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**BOARD OF GOVERNORS
MEETING MINUTES
24 November 2009
Conference Call**

Notice: 24 November 2009

Governors Present: Saeed Al-Hajeri, CFA Daniel S. Meader, CFA
Mark J.P. Anson, CFA Alan M. Meder, CFA
Kay Ryan Booth John D. Rogers, CFA
Pierre Cardon, CFA Jane Shao, CFA
Margaret E. Franklin, CFA Roger Urwin
Samuel B. Jones, Jr., CFA Thomas B. Welch, CFA (Chair)
Stanley G. Lee, CFA Charles J. Yang, CFA
Jeffrey D. Lorenzen, CFA

Governor Absent: Brian D. Singer, CFA

Presidents Council

Representatives

Present: Richard A. Clemens, CFA Ralph Lehman, CFA
Sharon Criswell, CFA John Robert Pugh, Jr., CFA
Thomas Joski, CFA Nanci Morris, CFA
Attila Koksál, CFA Mohammad Shoaib, CFA

Also Present: Joseph P. Lange, Corporate Secretary, Office of General Counsel, CFA Institute
Timothy G. McLaughlin, CFA, CPA, Managing Director and Chief Financial Officer, Finance and Corporate Support, CFA Institute
Thomas R. Robinson, CFA, Managing Director, Education Division, CFA Institute

Materials

Distributed

Prior to Meeting: Meeting Agenda
Draft FY2009 Management Discussion and Analysis
Draft CFA Institute Consolidated Financial Statements as of 31 August 2009 and 2008
Draft Research Foundation of CFA Institute Consolidated Financial Statement as of 31 August 2009 and 2008

Meeting Chair: Thomas B. Welch, CFA

Meeting Secretary: Joseph P. Lange

Audit Report and Audited Financial Statements

The chair of the Audit and Risk Committee, Kay Booth, provided an overview of the Audit Report and consolidated financials of CFA Institute and the Research Foundation for fiscal year 2009. PricewaterhouseCoppers (PwC) presented a very thorough report and updated the Committee on key risks and procedures they performed. The Board should be pleased to note there was good corporation between PwC and management. There were no objections or modifications and management fulfilled all responsibilities. In reviewing the five risks identified all were clean. The biggest change this year was in regards to defer revenue investments with FAS 157, which were all at Level I of the CFA Program.

The CFO, Tim McLaughlin, CFA, provided context to the financials and described the audit. As previously noted, it was a clean audit with no adjustments to the numbers which meant the numbers that were forecasted in July were materially the same and the numbers provided in October were exactly the same. There were no disagreements with management, no reportable conditions, and no control points. PwC did have a couple of management recommendations that were basically addressed during the audit. Next year, there were some simple audit process improvements planned to lesson resource constraints in finance and providing things to PwC in a more logical manner.

There are two sets of audited financial statements, one was for CFA Institute proper and the other was for the 501(c)(3) Research Foundation. The Committee recently spent four plus hours going line by line through the statements. The CFO gave a characterization of the larger numbers in the statement of financial position and statement of activity to the Board.

It was noted that CFA Institute publishes its audited financial statements, as well as, the Annual Report within 90 days of close of the fiscal year. Newer timelines that the SEC has laid out would put organizations like CFA Institute to publish within 60 days next year. So another improvement will be to implement this new timeline. It was stated that nothing in U.S. regulations or GAP requires CFA Institute as a not-for-profit to have audited financial statements; however, because of global best practice this organization does adhere to such publication and timelines.

Booth commented that PwC was impressed with the transparency and footnoting and cited several times how they wished their larger companies would have the depth and transparency that CFA Institute provides.

Board proceeded to discuss and ask questions on the financials. It was noted that the organization voluntarily complies with all sections of Sarbanes Oxley except for two. The CFO highlighted an emerging issue with IFRS and clarified points in the management, discussion and analysis wording with regards to risk and U.S. tax laws on charitable contributions for the 11 September Memorial Fund. The following resolution was unanimously approved.

RESOLVED, that the Board of Governors approve the Audit Report and accompanying audited financial statements for the fiscal year ending 31 August 2009 substantially in the form presented at this meeting.

House Keeping Matters

The chair of the Board, Tom Welch, CFA, commented on the feedback received from governors on Board agenda topics to be addressed throughout the year. It was noted that the Seoul agenda had several big issues to discuss and he reminded everyone that there would be Board teleconferences on 16 December and 14 January.

The president and CEO, John Rogers, CFA, explained that next year marks the 20th anniversary of the coming together of the CFA Institute, Financial Analysts Federation, and Institute of Chartered Financial Analysts. To commemorate the event, there will be a dinner held with the first board of the organization in New York on 13 January.

Welch recently was able to formally recognize past governor T.K. Yap, CFA, for his service and contributions over the years to CFA Institute.

At this time, the meeting was adjourned.

Respectfully submitted,

Joseph P. Lange
Corporate Secretary

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