

Financial Statements Together with
Report of Independent Certified Public
Accountants

**SIFMA Foundation for Investor Education
(FIE), Inc.**

October 31, 2024 and 2023

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors

SIFMA Foundation for Investor Education (FIE), Inc.

Opinion

We have audited the financial statements of SIFMA Foundation for Investor Education (FIE), Inc. (the "Foundation"), which comprise the statements of financial position as of October 31, 2024 and 2023, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as of October 31, 2024 and 2023, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). 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 Foundation 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 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date the 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 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 US GAAS 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 financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the 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 Foundation'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 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation'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.



New York, New York
May 22, 2025

SIFMA Foundation for Investor Education (FIE), Inc.

STATEMENTS OF FINANCIAL POSITION

October 31,

	<u>2024</u>	<u>2023</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 1,235,983	\$ 681,756
Contributions receivable	657,820	1,144,831
Investments	9,181,068	8,062,238
Other assets	<u>7,066</u>	<u>25,404</u>
Total current assets	<u>11,081,937</u>	<u>9,914,229</u>
Contributions receivable, net of current portion	<u>-</u>	<u>380,952</u>
Total assets	<u><u>\$ 11,081,937</u></u>	<u><u>\$ 10,295,181</u></u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and other liabilities	\$ 118,324	\$ 213,330
Due to SIFMA	<u>625,337</u>	<u>571,118</u>
Total liabilities	<u>743,661</u>	<u>784,448</u>
Net assets		
Without donor restrictions	9,538,276	8,329,781
With donor restrictions	<u>800,000</u>	<u>1,180,952</u>
	<u>10,338,276</u>	<u>9,510,733</u>
Total liabilities and net assets	<u><u>\$ 11,081,937</u></u>	<u><u>\$ 10,295,181</u></u>

The accompanying notes are an integral part of these financial statements.

SIFMA Foundation for Investor Education (FIE), Inc.

STATEMENTS OF ACTIVITIES

Years ended October 31,

	2024	2023
Changes in net assets without donor restrictions		
Revenues and other operating support		
Contributions and other revenues		
Contributions	\$ 2,746,053	\$ 2,170,799
Contributions of nonfinancial assets	484,540	462,000
Stock market game processing fees	386,750	364,345
Investment return used in operations	328,066	253,874
Net assets released from restrictions	380,952	333,334
Total contributions and other revenues	4,326,361	3,584,352
Fund-raising event		
Ticket revenue	1,338,335	1,450,971
Direct costs	(172,397)	(193,648)
Net support from fund-raising event	1,165,938	1,257,323
Total revenues and other operating support	5,492,299	4,841,675
Operating expenses		
Program services		
Stock Market Game, InvestWrite, Capitol Hill Challenge, Invest It Forward	4,671,156	4,935,127
Support Services		
Management and general	646,811	603,538
Fundraising	298,788	274,183
Total support services	945,599	877,721
Total expenses	5,616,755	5,812,848
Decrease in net assets without donor restrictions from operations	(124,456)	(971,173)
Nonoperating activity		
Investment return, net of amounts used in operations	1,332,951	284,876
Increase (decrease) in net assets without donor restrictions	1,208,495	(686,297)
Changes in net assets with donor restrictions		
Contributions	-	1,180,952
Net assets released from restrictions	(380,952)	(333,334)
(Decrease) increase in net assets with donor restrictions	(380,952)	847,618
INCREASE IN NET ASSETS	827,543	161,321
Net assets, beginning of year	9,510,733	9,349,412
Net assets, end of year	\$ 10,338,276	\$ 9,510,733

The accompanying notes are an integral part of these financial statements.

SIFMA Foundation for Investor Education (FIE), Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended October 31, 2024

	Program Services			Supporting Services			Total
	Stock Market Game	InvestWrite, Capitol Hill Challenge, Invest it Forward	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Salaries	\$ 1,709,633	\$ 129,850	\$ 1,839,483	\$ 204,243	\$ 429,636	\$ 633,879	\$ 2,473,362
Employee benefits	523,391	35,579	558,970	55,962	117,720	173,682	732,652
Professional fees and consulting services	664,537	40,147	704,684	-	17,118	17,118	721,802
Awards, grants, contributions, and sponsorships	241,776	138,829	380,605	-	-	-	380,605
Travel and entertainment	37,928	853	38,781	1,763	-	1,763	40,544
Regional processing fees	318,000	-	318,000	-	-	-	318,000
Contributed services	368,740	-	368,740	36,820	78,980	115,800	484,540
Technology	264,958	1,310	266,268	-	-	-	266,268
Miscellaneous	192,098	3,527	195,625	-	3,357	3,357	198,982
	<u>\$ 4,321,061</u>	<u>\$ 350,095</u>	<u>\$ 4,671,156</u>	<u>\$ 298,788</u>	<u>\$ 646,811</u>	<u>\$ 945,599</u>	<u>\$ 5,616,755</u>

The accompanying notes are an integral part of this financial statement.

SIFMA Foundation for Investor Education (FIE), Inc.

STATEMENT OF FUNCTIONAL EXPENSES

Year ended October 31, 2023

	Program Services			Supporting Services			
		InvestWrite, Capitol Hill Challenge, Invest it Forward	Total Program Services		Management and General	Total Supporting Services	Total
	Stock Market Game			Fundraising			
Salaries	\$ 1,855,989	\$ 161,117	\$ 2,017,106	\$ 188,195	\$ 416,798	\$ 604,993	\$ 2,622,099
Employee benefits	475,353	44,146	519,499	51,565	114,202	165,767	685,266
Professional fees and consulting services	665,103	11,494	676,597	-	-	-	676,597
Awards, grants, contributions, and sponsorships	252,505	112,789	365,294	2,199	500	2,699	367,993
Travel and entertainment	23,249	9,800	33,049	74	266	340	33,389
Regional processing fees	315,307	-	315,307	-	-	-	315,307
Contributed services	363,500	-	363,500	30,500	68,000	98,500	462,000
Technology	483,808	100,415	584,223	-	-	-	584,223
Miscellaneous	52,670	7,882	60,552	1,650	3,772	5,422	65,974
	<u>\$ 4,487,484</u>	<u>\$ 447,643</u>	<u>\$ 4,935,127</u>	<u>\$ 274,183</u>	<u>\$ 603,538</u>	<u>\$ 877,721</u>	<u>\$ 5,812,848</u>

The accompanying notes are an integral part of this financial statement.

SIFMA Foundation for Investor Education (FIE), Inc.

STATEMENTS OF CASH FLOWS

Years ended October 31,

	2024	2023
Cash flows from operating activities:		
Increase in net assets	\$ 827,543	\$ 161,321
Adjustments to reconcile increase in net assets to net cash provided by (used in) operating activities:		
Realized and unrealized gains on investments	(1,332,951)	(284,876)
Changes in operating assets and liabilities:		
Contributions receivable	867,963	(917,283)
Other assets	18,338	(15,751)
Accounts payable and other liabilities	(95,006)	(33,394)
Due to/from SIFMA	54,219	49,374
Net cash provided by (used in) operating activities	340,106	(1,040,609)
Cash flows from investing activities:		
Sales of investments	1,800,000	1,350,000
Purchase of investments	(1,585,879)	(233,048)
Net cash provided by investing activities	214,121	1,116,952
NET INCREASE IN CASH AND CASH EQUIVALENTS	554,227	76,343
Cash and cash equivalents, beginning of year	681,756	605,413
Cash and cash equivalents, end of year	<u>\$ 1,235,983</u>	<u>\$ 681,756</u>

The accompanying notes are an integral part of these financial statements.

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS

October 31, 2024 and 2023

NOTE 1 - THE FOUNDATION

SIFMA Foundation for Investor Education (FIE), Inc. (the "Foundation"), formerly known as Foundation for Investor Education ("FIE"), is a tax-exempt not-for-profit educational organization, which was incorporated under the laws of the State of Delaware on December 13, 1976. The primary purpose of the Foundation is to improve investor education nationwide and help millions of Americans prepare for their financial future through its programs, the Stock Market Game™, InvestWrite®, Capitol Hill Challenge™, and Invest It Forward®.

The Foundation receives support primarily from the Securities Industry and Financial Markets Association ("SIFMA"), SIFMA member firms, and securities industry organizations (Notes 5 and 6).

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The accompanying financial statements of the Foundation have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The significant accounting policies followed are described below.

Net Asset Classifications

Net assets and revenues, gains, and losses are classified based on the presence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Net Assets without Donor Restrictions - The part of net assets that is not restricted by donor-imposed stipulations and is available for the day-to-day operations of the Foundation.

Net Assets with Donor Restrictions - Net assets resulting from contributions and other inflows of assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time and/or can be fulfilled and removed by actions of the Foundation pursuant to those stipulations. When such stipulations end or are fulfilled, such 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, however when restrictions on donor-restricted contributions are met in the same accounting period, such amounts are reported as increases to net assets without donor restrictions.

Net assets with donor restrictions also includes the corpus of gifts, which must be maintained in perpetuity, but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes in accordance with donor stipulations. The Foundation does not hold any such net assets as of October 31, 2024 and 2023.

Cash Equivalents

Cash and cash equivalents include all highly liquid financial instruments purchased with original maturities of three months or less from the date of purchase and money market mutual funds held for use in operations.

Contributions

The Foundation recognizes contribution revenues in accordance with guidance under which the Foundation evaluates whether a transfer of assets is (1) an exchange transaction in which a resource provider is receiving commensurate value in return for the resources transferred or (2) a contribution. If the transfer of

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2024 and 2023

assets is determined to be an exchange transaction, the Foundation applies the applicable guidance. If the transfer of assets is determined to be a contribution, the Foundation evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the Foundation is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of return.

The Foundation records contributions of cash and other assets as well as unconditional promises to give (pledges) in the period in which they are received. Pledges considered likely of collection within one year are recorded at their net realizable value. Contributions to be received after one year are discounted to present value using a credit-adjusted rate of return. All contributions are considered available for general use unless specifically restricted by a donor. Contributions subject to donor-imposed restrictions are recorded as support with donor restrictions and are reclassified as net assets without donor restrictions when the donor-imposed restriction has been fulfilled and/or the stipulated time period has elapsed. Contributions with donor-imposed restrictions that are met in the same accounting period are recorded as income without donor restrictions. An allowance for uncollectible contributions receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity. Receivables are written off when deemed uncollectable. There was no allowance for uncollectible contributions receivable recognized as of October 31, 2024 or 2023.

Conditional promises to give are not recognized until they become unconditional promises to give, that is, when the conditions on which they depend are substantially met. There were no conditional promises to give made to the Foundation during fiscal 2024 or fiscal 2023.

Contributions of Nonfinancial Assets

The Foundation receives certain contributed services that meet the criteria established by U.S. GAAP for recognition as contributions. Such contributions, which consist of professional services, space and utilities provided by SIFMA, are recognized at fair value within contributions of nonfinancial assets on the statements of activities with corresponding amounts recorded within expenses as they were utilized during the same fiscal year.

Revenue Recognition

The Foundation recognizes revenue in accordance with guidance under which the Foundation recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the Foundation expects to be entitled in exchange for those goods or services.

Stock market game processing fees are recognized as revenues at the point in time in which the customer receives services. There are no deferred revenues recognized related to stock market game processing fees as of October 31, 2024 or 2023.

Investments

Investments consist primarily of publicly traded mutual funds, carried at fair value, valued based on published closing prices as of the last business day of the fiscal year. The accompanying statements of activities reflect changes in fair value as increases or decreases in investment return. Dividend income is recorded on the ex-dividend date, and interest income is recorded as earned on the accrual basis. Security transactions are recorded on the trade date basis. The cost of marketable securities sold is determined by the specific identification method and realized gains (losses) are reflected in the accompanying statements of activities.

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2024 and 2023

Fair Value Measurements

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. The fair value hierarchy requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The three levels of inputs that may be used to measure fair value are as follows:

Level 1 - Quoted prices in active markets for identical assets or liabilities;

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and

Level 3 - Unobservable inputs that are supported by little or no market activity.

Operating and Nonoperating Activities

The accompanying statements of activities distinguish between operating and nonoperating activities. Nonoperating activities consist of investment returns on long-term investments, net of amounts used in operations.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Certain costs have been allocated among the programs and supporting services benefited. These allocations are based on actual usage and management's best estimates.

Fundraising Event

Revenues from event tickets, which include both an exchange and contribution component, are reported in the fiscal year in which the event is held. All proceeds from ticket sales for special events received prior to year-end, but relating to events held subsequent to the statement of financial position date are recorded as deferred revenue. Direct costs of events are reported in the fiscal year in which the event occurs. The Foundation's Tribute Dinner was held on October 21, 2024.

Concentrations of Credit Risk

Cash and investments are exposed to various risks, such as interest rate, market and credit risks. To minimize such risks, the Foundation maintains its cash in various bank deposit accounts which, at times, may exceed federally insured limits, and in a diversified investment portfolio. At October 31, 2024 and 2023, the Foundation's cash and investments were placed with high-credit-quality financial institutions and, accordingly, the Foundation does not believe this to be a significant risk.

Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2024 and 2023

NOTE 3 - INVESTMENTS

Investments are carried at fair value and consist of the following:

	2024	2023
Equity securities mutual funds	\$ 4,156,254	\$ 4,063,100
Fixed income securities mutual funds	4,448,184	3,985,278
Money market funds	576,630	13,860
	<u>\$ 9,181,068</u>	<u>\$ 8,062,238</u>

At October 31, 2024 and 2023, all of the Foundation's investments were classified as Level 1 in the fair value hierarchy.

NOTE 4 - TAXES

The Foundation follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the "Code"), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Foundation has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it has nexus; and to identify and evaluate other matters that may be considered tax positions. The Foundation has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

NOTE 5 - RELATED-PARTY TRANSACTIONS AND CONTRIBUTIONS OF NONFINANCIAL ASSETS

SIFMA provides office space and administrative services to the Foundation. During the years ended October 31, 2024 and 2023, the Foundation received contributed personnel services with a fair value of \$68,900 and \$103,000, respectively, and contributed space and utilities with a fair value of \$415,640 and \$359,000, respectively. Fair value is determined based on the related actual costs incurred by SIFMA. Contributed services received during the years ended October 31, 2024 and 2023 did not carry any donor-imposed restrictions.

Foundation staff are seconded employees of SIFMA and are covered under all SIFMA benefit plans, including health, retirement, and other plans. The Foundation reimburses SIFMA for the employment costs of these staff, which costs are recorded as compensation expense and functionalized in the statements of activities and functional expenses.

Further, SIFMA, on behalf of the Foundation, pays certain expenses for which it is subsequently reimbursed by the Foundation. On October 31, 2024 and 2023, the Foundation had payables of \$625,337 and \$571,118, respectively pertaining to these transactions. The Foundation's payable balance for both fiscal years was subsequently paid in full.

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2024 and 2023

NOTE 6 - CONTRIBUTIONS AND CONTRIBUTIONS RECEIVABLE

Contribution revenue consisted of the following for the years ended October 31, 2024 and 2023:

	2024	2023
Contributions:		
SIFMA member firms	\$ 1,599,475	\$ 1,374,620
Outside corporations, foundations, and other	1,146,578	1,977,131
Total contributions	<u>\$ 2,746,053</u>	<u>\$ 3,351,751</u>

Contributions receivable were due as follows for the years ended October 31, 2024 and 2023:

	2024	2023
Due in one year or less	\$ 657,820	\$ 1,144,831
Due in one to two years	-	400,000
Total due	657,820	1,544,831
Present value discount (5.00%)	-	(19,048)
Contributions receivable, net	<u>\$ 657,820</u>	<u>\$ 1,525,783</u>

One donor represented 62% and 78% of gross contributions receivable at October 31, 2024 and 2023, respectively.

NOTE 7 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions as of October 31, 2024 and 2023 consisted of contributions restricted for the Capitol Hill Challenge totaling \$800,000 and \$1,180,952, respectively.

Donor restricted contributions totaling \$380,952 and \$333,334 were released for the years ended October 31, 2024 and 2023, respectively, for the Capitol Hill Challenge.

NOTE 8 - LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents, which fund daily operating activity, and long-term investments, which are maintained to fund long-term liabilities as well as any extraordinary financial situation that should arise.

In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures. Refer to the statements of cash flows which identifies the sources and uses of the Foundation's cash.

SIFMA Foundation for Investor Education (FIE), Inc.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

October 31, 2024 and 2023

As of October 31, 2024 and 2023, the following tables show the total financial assets held by the Foundation and the amounts of those financial assets that could readily be made available within one year of the balance sheet date to meet general expenditures:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 1,235,983	\$ 681,756
Contributions receivable	657,820	1,525,783
Investments	<u>9,181,068</u>	<u>8,062,238</u>
Total financial assets	11,074,871	10,269,777
Less: those unavailable for general expenditures within one year due to donor-imposed restrictions	<u>(800,000)</u>	<u>(1,180,952)</u>
Total financial assets available within one year for general expenditures	<u>\$ 10,274,871</u>	<u>\$ 9,088,825</u>

NOTE 9 - SUBSEQUENT EVENTS

The Foundation evaluated subsequent events after the statement of financial position date of October 31, 2024 through May 22, 2025, which was the date the financial statements were available to be issued. The Foundation is unaware of any events which would require recognition or disclosure in the accompanying financial statements.