

Financial Statements

**Securities and Exchange Commission
Historical Society**

**For the Year Ended December 31, 2025
With Summarized Financial
Information for 2024**

Securities and Exchange Commission Historical Society

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With Summarized Financial Information for 2024**

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CPAs & ADVISORS

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Securities and Exchange Commission Historical Society
Washington, D.C.

Opinion

We have audited the accompanying financial statements of the Securities and Exchange Commission Historical Society (the Society), which comprise the statement of financial position as of December 31, 2025, and the related statements of activities and change in net assets, functional expenses and cash flows for the year 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 Society as of December 31, 2025, and the results of its change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (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 Society and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. 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.

**4550 MONTGOMERY AVENUE • SUITE 800 NORTH • BETHESDA, MARYLAND 20814
(301) 951-9090 • WWW.GRFCPA.COM**

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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 Society's ability to continue as a going concern within one year after the date that 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 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 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 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 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.

Report on Summarized Comparative Information

We have previously audited the Society's 2024 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated June 30, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman Rosenberg & Freedman

May 22, 2026

Securities and Exchange Commission Historical Society

Statement of Financial Position
As of December 31, 2025
With Summarized Financial Information for 2024

ASSETS

	<u>2025</u>	<u>2024</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 260,852	\$ 619,357
Investments	1,340,114	996,217
Contributions receivable	102,125	39,080
Prepaid expenses	2,838	3,803
Total current assets	<u>1,705,929</u>	<u>1,658,457</u>
FIXED ASSETS		
Website development in progress	35,284	-
Website	14,743	14,743
Less: Accumulated amortization	(14,743)	(14,743)
Net fixed assets	<u>35,284</u>	<u>-</u>
OTHER ASSETS		
Virtual Museum and Archive Collection	2,691,532	2,637,710
Donated artwork	25,000	25,000
Total other assets	<u>2,716,532</u>	<u>2,662,710</u>
Total Assets	<u>\$ 4,457,745</u>	<u>\$ 4,321,167</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 34,674	\$ 28,773
NET ASSETS		
Without donor restrictions:		
Undesignated	285,977	331,565
Investment in Virtual Museum and Archive Collection	2,691,532	2,637,710
Board designated reserve fund	1,368,062	1,290,619
Total without donor restrictions	<u>4,345,571</u>	<u>4,259,894</u>
With donor restrictions	77,500	32,500
Total net assets	<u>4,423,071</u>	<u>4,292,394</u>
Total Liabilities and Net Assets	<u>\$ 4,457,745</u>	<u>\$ 4,321,167</u>

See accompanying notes to financial statements.

Securities and Exchange Commission Historical Society

Statement of Activities and Change in Net Assets

For the Year Ended December 31, 2025

With Summarized Financial Information for 2024

	2025			2024
	Without Donor Restrictions	With Donor Restrictions	Total	Total
SUPPORT				
Grants and contributions	\$ 329,968	\$ 79,000	\$ 408,968	\$ 387,445
Net investment return	131,866	-	131,866	105,839
Other income	-	-	-	5,200
Net assets released from donor restrictions	34,000	(34,000)	-	-
Total support	<u>495,834</u>	<u>45,000</u>	<u>540,834</u>	<u>498,484</u>
EXPENSES				
Program Services:				
Virtual Museum and Archive	187,294	-	187,294	107,705
Supporting Services:				
General and Administrative	168,658	-	168,658	166,537
Development and Fundraising	54,205	-	54,205	72,116
Total supporting services	<u>222,863</u>	<u>-</u>	<u>222,863</u>	<u>238,653</u>
Total expenses	<u>410,157</u>	<u>-</u>	<u>410,157</u>	<u>346,358</u>
Change in net assets	85,677	45,000	130,677	152,126
Net assets at beginning of year	4,259,894	32,500	4,292,394	4,140,268
Net Assets at End of Year	<u>\$ 4,345,571</u>	<u>\$ 77,500</u>	<u>\$ 4,423,071</u>	<u>\$ 4,292,394</u>

See accompanying notes to financial statements.

Securities and Exchange Commission Historical Society

**Statement of Functional Expenses
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024**

	2025				2024	
	Program Services	Supporting Services				
	Virtual Museum and Archive	General and Administrative	Development and Fundraising	Total Supporting Services	Total Expenses	Total Expenses
Salaries and benefits	\$ 132,881	\$ 48,651	\$ 51,198	\$ 99,849	\$ 232,730	\$ 215,991
Professional fees	35,908	88,051	608	88,659	124,567	86,484
Subscription and other fees	50	30,030	536	30,566	30,616	22,506
Museum maintenance	10,677	-	-	-	10,677	11,725
Travel	6,284	276	1,263	1,539	7,823	4,570
Supplies and materials	1,481	399	366	765	2,246	1,842
Occupancy	-	1,070	-	1,070	1,070	2,206
Postage and delivery	13	181	234	415	428	1,034
Total	<u>\$ 187,294</u>	<u>\$ 168,658</u>	<u>\$ 54,205</u>	<u>\$ 222,863</u>	<u>\$ 410,157</u>	<u>\$ 346,358</u>

See accompanying notes to financial statements.

Securities and Exchange Commission Historical Society

**Statement of Cash Flows
For the Year Ended December 31, 2025
With Summarized Financial Information for 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 130,677	\$ 152,126
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Unrealized gain on investments	(90,911)	(55,645)
(Increase) decrease in:		
Contributions receivable	(63,045)	(7,027)
Prepaid expenses	965	(793)
Security deposit	-	298
Increase in:		
Accounts payable and accrued liabilities	5,901	7,455
Net cash (used) provided by operating activities	(16,413)	96,414
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(35,284)	-
Purchases of investments	(616,609)	(1,815,171)
Proceeds from maturity of investments	363,623	2,070,010
Accession of Virtual Museum and Archive Collection	(53,822)	(10,868)
Net cash (used) provided by investing activities	(342,092)	243,971
Net (decrease) increase in cash and cash equivalents	(358,505)	340,385
Cash and cash equivalents at beginning of year	619,357	278,972
Cash and Cash Equivalents at End of Year	\$ 260,852	\$ 619,357

See accompanying notes to financial statements.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies

Organization

The Securities and Exchange Commission Historical Society (the Society) is a 501(c)(3) non-profit organization, incorporated in the District of Columbia. The Society shares, preserves, and advances knowledge of the history of financial regulation through its Virtual Museum and Archive at www.sechistorical.org. The Society is independent of the U.S. Securities and Exchange Commission and receives no funding from the public sector. Significant accounting policies followed by the Society are presented below.

The Society operates the Virtual Museum and Archive program. The Virtual Museum and Archive is the preeminent online authority of trusted and verified information and material on the regulation of the capital markets. The Museum is free and accessible worldwide at all times, and is built and exhibited independent of the U.S. Securities and Exchange Commission.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to non-profit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions. Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.
- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as revenue without donor restrictions when the assets are placed in service.

The financial statements include certain prior year summarized comparative information in total but not by net asset class; such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Society's financial statements for the year ended December 31, 2024, from which the summarized information was derived.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

The Society considers all cash and other highly liquid investments with initial maturities of three months or less to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") up to a limit of \$250,000. At times during the year, the Society maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

Investments

Investments are recorded at their readily determinable fair value. Interest, dividends, realized and unrealized gains and losses are included in investment return, which is presented net of investment expenses paid to external investment advisors, in the accompanying Statement of Activities and Change in Net Assets.

Investments acquired by gift, such as donated securities, are recorded at their fair value at the date of the gift. The Society's policy is to liquidate all gifts of investments as soon as possible after the gift.

Contributions Receivable

Contributions receivable are recorded at their net realizable value, which approximates fair value. Management considers all amounts to be fully collectable within one year. Accordingly, an allowance for doubtful accounts has not been established.

Fixed Assets

Fixed assets in excess of \$1,500 are capitalized and stated at cost. Fixed assets are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years. The cost of maintenance and repairs is recorded as expenses are incurred. None of the fixed assets purchased during the year were placed in service as of December 31, 2025. Accordingly, there was no depreciation and amortization expense recognized.

Impairment of Long-Lived Assets

Management reviews asset carrying amounts whenever events or circumstances indicate that such carrying amounts may not be recoverable. When considered impaired, the carrying amount of the assets is reduced to its current fair value, and a loss is reported in accompanying Statement of Activities and Change in Net Assets.

Income Taxes

The Society is exempt from Federal income tax under Section 501(a) of the Internal Revenue Code ("IRC"), as an organization described in IRC Section 501(c)(3). Accordingly, no provision for income taxes has been made in the accompanying financial statements. The Society is not a private foundation.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Support from Grants and Contributions

The Society receives grants and contributions, including unconditional promises to give. Contributions are recognized in the appropriate category of net assets in the period received. The Society performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

Support from contributions is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions. Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying financial statements.

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. However, the Society had no refundable advances as of December 31, 2025.

In addition, the Society may obtain funding source agreements related to conditional contributions, which will be received in future years. However, the Society had no conditional contributions to be received in future years as of December 31, 2025.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the Society's programs and supporting services have been summarized on a functional basis in the Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses directly attributed to a specific functional area are reported as direct expenses within that functional area and expenses that benefited more than one functional area, such as personnel costs, were allocated based on estimated time and effort.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

1. Summary of Significant Accounting Policies (Continued)

Risks and Uncertainties

The Society invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying financial statements.

2. Investments and Fair Value Measurements

In accordance with FASB ASC 820, *Fair Value Measurement*, the Society has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument. Investments recorded in the accompanying Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

Level 1. These are investments where values are based on unadjusted quoted prices for identical assets in an active market the Society has the ability to access.

Level 2. These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

Level 3. These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2025. Transfers between levels are recorded at the end of the reporting period, if applicable.

- *Exchange-Traded Funds* - The fair value is equal to the reported net asset value of the fund, which is the price at which additional shares can be obtained.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by the Society are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily value and to transact at that price. Mutual funds held by the Society are deemed to be actively traded.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

2. Investments and Fair Value Measurements (Continued)

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2025:

	Level 1	Level 2	Level 3	Total
Investments:				
Mutual funds:				
Equity	\$ 124,373	\$ -	\$ -	\$ 124,373
Fixed Income	611,925	-	-	611,925
Total mutual funds	736,298	-	-	736,298
Exchange-traded funds:				
Equity	434,074	-	-	434,074
Fixed income	169,742	-	-	169,742
Total exchange-traded funds	603,816	-	-	603,816
Total Investments	\$ 1,340,114	\$ -	\$ -	\$ 1,340,114

Net investment return consisted of the following for the year ended December 31, 2025:

Interest and dividends	\$ 53,568
Unrealized gain	90,911
Investment expenses provided by external investment advisors	(12,613)
Net Investment Return	\$ 131,866

3. Virtual Museum and Archive Collection

The Society has capitalized the collection of the Virtual Museum and Archive since the Museum's inception in March 2002.

As of December 31, 2025, the Museum collection totaled 10,982 primary materials: papers, photos, oral histories, programs, film, radio and television media, timeline developments, gallery essays and exhibits. No materials were de-accessioned from the collection in 2025.

For the year ended December 31, 2025, the costs to utilize outside vendors in building the collection of the Virtual Museum and Archive totaled \$53,822. As of December 31, 2025, the accumulated costs incurred in building the Virtual Museum and Archive totaled \$2,691,532.

The Society periodically reviews the carrying value of the Virtual Museum and Archive collection and perform a qualitative impairment analysis. During the year ended December 31, 2025, the assessment concluded that no impairment provision was deemed necessary.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

4. Board Designated Net Assets

In 2006, the Board of Trustees of the Society established a \$500,000 Board designated fund to assure continuation of the Society. During 2017, the Society decreased the appropriation by \$100,000 for use in operations. The value of this fund as of December 31, 2025 was \$551,296.

In 2016, the Board of Trustees of the Society established a \$500,000 Board designated fund restricted for the Virtual Museum and Archive. The value of this fund as of December 31, 2025 was \$816,766.

The total amount of Board designated funds is \$1,368,062. The funds are comprised of mutual funds and exchange-traded funds totaling \$1,340,114, and money market funds totaling \$27,948 which are included in investments and cash and cash equivalents, in the accompanying Statement of Financial Position.

5. Net Assets with Donor Restrictions

Net assets with donor restrictions consist of the following as of December 31, 2025:

Subject to expenditure for specified purpose:

Gallery on Corporate Disclosure	\$ 50,000
Gallery on Regional Offices	25,000
Oral Histories	2,500
Total Net Assets with Donor Restrictions	\$ 77,500

The following net assets with donor restrictions were released from donor restrictions either by incurring expenses which satisfied the restricted purposes specified by the donors or through the passage of time during the year ended December 31, 2025:

Purpose restrictions accomplished:

Office of General Counsel	\$ 20,000
Oral Histories	6,000
Contribution for Chicago Reception	4,000
Municipal Securities Rulemaking Board (MSRB)	4,000
Total Net Assets Released from Donor Restrictions	\$ 34,000

6. Liquidity and Availability

The Society has a policy to structure its financial assets to be available and liquid as its obligations become due. In general, cash is available to meet the upcoming year's needs for general expenditures. In addition, the Society has Board designated net assets without donor restrictions that were established by the Board of Trustees that may be drawn upon in the event of financial distress or an immediate liquidity need.

Securities and Exchange Commission Historical Society

Notes to Financial Statements

December 31, 2025

6. Liquidity and Availability (Continued)

Financial assets available for use for general expenditures within one year of the Statement of Financial Position date comprise the following as of December 31, 2025:

Cash and cash equivalents	\$ 260,852
Investments	1,340,114
Contributions receivable	102,125
Subtotal financial assets available within one year	<u>1,703,091</u>
Less: Donor-restricted funds	(77,500)
Less: Board designated funds	(1,368,062)
Financial Assets Available for Use Within One Year	<u><u>\$ 257,529</u></u>

7. Lease Commitments

The Society had an operating lease for a virtual office space in Washington, D.C., which expires on July 31, 2026, with a monthly rent of \$80. Occupancy expense for the year ended December 31, 2025 totaled \$1,070.

8. Savings Plan

The Society maintains a Savings Plan (the Plan) under Section 403(b) of the Internal Revenue Code for its employees. The Society makes matching contributions of 100% of elected employee deferrals up to a maximum of \$10,000. There is no minimum service requirement for participation in the Plan.

Employees are 100% vested upon entry into the Plan. For the year ended December 31, 2025, contributions to the Plan totaled \$10,385 and is included in Benefits and payroll taxes in the accompanying Statement of Functional Expenses.

9. Subsequent Events

In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through May 22, 2026, the date the financial statements were issued.