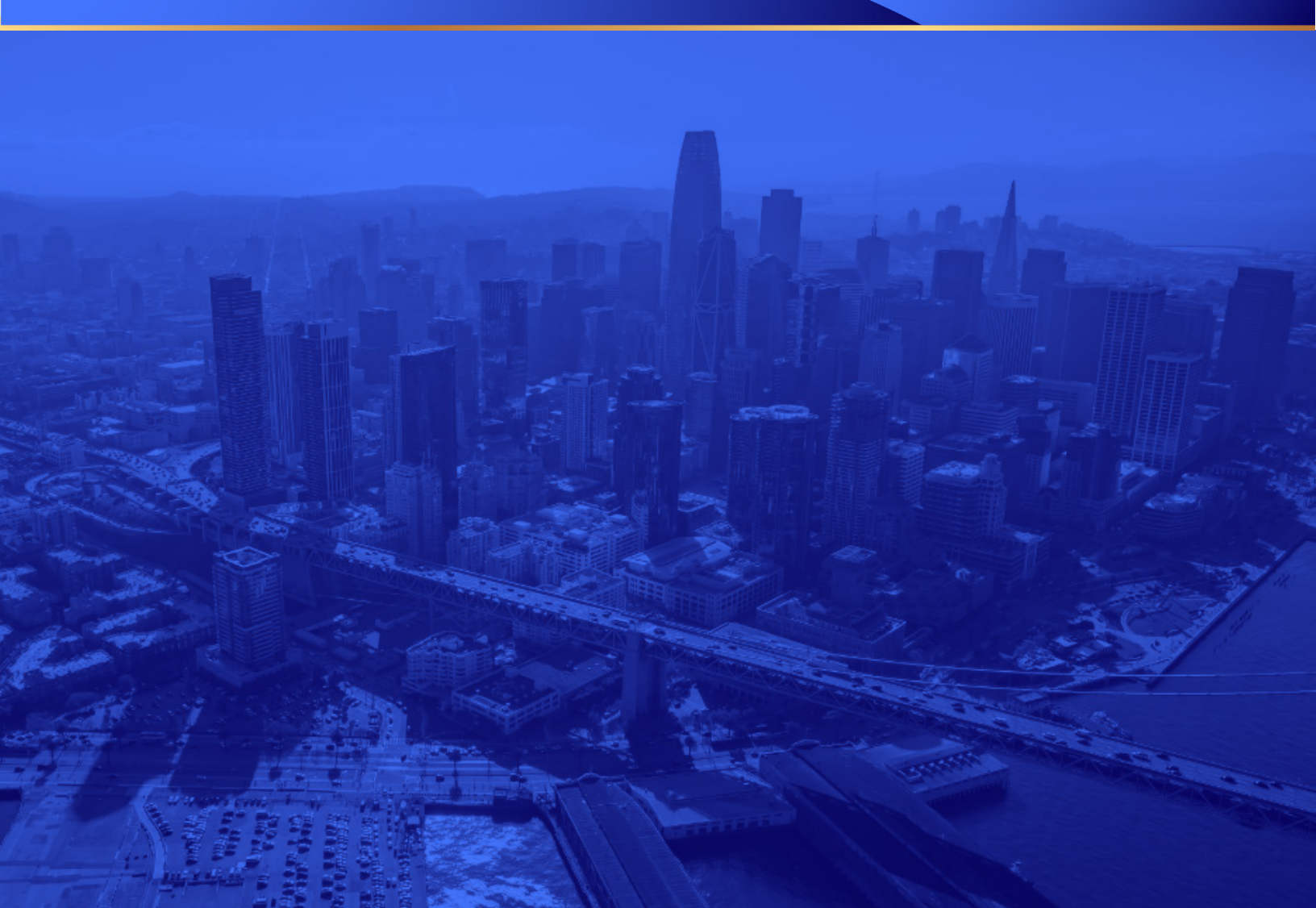




**CFA Society
San Francisco**



Annual Report

Fiscal Year 2024



Annual Report

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CFA Society San Francisco: A Year in Review

2023/2024

Dear CFA Society San Francisco Members,

Thank you for the opportunity to serve as President of CFA Society San Francisco this past year. At the beginning of FY23-24 we began executing and iterating on our refreshed strategic plan focused on member value, industry leadership and society resilience.

Member value continues to include career development, education and community building. The Society's best in class virtual programming has international viewership recognized by our peer Societies and CFA Institute. Our curated in person events continue to be well received or sold out, like our 95th Anniversary Event at San Francisco City Hall.

Industry leadership continues to explore new and innovative partnerships that leverage some of the finest global companies and academic institutions unique to our geography. We are thrilled to see what is possible here in the years to come.

Most importantly, with regard to society resilience, we hired our new CEO – Eric Geedey – to succeed Anne O'Brien. Eric has a tenured history with the Society, most recently as COO, and was successfully chosen after a formal and thorough search process. We look forward to Eric's leadership.

The Society's success is only possible with the support of all. We are proud to be one of the largest societies across the globe with a highly capable and tenured staff, financial strength, depth and breadth of sponsor engagement, industry partners and volunteers as well as a strategic Board of Directors. We are committed to the advancement of Bay Area investment professionals and welcome your feedback. Thank you, again, for the opportunity to serve you.

Warmly,

Anjanette Pena, CFA
*President 2023-2024
CFA Society San Francisco*



Society Leadership

Fiscal Year 2024

Professional Staff



**Anne
O'Brien**

*Chief Executive
Officer*



**Eric
Geedey**

*Chief Operating
Officer*



**Lindsey
Helman**

*Managing Director,
Marketing & Brand
Strategy*



**Tanya
Suba-Tang**

*Director, Membership &
Programming*



Board of Directors

President



**Anjanette
Pena, CFA**

*Vice President at T.
Rowe Price Group*

Vice President



**Sami
Mesrou, CFA**

*Partner at Jasper Ridge
Partners*

Treasurer



**John
Ailanjian, CFA**

*Managing Partner at
Next Legacy Partners*

Secretary



**Kurt Braitberg, CFA,
CAIA**

*CIO & Managing
Director, Public Markets
at SFERS*

**Immediate Past
President**



**John
Jordan, CFA**

*Vice President at
Goldman Sachs*



**Julie
Barry, CFA, CIPM**

*Principal, IR/
Consultant Relations at
HarbourVest*



**Hui-Chien
Chang, CFA**

*Asst. Treasurer, Head of
Trading & Investment at
Google*



**Desmond
Fang, CFA**

*Data Specialist at
CA Department of
Education*



**Jeffrey
Hamrick, CFA**

*Senior Director at
Nasdaq*



**Raj
Manghani, CFA**

*Managing Partner at
TopSeeds, LLC*



**Carolyn
Margiotti, CFA**

*Asset Allocator,
Portfolio Research*



**Margaret
Reid, CFA**

*Managing Director at
BMO Private Wealth*



**Mike
Trovato, CFA**

*Managing Director
at Wellington
Management*



**Mario
Valente, CFA**

*Deputy CIO at
Stansberry Asset
Management*



Member Programming Advisory Council (MPAC)

Co-Chair



**Steve Biggs, CFA,
CAIA, CFP**

*Managing Director at
The Mather Group*

Co-Chair



**Don Hejna, CFA, CAIA,
FDP**

*Managing Partner,
Founder at Stantum,
LLC*



**Isabelle
Araujo, CFA**

*Account Executive,
Partnerships at
Checkbook*



**Devin
Banerjee, CFA**

*Sr. Managing Editor,
Industry News &
Community at LinkedIn*



**Dominic
Bilotti, CFA, CFP**

*VP, Regional
Consultant at State
Street Global Advisors*



**Jennie
Chen**

*Managing Director at
X1 Asset Management*



**Tony
DeLateur, CFA**

*VP, Municipal Bond
Sales & Trading at
Morgan Stanley*



**Ken
Frier, CFA**

*Chief Investment
Officer at
Atlas Capital Advisors*



**Sharon
Hayman, CFA**

Consultant at H&Co.



**Renuka
Kumar, CFA**

*Managing Director, VC
Relationships at SVB*



**Jack
Sun, CFA**

*Portfolio Manager
at Empirical Wealth
Management*



**Sheng Xu,
CFA, FRM, CAIA**

*VP, Investment & Global
Trading Platform
Management at BlackRock*



Young Leaders Council (YLC)

Chair



**Janzen
Lee, CFA**

*Vice President at
Goldman Sachs*



**Will
Brokaw, CFA**

*VC Associate at Top
Tier Capital Partners*



**Michael
Chen, CFA**

*Sr. Treasury Analyst at
Earnin*



**Anmol
Hingorani, CFA**

*Associate Portfolio
Manager at Mellon
Capital Management*



**Emmett
Kelly**

*Associate Relationship
Manager at Goldman
Sachs*



**Liz Morley
Olinger, CFA**

*Treasury Manager at
Zscaler*



**William
Reynolds**

*Investment Associate
at Fire Capital
Management*



**Lily
Taft, CFA**

*Portfolio Manager at
Main Street Research*

CFA Society San Francisco
(a California Not-for-Profit Corporation)

Financial Statements
For the Years Ended June 30, 2024 and 2023

Together with Independent Accountants' Review Report

CFA Society San Francisco

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Independent Accountants' Review Report

To the Board of Directors of
CFA Society San Francisco
San Francisco, California

We have reviewed the accompanying financial statements of CFA Society San Francisco (the "Society"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Society's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

We are required to be independent of CFA Society San Francisco and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our reviews.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Dillwood Burkel + Millar, LLP

Santa Rosa, California
January 21, 2025

CFA Society San Francisco

Statements of Financial Position

As of June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 272,976	\$ 293,544
Accounts receivables	3,750	20,000
Prepaid expenses	22,770	40,498
Investments	1,019,203	960,659
Total current assets	1,318,699	1,314,701
Property, equipment, and leasehold improvements, net	4,605	9,368
Total assets	<u>\$ 1,323,304</u>	<u>\$ 1,324,069</u>
Liabilities and net assets		
Current liabilities		
Accounts payable	\$ 29,693	\$ 30,336
Accrued payroll	38,515	31,576
Deferred membership dues	160,075	156,975
Deferred program and sponsorship revenue	21,336	20,502
Total current liabilities	249,619	239,389
Net assets		
Without donor restrictions	1,073,685	1,084,680
Total net assets	1,073,685	1,084,680
Total liabilities and net assets	<u>\$ 1,323,304</u>	<u>\$ 1,324,069</u>

*The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report.*

CFA Society San Francisco

Statements of Activities and Changes in Net Assets For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Net assets without donor restrictions		
Revenues		
Memberships dues	\$ 520,129	\$ 535,555
Events	171,592	65,460
CFA Institute grant	152,544	174,664
Sponsorship revenue	72,124	68,461
Career and development	23,391	29,472
Investment income, net	117,325	87,531
Loss on disposal of assets	(172)	(5,993)
Other income	1,560	1,344
Total revenue	<u>1,058,493</u>	<u>956,494</u>
Expenses		
Program services	612,772	514,616
Management and general	202,360	200,268
Development	254,356	198,128
Total expenses	<u>1,069,488</u>	<u>913,012</u>
Changes in net assets	(10,995)	43,482
Net assets, beginning of year	<u>1,084,680</u>	<u>1,041,198</u>
Net assets, end of year	<u><u>\$ 1,073,685</u></u>	<u><u>\$ 1,084,680</u></u>

*The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report.*

CFA Society San Francisco

Statement of Functional Expenses

For the Year Ended June 30, 2024

	Program Services			Support Services			Total
	Memberships	Programs and Events	Candidate Education	Total Programs	Management and General	Development	
Personnel							
Salaries and wages	\$ 104,282	\$ 164,522	\$ 32,039	\$ 300,843	\$ 118,315	\$ 161,594	\$ 580,752
Benefits	16,213	22,518	4,864	43,595	13,511	14,952	72,058
Payroll taxes	10,438	14,498	3,132	28,068	8,699	9,627	46,394
	<u>130,933</u>	<u>201,538</u>	<u>40,035</u>	<u>372,506</u>	<u>140,525</u>	<u>186,173</u>	<u>699,204</u>
Operating							
Program and events	13,531	177,856	2,898	194,285	-	-	194,285
Professional services	7,227	10,530	838	18,595	23,300	59,198	101,093
Advertising and promotion	6,407	7,646	3,068	17,121	904	1,951	19,976
Information technology	-	-	-	-	14,480	-	14,480
Travel	1,727	2,582	1,727	6,036	2,582	5,155	13,773
Office expenses	-	-	-	-	9,000	-	9,000
Telephone	-	-	-	-	5,349	-	5,349
Occupancy	721	1,201	240	2,162	1,682	961	4,805
Insurance	-	-	-	-	2,825	-	2,825
Other expenses	-	-	-	-	107	-	107
	<u>160,546</u>	<u>401,353</u>	<u>48,806</u>	<u>610,705</u>	<u>200,754</u>	<u>253,438</u>	<u>1,064,897</u>
Depreciation	689	1,148	230	2,067	1,606	918	4,591
Total expenses	<u>\$ 161,235</u>	<u>\$ 402,501</u>	<u>\$ 49,036</u>	<u>\$ 612,772</u>	<u>\$ 202,360</u>	<u>\$ 254,356</u>	<u>\$ 1,069,488</u>

The accompanying notes are an integral part of this statement.

See accompanying Independent Accountants' Review Report.

CFA Society San Francisco

Statement of Functional Expenses

For the Year Ended June 30, 2023

	Program Services			Support Services			Total
	Memberships	Programs and Events	Candidate Education	Total Programs	Management and General	Development	
Personnel							
Salaries and wages	\$ 100,176	\$ 158,657	\$ 30,800	\$ 289,633	\$ 114,635	\$ 157,270	\$ 561,538
Benefits	14,571	20,238	4,371	39,180	12,143	13,438	64,761
Payroll taxes	10,139	14,081	3,042	27,262	8,449	9,350	45,061
	<u>124,886</u>	<u>192,976</u>	<u>38,213</u>	<u>356,075</u>	<u>135,227</u>	<u>180,058</u>	<u>671,360</u>
Operating							
Program and events	25,214	74,613	11,929	111,756	-	-	111,756
Professional services	6,851	9,945	895	17,691	24,577	5,760	48,028
Advertising and promotion	5,246	8,062	3,246	16,554	1,014	1,029	18,597
Travel	1,735	2,767	1,735	6,237	2,767	5,980	14,984
Information technology	-	-	-	-	13,700	-	13,700
Office expenses	-	-	-	-	10,303	-	10,303
Occupancy	1,529	2,549	510	4,588	3,568	2,039	10,195
Telephone	-	-	-	-	4,766	-	4,766
Insurance	-	-	-	-	2,825	-	2,825
Other expenses	-	-	-	-	187	2,500	2,687
	<u>165,461</u>	<u>290,912</u>	<u>56,528</u>	<u>512,901</u>	<u>198,934</u>	<u>197,366</u>	<u>909,201</u>
Depreciation	<u>572</u>	<u>953</u>	<u>190</u>	<u>1,715</u>	<u>1,334</u>	<u>762</u>	<u>3,811</u>
Total expenses	<u>\$ 166,033</u>	<u>\$ 291,865</u>	<u>\$ 56,718</u>	<u>\$ 514,616</u>	<u>\$ 200,268</u>	<u>\$ 198,128</u>	<u>\$ 913,012</u>

The accompanying notes are an integral part of this statement.

See accompanying Independent Accountants' Review Report.

CFA Society San Francisco

Statements of Cash Flows

For the Years Ended June 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
	<i>Increase (decrease) in cash and cash equivalents</i>	
Cash flows from operating activities		
Changes in net assets	\$ (10,995)	\$ 43,482
Adjustments to reconcile changes in net assets to net cash and cash equivalents provided by (used in) operating activities:		
Net realized and unrealized gain on investments	(92,531)	(74,740)
Depreciation	4,591	3,811
Loss on disposal of equipment	172	5,993
Dividends reinvested	(31,745)	(8,750)
Changes in assets and liabilities affecting operating activities:		
Decrease in assets:		
Accounts receivable	16,250	3,342
Prepaid expenses	17,728	14,276
Security deposits	-	14,001
Increase (decrease) in liabilities:		
Accounts payable	(643)	(15,316)
Accrued payroll	6,939	(486)
Deferred membership dues	3,100	26,900
Deferred program fees	834	(3,102)
Net cash and cash equivalents provided by (used in) operating activities	<u>(86,300)</u>	<u>9,411</u>
Cash flows from investing activities		
Proceeds from sale of investments	332,150	1,064,800
Purchase of equipment	-	(6,897)
Purchases of investment	<u>(266,418)</u>	<u>(1,018,924)</u>
Net cash and cash equivalents provided by investing activities	<u>65,732</u>	<u>38,979</u>
Net change in cash and cash equivalents	(20,568)	48,390
Balance at beginning of year	<u>293,544</u>	<u>245,154</u>
Balance at end of year	<u><u>\$ 272,976</u></u>	<u><u>\$ 293,544</u></u>

*The accompanying notes are an integral part of this statement.
See accompanying Independent Accountants' Review Report*

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 1. Nature of activities

CFA Society San Francisco (the "Society") is a not-for-profit professional organization serving the San Francisco Bay Area financial community. The Society provides members with continuing education and professional development programs relating to security analysis and portfolio management. Programs are held throughout the year in order to provide members with timely and reliable information and to promote competence, professional standards, and the interchange of ideas and information within the profession.

With over 3,000 members, the Society is among the largest local societies of the Chartered Financial Analyst Institute.

The Society offers several types of programs for its members and for the public.

Membership Services - These programs serve local CFA charterholders, industry members, student members, and CFA program candidates. These programs focus on new members, membership retention and career support at no or low cost of the members.

Programs and Events - These programs provide a wide variety of valuable educational content to members and non-members through planned events. The Society provides programs and events for continuing education, thought leadership, career growth and development, networking, and the Institute Research Challenge. Some programs are in partnership with other financial membership organizations.

Candidate Education and CFA Program Exam Prep Courses - Candidate education and CFA Program prep courses are provided in partnership with Kaplan Schweser to help Bay Area candidates prepare for CFA Program exam. The courses, which are also open to the public, provide candidates with a flexible, custom program based on the candidate's study needs.

Note 2. Summary of Significant Accounting Policies

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Grants are recognized as support when earned in accordance with the terms of each grant or agreement. Net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Society and changes therein are classified and reported as follows:

Net assets without donor restrictions – Net assets without donor restrictions include revenues generated from all activities including grants and contributions, which are purpose or time restricted. Net assets without donor restrictions are available for all operations conducted by the Society, for future use in operations in accordance with a board approved plan of action, and investment in property and equipment.

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, *continued*

Basis of Presentation, *continued*

Net assets with donor restrictions – Net assets with donor restrictions include unconditional contributions and grant revenues with purpose or time restrictions with regards to how the funds can be used. Such restrictions can be temporary or permanent. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the Statements of Activities and Changes in Net Assets as net assets released from restrictions. The Society had no net asset with donor restrictions as of June 30, 2024 and 2023.

Cash and Cash Equivalents

The Society considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents. Cash is held in demand accounts at banks, and cash balances may exceed the federally insured amounts during the year. The Society has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Accounts Receivable

Accounts receivable represents amounts owed to the Society for membership dues and event-based fees that have not yet been collected. Management maintains allowances for credit losses for estimated losses resulting from the inability of its members to make required payments. Management considers the following factors when determining the collectability of specific member accounts: member's credit-worthiness, past transaction history with the member, current economic industry trends, and changes in member payment terms. Past due balances over 90 days and other higher risk amounts are reviewed individually for collectability. If the financial condition of the Society's members were to deteriorate, adversely affecting their ability to make payments, additional allowances would be required. Based on management's assessment, the Society provides for estimated uncollectable amounts through a charge to earnings and a credit to a valuation allowance. Balances that remain outstanding after the Society has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to accounts receivable.

Investments

The Society's investments, which may include equity securities, fixed income funds, and bonds, are carried at fair value. Realized and unrealized gains and losses are included in the change in net assets in the accompanying Statements of Activities and Changes in Net Assets.

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, *continued*

Fair Value Measurements

The Society's financial assets and liabilities carried at fair value have been classified, for disclosure purposes, based on a hierarchy defined by accounting standards for fair value measurements. Generally accepted accounting principles provide guidance on how fair value should be determined when financial statement elements are required to be measured at fair value. Valuation techniques are ranked in three levels depending on the degree of objectivity of the inputs used with each level:

- Level 1:* Valuation on inputs such as equity securities, are based on quoted market prices in active markets for identical assets or liabilities that the Society has the ability to access.
- Level 2:* Valuation based on pricing inputs that are other than quoted prices in active markets, which are either directly or indirectly observable.
- Level 3:* Valuation derived from other valuation methodologies, including pricing models, discounted cash flow models, and similar techniques.

The categorization of an investment within the hierarchy is based on the pricing transparency of the investment and does not necessarily correspond to the Society's perceived risk of that investment.

The investments held by the Society all have readily available quoted market prices, and therefore are all considered Level 1 investments.

Fair Value of Financial Instruments

The carrying value of cash, cash equivalents, accounts receivable, and accounts payable approximate fair value due to the short maturity of those instruments.

Property, Equipment, and Leasehold Improvements

The Society capitalizes all expenditures for property and equipment costing \$1,000 or more in the Statements of Financial Position. Assets are recorded at cost, and depreciated using the straight-line method over the estimated useful lives of the assets. The lives range from three to seven years. Leasehold improvements are amortized on a straight-line basis over their estimated useful lives, or the term of the lease, whichever is shorter. Ongoing repair and maintenance expenses are recognized as current period expenses on the Statements of Activities and Changes in Net Assets.

Leases

Transactions give rise to leases when the Society receives substantially all of the economic benefits from, and has the ability to direct, the use of the specified property and equipment. The Society primarily has lessee activity that is classified as operating leases.

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, *continued*

Leases, continued

Operating leases are included in operating lease right-of-use assets, current maturities of operating lease liabilities, and operating lease liabilities, less current maturities on the Statements of Financial Position. Finance leases are included in property and equipment, net, current maturities of finance lease obligations, and finance lease obligations, less current maturities on the Statements of Financial Position. Operating lease right-of-use assets represents the right to use an underlying asset for the lease term and operating lease liabilities represent obligations to make lease payments arising from the lease. Operating lease right-of-use assets and liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. When discount rates implicit in leases cannot be readily determined, the Society uses the applicable incremental borrowing rate, or risk-free rate, at lease commencement to perform lease classification tests and to measure lease liabilities and right-of-use assets. Lease expense for operating leases is recognized on a straight-line basis over the lease term. Certain optional renewal periods were not included in the determination of the lease liability and right-of-use asset if management determined it was not reasonably certain that the lease would be extended.

The Society has agreements with lease and non-lease components, such as common area maintenance, and has elected to not account for the lease and non-lease components as separate components. The Society has elected not to recognize right-of-use assets and lease liabilities for leases of terms less than 12 months.

Revenue Recognition

Revenue for the Society consists of dues from members, which provide access to a multitude of benefits. Access to these benefits is voluntary and is treated as part of the membership itself, rather than multiple performance obligations. The Society recognizes over the membership period on a straight-line basis, as the membership benefits are available to the member on a constant basis over the membership period. Dues collected in advance are recorded as deferred income.

Event-based revenue in the form of fees and sponsorships is recognized at a point in time when the event occurs. Such revenue is derived from the Society's member programs such as in-person and virtual networking and professional development events. Payments received in advance of the period to which they are related are recorded as deferred income and recognized as revenue when the event occurs.

The Society receives operating funding from CFA Institute annually. The grant is recognized as revenue in the period received, or when it has been unconditionally promised.

Contributions of donated services are recorded at their fair values in the year received if they meet all of the following three criteria: 1) services create or enhance nonfinancial assets or that require specialized skills, 2) services are provided by individuals possessing those skills, and 3) services would typically need to be purchased if not provided by donation. Many people have contributed significant amounts of time to the activities of the Society without compensation. These donated services are not reflected in the financial statements since they do not require specialized services.

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, *continued*

Functional Expense Allocation

Expenses that are specifically identifiable are charged directly to the appropriate functional category. All other expenses are charged based on a reasonable allocation that is consistently applied. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide the overall support and direction of the Society. The expenses that are allocated include personnel expenses, which are allocated on the basis of estimated time and effort by employees. Depreciation and amortization, occupancy, and repairs and maintenance are allocated on the basis of square footage.

Advertising Costs

Advertising costs are expensed as incurred. Advertising expenses totaled \$4,049 and \$2,679 for the years ended June 30, 2024 and 2023, respectively, which includes social media and print advertising.

Income Taxes

As determined by the Internal Revenue Service, the Society is a not-for-profit organization exempt from income tax under Section 501(c)(6) of the Internal Revenue Code and Section 23701(e) of the California Revenue and Taxation Code and generally is not subject to state or federal income taxes.

The Society determines whether its tax positions are "more-likely-than-not" to be sustained upon examination by the applicable taxing authority based on the technical merits of the positions. As of June 30, 2024 and 2023, the Society had reviewed its tax positions and had concluded no reserve for uncertain tax positions were required. The Society's exempt organization information returns are subject to review through three years after the date of filing for federal and four years after the date of filing for state.

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 based on management's knowledge and experience. Those estimates affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported amounts of revenue, support and expenses. The use of management's estimates primarily relates to the collectability of accounts receivable, depreciable lives of property and improvements, and the allocation of expenses between program, and management and general. Actual results could differ from those estimates.

Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. The reclassifications had no effect on previously reported results of operations or net asset balances.

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 2. Summary of Significant Accounting Policies, *continued*

Accounting Pronouncements Adopted

In June 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*. The ASU requires the use of the current expected credit loss (CECL) impairment model, which is based on expected losses rather than incurred losses. Under the new guidance, when an organization acquires a financial instrument, including account receivables and notes receivables, it immediately recognizes an allowance equal to its estimate or expected credit losses over the life of the financial instrument. The likely result is that the organization will record an allowance for expected credit losses on notes receivable earlier under a CECL model than it would under the prior incurred loss model. CECL does not apply to contributions or pledges receivable. The Society applied Topic 326 to reporting periods beginning on July 2023. Topic 326 did not have a material impact on the financial statements of the Society.

Note 3. Liquidity and Availability of Financial Assets

The Society had no contractual or donor-imposed restrictions or internal designations as of June 30, 2024 and 2023. The following reflects the Society's financial assets as of June 30:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 272,976	\$ 293,544
Accounts receivable	3,750	20,000
Investments	<u>1,019,203</u>	<u>960,659</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,295,929</u>	<u>\$ 1,274,203</u>

As part of the Society's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations become due. The Society strives to maintain sufficient liquid financial assets to cover one to three months of general expenditures. Financial assets in excess of daily cash requirements are invested in short-term investments.

Note 4. Investments

Investments stated at fair value as of June 30 include:

	<u>2024</u>		<u>2023</u>	
	Cost	Fair Market Value	Cost	Fair Market Value
Fixed income	\$ 380,170	\$ 377,442	\$ 406,993	\$ 408,482
Equity securities	515,489	641,761	518,274	552,177
	<u>\$ 895,659</u>	<u>\$ 1,019,203</u>	<u>\$ 925,267</u>	<u>\$ 960,659</u>

CFA Society San Francisco

Notes to Financial Statements For the Years Ended June 30, 2024 and 2023

Note 4. Investments, *continued*

Investment income, net of management fees, consisted of the following for the years ended June 30:

	<u>2024</u>	<u>2023</u>
Interest and dividend income	\$ 31,745	\$ 15,318
Net realized and unrealized gain	92,531	74,740
Management fees	<u>(6,951)</u>	<u>(2,527)</u>
	<u>\$ 117,325</u>	<u>\$ 87,531</u>

During the year ended June 30, 2024, there was no investment income earned on the Society's operating accounts. During the year ended June 30, 2023, investment income included \$6,942 of interest income earned from the Society's operating accounts.

Note 5. Property and Improvements

Property and improvements consist of the following at June 30:

	<u>2024</u>	<u>2023</u>
Furniture and fixtures	\$ 1,551	\$ 1,551
Equipment	<u>15,955</u>	<u>22,850</u>
Total	17,506	24,401
Less: accumulated depreciation	<u>(12,901)</u>	<u>(15,033)</u>
	<u>\$ 4,605</u>	<u>\$ 9,368</u>

Depreciation expense amounted to \$4,591 and \$3,811 for the years ended June 30, 2024 and 2023, respectively.

Note 6. Revenue Concentration Risk

A significant portion of the Society's total support was received from one source. Revenues derived from the CFA Institute during the years ended June 30, 2024 and 2023, represented approximately 16% and 21%, respectively, of the total revenue. There were no amounts owed from CFA Institute as of June 30, 2024 and 2023.

Note 7. Subsequent Events

The Society evaluated subsequent events from July 01, 2024 through January 21, 2025, the date which the financial statements were available to be issued, and determined there are no material subsequent events that required recognition or additional disclosure in these financial statements.



2023 - 2024 Annual Report Appendix

Statement of the Place Where the Names and Addresses of the Current Members are Located

Pursuant to California Nonprofit Corporation Code Section 8321(a)(2), the names and addresses of the current members of CFA Society San Francisco are maintained electronically on a secure, encrypted SharePoint site, which complies with ISO 27001, SOC 1 & SOC 2, and other industry standards.

Members may have the right to inspect a copy of the record of members' names, addresses, and voting rights by submitting a written request, specifying the purpose for which the information is requested, in alignment with California Nonprofit Corporation Code.

Statement of Transaction for Annual Report

In accordance with California Nonprofit Corporation Law Section 8322, the following statement provides a summary of covered transactions involving CFA Society San Francisco during the fiscal year ending June 30, 2024. These transactions have been reviewed and are disclosed below as required by law.

During the fiscal year, the Society engaged in the following covered transaction(s) that exceed \$50,000:

Grant from CFA Institute

Amount: \$173,534.72

Nature of the Transaction: The grant was awarded by CFA Institute in accordance with the agreement for operational support and revenue share, based on the Society's affiliation with CFA Institute.