year	<u>\$ 10,245,586</u>	<u>\$ 357,631</u>	<u>\$ 10,603,217</u>	<u>\$ 9,015,132</u>	<u>\$ 306,425</u>	<u>\$ 9,321,557</u>

See notes to consolidated financial statements.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended August 31, 2024
(with summarized comparative information for 2023)**

	2024				2023		
	Program Services				Supporting Activities		
	Education	Seminars	Membership	Total	Management and General	Total	Total
Staff payroll and benefits	\$ 74,914	\$ 1,020,383	\$ 418,117	\$ 1,513,414	\$ 331,763	\$ 1,845,177	\$ 1,781,838
Professional fees	51,899	89,750	34,265	175,914	34,262	210,176	360,893
Scholarships	14,900	-	-	14,900	-	14,900	-
Office expenses	4,185	74,761	23,378	102,324	11,567	113,891	118,445
Data processing	7,219	98,338	40,326	145,883	5,150	151,033	142,771
Promotional activities	3,463	47,272	19,342	70,077	2,470	72,547	83,800
Occupancy	45,282	616,807	252,937	915,026	135,497	1,050,523	964,480
Depreciation and amortization	15,353	209,121	85,755	310,229	10,952	321,181	344,014
Bank and credit card service charges	779	14,824	4,300	19,903	1,364	21,267	14,244
Meals and entertainment	-	115,811	4,489	120,300	5,290	125,590	176,742
Miscellaneous	-	213	-	213	10,774	10,987	907
Total	\$ 217,994	\$ 2,287,280	\$ 882,909	\$ 3,388,183	\$ 549,089	\$ 3,937,272	\$ 3,988,134

See notes to consolidated financial statements.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

**Consolidated Statement of Functional Expenses
For the Year Ended August 31, 2023**

	<u>Program Services</u>					<u>Total</u>	<u>Supporting</u>	<u>Total</u>
	<u>Education</u>	<u>Presentations</u>	<u>Seminars</u>	<u>Membership</u>	<u>Books and Publications</u>		<u>Management and General</u>	
Staff payroll and benefits	\$ 80,652	\$ 50,642	\$ 949,063	\$ 271,965	\$ -	\$ 1,352,322	\$ 429,516	\$ 1,781,838
Professional fees	46,080	10,429	223,963	56,009	25	336,506	24,387	360,893
Office expenses	4,511	2,684	73,499	32,053	-	112,747	5,698	118,445
Data processing	8,030	5,042	94,496	27,079	-	134,647	8,124	142,771
Promotional activities	4,687	2,943	55,623	15,805	-	79,058	4,742	83,800
Occupancy	51,602	32,401	607,218	174,005	-	865,226	99,254	964,480
Depreciation and amortization	20,249	12,150	226,793	65,248	-	324,440	19,574	344,014
Bank and credit card service charges	28	-	483	-	-	511	13,733	14,244
Meals and entertainment	-	1,599	168,860	2,280	-	172,739	4,003	176,742
Miscellaneous	-	-	632	275	-	907	-	907
Total	\$ 215,839	\$ 117,890	\$ 2,400,630	\$ 644,719	\$ 25	\$ 3,379,103	\$ 609,031	\$ 3,988,134

See notes to consolidated financial statements.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Consolidated Statements of Cash Flows

	Year Ended	
	August 31	
	2024	2023
Cash flows from operating activities		
Increase in net assets	\$1,281,660	\$ 865,797
Adjustments to reconcile increase in net assets to net cash provided by operating activities		
Depreciation and amortization	321,181	344,014
Realized (gain) on sale of investments	(173,201)	-
Unrealized (gain) on investments	(325,053)	(109,836)
Amortization of right-of-use asset – operating lease	741,362	706,286
(Increase) decrease in current assets		
Accounts receivable	428,818	(127,229)
Prepaid expenses and other current assets	(107,073)	23,116
Increase (decrease) in current liabilities		
Accounts payable and accrued expenses	(22,580)	(2,204)
Unearned dues revenue	(32,265)	(87,937)
Unearned other revenue	218,987	(171,592)
Change in operating lease payable	(942,890)	(907,813)
Net cash provided by operating activities	<u>1,388,946</u>	<u>532,602</u>
Cash flows from investing activities		
Proceeds from sale of investments	2,557,711	-
Purchases of investments	(8,380,913)	(1,246,245)
Purchases of furniture, fixtures, equipment and leasehold improvements	(103,620)	(32,242)
Net cash (used in) investing activities	<u>(5,926,822)</u>	<u>(1,278,487)</u>
Net (decrease) in cash	(4,537,876)	(745,885)
Cash and cash equivalents, beginning of year	<u>8,265,200</u>	<u>9,011,085</u>
Cash and cash equivalents, end of year	<u>\$3,727,324</u>	<u>\$8,265,200</u>

See notes to consolidated financial statements.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements
August 31, 2024 and August 31, 2023****Note 1 – Nature of organization**

CFA Society New York, Inc. (the “Organization”) is a not-for-profit, educational organization whose mission is to serve investment industry professionals and the investing public. The Organization is committed to the promotion of best practices and the highest professional and ethical standards in the investment industry. The Organization also strives to assist its members and other financial professionals in their investment industry career development. The Organization 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, Graham Center, Inc. (the “Center”)’s Board of Directors passed a resolution to form a new nonprofit corporation to be named the CFA Society New York, Inc. with purposes consistent with Section 501(c)(6) of the Internal Revenue Code and reorganize the Center so that it is an educational foundation affiliated with the Organization. The Organization is the sole member of the Center.

On March 18, 2019, the Center 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 the Organization. On February 3, 2020, the Attorney General approved the Center’s application for the transfer of the assets. Effective September 1, 2022, the Center transferred all its assets and liabilities pertaining to its membership, events, and certification activities to the Organization. The Center retained all assets and liabilities associated with its charitable activities. The Center will also transfer its lease obligation to the Organization.

The Organization and Center will collectively herein be referred to as the “Society”.

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.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023****Note 2 – Summary of significant accounting policies (continued)**Net assets (continued)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 consolidated 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.

Investments

The Society's investments are reported at fair value. Interest, dividends, realized and unrealized gain (loss) on investments are included in investment return in the consolidated statements of activities. The realized gain (loss) on sale of investments is computed on the specific identification basis.

Fair value measurements

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. The fair value hierarchy gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. Fair value measurements are required to be separately disclosed by level within the fair value hierarchy. The three levels of inputs used to measure fair value are as follows:

Level 1 – Quoted prices in active markets for identical assets.

Level 2 – Observable inputs other than level 1 prices such as quoted prices of similar assets; quoted prices in markets with insufficient volume or infrequent transactions (less than active markets).

Level 3 – Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets.

As of August 31, 2024 and August 31, 2023, the Society's investments are classified as Level 1 investments.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023****Note 2 – Summary of significant accounting policies (continued)**Allowance for doubtful accounts

As of August 31, 2024 and August 31, 2023, 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.

Certificate of deposit

The Society reports certificates of deposit at fair value in the consolidated statements of financial position. The certificate of deposit is valued using a cost-based measure, which is the original cost plus accrued interest. Unrealized gains and losses are reflected in the consolidated statements of activities as increases or decreases in net assets without donor restrictions.

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.

Leases

The Society follows the current lease accounting standards which establishes a right of use ("ROU") model that requires a lessee to record an ROU asset, which represents the right to use a respective asset for the lease term, and a lease liability on the consolidated statement of financial position at the present value of the remaining future payments due under the lease. The Society has elected to use a risk-free rate to discount its lease obligation to its net present value and to exclude leases with initial terms of 12 months or less.

Revenue recognition

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.

Education and seminar fees are recognized as revenue at the time the class or seminar takes place.

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.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023****Note 2 – Summary of significant accounting policies (continued)**Contributions of nonfinancial assets

The Society is required to recognize contributions of services if they create or enhance non-financial assets, or require specialized skills and 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 operations. These services do not meet the criteria to be recorded and have not been included in these consolidated 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 consolidated financial statements. Actual results could differ from these estimates.

Concentration of credit risk

The Society's financial instruments that are potentially exposed to concentrations of credit risk consist primarily of cash, cash equivalents, investments and receivables. The Society places its cash and cash equivalents with what it believes to be quality financial institutions. At times during the year, the Society's cash accounts exceeded the FDIC insurance limit. The Society has not incurred any losses in its cash accounts to date. The Society's investments are exposed to various risks such as interest rate, market volatility, liquidity and credit. Due to the level of risk associated with investment securities, it is reasonably possible that changes in these risks could materially affect the fair value of the investments reported in the consolidated statement of financial position as of August 31, 2024. The Society routinely monitors the collectability of its receivables to ensure they are viable. As a result, the Society believes no significant concentrations of credit risk exist with respect to its cash, cash equivalents, investments and receivables.

Subsequent events

The Society has evaluated events and transactions for potential recognition or disclosure through December 9, 2024, which is the date the consolidated financial statements were available to be issued.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023

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, 2024 and August 31, 2023, financial assets available within one year of the consolidated statements of financial position date for general expenditures were as follows:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 3,727,324	\$ 8,265,200
Investments, at fair value	8,417,251	2,092,070
Accounts receivable	<u>667,023</u>	<u>1,095,841</u>
Sub-total	12,811,598	11,453,111
Less: Board designated net assets	-	4,125,751
Net assets with perpetual donor restrictions	<u>100,000</u>	<u>50,000</u>
Total	<u>\$ 12,711,598</u>	<u>\$ 7,277,360</u>

The Society had \$4,125,751 available in Board designated net assets at August 31, 2023 for general expenditures if approved by the Board.

Note 4 – Cash, cash equivalents and certificate of deposit

Cash, cash equivalents and certificate of deposit are composed of the following as of August 31, 2024 and August 31, 2023:

	<u>2024</u>				
	Thomas Russo/ Gabelli Foundation of the JCF Fund	Heloise S. Ham Educational Scholarship Fund	Value Investing Archive Fund		Total
Checking	\$ 1,914,670	\$ -	\$ -	\$ -	\$ 1,914,670
Money market accounts	1,389,353	52,484	203,470	101,677	1,746,984
Payroll account	65,670	-	-	-	65,670
Certificate of deposit	<u>210,855</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>210,855</u>
Total	<u>\$ 3,580,548</u>	<u>\$ 52,484</u>	<u>\$ 203,470</u>	<u>\$ 101,677</u>	<u>\$ 3,938,179</u>

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

August 31, 2024 and August 31, 2023

Note 4 – Cash, cash equivalents and certificate of deposit (continued)

	2023						Total
	Operating Fund	Building Fund	Initiatives Fund	Thomas Russo/ Gabelli Foundation of the JCF Fund	Heloise S. Ham Educational Scholarship Fund	Value Investing Archive Fund	
Checking	\$ 3,454,609	\$ 164,037	\$ -	\$ -	\$ -	\$ -	\$ 3,618,646
Money market accounts	311,085	3,382,050	529,441	50,223	209,125	97,300	4,579,224
Payroll account	67,330	-	-	-	-	-	67,330
Certificate of deposit	214,580	-	-	-	-	-	214,580
Total	<u>\$ 4,047,604</u>	<u>\$ 3,546,087</u>	<u>\$ 529,441</u>	<u>\$ 50,223</u>	<u>\$ 209,125</u>	<u>\$ 97,300</u>	<u>\$ 8,479,780</u>

Note 5 – Investments, at fair value

The following is a summary of the investments as of August 31, 2024 and August 31, 2023:

	2024		2023	
	Cost	Fair Value	Cost	Fair Value
Equities	\$ 5,627,292	\$ 5,990,369	\$ -	\$ -
Corporate securities	1,207,788	1,236,661	-	-
Government/agency securities	567,573	578,009	-	-
International fixed income	303,704	309,835	-	-
Exchange-traded funds – fixed income	297,395	302,377	2,003,624	2,092,070
Total	<u>\$ 8,003,752</u>	<u>\$ 8,417,251</u>	<u>\$ 2,003,624</u>	<u>\$ 2,092,070</u>

The investment return, net, for the years ended August 31, 2024 and August 31, 2023 consists of the following:

	2024	2023
Interest and dividends	\$ 322,633	\$ 227,997
Unrealized gain on investments	325,053	109,836
Realized gain on sale of investments	173,201	-
Sub-total	820,887	337,833
Less: fees	26,693	-
Total investment return, net	<u>\$ 794,194</u>	<u>\$ 337,833</u>

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

August 31, 2024 and August 31, 2023

Note 6 – Furniture, fixtures, equipment and leasehold improvements

The following is a summary of the furniture, fixtures, equipment and leasehold improvements as of August 31, 2024 and August 31, 2023:

	<u>2024</u>	<u>2023</u>
Furniture, fixtures and equipment	\$ 526,185	\$ 429,097
Leasehold improvements	3,362,854	3,356,322
Other	<u>26,891</u>	<u>26,891</u>
Sub-total	3,915,930	3,812,310
Less: accumulated depreciation and amortization	<u>3,479,065</u>	<u>3,157,884</u>
Total furniture, fixtures, equipment and leasehold improvements	<u>\$ 436,865</u>	<u>\$ 654,426</u>

In the 2023 fiscal year, the Society wrote off fully depreciated assets of \$18,954.

Note 7 – Commitments

Education services agreement

In 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 had agreed to share certain revenues and expenses relating to those education services. The initial term of the agreement expired on December 31, 2023. An amended agreement was executed as of November 29, 2023 and under the terms of the new agreement, guarantees the Society an annual marketing and business development fee for the term of the agreement as well as certain revenue sharing for educational services. The agreement expires on December 31, 2027. The agreement may be renewed upon both parties' mutual agreement 60 days prior to the end of the term.

Operating lease liability

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.

During October 2023, the Society entered into an agreement to extend the lease for its office and conference space, commencing August 2025 through July 2036. As part of the agreement, turn-key work will be provided at the sole cost and expense of the landlord. The amended lease requires monthly lease payments commencing in August 2025 of \$92,793 increasing to \$101,358 per month during the final five years of the lease.

Rent expense totaled \$1,050,523 and \$964,480 for the 2024 and 2023 fiscal years, respectively.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

August 31, 2024 and August 31, 2023

Note 7 – Commitments (continued)

Operating lease liability (continued)

As part of the lease agreements, 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 net with the ROU asset at August 31, 2024 and August 31, 2023. The Society also received a build-out allowance under the terms of its original 2009 lease agreement. The Society is amortizing the amount equally over the remaining term of the original 2009 lease agreement.

In connection with the lease agreements, 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, 2024 and August 31, 2023, the value of such certificate of deposit, including interest earned, was \$210,855 and \$214,580.

The future minimum lease payments are as follows as of August 31, 2024:

<u>Fiscal Year</u>	<u>Amount</u>
2025	\$ 999,049
2026	1,059,007
2027	1,059,007
2028	1,059,007
2029	1,059,007
2030 and thereafter	<u>7,324,802</u>
Total	12,559,879
Less: present value discount	<u>2,341,837</u>
Operating lease liability	<u>\$10,218,042</u>
Operating lease cost in 2024	<u>\$ 993,600</u>
Weighted-average remaining lease term	<u>11.9 years</u>

Sublease agreements

The Society subleases office space under two sublease agreements, which expire July 30, 2025. The future minimum payment due under the agreements is \$108,661 for 2025.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)****August 31, 2024 and August 31, 2023****Note 8 – Net assets with donor restrictions**

Net assets with donor restrictions consists of net assets with temporary and perpetual donor restrictions.

Net assets with temporary donor restrictionsHeloise S. Ham Educational Scholarship Fund

The purpose of this fund is to provide scholarships to students residing or attending a college or university in the greater NYC area who are working toward a business or finance degree and that have financial aid need.

Value Investing Archive Fund

The purpose of this fund is to fund the maintenance of a virtual and physical reference archive of books and related material on value investing. At inception, the written policy for this fund noted that distribution and use of funds are at the direction of the CEO of the Center with input from the Programming Committee. Deployment of funds will also require approval by the Board of Directors.

Thomas Russo/Gabelli Foundation of the Jewish Communal Fund

The purpose of this fund is to award scholarships to students (women and underrepresented populations), studying finance at Baruch College (Baruch was named by Thomas Russo, effective April 2024).

Net assets with perpetual donor restrictions

Perpetually restricted net assets of \$100,000 at August 31, 2024 consist of \$50,000 from the Heloise S. Ham Educational Scholarship Fund and \$50,000 from the Thomas Russo/Gabelli Foundation of the Jewish Communal Fund. The Organization is permitted to use, in accordance with certain donor limitations, an amount not exceeding seven percent of the fair market value of the assets in compliance with the New York Prudent Management Institutional Funds Act. The amount expended, which is generated from the endowment investments and reflected as unrestricted, temporarily, and perpetually restricted revenue, is approved annually by the Board. For the year ending August 31, 2024, the Board approved an allocation of \$14,900 for scholarship distribution.

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. 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.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023

Note 8 – Net assets with donor restrictions (continued)

The following is a summary of the activity of the net assets with donor restrictions as of and for the years ended August 31, 2024 and August 31, 2023:

	2024				Balance, End of Year
	Balance, Beginning of Year	Additions	Net Assets Released from Restrictions	Reclassification	
<u>Temporary restrictions</u>					
Heloise S. Ham Educational Scholarship Fund	\$ 159,125	\$ 9,245	\$ (14,900)	\$ -	\$ 153,470
Value investing archive	97,300	4,377	-	-	101,677
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	-	2,261	-	223	2,484
<u>Perpetually restricted</u>					
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	-	-	-	50,000	50,000
Heloise S. Ham Educational Scholarship Fund	50,000	-	-	-	50,000
Total	<u>\$ 306,425</u>	<u>\$ 15,883</u>	<u>\$ (14,900)</u>	<u>\$ 50,223</u>	<u>\$ 357,631</u>

During 2024, the original donor of the Thomas Russo/Gabelli Foundation of the Jewish Communal Fund requested the original \$50,000 be reclassified to perpetually restricted net assets from net assets without donor restrictions with the investment earnings on the perpetually restricted net assets to be spent as discussed on page 17.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)

August 31, 2024 and August 31, 2023

Note 8 – Net assets with donor restrictions (continued)

	<u>2023</u>			Balance, End of Year
	Balance, Beginning of Year	<u>Additions</u>	<u>Reclassification</u>	
<u>Temporary restrictions</u>				
Heloise S. Ham Educational Scholarship Fund	\$ 158,195	\$ 930	\$ -	\$ 159,125
Value investing archive	96,867	433	-	97,300
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	50,000	223	(50,223)	-
<u>Perpetually restricted</u>				
Heloise S. Ham Educational Scholarship Fund	<u>50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
Total	<u>\$ 355,062</u>	<u>\$ 1,586</u>	<u>\$ (50,223)</u>	<u>\$ 306,425</u>

Net assets were released from donor restrictions by incurring expenses that satisfied the restricted purposes specified by donors as follows for the year ended August 31, 2024:

Purpose restriction accomplished:

Operating Scholarships	<u>\$ 14,900</u>
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The Society did not have any net assets released from restrictions for the year ended August 31, 2023.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023

Note 9 – 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, 2024 and August 31, 2023:

	<u>Board-Designated</u>				<u>Total</u>
	<u>Operating Fund</u>	<u>Building Fund</u>	<u>Initiatives Fund</u>	<u>Thomas Russo/JCF Fund</u>	
Balance, at					
August 31, 2022	<u>\$ 4,180,825</u>	<u>\$ 3,390,432</u>	<u>\$ 529,441</u>	<u>\$ -</u>	<u>\$ 8,100,698</u>
Revenue					
Investment return, net	180,592	155,655	-	-	336,247
Other	4,516,098	-	-	-	4,516,098
Total revenue	4,696,690	155,655	-	-	4,852,345
Less: expenses	(3,988,134)	-	-	-	(3,988,134)
Reclassification	-	-	-	50,223	50,223
Increase in net assets	708,556	155,655	-	50,223	914,434
Balance, at					
August 31, 2023	<u>4,889,381</u>	<u>3,546,087</u>	<u>529,441</u>	<u>50,223</u>	<u>9,015,132</u>
Revenue					
Investment return, net	676,377	97,948	3,986	-	778,311
Other	4,439,638	-	-	-	4,439,638
Total revenue	5,116,015	97,948	3,986	-	5,217,949
Less: expenses	(3,937,272)	-	-	-	(3,937,272)
Reclassification	-	-	-	(50,223)	(50,223)
Transfer	4,177,462	(3,644,035)	(533,427)	-	-
Increase (decrease) in net assets	5,356,205	(3,546,087)	(529,441)	(50,223)	1,230,454
Balance, at					
August 31, 2024	<u>\$ 10,245,586</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,245,586</u>

During 2024, the Board approved the transfer of the Board designated net assets of the Building Fund and Initiatives Fund to the Society's Operating Fund.

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 \$52,594 and \$60,311 for years ended August 31, 2024 and August 31, 2023, respectively.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY**Notes to Consolidated Financial Statements (continued)
August 31, 2024 and August 31, 2023****Note 11 – Employee retention credits**

In response to the coronavirus emergency, the Coronavirus Aid, Relief and Economic Security Act and subsequent acts (the “Acts”) were signed into law. The Acts provided, among other things, a refundable credit of certain qualified wages per employee for wages paid or incurred from March 13, 2020 through September 30, 2021. In connection therewith, such credits totaled \$65,242 for the year ended August 31, 2024.

Note 12 – Tax status

CFA Society New York, Inc. is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code (the “Code”). Certain of CFA Society New York, Inc.’s room rentals and catering revenue are subject to unrelated business income tax, less any applicable expenses. The Graham Center, Inc. is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the “Code”). In addition, the Graham Center, Inc. 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.

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Consolidating Schedule of Financial Position

August 31, 2024

	Assets		
	<u>CFA Society New York</u>	<u>Graham Center</u>	<u>Total</u>
Current assets			
Cash and cash equivalents	\$ 3,369,693	\$ 357,631	\$ 3,727,324
Investments, at fair value	8,417,251	-	8,417,251
Accounts receivable	667,023	-	667,023
Prepaid expenses and other current assets	<u>186,036</u>	<u>-</u>	<u>186,036</u>
Total current assets	12,640,003	357,631	12,997,634
Restricted certificate of deposit	210,855	-	210,855
Furniture, fixtures, equipment and leasehold improvements, at cost, net of accumulated depreciation and amortization	436,865	-	436,865
Right-of-use asset – operating lease	<u>10,033,307</u>	<u>-</u>	<u>10,033,307</u>
Total assets	<u>\$ 23,321,030</u>	<u>\$ 357,631</u>	<u>\$ 23,678,661</u>
	Liabilities and Net Assets		
Current liabilities			
Accounts payable and accrued expenses	\$ 147,834	\$ -	\$ 147,834
Unearned dues revenue	2,366,554	-	2,366,554
Unearned other revenue	343,014	-	343,014
Current portion of operating lease payable	<u>896,553</u>	<u>-</u>	<u>896,553</u>
Total current liabilities	3,753,955	-	3,753,955
Operating lease payable, net of current portion	<u>9,321,489</u>	<u>-</u>	<u>9,321,489</u>
Total liabilities	<u>13,075,444</u>	<u>-</u>	<u>13,075,444</u>
Net assets			
Without donor restrictions			
Operating fund	<u>10,245,586</u>	<u>-</u>	<u>10,245,586</u>
With donor restrictions			
Temporarily Restricted			
Heloise S. Ham Educational Scholarship Fund	-	153,470	153,470
Value Investing Archive Fund	-	101,677	101,677
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	-	2,484	2,484
Perpetually Restricted			
Heloise S. Ham Educational Scholarship Fund	-	50,000	50,000
Thomas Russo/Gabelli Foundation of the Jewish Communal Fund	<u>-</u>	<u>50,000</u>	<u>50,000</u>
Total with donor restrictions	-	357,631	357,631
Total net assets	<u>10,245,586</u>	<u>357,631</u>	<u>10,603,217</u>
Total liabilities and net assets	<u>\$ 23,321,030</u>	<u>\$ 357,631</u>	<u>\$ 23,678,661</u>

CFA SOCIETY NEW YORK, INC. AND SUBSIDIARY

Consolidating Schedule of Activities
Year Ended August 31, 2024

	CFA Society New York	Graham Center		Total	Total
	Without Donor Restrictions	Without Donor Restrictions	With Donor Restrictions		
Support and revenue					
Membership dues and fees	\$ 2,622,525	\$ -	\$ -	\$ -	\$ 2,622,525
Education	601,111	-	-	-	601,111
Seminars	355,725	-	-	-	355,725
Special activity dinners	118,920	-	-	-	118,920
Contributions of non-financial assets	10,000	-	-	-	10,000
Other operating revenue	651,215	-	-	-	651,215
Employee retention credits	65,242	-	-	-	65,242
Net assets released from restrictions	-	14,900	(14,900)	-	-
Total support and revenue	<u>4,424,738</u>	<u>14,900</u>	<u>(14,900)</u>	<u>-</u>	<u>4,424,738</u>
Expenses					
Program services					
Education	203,094	14,900	-	14,900	217,994
Seminars	2,287,280	-	-	-	2,287,280
Membership	882,909	-	-	-	882,909
Total program services	<u>3,373,283</u>	<u>14,900</u>	<u>-</u>	<u>14,900</u>	<u>3,388,183</u>
Supporting activities					
Management and general	<u>549,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>549,089</u>
Total expenses	<u>3,922,372</u>	<u>14,900</u>	<u>-</u>	<u>14,900</u>	<u>3,937,272</u>
Increase (decrease) in net assets before other	502,366	-	(14,900)	(14,900)	487,466
Other					
Investment return, net	778,311	-	15,883	15,883	794,194
Reclassification	-	(50,223)	50,223	-	-
Increase (decrease) in net assets	<u>1,280,677</u>	<u>(50,223)</u>	<u>51,206</u>	<u>983</u>	<u>1,281,660</u>
Net assets, beginning of year	<u>8,964,909</u>	<u>50,223</u>	<u>306,425</u>	<u>356,648</u>	<u>9,321,557</u>
Net assets, end of year	<u>\$ 10,245,586</u>	<u>\$ -</u>	<u>\$ 357,631</u>	<u>\$ 357,631</u>	<u>\$ 10,603,217</u>