

**BRITISHAMERICAN BUSINESS, INC.
OF NEW YORK & LONDON
(A Not-For-Profit Organization)**



BritishAmericanBusiness

**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended June 30, 2024 and 2023

**BRITISHAMERICAN BUSINESS, INC.
OF NEW YORK & LONDON**

YEARS ENDED JUNE 30, 2024 AND 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
BritishAmerican Business, Inc.
of New York & London
New York, NY

Opinion

We have audited the financial statements of BritishAmerican Business, Inc. of New York & London ("BritishAmerican Business" or the "Organization"), which comprise the statements of financial position as of June 30, 2024 and 2023, and the related statements of activities and change in net assets, 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 Organization as of June 30, 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 in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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 Organization's ability to continue as a going concern for one year after the date that the financial statements are issued.

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Auditors' 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 auditors' 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 audits.
- 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 audits 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 Organization'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 Organization'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.

CBIZ CPAs P.C.¹

Philadelphia, Pennsylvania
October 22, 2024

¹In certain jurisdictions, CBIZ CPAs P.C. operates under its previous name, Mayer Hoffman McCann P.C.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2024 AND 2023

ASSETS

	2024	2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,818,037	\$ 1,438,451
Accounts receivable, less allowances for doubtful accounts of \$21,955 and \$18,154 for 2024 and 2023, respectively	542,248	626,671
Short-term investments	1,056,354	1,297,518
Prepaid expenses	178,615	189,999
Total Current Assets	3,595,254	3,552,639
PROPERTY AND EQUIPMENT, NET	21,267	15,433
OPERATING LEASE RIGHT-OF-USE ASSETS	556,508	562,606
SECURITY DEPOSIT	21,106	21,106
Total Assets	\$ 4,194,135	\$ 4,151,784

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 554,113	\$ 626,110
Unearned income	1,443,141	1,343,421
Current portion of lease liabilities	205,444	132,409
Total Current Liabilities	2,202,698	2,101,940
OPERATING LEASE LIABILITIES, NET OF CURRENT PORTION	364,322	435,806
Total Liabilities	2,567,020	2,537,746
NET ASSETS		
Without donor restrictions	1,627,115	1,614,038
Total Liabilities and Net Assets	\$ 4,194,135	\$ 4,151,784

See notes to financial statements.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
PROGRAM REVENUE		
Membership	\$ 2,117,851	\$ 1,943,701
Fundraising (net of cost of direct benefits to donors of \$563,670 and \$518,368 for 2024 and 2023, respectively)	1,678,974	1,646,210
External relations (net of expenses of \$26,876 and \$20,029 for 2024 and 2023, respectively)	(11,701)	5,946
Other income and expenses (net of expenses of \$13,478 \$1,214 for 2024 and 2023, respectively)	143,322	124,176
	3,928,446	3,720,033
OPERATING EXPENSES		
Personnel costs	2,908,811	2,740,335
Occupancy costs	261,884	236,359
Office expenses and supplies	78,055	40,698
Traveling and meeting expenses	269,027	224,127
Other memberships	9,709	13,752
Other administrative costs	228,763	223,251
Information technology	155,576	130,482
	3,911,825	3,609,004
CHANGE IN NET ASSETS		
BEFORE (LOSS) GAIN ON FOREIGN CURRENCY TRANSLATION, AND REALIZED AND UNREALIZED GAIN (LOSS) ON SHORT-TERM INVESTMENTS	16,621	111,029
(LOSS) GAIN ON FOREIGN CURRENCY TRANSLATION	(6,113)	17,313
REALIZED AND UNREALIZED GAIN (LOSS) ON SHORT-TERM INVESTMENTS	2,569	(15,942)
	(3,544)	1,371
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTIONS	13,077	112,400
NET ASSETS - Beginning of year	1,614,038	1,501,638
NET ASSETS - End of year	\$ 1,627,115	\$ 1,614,038

See notes to financial statements.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 13,077	\$ 112,400
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	10,043	16,720
(Gain) Loss on short-term investments	(2,569)	15,942
Noncash lease expense	195,091	149,112
Bad debt expense	4,077	18,968
Changes in operating assets and liabilities:		
Accounts receivable	80,346	(72,586)
Prepaid expenses	11,378	(6,502)
Accounts payable and accrued expenses	(71,997)	27,507
Unearned income	99,720	39,828
Operating lease liabilities	(187,436)	(144,353)
	151,730	157,036
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of equipment	(15,877)	(16,920)
Proceeds from sale of investments	243,733	216,377
	227,856	199,457
NET INCREASE IN CASH AND CASH EQUIVALENTS		
	379,586	356,493
CASH AND CASH EQUIVALENTS		
Beginning of year	1,438,451	1,081,958
End of year	\$ 1,818,037	\$ 1,438,451
Supplemental disclosure of cash flow information		
Cash paid for the amounts included in the measurement of the lease liabilities		
Operating cash flows from operating leases	\$ 220,347	\$ 212,799

See notes to financial statements.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

1. ORGANIZATION AND NATURE OF BUSINESS

BritishAmerican Business, Inc. of New York & London ("BritishAmerican Business" or the "Organization") has grown to become the leading transatlantic business organization dedicated to helping companies connect and build their businesses on both sides of the Atlantic.

In support of its mission, BritishAmerican Business provides its members with a comprehensive offering of events, publications, data and networking opportunities. BritishAmerican Business employs a staff of 22 and maintains offices in New York and London.

BritishAmerican Business is incorporated in Delaware and is a non-profit organization under Section 501(c)(6) of the Internal Revenue Code and is exempt from U.S. federal income tax. Additionally, the Organization has been confirmed as a non-profit entity by His Majesty's Revenue and Customs in the United Kingdom.

BritishAmerican Business' assets held in the London office totaled \$1,355,800 and \$1,070,423 at June 30, 2024 and 2023, respectively, and net program revenues earned by the London office were \$1,375,732 and \$1,268,214 the for years ended June 30, 2024 and 2023, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

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 ("U.S. GAAP"). Under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2016-14, (Topic 958) *Not-for-Profit Entities, Presentation of Financial Statements of Not-for-Profit Entities*, the Organization reports information regarding its financial position and activities according to two classes of net assets: with donor restrictions and without donor restrictions.

Net assets with donor restrictions – Net assets whose use by the Organization has been limited by donors to a specific time period or purpose. As of June 30, 2024 and 2023, there were no donor restrictions on the Organization's net assets.

Net assets without donor restrictions – Net assets that are available to support operations and whose use is not externally restricted.

Foreign Currency Translation

BritishAmerican Business' financial statements include the United States and United Kingdom offices. The United States Dollar and the British Pound Sterling are the functional currencies for the respective offices.

The financial statements of the United Kingdom office are maintained in British Pound Sterling and are translated into the United States Dollar for these financial statements using exchange rates as follows:

1. Statements of financial position accounts at period end rate;
2. Statements of activities accounts using a weighted average rate.

Resulting gains or (losses) from translating the financial statements of the United Kingdom are recorded on the Statements of Activities and Change in Net Assets and amounted to (\$6,113) and \$17,313 for the years ended June 30, 2024 and 2023, respectively.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

BritishAmerican Business considers all highly liquid debt instruments with maturities of less than three months and money market funds to be cash equivalents. At June 30, 2024 and 2023, \$1,022,946 and \$862,147, respectively, are in deposit accounts in its primary bank in New York and \$795,091 and \$576,304, respectively, are in deposit accounts in its primary bank in London. As of January 1, 2013, the U.S. Federal Deposit Insurance Corporation ("FDIC") provides insurance coverage of all U.S. bank accounts up to \$250,000. The uninsured balances at June 30, 2024 and 2023 were \$1,565,212 and \$1,177,925, respectively.

Investments

Investments are carried at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the period in which they occur, and investment income is recognized as revenue in the period earned. Fair value measurements are based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy provides observable and unobservable inputs used to measure fair value into three levels as described in Note 7.

Property and Equipment

Property and equipment are carried at cost less accumulated depreciation and amortization. Depreciation and amortization of property and equipment is provided by a straight-line method over their estimated useful lives as indicated in Note 5.

Revenue Recognition and Allowance for Credit Losses

Membership dues are recorded as unearned income when received and are recognized as income over the period of membership (12-24 months). Revenue received from BritishAmerican Business events is recognized in the period the event is held. Some membership fees are derived through barter of services. As the amounts are not material and it is difficult and subjective to establish fair value, they have not been reflected in these financial statements.

BritishAmerican Business records an allowance for credit losses for all receivables not expected to be collected. BritishAmerican Business generally does not require collateral. BritishAmerican Business evaluates the collectability of its accounts receivable based on a combination of factors. When BritishAmerican Business is aware of a member's inability to meet its financial obligations (e.g., bankruptcy filings), BritishAmerican Business records a specific reserve for credit losses against amounts due. For all other instances, BritishAmerican Business recognizes reserves based on historical experience and review of the individual accounts outstanding.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized by natural classification in the statements of activities. The disclosure of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Functional Allocation of Expenses (Continued)

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, depreciation and amortization, which are allocated on a square footage basis, as well as salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, interest, insurance and other, which are allocated on the basis of estimates and effort.

Income Taxes

The Organization follows FASB Accounting Standards Codification (“ASC”) Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions. The Organization has determined that it has no uncertain tax positions that require either recognition or disclosure in the financial statements. The Organization has not incurred any expenses related to income tax penalties or interest charges. It is management's policy to charge these expenses to operations when assessed.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures at the date of the financial statements. Actual results may differ from said estimates.

Leases

The Organization accounts for its leases pursuant to ASC 842 *Leases*, which requires the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position for operating leases. Under the standard, the disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

The Organization elected the available practical expedients to account for the existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain leases under the new standard, (b) whether the classification of capital leases or operating leases would be different in accordance with the new guidance, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in the new guidance at lease commencement.

The Organization also elected another available practical expedient. The Organization elected to use a risk-free discount rate for the initial and subsequent measurement of the lease liability when the rate implicit in the lease is not readily available.

The Company leases office space (see Note 8). The Company determines if an arrangement is a lease at the lease's inception. The operating leases are included in operating lease ROU assets and operating lease liabilities on the statements of financial position at June 30, 2024 and 2023.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements

On July 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses, (Topic 326): Measurement of Credit Losses on Financial Instruments* (ASC 326). This standard replaced the incurred loss methodology with an expected loss methodology that is referred to as the Current Expected Credit Loss (“CECL”) methodology. CECL requires an estimate of credit losses for the remaining estimated life of the financial asset using historical experience, current condition, and reasonable and supportable forecasts and generally applies to financial assets measured at amortized cost which will be presented at the net amount expected to be collected by using an allowance for credit losses.

The Organization adopted ASC 326 and all related subsequent amendments thereto effective July 1, 2023, using the modified retrospective approach for all financial assets measured at amortized costs. The adoption had no effect on the change in net assets as previously reported.

3. LIQUIDITY

At June 30, the financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date comprise the following:

	2024	2023
Cash and cash equivalents	\$ 1,818,037	\$ 1,438,451
Accounts receivable, net	542,248	626,671
Short-term investments	1,056,354	1,297,518
	\$ 3,416,639	\$ 3,362,640

As part of the Organization’s liquidity management plan, the Organization invests cash in excess of daily requirements in short-term investments, CDs, and money market funds. Occasionally, the Board designates a portion of any operating surplus to its operating reserve, the balance of which was \$0 and \$72,000 as of June 30, 2024 and 2023, respectively.

4. ACCOUNTS RECEIVABLE, NET

Accounts receivable, net consist of the following as of June 30:

	2024	2023
Membership	\$ 409,591	\$ 530,528
Events	114,899	107,300
Other	39,713	6,997
	564,203	644,825
Less: Allowance for credit losses	21,955	18,154
	\$ 542,248	\$ 626,671

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

5. PROPERTY AND EQUIPMENT, NET

Property and equipment, net consist of the following as of June 30:

	<u>2024</u>	<u>2023</u>	Estimated Lives
Computer/copier equipment	\$ 368,361	\$ 362,245	2-5 years
Computer software	140,377	140,377	3 years
Association management system	37,116	37,116	5 years
Office equipment	470,181	460,420	3-5 years
Furniture and fixtures	96,791	96,791	5-7 years
Leasehold improvements	<u>67,218</u>	<u>67,218</u>	Life of lease
	1,180,044	1,164,167	
Less: accumulated depreciation and amortization	<u>1,158,777</u>	<u>1,148,734</u>	
	<u>\$ 21,267</u>	<u>\$ 15,433</u>	

Depreciation and amortization expense amounted to \$10,043 and \$16,720 for the fiscal years ended June 30, 2024 and 2023, respectively.

6. PENSION PLANS

BritishAmerican Business' United States office has a 401(k) Defined Contribution Plan, which covers all eligible employees. Contributions to the plan are both employer and employee funded. Employees may contribute to the plan, up to the maximum permitted by law. Additionally, the employer makes contributions based on a formula approved by the Board, which is 3% of eligible earnings for each of the years ended June 30, 2024 and 2023. Employer contributions to the plan were \$31,513 and \$31,764 for the years ended June 30, 2024 and 2023, respectively.

BritishAmerican Business' United Kingdom office offers a personal stakeholder pension to all employees. Employees may contribute to the plan up to the maximum permitted by law. During the years ended June 30, 2024 and 2023, the employer contributed 7.5% - 15% of the eligible earnings, amounting to \$46,293 and \$39,513, respectively.

These expenses are included in payroll taxes and employee benefits in the Classification of Expenses schedules disclosed in Note 9.

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

7. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

Level 2 - Inputs to the valuation methodology include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the assets or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value. There have been no changes in the methodology used at June 30, 2024 or 2023.

Mutual Funds:

Mutual funds are valued at the daily closing price as reported by the fund. Mutual funds held by BritishAmerican Business are open-end mutual funds that are registered with the Securities and Exchange Commission. These funds are required to publish their daily Net Asset Value and to transact at that price. The mutual funds held by BritishAmerican Business are deemed to be actively traded.

The following table sets forth by level, within the fair value hierarchy, BritishAmerican Business' investments at fair value as of June 30, 2024 and 2023, respectively.

	Level 1	Level 2	Level 3	2024 Total
Mutual Funds	\$ 1,056,354	\$ -	\$ -	\$ 1,056,354
	Level 1	Level 2	Level 3	2023 Total
Mutual Funds	\$ 1,297,518	\$ -	\$ -	\$ 1,297,518

Net appreciation from the Organization's investments in mutual funds for the year ended June 30, 2024 was \$2,569, and net depreciation from the Organization's investments in mutual funds for the year ended June 30, 2023 was \$15,942. BritishAmerican Business' investments earned interest and dividends of \$64,079 and \$43,480 for the years ended June 30, 2024 and 2023, respectively. These amounts are reported in other income and expenses.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

8. COMMITMENTS AND CONTINGENCIES

Leases

BritishAmerican Business' office in New York leases office space under an operating lease agreement which is set to expire on June 30, 2028. As of June 30, 2023, BritishAmerican Business' office in London leased two office spaces, which expired in the year ended June 30, 2024. In October 2023, BritishAmerican Business' office in London entered into a new operating lease for office space which is set to expire on September 30, 2025. As disclosed in Note 2, the Organization accounts for operating leases under FASB ASC 842. The leases were accounted for at the beginning of the period of adoption (July 1, 2022).

Other information related to leases was as follows as of June 30, 2024:

Weighted Average Remaining Lease Term	
Operating leases	3.35 years
Weighted Average Discount Rate	
Operating leases	3.41%

Right-of-use asset consisted of the following at June 30, 2024:

Right-of-use asset recognized as of June 30, 2023	\$ 562,606
Add: ROU asset obtained in exchange for new lease liability in October 2023	188,993
Less: amortization expense during the year ended June 30, 2024	<u>(195,091)</u>
Right-of-use assets, net of accumulated amortization, June 30, 2024	<u>\$ 556,508</u>

Future approximate minimum lease payments under non-cancellable operating leases as of June 30, 2024 were as follows:

<u>Fiscal Years Ending June 30,</u>	
2025	\$ 221,140
2026	141,870
2027	117,223
2028	<u>120,740</u>
Total minimum lease payments	600,973
Less imputed interest	<u>31,207</u>
Present value of lease liabilities	569,766
Less: Current portion of lease liabilities	<u>205,444</u>
Long-term portion of lease liabilities	<u>\$ 364,322</u>

Lease expense is included in occupancy costs in the functional expenses (see Note 9) for the years ended June 30, 2024 and 2023, and amounted to \$228,002 and \$217,297, respectively.

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

9. CLASSIFICATION OF EXPENSES

The statements of activities disclose expenses by natural classification. The classification of expenses for the year ended June 30, 2024 by function is as follows:

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Supporting Services</u>		<u>2024 Total</u>
	<u>Membership</u>	<u>External Relations</u>	<u>Other Expenses</u>		<u>Fundraising</u>	<u>Management and General</u>	
Salaries and Related Costs:							
Salaries	\$ 297,140	\$ 324,153	\$ 54,025	\$ 675,318	\$ 189,089	\$ 1,212,521	\$ 2,076,928
Payroll taxes and employee benefits	115,788	126,315	21,053	263,156	73,684	472,493	809,333
Total Salaries and Related Costs	412,928	450,468	75,078	938,474	262,773	1,685,014	2,886,261
Other Personnel costs	7,517	7,516	-	15,033	7,517	-	22,550
Occupancy costs	65,471	71,423	11,904	148,798	41,663	71,423	261,884
Office expense and supplies	19,514	21,288	3,547	44,349	12,418	21,288	78,055
Travel and meeting expenses	-	-	-	-	-	269,027	269,027
Other memberships	-	-	-	-	-	9,709	9,709
Professional fees	32,537	35,494	5,916	73,947	20,705	35,494	130,146
Catering, food and entertainment	-	26,876	13,478	40,354	563,670	-	604,024
Bank charges	-	-	-	-	-	43,696	43,696
Miscellaneous	-	-	-	-	-	14,785	14,785
Depreciation and amortization	2,510	2,739	457	5,706	1,598	2,739	10,043
Bad debt	2,039	-	-	2,039	2,038	-	4,077
Insurance	-	-	-	-	-	26,016	26,016
Information technology	38,894	42,429	7,072	88,395	24,751	42,430	155,576
Total Operating Expenses	581,410	658,233	117,452	1,357,095	937,133	2,221,621	4,515,849
Expenses attributable to revenue	-	(26,876)	(13,478)	(40,354)	(563,670)	-	(604,024)
Total Functional Expenses	\$ 581,410	\$ 631,357	\$ 103,974	\$ 1,316,741	\$ 373,463	\$ 2,221,621	\$ 3,911,825

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

9. CLASSIFICATION OF EXPENSES (Continued)

The statements of activities disclose expenses by natural classification. The classification of expenses for the year ended June 30, 2023 by function is as follows:

	<u>Program Services</u>			<u>Total Program Services</u>	<u>Supporting Services</u>		<u>2023 Total</u>
	<u>Membership</u>	<u>External Relations</u>	<u>Other Expenses</u>		<u>Fundraising</u>	<u>Management and General</u>	
Salaries and Related Costs:							
Salaries	\$ 329,026	\$ 253,098	\$ 50,620	\$ 632,744	\$ 227,788	\$ 1,085,931	\$ 1,946,463
Payroll taxes and employee benefits	127,569	98,130	19,626	245,325	88,317	421,033	754,675
Total Salaries and Related Costs	456,595	351,228	70,246	878,069	316,105	1,506,964	2,701,138
Other Personnel costs	13,066	13,065	-	26,131	13,066	-	39,197
Occupancy costs	66,797	51,382	10,276	128,455	46,244	61,660	236,359
Office expense and supplies	11,502	8,847	1,769	22,118	7,963	10,617	40,698
Travel and meeting expenses	-	-	-	-	-	224,127	224,127
Other memberships	-	-	-	-	-	13,752	13,752
Professional fees	29,646	22,805	4,561	57,012	20,524	27,365	104,901
Catering, food and entertainment	-	20,029	1,214	21,243	518,368	-	539,611
Bank charges	-	-	-	-	-	34,416	34,416
Miscellaneous	-	-	-	-	-	26,925	26,925
Depreciation and amortization	4,725	3,635	727	9,087	3,272	4,361	16,720
Bad debt	9,484	-	-	9,484	9,484	-	18,968
Insurance	-	-	-	-	-	21,321	21,321
Information technology	36,875	28,366	5,673	70,914	25,528	34,040	130,482
Total Operating Expenses	628,690	499,357	94,466	1,222,513	960,554	1,965,548	4,148,615
Expenses attributable to revenue	-	(20,029)	(1,214)	(21,243)	(518,368)	-	(539,611)
Total Functional Expenses	<u>\$ 628,690</u>	<u>\$ 479,328</u>	<u>\$ 93,252</u>	<u>\$ 1,201,270</u>	<u>\$ 442,186</u>	<u>\$ 1,965,548</u>	<u>\$ 3,609,004</u>

BRITISHAMERICAN BUSINESS, INC. OF NEW YORK & LONDON
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2024 AND 2023

10. SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through October 22, 2024, the date the financial statements were available to be issued.