2014 Annual Report
The 2014 Annual Report includes the narrative of activities, list of donors and audited financial statements of the Securities and Exchange Commission Historical Society from January 1 through December 31, 2014.

Carla L. Rosati, CFRE, Editor
Donald Norwood Design, Design and Publication
Photos by Donovan Marks Photography, Scavone Photography and from the virtual museum and archive at www.sechistorical.org

Securities and Exchange Commission Historical Society

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Matnita A. Green, Office Manager – Bookkeeper

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VISIT THE VIRTUAL MUSEUM AND ARCHIVE AT WWW.SECHISTORICAL.ORG.

December 31, 2014

Dear Friends:

My fellow trustees of the SEC Historical Society and I are proud to share with you this 2014 Annual Report, including a narrative of our work this year, the audited financial statements of our activities, and recognition of our donors in 2014.

I commend to you the following Report from Carla Rosati, our Executive Director and founder of the virtual museum and archive of the history of financial regulation at www.sechistorical.org, on the phenomenal growth and outreach of the museum this year. The museum not only set new records in visitors and use, but also inaugurated important new sponsorships in programs, Features and Galleries; and laid the groundwork for exciting new initiatives for the coming years. In December, we launched The Center for Audit Quality Gallery on Corporate Governance, which is already getting strong and sustained attention from museum visitors. We continue to be mindful of the consistent, trusted and valued service that the museum offers to all of us.

This year marks the 15th anniversary of the founding of the Society in 1999. The Board of Trustees has begun to plan strategy for the Society going forward, to provide a sound future for both the organization and for the virtual museum and archive. In this effort, we thank the participation of the Board of Advisors and of the Trustees Emeritus — our former colleagues on the Board of Trustees — in helping to determine the next decades of our work.

In the midst of on-going financial challenges for many non-profit organizations, the Society continues to grow and thrive, thanks in large part to the continued generosity of the many individuals and organizations whose gifts and grants are acknowledged in this Annual Report. The audited financial statements are a witness to the care we take in stewardship of the funds we receive.

My fellow trustees and I remain grateful for your participation and support.

Sincerely,

W. Hardy Callcott

2014-15 President
Last year, the virtual museum and archive of the history of financial regulation at www.sechistorical.org attracted just under 600,000 visitors. This year, the museum welcomed the same number – and a million more!

www.sechistorical.org served a phenomenal 1,642,204 users in 2014, affirming – as the 2012 fair market value study found – that the virtual museum and archive is the premier, trusted and permanent online resource of the history of financial regulation. Just twelve years since its founding, the museum is now firmly established as the preeminent source for trusted and verified information and materials on the regulation of the capital markets.

Behind every statistic are persons like you. Museum visitors this year included regulators from federal, state and municipal agencies, with a growing number from international agencies; self-regulators; practitioners from corporations and law, accounting and auditing, and financial services firms; and professors and students in law, business and economics. Each day, visitors accessed over 8,800 materials, well in excess of the museum collection’s current total of 7,000 materials.

These numbers demonstrate the necessity of keeping the museum collection accessible at all times. But it also requires us to build and enhance the information available each year. In 2014, the virtual museum and archive made significant additions to its collection and outreach.

This year marked the debut of The Experts Forum: FTI Consulting | Compass Lexecon, our new economics program series, with the November 6th inaugural broadcast, examining Dodd-Frank, derivatives and
structured finance. We are grateful for the generous support of FTI Consulting and Compass Lexecon in sponsoring this annual broadcast, discussing cutting edge issues at the intersection of finance, economics and regulation.

On October 8th, the tenth Deloitte Fireside Chat was broadcast, addressing financial reporting. Deloitte LLP has sustained its generous sponsorship since 2009 to make possible these interactive programs on current issues in financial regulation of interest to the accounting and auditing professions.

The Bingham Presents series has provided quality broadcasts on current issues in financial regulation of interest to the legal profession since 2009, and this year’s program on September 15th – examining current issues in broker-dealer enforcement – was a strong addition to the series. We are grateful to Morgan Lewis & Bockius LLP for continuing sponsorship of the series for 2015, and look forward to the broadcast of Morgan Lewis Presents 2015 next September.

Oral Histories – always a well-used section of the museum – was enhanced this year with over a dozen interviews conducted for the building of The Municipal Securities Rulemaking Board Gallery on Municipal Securities Regulation, to open in 2015 in recognition of the MSRB’s 40th anniversary. James Brigagliano was the subject of the inaugural Sidley Austin interview, as part of Sidley Austin LLP’s multi-year sponsorship commitment to preserve the remembrances of persons significant to financial regulation.

Features, on the front page of www.sechistorical.org each month, are an important part of museum access and outreach, in highlighting materials on a subject or anniversary in financial regulation. Morrison & Foerster LLP debuted its sponsorship of the August Back to School Feature this year, and – following the Feature’s success – renewed its sponsorship through 2016. The museum also provided Features on the 20th anniversary of “pay to play” regulation, the 75th anniversary of the founding of the National Association of Securities Dealers, Inc. (now FINRA), and the 80th anniversary of the Securities Exchange Act of 1934 and the establishment of the U.S. Securities and Exchange Commission.

2014 ended with the opening of The Center for Audit Quality Gallery on Corporate Governance, the museum’s 12th permanent Gallery, bringing together materials from throughout the collection, linked together through the framework essay prepared by curators Dr. Kenneth Durr and Robert K.D. Colby of History Associates, Inc. This Gallery was made possible through the generous support of the Center for Audit Quality, honoring Robert J. Kueppers for his significant contributions to the public company auditing profession and for his leadership and dedication to the mission of the Center for Audit Quality.

We worked during the year to prepare two Galleries to open in 2015: The Open Door: Roles of Women in Securities Regulation Gallery in May, and The Municipal Securities Rulemaking Board Gallery on Municipal Securities Regulation in December. We began planning for the 2016 Gallery on the role of the executive branch of government in financial regulation, beginning with research within the newly-opened archives of the George W. Bush Presidential Library.

This year, we began preparations for new accession and activities in 2015 and beyond. The Committee of Sponsoring Organizations of the Treadway Commission (COSO) will partner with the museum to commemorate
Soon after the founding of the virtual museum and archive in 2002, we recognized that it was fulfilling a need that we did not know existed: the need for trusted information and materials from verified sources, integrating knowledge from across the spectrum of financial regulation, and harnessing the power of the Internet to make it free and available worldwide at all times. The virtual museum and archive is now an integral agent of transparency and disclosure within financial regulation.

Going forward, our goal is to preserve the integrity and independence of the virtual museum and archive for all. We look forward to your sustained friendship and support to make possible the lasting growth and outreach of www.sechistorical.org.

Carla L. Rosati, CFRE
December 31, 2014
In Support of the Museum and Society in 2014

The SEC Historical Society thanks the following donors for their support of our work from January 1, 2014 through December 31, 2014. Donors with $ designated their contributions for the virtual museum and archive at www.sechistorical.org.

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Center for Audit Quality $
Committee of Sponsoring Organizations of the Treadway Commission (COSO) $
Deloitte LLP $
FTI Consulting and Compass $
Lexecon $
Morgan Lewis & Bockius LLP $

Municipal Securities Rulemaking Board $
The Sidley Austin Foundation $

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1943 SEC Chairman Ganson Purcell (right) at SEC War Loan Drive
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INDEPENDENT AUDITOR’S REPORT
To the Board of Trustees
Securities and Exchange Commission Historical Society
Washington, D.C.
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, 2014, 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.

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

Auditor’s Responsibility
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

Management also expresses its responsibility for the design and implementation of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Society as of December 31, 2014, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information
We have previously audited the Society’s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 19, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Gelman, Rosenberg & Freedman
March 18, 2015
### Statement of Activities and Change in Net Assets

*For the year ended December 31, 2014 with summarized financial information for 2013*

<table>
<thead>
<tr>
<th></th>
<th>2014 unrestricted</th>
<th>2014 restricted</th>
<th>2014 total</th>
<th>2013 unrestricted</th>
<th>2013 restricted</th>
<th>2013 total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUE</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions</td>
<td>$ 541,538</td>
<td>$ 87,025</td>
<td>$ 628,563</td>
<td>$ 951,538</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Interest and investment income (Note 2)</td>
<td>20,470</td>
<td></td>
<td>20,470</td>
<td>11,980</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets released from donor restrictions (Note 5)</td>
<td>225,152</td>
<td>(225,152)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td>787,160</td>
<td>(138,127)</td>
<td>649,033</td>
<td>963,518</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>EXPENSES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Program Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Virtual Museum and Archive</td>
<td>468,946</td>
<td></td>
<td>468,946</td>
<td>449,045</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supporting Services:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General and Administrative</td>
<td>74,960</td>
<td></td>
<td>74,960</td>
<td>65,906</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development and Fundraising</td>
<td>7,616</td>
<td></td>
<td>7,616</td>
<td>29,399</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total supporting services</strong></td>
<td>82,576</td>
<td></td>
<td>82,576</td>
<td>95,305</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Total expenses</strong></td>
<td>551,522</td>
<td></td>
<td>551,522</td>
<td>544,350</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>235,638</td>
<td>(138,127)</td>
<td>97,511</td>
<td>419,168</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net assets at beginning of year</td>
<td>2,991,405</td>
<td>415,152</td>
<td>3,406,557</td>
<td>2,987,389</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>NET ASSETS AT END OF YEAR</strong></td>
<td>$ 3,227,043</td>
<td>$ 277,025</td>
<td>$ 3,504,068</td>
<td>$ 3,406,557</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Statement of Functional Expenses

*For the year ended December 31, 2014 with summarized financial information for 2013*

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Virtual Museum and Archive</td>
<td>General and Administrative</td>
<td>Development and Fundraising</td>
<td>Total Supporting Services</td>
</tr>
<tr>
<td>Salaries</td>
<td>$ 224,134</td>
<td>$ 39,266</td>
<td>$ —</td>
<td>$ 39,266</td>
</tr>
<tr>
<td>Benefits (Note 8)</td>
<td>85,581</td>
<td>14,993</td>
<td></td>
<td>14,993</td>
</tr>
<tr>
<td>Printing and production</td>
<td>6,937</td>
<td>3,466</td>
<td></td>
<td>3,466</td>
</tr>
<tr>
<td>Professional fees</td>
<td>—</td>
<td>18,598</td>
<td>3,723</td>
<td>22,321</td>
</tr>
<tr>
<td>Occupancy (Note 6)</td>
<td>—</td>
<td>88,548</td>
<td></td>
<td>88,548</td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>—</td>
<td>912</td>
<td></td>
<td>912</td>
</tr>
<tr>
<td>Telephone</td>
<td>8,930</td>
<td>9,381</td>
<td>1,271</td>
<td>10,652</td>
</tr>
<tr>
<td>Travel</td>
<td>7,729</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Postage and delivery</td>
<td>1,599</td>
<td>2,568</td>
<td>1,262</td>
<td>3,830</td>
</tr>
<tr>
<td>Supplies</td>
<td>1,366</td>
<td>1,752</td>
<td></td>
<td>1,752</td>
</tr>
<tr>
<td>Events and meetings</td>
<td>5,025</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Museum maintenance</td>
<td>9,486</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Equipment expenses</td>
<td>—</td>
<td>—</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal</td>
<td>350,787</td>
<td>193,119</td>
<td>7,616</td>
<td>200,735</td>
</tr>
<tr>
<td>Allocation of general and</td>
<td>118,159</td>
<td>(118,159)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>administrative</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>$ 468,946</td>
<td>$ 74,960</td>
<td>$ 7,616</td>
<td>$ 82,576</td>
</tr>
</tbody>
</table>
1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

Organization
The Securities and Exchange Commission Historical Society (the Society) is a 501(c)(3) nonprofit 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 operated the following program in 2014:

Virtual Museum and Archive:
The Virtual Museum and Archive serves as the premier, trusted and permanent resource of the history of financial regulation. The museum is built and exhibited 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 operated the following program in 2014:

Basis of presentation
The accompanying financial statements are presented on the accrual basis of accounting, and in accordance with FASB ASC 958, Not-for-Profit Entities.

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, 2013, from which the summarized information was derived.

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. Realized and unrealized gains and losses are included in interest and investment income in the Statement of Activities and Change in net Assets.

Grants and contributions receivable
Grants and contributions receivable are recorded at their net realizable value, which approximates fair value. Grants and contributions receivable that are expected to be collected in future years are recorded at their fair value, measured as the present value of their future cash flows. The discounts on these amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in grants and contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met. Management considers all amounts to be fully collectible. Accordingly, an allowance for doubtful accounts has not been established. All grants and contributions receivable are expected to be collected within two years.

Statement of Cash Flows
For the year ended December 31, 2014 with summarized financial information for 2013

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Change in net assets</td>
<td>$ 97,511</td>
<td>$ 419,168</td>
</tr>
<tr>
<td>Adjustments to reconcile change in net assets to net cash provided by operating activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Depreciation and amortization</td>
<td>912</td>
<td>912</td>
</tr>
<tr>
<td>Unrealized (gain) loss on investments</td>
<td>(8,415)</td>
<td>786</td>
</tr>
<tr>
<td>(Increase) decrease in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants and contributions receivable</td>
<td>131,052</td>
<td>(212,652)</td>
</tr>
<tr>
<td>Prepaid expenses</td>
<td>(3,381)</td>
<td>1,190</td>
</tr>
<tr>
<td>Deferred rent abatement</td>
<td>4,230</td>
<td>(4,230)</td>
</tr>
<tr>
<td>Increase (decrease) in:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Accounts payable and accrued liabilities</td>
<td>(7,420)</td>
<td>(4,253)</td>
</tr>
<tr>
<td>Deferred rent abatement</td>
<td>—</td>
<td>1,227</td>
</tr>
<tr>
<td>Net cash provided by operating activities</td>
<td>214,489</td>
<td>202,148</td>
</tr>
</tbody>
</table>

**CASH FLOWS FROM INVESTING ACTIVITIES**

<table>
<thead>
<tr>
<th></th>
<th>2014</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Purchase of investments</td>
<td>(400,000)</td>
<td>(499,656)</td>
</tr>
<tr>
<td>Proceeds from maturity of investments</td>
<td>451,131</td>
<td>600,000</td>
</tr>
<tr>
<td>Accession of virtual museum and archive collections</td>
<td>(164,832)</td>
<td>(216,084)</td>
</tr>
<tr>
<td>Net cash used by investing activities</td>
<td>(113,701)</td>
<td>(115,740)</td>
</tr>
<tr>
<td>Net increase in cash and cash equivalents</td>
<td>100,788</td>
<td>86,408</td>
</tr>
<tr>
<td>Cash and cash equivalents at beginning of year</td>
<td>589,331</td>
<td>502,923</td>
</tr>
<tr>
<td><strong>CASH AND CASH EQUIVALENTS AT END OF YEAR</strong></td>
<td>$ 690,119</td>
<td>$ 389,331</td>
</tr>
</tbody>
</table>

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ties 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 materi-
ally affect the amounts reported in the accompanying financial statements.

Fair value measurement
The Society adopted the provisions of FASB ASC 820, Fair Value Measure-
ment. FASB ASC 820 defines fair value, establishes a framework for mea-
suring fair value, establishes a fair value hierarchy based on the quality of
inputs (assumptions that market participants would use in pricing assets
and liabilities, including assumptions about risk) used to measure fair
value, and enhances disclosure requirements for fair value measurement.
The Society accounts for a significant portion of its financial instruments
at fair value or considers fair value in their measurement.

2. INVESTMENTS
Investments consisted of the following at December 31, 2014:

<table>
<thead>
<tr>
<th></th>
<th>COST</th>
<th>MARKET VALUE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Certificates of Deposit</td>
<td>$400,000</td>
<td>$400,281</td>
</tr>
<tr>
<td>Corporate Bonds</td>
<td>209,201</td>
<td>215,594</td>
</tr>
<tr>
<td>Exchange-Traded Funds</td>
<td>99,657</td>
<td>117,872</td>
</tr>
<tr>
<td><strong>TOTAL INVESTMENTS</strong></td>
<td><strong>$708,948</strong></td>
<td><strong>$733,747</strong></td>
</tr>
</tbody>
</table>

Included in interest and investment income for the year ended December
31, 2014 are the following:

- Interest: $12,225
- Unrealized gain: 8,415

**TOTAL INTEREST AND INVESTMENT INCOME** $20,470

3. GRANTS AND CONTRIBUTIONS RECEIVABLE
As of December 31, 2014, contributors to the Society have made written
promises to give totaling $234,575. Grants due in more than one year have
been recorded at the present value of the estimated cash flows, using a dis-
count rate of 3.25%.

Grants are due as follows at December 31, 2014:

| Less than one year | $154,575 |
| One to five years  | 80,000   |
| **Total**          | 234,575  |
| **Less: Allowance to discount balance to present value** | (-2,975) |

**GRANTS RECEIVABLE** $231,600

4. TEMPORARILY RESTRICTED NET ASSETS
Temporarily restricted net assets consisted of the following at December
31, 2014:

- Municipal Securities Rulemaking Board: $50,000
- Deloitte LLP: 49,213
- FTI Consulting: 49,213
- W. Hardy Callcott: 43,599
- Bingham McCutchen LLP (now Morgan, Lewis & Bockius LLP): 25,000
- Committee of Sponsoring Organizations of Treadway Commission: 25,000
- Sidley Austin LLP: 20,000
- Morrison & Foerster LLP: 10,000
- Time restricted: 5,000

**TOTAL TEMPORARILY RESTRICTED NET ASSETS** $277,025
5. NET ASSETS RELEASED FROM RESTRICTIONS
The following temporarily restricted net assets were released from donor restrictions by incurring expenses, which satisfied the restricted purposes specified by the donors or the passage of time:

- Municipal Securities Rulemaking Board: $48,426
- Deloitte LLP: 22,664
- FTI Consulting: 22,664
- W. Hardy Callcott: 5,000
- Bingham McCutchen LLP (now Morgan, Lewis & Bockius LLP): 24,213
- Sidley Austin LLP: 9,685
- Morrison & Foerster LLP: 5,000
- Center for Audit Quality: 50,000
- Ernst & Young LLP: 30,000
- Time restricted: 7,500

**TOTAL NET ASSETS RELEASED FROM RESTRICTIONS** $225,152

6. LEASE COMMITMENT
The Society entered into a 36-month lease that began on October 1, 2010, with a base rent of $5,630 per month, plus a pro-rata share of operating expenses and any increase in real estate taxes and assessments over amounts stipulated in the lease agreement, increasing by a factor of 8% per year. On June 17, 2013, the Society extended the lease for another 48 months, with a base rent of $6,830 per month, increasing by a factor of 4% per year. Accounting principles generally accepted in the United States of America require that the total rent commitment should be recognized on a straight-line basis over the term of the lease. Accordingly, the difference between the actual monthly payments and the rent expense being recognized for financial statement purposes is recorded as deferred rent abatement in the Statement of Financial Position. Occupancy expense for the year ended December 31, 2014 totaled $88,548. Total future minimum payments under the lease commitment are as follows:

<table>
<thead>
<tr>
<th>Year Ending December 31</th>
<th>$</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>86,091</td>
<td></td>
</tr>
<tr>
<td>2016</td>
<td>89,534</td>
<td></td>
</tr>
<tr>
<td>2017</td>
<td>69,145</td>
<td></td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$244,770</td>
<td></td>
</tr>
</tbody>
</table>

7. 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. On December 31, 2014, the museum collection totaled 7,004 primary materials: papers, photos, oral histories, programs, film, radio and television media; Timeline developments; and Gallery essays. No materials were de-accessioned from the collection in 2014. For the year ended December 31, 2014, costs incurred in building the collection of the Virtual Museum and Archive totaled $164,832. As of December 31, 2014, the accumulated costs incurred in building the Virtual Museum and Archive totaled $1,023,407.

The fair market value of the Virtual Museum and Archive, as of June 30, 2012, was in excess of the carrying value at December 31, 2014.

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 the maximum limits as stipulated by the Internal Revenue Code. Employees are 100% vested upon entry into the Plan. For the year ended December 31, 2014, contributions to the Plan totaled $34,177.

9. BOARD DESIGNATED NET ASSETS
The Board of Trustees of the Society established a $500,000 Board designated fund to assure continuation of the Society. The value of this fund at December 31, 2014 was $734,984. The fund is comprised of certificates of deposit, corporate bonds and exchange-traded funds totaling $734,984 and money funds totaling $1,237, included in investments and cash and cash equivalents, respectively, in the accompanying Statement of Financial Position.

10. FAIR VALUE MEASUREMENT
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 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 at December 31, 2014:

- **Certificates of Deposit** — Generally valued at original cost plus accrued interest, which approximates fair value.
- **Corporate Bonds** — Valued at the closing price reported on the active market in which the individual securities are traded.
- **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.

The table below summarizes, by level within the fair value hierarchy, the Society’s investments as of December 31, 2014:

<table>
<thead>
<tr>
<th>ASSET CLASS</th>
<th>INVESTMENTS</th>
<th>LEVEL 1</th>
<th>LEVEL 2</th>
<th>LEVEL 3</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Certificates of Deposit</td>
<td>$ —</td>
<td>$ 400,281</td>
<td>$ —</td>
<td>$ 400,281</td>
</tr>
<tr>
<td></td>
<td>Corporate Bonds</td>
<td>215,594</td>
<td>—</td>
<td>—</td>
<td>215,594</td>
</tr>
<tr>
<td></td>
<td>Exchange-Traded Funds</td>
<td>117,872</td>
<td>—</td>
<td>—</td>
<td>117,872</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$ 333,466</td>
<td>$ 400,281</td>
<td>$ —</td>
<td>$ 734,984</td>
<td></td>
</tr>
</tbody>
</table>

11. SUBSEQUENT EVENTS
In preparing these financial statements, the Society has evaluated events and transactions for potential recognition or disclosure through March 18, 2015, the date the financial statements were issued.
Building the Museum Collection

The SEC Historical Society thanks the following donors of material to the collection of the virtual museum and archive at www.sechistorical.org in 2014:

James Brigagliano
Timothy Burke
George W. Bush Presidential Library
Jimmy Carter Presidential Library
Andrew Ceresney
Stacy Chittick
David Clapp
William J. Clinton Presidential Library
J. Michael Cook
Christopher Culp
Maud Smith Daudon
Thomas Doe
Dorsey & Whitney LLP
Kenneth Durr
Financial Accounting Foundation Library
FINRA
Jill Fisch
Gerald R. Ford Presidential Library
Cynthia Fornelli
Mahlon and Joan Frankhauser
Angela Goelzer
Elaine Greenberg
Eric Grossman
Martha Mahan Haines
Margaret Henry
Keith Higgins
Stuart Kaswell
Lynnette Kelly
Jason Kravitt
Ernesto Lanza
Craig Lewis
Library of Congress
Paul Maco
David Martin
Municipal Securities Rulemaking Board
National Archives and Records Administration
Lawrence Newman
Leslie Norwood
NYSE Euronext Archives
John Okray
John Olson
James Overdahl
Mark Pecher
Robert Dean Pope
Prelinger Archives

Ronald Reagan Presidential Library
Eric Roiter
Richard Roberts
Peter Romeo
Franklin Delano Roosevelt Presidential Library
David Ruder
Joaquin Sena
Marianne Smythe

June 5, 2014 Ice cream social celebrating the U.S. Securities and Exchange Commission’s 80th anniversary

Christopher Taylor
William Thomas
Joseph Ucuzoglu
U.S. Securities and Exchange Commission
Elisse Walter
Washington State Archives
Ann Yerger