NFA

Celebrating 40 years of self-regulation

1982-2022

2022 ANNUAL REVIEW

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Acronym Key

BASIC	Background Affiliation Status Information Center
Board	NFA's Board of Directors
CFTC	Commodity Futures Trading Commission
CPO	Commodity Pool Operator
CTA	Commodity Trading Advisor
DCCPA	Digital Commodities Consumer Protection Act
FCM	Futures Commission Merchant
FDM	Forex Dealer Member
FIA	Futures Industry Association
IB	Introducing Broker
IOSCO	International Organization of Securities Commissions
MSP	Major Swap Participant
ORS	Online Registration System
OTC	Over-the-counter
SD	Swap Dealer
SEC	Securities and Exchange Commission
SEF	Swap Execution Facility

"NFA staff continually shows a steadfast commitment to protecting investors, promoting market integrity and ensuring Members comply with their regulatory responsibilities."

Maureen C. Downs
NFA Chair

A Letter from NFA's Chair

Dear NFA Member,

NFA opened its doors in 1982 with a small staff of dedicated, experienced individuals committed to strengthening the integrity of the futures markets and protecting investors. During our first years, NFA staff focused strictly on exchange-traded futures and the regulation of futures intermediaries, developing programs and services necessary to fulfill our congressionally mandated regulatory responsibilities. Working closely with the CFTC, NFA significantly reduced the number of "problem firms" and "rogue brokers" in the futures industry. More than four decades later, NFA and the futures markets continue to grow and expand. These markets are a thriving, integral part of the global economy, reflecting the investing public's confidence in the integrity of these institutions.

Historically, Congress and the CFTC continually entrusted NFA with additional responsibilities. Most notably, NFA developed rules and regulatory programs to oversee the OTC retail forex markets in the early 2000s and SDs after the enactment of the U.S. Dodd-Frank Wall Street Reform and Consumer Protection Act in 2010. Since 2017, NFA has addressed its Members' activities in digital assets by issuing investor advisories on virtual currency futures and implementing disclosure and reporting requirements for NFA Members engaging in virtual currency products—both derivatives and spot market transactions. NFA staff continually shows a steadfast commitment to protecting investors, promoting market integrity and ensuring Members comply with their regulatory responsibilities.

NFA fulfills its important oversight responsibilities through its primary functions. Accomplishments in the core areas of registration, rulemaking, monitoring members, enforcement, investor protection and education, market regulation and dispute resolution are highlighted throughout this Annual Review. I am proud of NFA staff's successes in these crucial areas.

A Letter from NFA's Chair (cont.)

NFA's Organizing Committee and senior leadership established guiding principles to define the way we do business and contribute to NFA's success. These guiding principles and other key attributes are highlighted throughout this Annual Review. One of the most important attributes is rigorous CFTC oversight. Given the important role that NFA plays in the U.S. financial regulatory structure, the CFTC closely reviews and monitors our activities to ensure NFA is fulfilling its regulatory responsibilities.

We recognize that NFA and the CFTC are valued regulatory partners. During this fiscal year, a number of significant transitions took place at the CFTC. The Senate confirmed Rostin (Russ) Behnam to serve as CFTC Chair in January 2022 and confirmed Christy Goldsmith Romero, Kristin N. Johnson, Summer K. Mersinger and Caroline D. Pham to serve as CFTC Commissioners in March 2022. We look forward to collaborating with the CFTC under Chair Behnam's leadership and a full commission on the important issues facing our industry.

NFA established a sound reputation for excellence over the past four decades, but we still have much to do. In today's rapidly changing global marketplace, the need for effective and efficient regulation is greater than ever. The future will be filled with many challenges. The introduction of new products, new market participants, new exchanges and new technology will undoubtedly give NFA the opportunity to demonstrate the many ways in which we can further enhance market integrity and protect investors. I am confident NFA staff have the experience and expertise to meet whatever regulatory challenges may arise. The Board of Directors will continue to support NFA's leadership and staff to ensure NFA continues to deliver on its important regulatory mission for the next 40 years and beyond.

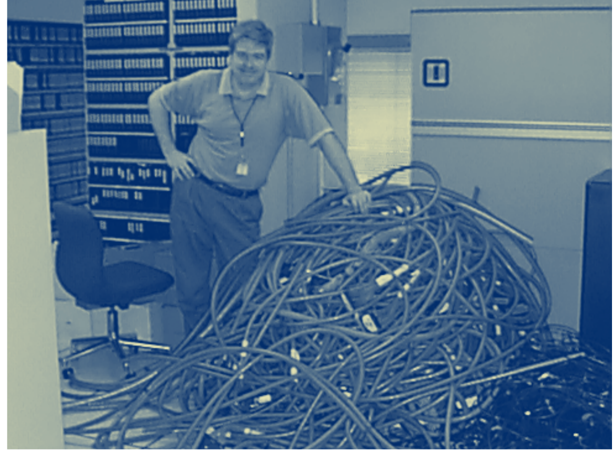
Sincerely,
Maureen C. Downs
NFA Chair

Left to right: Howard Stotler, Warren Lebeck, John Conheeney, Leo Melamed, Les Rosenthal, David Johnston and George D.F. Lamborn.

1982-2022
40TH
ANNIVERSARY

In 1974, Congress authorized the creation of registered futures associations in the Commodity Futures Trading Commission Act, giving the derivatives industry the opportunity to create a self-regulatory organization.

As a result, Leo Melamed, former CME Group Chairman and NFA's Permanent Special Advisor, generated support from other futures industry leaders to establish the NFA Organizing Committee in 1976. The seven-person Committee developed articles of incorporation for a private sector, self-funding and self-regulating organization pursuant to Title III of the Commodity Futures Trading Commission Act. In February 1977, the CFTC heard the Committee's proposal and, five days later, announced that it "endorses the concept of cooperative regulation and considers the NFA proposal to be a valuable first step toward implementing the purposes of Title III."



1982-2022
40TH
ANNIVERSARY

The creation of NFA was a historic event—one that gave the futures industry the regulatory framework on which its markets could continue to grow and succeed. This new regulatory concept brought all futures industry participants under one regulatory umbrella with the help of mandatory membership.

Robert K. Wilmouth became NFA's first President and CEO and Melamed its first Chairman. NFA's dedicated, experienced staff built a solid foundation for the organization and developed an innovative regulatory oversight program to oversee the growing futures industry. Today, NFA's diverse workforce continues to work diligently to fulfill its important regulatory mission.

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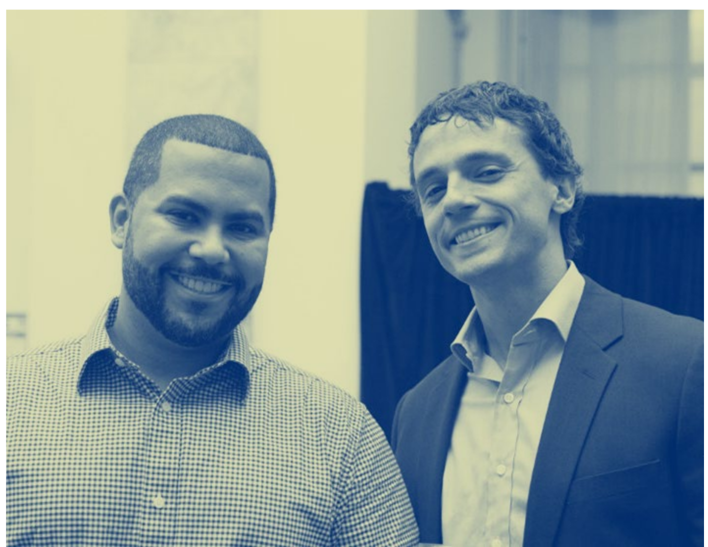
ANNIVERSARY

In the 40 years since its establishment, NFA's responsibilities have grown beyond futures. FDMs, as well as CPOs, CTAs and IBs now register with the CFTC and must become NFA Members. Similarly, the CFTC passed regulations requiring SDs and MSPs to register with the CFTC and become NFA Members.

"NFA is the showcase of what the self-regulatory world can do. That showcase was built on integrity. That's NFA, and that's their reputation. Without integrity we have nothing."

Leo Melamed
Chairman Emeritus
CME Group, Inc.



1982-2022

40TH

ANNIVERSARY

NFA celebrated its 40th anniversary with staff in Chicago and New York. Staff gathered with the Board of Directors, certain alumni and retirees to honor past achievements and look towards the future.

Thanks to the guidance of the Board of Directors, Executive Committee and Advisory Committees, as well as the dedication of leadership and staff, NFA is well-positioned for its next chapter. While it is unclear where recent industry developments like digital assets, sustainability products and retail product offerings will lead, NFA's mission will continue to guide all aspects of the organization's work for decades to come.

Registration

The CFTC has a long history of delegating and assigning regulatory responsibilities to NFA. Over thirty years ago, the CFTC formally delegated the entire registration function to NFA. NFA's responsibilities have expanded to include new registration categories, most notably retail foreign exchange dealers and swap dealers. NFA's Registration department rigorously screens NFA Members using a combination of thorough background checks, substantive proficiency requirements and risk-based reviews of firm policies, procedures and financials. When appropriate, NFA has the authority to deny or revoke registrations.

Over twenty years ago, NFA launched ORS, providing the futures industry with an efficient, cost-effective method of fulfilling an essential regulatory obligation. For example, the system issues temporary licenses to eligible applicants as soon as applications are filed, allowing qualified firms and individuals to begin conducting business more quickly. The system also serves as an electronic registration recordkeeper, resulting in significant cost savings related to storage and record retrieval. Although it continues to evolve, ORS is still in use today and is one of NFA's most critical systems.

In 1985, NFA inaugurated its Information Center, a team dedicated exclusively to providing information and assistance to industry participants, other regulatory and enforcement agencies and the general public. Every business day, NFA's talented Information Center staff answer numerous calls and emails from NFA Members and the investing public. They guide applicants through the registration process, help investors conduct background checks on industry firms and individuals and clarify regulatory requirements for NFA Members. Though technology continues to evolve, NFA's Information Center staff continue to provide a uniquely personal touch.

In 2020, NFA launched its swaps proficiency requirements program to ensure that individuals engaged in swaps activities are fit to conduct swaps-related business. NFA established a Swaps Proficiency Requirements Advisory Committee, composed of industry experts who consulted and assisted staff with the development and implementation of the requirements. NFA staff worked closely with the CFTC, NFA's Board, NFA Members and relevant trade associations to ensure a successful program launch. Since 2020, nearly 60,000 individuals have satisfied these requirements.

> *"In requiring digital commodity brokers, dealers, and custodians to join a registered futures association, the DCCPA acknowledges the key role that self-regulatory organizations, like the National Futures Association, play in safeguarding the integrity of markets."*

Rostin Behnam
CFTC Chairman
Statement before the Senate Committee on Agriculture, Nutrition, and Forestry

1985
INFORMATION CENTER

↓

2002
ORS

↓

2020
SWAPS PROFICIENCY REQUIREMENTS PROGRAM

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BY THE NUMBERS

Registrations granted over 40 year history

Firms

Over 30,000

Individuals

About 500,000

Temporary Licenses

Close to 300,000

Calls answered over 40 year history by NFA's Information Center

Over 2.5 million

Rulemaking, Oversight and Enforcement

RULEMAKING

The essence of self-regulation involves identifying industry best practices in certain areas and mandating those practices for the entire industry. NFA Members are involved in all aspects of the rulemaking process. When NFA identifies an issue or area that may require additional rulemaking, it works with its Member Advisory Committees, industry trade associations and the CFTC to develop appropriate rule proposals. NFA then presents those rule proposals to its Board of Directors, which consists of both Member and Public Directors. All rule changes approved by the Board are subject to CFTC approval.

Since its establishment, NFA has adopted rules relating to promotional material, cybersecurity, discretionary accounts, supervision, recordkeeping and more. NFA's numerous rules have significantly enhanced its ability to safeguard customers and market integrity. There are more examples than space available in this Annual Review, so only a few significant highlights will be detailed in this section.

In the early 1990s, NFA established rigorous telemarketing rules to address boiler room high-pressure and deceptive sales practices. These enhanced supervisory requirements were specifically designed to not only punish bad actors engaged in deceptive trading abuses but also to prevent abusive practices.

In the early 2000s, NFA acted swiftly to implement retail forex rules to protect retail customers and ensure market integrity. These rules addressed sales practices, supervision, disclosures, reporting, financial requirements and trading practices.

In the early 2010s, NFA adopted rules for SDs when the CFTC required these entities to be NFA Members.

In 2016, NFA recognized the significant risks associated with cyberattacks and developed an Interpretive Notice requiring Members to create and implement an information systems security program and notify NFA of certain cybersecurity incidents.

In 2017, NFA established reporting and disclosure requirements for Members when several futures exchanges announced plans to offer crypto products.

OVERSIGHT

NFA's rules are only as strong as its ability to monitor Members' adherence to them. NFA's largest departments are devoted to evaluating Members' compliance with both NFA rules and CFTC regulations.

As noted in the rulemaking highlights, NFA's oversight role has evolved to address new risks, new products, new technologies and new Member categories. NFA oversees its Members using a variety of tools such as examinations, financial surveillance, customer complaint reviews, trading data reviews, segregated customer funds confirmations, website monitoring, swap dealer margin model oversight and many others.

NFA embraces technology to strengthen its monitoring programs. Staff initially used spreadsheets and flow charts but quickly adopted exam software and customized surveillance systems. Today, to allocate NFA's regulatory resources effectively, NFA uses a risk-based approach that utilizes predictive modeling to identify high-risk firms. These models use machine learning and statistical methods. In certain cases, the risk system generates various risk alerts to identify potential areas where data anomalies exist requiring NFA's immediate attention.

Innovation and technology will continue to contribute to NFA's effectiveness as investigations become more complex with the increasing volumes of data sources.

> *"Detecting and combating fraud is central to our mission. We are constantly working to refine and improve regulatory protections."*

Thomas W. Sexton III
NFA President and CEO

Rulemaking, Oversight and Enforcement

ENFORCEMENT

When first authorized by Congress, NFA pledged to enforce industrywide ethical standards. Therefore, in tandem with comprehensive rule development and oversight, NFA created a strong enforcement program to swiftly deal with material rule violations. When appropriate, NFA takes disciplinary actions against its Members.

Historically, NFA's enforcement efforts have focused on serious types of misconduct including Ponzi schemes, improper loans and advances from commodity pools to pool operators and their affiliates, improper trade activity and misleading and high-pressure sales practices, among others. Disciplinary cases are sometimes the culmination of complex and exhaustive investigations spanning multiple years and involving collaboration with the CFTC and other regulators.

NFA regularly meets with the U.S. Attorney's Office, the Federal Bureau of Investigation, the U.S. Postal Inspector's Office, the CFTC, and the Illinois Department of Securities. Over the last several years, NFA's work with these agencies has resulted in significant prison sentences for nearly 30 individuals, including sentences of more than 10 years.

To fulfill its delegated oversight responsibilities, NFA addressed long-standing marketplace issues with new Member categories. The introduction of the FDM category allowed NFA to take disciplinary actions against firms and individuals engaging in abusive price slippage practices and improperly removing profits from retail forex customer accounts. Beginning in 2013, NFA commenced its oversight and enforcement of both NFA rules and CFTC regulations for SDs addressing areas such as margin, risk management, supervision and the chief compliance officer function.

Since its founding, NFA has taken an aggressive stance against fraudulent activity to protect investors and address serious rule violations, imposing penalties ranging from fines to membership expulsions where necessary.

The Oversight and Enforcement Process

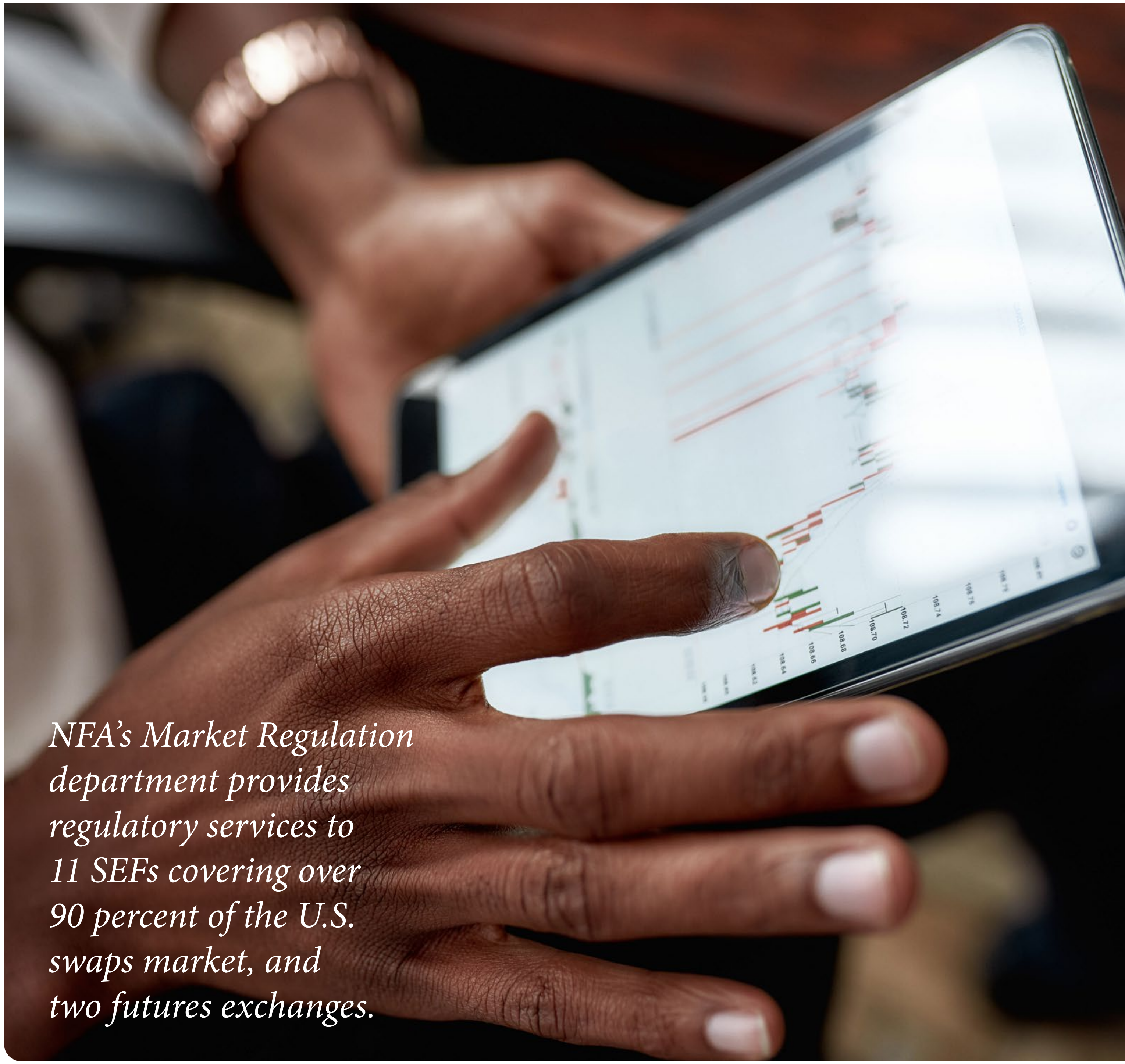
In 2009, an NFA exam revealed a Ponzi scheme of over $500 million dollars. NFA took immediate action by suspending the perpetrators' membership to protect the commodity futures markets, pool participants, customers and other NFA Members. NFA also assisted the CFTC, SEC and federal criminal authorities with their investigations into this matter and the victims of the fraud were able to recover all of their funds totaling over $1 billion. Both defendants in the scheme pled guilty to criminal violations and went to prison.

Market Regulation

In 2001, the CFTC established regulations implementing the Commodity Futures Modernization Act of 2000. The regulations provided for registered futures exchanges to outsource certain functions to a registered futures association. As a result, NFA launched its Market Regulation department to contractually offer and provide regulatory services to futures exchanges seeking to outsource these responsibilities.

About a decade later, the CFTC adopted a set of new regulations implementing the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. Under these regulations, the CFTC required SEFs to register and perform certain surveillance and self-regulatory responsibilities. Due to NFA's successful track record performing similar regulatory services for futures exchanges, many SEFs requested that NFA perform similar functions.

NFA's Market Regulation department provides a menu of regulatory services including trade practice and market surveillance, investigations, audit trail reviews, arbitration and recordkeeping. Today, NFA's Market Regulation department provides regulatory services to 11 SEFs covering over 90 percent of the U.S. swaps market, and two futures exchanges.



Investor Education and Protection

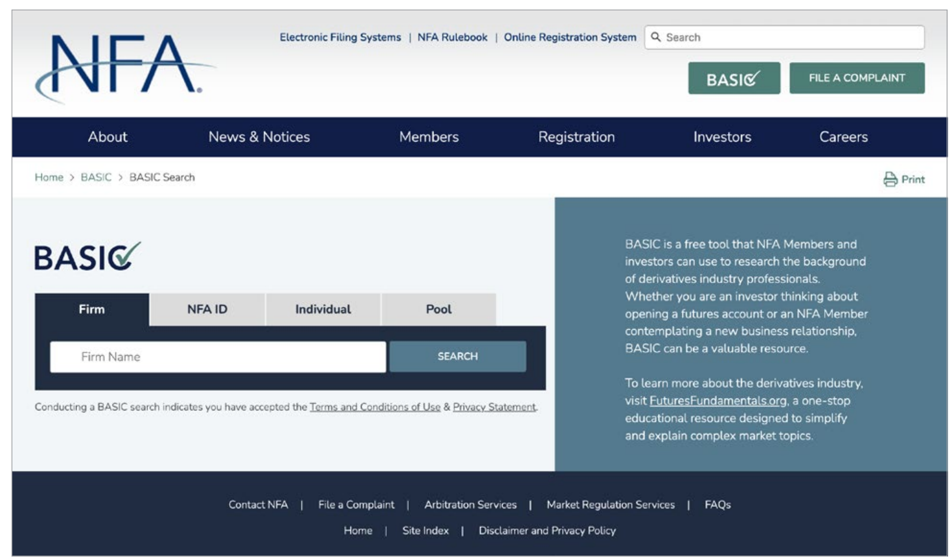
> *"NFA strives to provide people with as much information as possible when conducting their due diligence. We want to ensure that consumers are able to make smart investments, especially when it comes to trusting others with their money."*

Karen K. Wuertz
NFA Senior Vice President,
External Affairs
and Communications

Investor protection is the heart of NFA's mission. NFA believes that investor protection begins with investor education. For forty years, NFA has consistently emphasized the importance of investors learning about the firms and individuals with whom they conduct business prior to making any investment decisions and understanding how the derivatives markets work.

NFA's investor due diligence tools have evolved. In its early days, NFA provided a toll-free phone number for any person to call an NFA Information Center representative for a firm or individual's registration status, disciplinary history and other background information. As technology advanced, NFA developed and implemented its online investor protection tool BASIC. Initially, the system digitally delivered the same disciplinary, background and status information provided by an NFA representative. Since BASIC's 1999 launch, NFA continues to expand the breadth of information. In 2007, NFA added exemption information so users could determine if firms filed applicable exemptions or if a specific commodity pool is exempt from certain registration requirements. In 2012, NFA further expanded the BASIC system to include FCM financial data such as the Net Capital Report, the Customer Segregated Funds Report, the Customer Secured Funds Report and the Cleared Swaps Customer Collateral Report. BASIC continues to be a valuable resource for the investing public and the most frequently accessed resource on NFA's website.

Although technology provides information quickly, it cannot address every specific question or request. Therefore, unlike many organizations that replaced the "helpful person on the phone," NFA maintained its phone line (800-621-3570) staffed by Information Center representatives to help investors perform their due diligence and get them the appropriate resources to file a complaint.



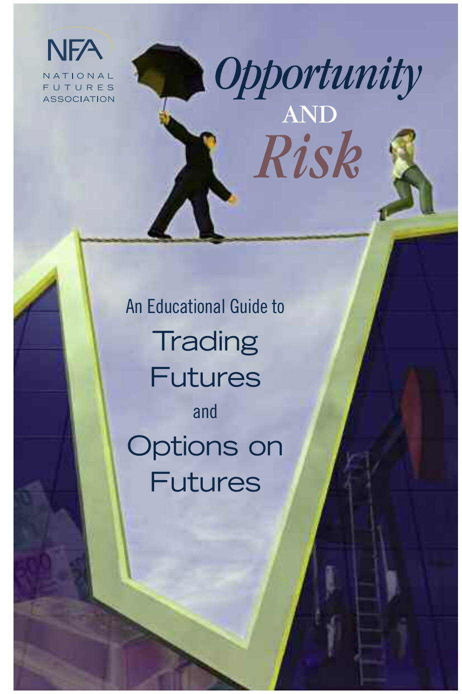
Investor Education and Protection

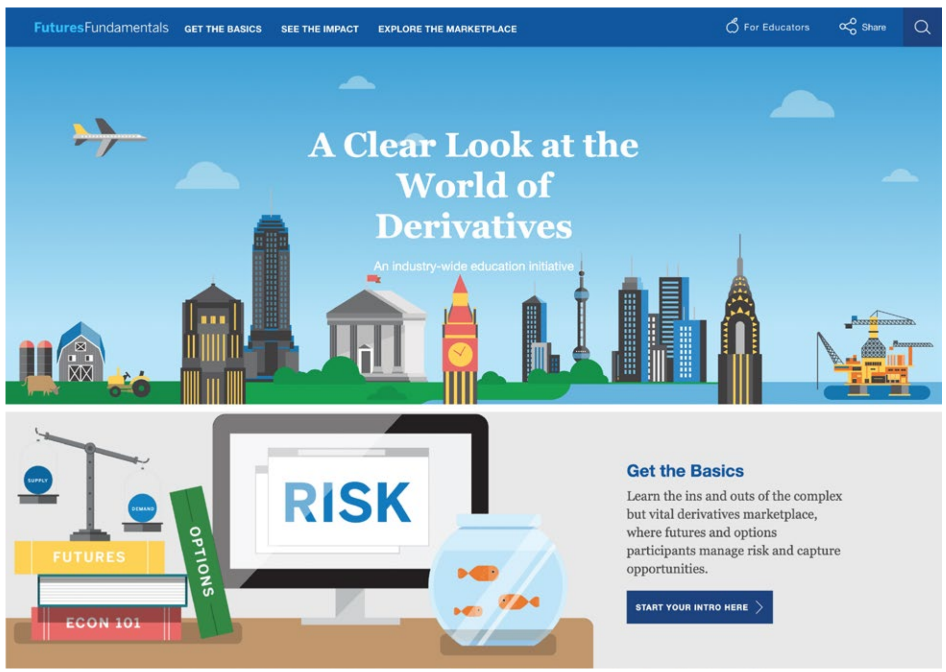
In addition to encouraging and enabling investors to conduct due diligence, NFA has a long history of educating investors by delivering webinars and publishing a variety of print and online investor-directed resources explaining various aspects of the derivatives markets and their associated risks. For example, NFA's Opportunity & Risk resource describes how futures and options on futures contracts are traded and the various ways investors can participate in these markets. Another resource, Scams & Swindles, outlines common characteristics of investment scams and the steps investors can take to avoid them.

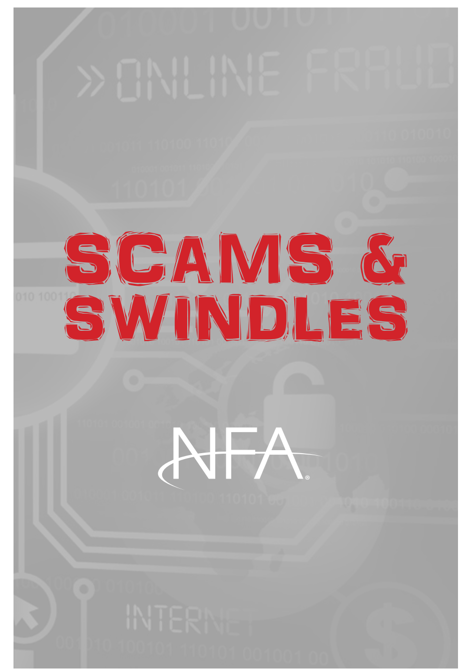
NFA's quarterly investor newsletter contains information on current investor protection initiatives, helpful resources and upcoming events relevant to investors. Investor advisories also remind market participants to complete due diligence before investing. When bitcoin futures launched in 2017, NFA's investor advisory notified the public that these products have certain benefits and various risks and must be traded on regulated futures exchanges. Investors can subscribe to receive NFA's newsletters and investor advisories and access free, archived webinars by visiting [NFA's investor resource pages].

In 2017, NFA joined forces with CME Group, FIA, and the Institute for Financial Markets to establish Futures Fundamentals, an online, one-stop educational resource designed to simplify and explain complex market topics. Through this resource, NFA expanded its educational outreach not only to the investing public but also to educators and students.

NFA always monitors the level of retail participation. As NFA and others have noted, more products are available in the derivatives markets aimed at retail investors. A rise in retail participation may be a trend but NFA protecting customers is not. As long as retail investors are doing business with NFA Members, NFA will work with the CFTC to ensure its Members comply with the numerous and rigorous investor protection measures that have been put in place over the course of its 40 year history.







BY THE NUMBERS

Subscribers to NFA's investor communications

Close to 10,000

Over the life of the restitution program, NFA has returned

approximately $86 million to more than 16,000 individuals.

DISPUTE RESOLUTION

A critical facet of investor protection is providing a forum for investors to resolve disputes. Since NFA's inception in 1983, NFA has offered its dispute resolution program: an inexpensive method for investors to promptly resolve disputes.

RESTITUTION

NFA often serves as a court appointed monitor in CFTC fraud-related enforcement cases. Many of these cases involve non-Members. Because NFA's program charges no administrative fees, fraud victims are returned the maximum amount of money possible.

Legislative and Regulatory Cooperation

Throughout its history, NFA has worked closely with the CFTC, both the House and Senate Agriculture Committees and other regulators by sharing its knowledge and expertise and by taking a leadership role in addressing a wide array of industry regulatory issues.

In 1998, for example, Senate Agriculture Committee Chairman Richard Lugar asked NFA to organize a forum to facilitate an open dialogue on the issues affecting the futures industry. The resulting "Futures, Derivatives and Public Policy Roundtable" represented a broad spectrum of panelists from around the derivatives markets who spoke candidly about the issues facing the industry. The forum provided congressional members and their staff with an opportunity to learn more about the industry and allowed NFA to establish key congressional relationships it maintains today through hearings, testimony and briefings. NFA has testified often, covering topics such as CFTC reauthorization, customer protection issues, SD oversight, cybersecurity, rogue brokers, increased CFTC delegations, retail forex and protecting retail investors. In all its testimony, NFA never wavers from its commitment to market integrity, investor protection and providing the most efficient and effective regulation possible.

Strengthening relationships with other regulators and self-regulatory organizations is also vital to NFA's continued success. For decades, NFA has been actively involved with IOSCO, including a leadership role as Chair of IOSCO's Affiliate Members Consultative Committee. IOSCO is a global regulatory standard-setting body for the derivatives and securities markets. This important membership gives NFA an opportunity to contribute to IOSCO's discussions covering topics such as market fragmentation, outsourcing principles, leverage, retail distribution and digitalization, cybersecurity, investor protection, OTC derivatives reforms and emerging risks.

NFA's frequent interactions with regulatory bodies outside the U.S. have helped NFA fulfill its oversight responsibilities of non-U.S. Members. Over the last several years, NFA has made significant progress to overcome potential obstacles with non-U.S. regulatory bodies to build ongoing coordination and information sharing. With limited exceptions, NFA is now able to effectively conduct exams of all non-U.S. Members and, at a high level, coordinates all aspects of its work with appropriate regulators.

> *"The use of self-regulatory organizations to supplement government regulation is a tried-and-true method that has long been effective in the futures and swaps markets, particularly through the contributions of the National Futures Association (NFA)."*

Dr. Heath Tarbert
Former CFTC Chairman
Statement before the Senate Committee on Agriculture, Nutrition, and Forestry

Board of Directors

Maureen C. Downs*
Chair
Phillip Capital, Inc.

Don Thompson*
Vice-Chair
JPMorgan Chase & Co.

Leo Melamed
Chairman Emeritus
CME Group, Inc.

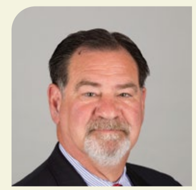
Futures Commission Merchants

Scott Andersen
Head of Listed Derivatives and OTC Clearing
SG Americas Securities LLC

Maria Chiodi
Managing Director and Counsel
Credit Suisse Securities (USA) LLC

Gerald F. Corcoran
CEO
R.J. O'Brien & Associates LLC

Maureen C. Downs*
Phillip Capital, Inc.

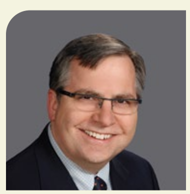


Thomas R. Kadlec*
President
ADM Investor Services, Inc.

Swap Dealers and Major Swap Participants

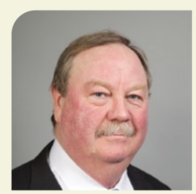
Seth P. Bender*
Senior Vice President and Associate General Counsel
HSBC Bank PLC

Mark L. Maurer
President and CEO
StoneX Markets



William F. McCoy
Managing Director
Morgan Stanley

Charlotte B. McLaughlin
President and CEO
PNC Capital Markets LLC



Don Thompson*
JPMorgan Chase & Co.

*Executive Committee Member

Board of Directors

Commodity Pool Operators and Commodity Trading Advisors

Douglas L. Bry*
President
Augur Trading Company

Ernest L. Jaffarian*
CEO/co-CIO
Efficient Capital Management LLC

Martin Lueck
Research Director
Aspect Capital Limited

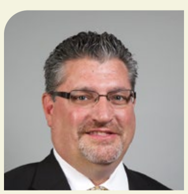
Constance R. Wick
General Counsel & Chief Compliance Officer
Crabel Capital Management LLC

Introducing Brokers

Michael T. Burke*
CEO
HighGround Trading LLC

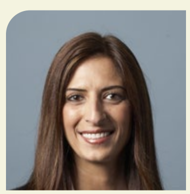
Scott W. Stewart
CEO
Stewart-Peterson Group, Inc.

Contract Markets



Mark G. Bagan*
President and CEO
Minneapolis Grain Exchange

David S. Goone
Chief Strategy Officer
Intercontinental Exchange, Inc.



Julie Holzrichter*
Chief Operating Officer
CME Group, Inc.

*Executive Committee Member

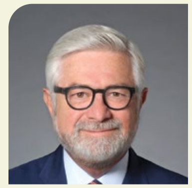
Board of Directors

Public Representatives

Ana Beskin
Chief Information Security Officer
Amazon People Experience and Tech

Michael C. Dawley*
President
BlueFin Partners LLC

Ronald H. Filler
Professor of Law, Emeritus
New York Law School



Arthur W. Hahn*
Chicago, Ill.

Douglas E. Harris
New York, N.Y.

Mary M. McDonnell*
Founder
McDonnell & Associates

Michael H. Moskow*
Vice Chair and Distinguished Fellow
The Chicago Council on Global Affairs

Ronald S. Oppenheimer
Boca Raton, Fla.

Todd E. Petzel*
Chief Investment Officer
Offit Capital Advisors LLC

Michael R. Schaefer
New York, N.Y.

*Executive Committee Member

2022 Financials

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Futures Association

Opinion

We have audited the financial statements of National Futures Association (the "Association"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities 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 Association as of June 30, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association 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 Association's ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Board of Directors
National Futures Association

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association'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 Association'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.

Grant Thornton LLP

Grant Thornton LLP
Chicago, Illinois
November 3, 2022

2022 Financials

NFA: STATEMENTS OF FINANCIAL POSITION
June 30, 2022 and 2021

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

	2022	2021
Assets		
Current assets		
Cash and cash equivalents	$ 23,339,988	$ 33,576,581
Short-term investments	119,165,587	99,440,927
Assessments receivable	6,150,208	5,386,822
Other current assets, net	4,062,385	4,901,208
Total current assets	152,718,168	143,305,538
Furniture, fixtures, equipment, leasehold improvements and software, net	8,193,924	10,128,397
Investments	15,331,716	16,220,156
Other assets	40,271	40,271
Total assets	**$ 176,284,079**	**$ 169,694,362**

Liabilities and Net Assets		
Current liabilities		
Unearned dues and fees	$ 11,220,981	$ 7,512,486
Accounts payable, accrued expenses and other current liabilities	8,373,061	8,419,523
Total current liabilities	19,594,042	15,932,009
Deferred rent credit	482,341	1,268,524
Other long-term liabilities	9,385,392	11,530,685
Total liabilities	29,461,775	28,731,218
Net assets without donor restrictions	146,822,304	140,963,144
Total liabilities and net assets	**$ 176,284,079**	**$ 169,694,362**

2022 Financials

NFA: STATEMENTS OF ACTIVITIES
Years ended June 30, 2022 and 2021

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

	2022	2021
Revenues		
Assessments	$ 66,701,215	$ 56,678,376
Membership dues	46,046,978	42,494,583
Registration and other fees	5,293,549	3,280,438
Regulatory services outsourcing	6,770,000	7,292,150
Investment return, net	(8,633,941)	6,677,998
Total revenues	116,177,801	116,423,545
Expenses		
Salaries, wages and employee benefits	85,351,974	83,204,914
Space rental and related expenses	4,702,220	4,841,698
Travel and meetings	669,584	154,594
Technology expenditures	6,513,675	5,923,376
Depreciation and amortization	5,769,983	6,257,107
Outside consulting fees and services	6,511,284	5,958,114
Supplies, postage and telephone	62,201	151,768
Outside printing and publications	23,112	10,827
Board and committee fees and expenses	627,284	541,750
Insurance, recruiting, education, dues and other	3,418,025	2,769,992
Total expenses	113,649,342	109,814,140
Postretirement benefit changes other than net periodic benefit costs	3,330,701	3 90,278
Change in net assets without donor restrictions	5,859,160	6,999,683
Net assets without donor restrictions at beginning of year	140,963,144	133,963,461
Net assets without donor restrictions at end of year	**$ 146,822,304**	**$ 140,963,144**

2022 Financials

NFA: STATEMENTS OF CASH FLOWS

Years ended June 30, 2022 and 2021

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

	2022	2021
Reconciliation of change in net assets to net cash provided by operating activities		
Change in net assets	$ 5,859,160	$ 6,999,683
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Net unrealized loss (gain) on investments	10,182,701	(5,556,306)
Depreciation and amortization	5,769,983	6,257,107
Postretirement benefit changes other than net periodic benefit costs	(3,330,701)	(390,278)
Changes in assets and liabilities		
Assessments receivable	(763,386)	14,966
Accrued interest receivable	(247,825)	(40,699)
Other assets	528,823	(1,580,435)
Unearned dues and fees	3,708,495	1,587,291
Accounts payable, accrued expenses and other liabilities	1,138,945	1,401,660
Deferred rent credit	(786,183)	(847,134)
Net cash provided by operating activities	22,060,012	7,845,855
Cash flows from investing activities		
Purchases of fixed assets and software	(3,835,509)	(4,820,116)
Purchase of investments	(62,461,096)	(49,816,473)
Maturities of U.S. Treasury securities	34,000,000	24,000,000
Net cash used in investing activities	(32,296,605)	(30,636,589)
Net change in cash and cash equivalents	(10,236,593)	(22,790,734)
Cash and cash equivalents at beginning of year	33,576,581	56,367,315
Cash and cash equivalents at end of year	**$ 23,339,988**	**$ 33,576,581**

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE A: ORGANIZATION

The Commodity Futures Trading Commission has designated National Futures Association (the Association) as a registered futures association. Among the Association's activities are qualification screening and registration, financial and trade practice surveillance, enforcement of customer protection rules and uniform business standards, arbitration of disputes and educational activities. The Association is primarily financed through the payment of assessments and dues by its members and registration fees by registrants

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Recently Issued Accounting Standards Updates
In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842),* which requires organizations that lease assets (lessees) to recognize the assets and related liabilities for the rights and obligations created by the leases on the statements of financial position for leases with terms exceeding 12 months. ASU No. 2016-02 defines a lease as a contract or part of a contract that conveys the right to control the use of identified assets for a period of time in exchange for consideration. The lessee in a lease will be required to initially measure the right-of-use (ROU) asset and the lease liability at the present value of the remaining lease payments, as well as capitalize initial direct costs as part of the ROU asset. In June 2020, the FASB issued ASU 2020-05, *Effective Dates for Certain Entities,* which deferred the effective date for one year. ASU No. 2016-02 is effective for the Association for fiscal year 2023. Early adoption is permitted. The Association is currently evaluating the impact ASU No. 2016-02 will have on its financial statements.

Use of Estimates
The financial statements of the Association have been prepared using the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP). The preparation of financial statements in conformity with U.S. GAAP requires management to use estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Revenue from Contracts with Customers
All of the Association's revenue from contracts with customers is from performance obligations satisfied over time and is derived from contracts with an initial expected duration of one year or less. Prices are specific to distinct performance obligations and do not consist of multiple transactions.

Assessments
Assessments are reported monthly and are due within 30 days. Assessments are recognized as revenue in the month to which they apply. Amounts reported but not yet collected are recognized as assessments receivable on the accompanying statements of financial position.

Membership Dues
Membership dues are non-refundable and are recognized as revenue on a pro rata basis over each member's membership year.

Registration Renewal Fees
Registration renewal fees are non-refundable and are recognized as revenue on a pro rata basis over each registrant's renewal period.

NFA: NOTES TO FINANCIAL STATEMENTS

June 30, 2022 and 2021

Regulatory Services Outsourcing

Regulatory services outsourcing revenue relates to the Association's trade practice and market surveillance services. This revenue consists of non-refundable start-up fees and monthly maintenance fees for ongoing services for each customer. Start-up fees are recognized as revenue when paid by the customer. Monthly fees for ongoing surveillance and other regulatory services are recognized as revenue on a monthly basis as services are performed.

The Association records deferred revenue in situations when amounts are invoiced and received but the revenue recognition criteria outlined above are not met. Such revenue is recognized when all criteria are subsequently met. Deferred revenue was $11,220,981 and $7,512,486 as of June 30, 2022 and 2021, respectively, and are recognized as unearned dues and fees on the accompanying statements of financial position.

Furniture, Fixtures, Equipment and Leasehold Improvements

The Association capitalizes individual purchases greater than $1,500 and group purchases greater than $15,000. Furniture, fixtures, equipment, and leasehold improvements are recorded at cost and depreciated over three to seven years or the term of the lease, if applicable, on a straight-line basis. The Association uses the half-year convention so that the first and last years of depreciation and amortization are one-half the straight-line amount and all middle years are in direct proportion to the useful life of the capitalized item. Additionally, the Association has artwork that is considered non-depreciable, included in the furniture and fixtures line within Note E, valued at $297,566 as of June 30, 2022 and 2021.

Purchased Software

Purchased software is included in fixed assets and is capitalized and amortized over three years on a straight-line basis using the half-year convention.

Software Design and Development Costs

Software design and development costs consist of salaries and benefits of the Association's personnel involved in projects to develop software for internal use. Software design and development costs incurred in the preliminary stage of a project, as well as training and maintenance costs, are expensed as incurred. Software design and development costs associated with the application development stage of software projects are capitalized until such time as the software is substantially complete and ready for its intended use. Capitalized software design and development costs are amortized over three years on a straight-line basis using the half-year convention.

Deferred Rent Credit

Due to the terms of the Association's primary office space leases, a deferred rent credit was generated. The deferred rent credit is amortized over the remaining terms of the respective leases, which range from two to three years. The Association has computed an average monthly rental for the entire term of each lease and charges this amount to rental expense each month. The difference between the average monthly rental and the actual monthly rental payment is accounted for as either an increase or reduction of the deferred rent credit on the accompanying statements of financial position.

Allowance for Doubtful Accounts

The allowance for doubtful accounts, which is related to membership dues receivable, registration revenue receivable and regulatory fines, is maintained at a level that management deems adequate to provide for estimated uncollectible receivables and is based on the length of time receivables have been outstanding, historical experience and an assessment of business economic conditions. At June 30, 2022 and 2021, the allowance for doubtful accounts was $24,920 and $35,225, respectively. This allowance is a reduction of receivables, which are included in other current assets, net on the accompanying statements of financial position.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Fair Value Measurements

The FASB has issued guidance that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value and specifies disclosure requirements for fair value measurements. This guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances.

The fair value hierarchy is broken down into three levels based on the transparency of inputs as follows:

Level 1: Quoted prices are available in active markets for identical assets or liabilities as of the report date. A quoted price for an identical asset or liability in an active market provides the most reliable fair value measurement because it is directly observable to the market;

Level 2: Pricing inputs are other than quoted prices in active markets for identical assets or liabilities, which are either directly or indirectly observable as of the report date. These securities include investments for which quoted prices are available but are traded in an inactive market or investments that are fairly valued using other securities, the inputs for which can be directly observed; and

Level 3: Securities that are valued using significant unobservable inputs. These securities are measured using management's best estimate of fair value, where the inputs into the determination of fair value are not observable and require significant management judgment or estimation.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement; however, the determination of what constitutes observable requires significant judgment by the Association. The Association considers observable data to be market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the fair value hierarchy is based on the pricing transparency of the instrument and does not necessarily correspond to the Association's perceived risk of that instrument.

All of the Association's investments have values that are based on quoted market prices in active markets and are, therefore, classified as Level 1. These investments include U.S. Treasury bills and equity and fixed income mutual funds. The Association does not adjust the quoted price for such instruments, even in situations where the Association may hold a large position and a sale could reasonably impact the quoted price.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

Functional Expenses
The Association considers substantially all of its program expenses to be attributable to its one significant program, regulating the U.S. derivatives industry. The financial statements report certain categories of expenses that are allocated between program and supporting functions. These expenses include depreciation and amortization, space and related, and technology expenses. These expenses are allocated based on headcount.

Expenses by natural and functional categories for the year ended June 30, 2022 were as follows:

	Program Services Member Regulation	**Supporting Services** General and Administration	**Total**
Salaries, wages and employee benefits	$ 52,284,028	$ 33,067,946	$ 85,351,974
Space rental and related expenses	2,789,720	1,912,500	4,702,220
Travel and meetings	566,484	103,100	669,584
Technology expenditures	3,864,415	2,649,260	6,513,675
Depreciation and amortization	3,423,200	2,346,783	5,769,983
Outside consulting fees and services	1,742,073	4,769,211	6,511,284
Supplies, postage and telephone	20,771	41,430	62,201
Outside printing and publications	4,594	18,518	23,112
Board and committee fees and expenses	–	627,284	627,284
Insurance, recruiting, education, dues and other	1,543,975	1,874,050	3,418,025
Total expenses by function	**$ 66,239,260**	**$ 47,410,082**	**$ 113,649,342**

Expenses by natural and functional categories for the year ended June 30, 2021 were as follows:

	Program Services Member Regulation	Supporting Services General and Administration	Total
Salaries, wages and employee benefits	$ 53,076,659	$ 30,128,255	$ 83,204,914
Space rental and related expenses	3,227,798	1,613,900	4,841,698
Travel and meetings	7,718	146,876	154,594
Technology expenditures	3,948,917	1,974,459	5,923,376
Depreciation and amortization	4,171,404	2,085,703	6,257,107
Outside consulting fees and services	945,102	5,013,012	5,958,114
Supplies, postage and telephone	58,065	93,703	151,768
Outside printing and publications	80	10,747	10,827
Board and committee fees and expenses	–	541,750	541,750
Insurance, recruiting, education, dues and other	1,298,726	1,471,266	2,769,992
Total expenses by function	**$ 66,734,469**	**$ 43,079,671**	**$ 109,814,140**

Federal Income Taxes

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

The Association is exempt from federal income tax under Internal Revenue Code section 501(c)(6), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. The Association has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements, and there are no interest and penalties recognized in the accompanying financial statements.

NOTE C: CASH AND CASH EQUIVALENTS

The Association considers investments with an original maturity of less than three months to be cash equivalents. As of June 30, 2022 and 2021, cash equivalents included a U.S. Treasury Money Market Fund of $7,698,588 and $7,685,398, respectively. The Association maintains cash balances at financial institutions insured by the Federal Deposit Insurance Corporation up to $250,000. At times, the balances in these accounts may exceed the insured limits. The Association has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on its cash balances.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE D: INVESTMENTS

The Association's investment portfolio is classified on the statements of financial position as short-term investments consisting of securities with maturity dates of one year or less and long-term investments consisting of securities with maturity dates more than one year after year-end. Also included as short-term investments is the Association's investment in equity and fixed income mutual funds.

The aggregate fair value of short-term and long-term investments by major type as of June 30, 2022 and 2021, is as follows:

	2022	2021
Short term		
U.S. Treasury securities	$ 29,713,292	$ 15,998,352
Developed Markets Index Fund	4,201,733	4,332,120
Extended Markets Signal Index Fund	4,096,336	4,412,112
Intermediate Term Treasury Fund	72,776,884	65,774,411
S&P 500 Index Mutual Fund	8,377,342	8,923,932
Total short-term investments	119,165,587	99,440,927
Long term		
U.S. Treasury securities	15,331,716	16,220,156
Total investments	**$ 134,497,303**	**$ 115,661,083**

For its four mutual funds, the Association immediately reinvests all interest income, dividend income and capital gains back into the funds. U.S. Treasury securities are held to maturity.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE E: FURNITURE, FIXTURES, EQUIPMENT, LEASEHOLD IMPROVEMENTS AND SOFTWARE, NET

Depreciation expense for fiscal 2022 was $5,769,983 and fiscal 2021 was $6,257,107. At June 30, 2022 and 2021, furniture, fixtures, equipment, leasehold improvements and software, and the related accumulated depreciation and amortization, are as follows:

	2022	2021
Furniture and fixtures	$ 1,383,740	$ 2,436,442
Equipment	8,995,524	10,816,294
Leasehold improvements	12,036,180	12,036,180
Software	12,333,826	12,454,840
Total furniture, fixtures, equipment, leasehold improvements and software	34,749,270	37,743,756
Less accumulated depreciation and amortization	26,555,346	27,615,359
Furniture, fixtures, equipment, leasehold improvements and software, net	**$ 8,193,924**	**$ 10,128,397**

NOTE F: COMMITMENTS AND CONTINGENCIES

The Association leases office space in Chicago and New York. The Chicago lease expires on August 31, 2023. The lease for the New York office expires on July 31, 2024. On June 21, 2022, the Association entered into a new lease agreement in Chicago effective September 1, 2023. The lease expires on August 31, 2036, and provided 12 months of rent abatement from September 2023 – August 2024. Future minimum annual rentals under the new lease agreement are included below.

The following is a schedule of future payments under the operating leases, and various technology contracts, that have remaining non-cancellable payment terms as of June 30:

Years ending June 30,	
2023	$ 4,672,001
2024	1,956,816
2025	2,343,138
2026	2,264,007
2027	2,230,607
2028 and years after	23,678,036
Total operating lease commitments	**$ 37,144,605**

In the normal course of business, the Association is, at times, involved in pending legal proceedings. Management, after consultation with outside legal counsel, believes that the resolution of current proceedings will not have a material effect on the Association's net assets.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE G: EMPLOYEE BENEFIT PLANS

The Association sponsors an Employee Retirement Savings Plan (the Savings Plan). Contributions to the Savings Plan of up to 100% of employees' compensation can be made through payroll deductions, subject to Internal Revenue Service elective deferral limits. The Association will match employee contributions up to 6% of the employee's eligible compensation. The Association may also contribute to the Savings Plan an additional profit-sharing contribution expressed as a percent of the calendar year's compensation of participants who are employed on the last day of the calendar year. A profit-sharing contribution for calendar year 2021 of $2,813,364 was made in 2022. A profit-sharing contribution for calendar year 2020 of $3,048,406 was made in 2021. Employees are eligible to participate in the Savings Plan upon their date of hire. Employee contributions and any vested employer contributions are payable upon termination or retirement as stipulated in the Savings Plan.

The Association also sponsors the National Futures Association Retiree Medical Benefits Plan (the Plan) for the benefit of the Association's retirees and their eligible spouses/domestic partners and dependents. Effective January 1, 2016, employees who retire from the Association on or after attaining age 55 and who have at least 10 years of full-time service with the Association since their 45th birthday are entitled to receive benefits from the Plan.

For eligible retirees, automatically upon retirement, the Association will establish a Retiree Health Reimbursement Account (HRA). A retiree's spouse or domestic partner at the time of retirement will also be eligible to receive an HRA of equal value to the retiree's HRA (a partner HRA). The Association will make a one-time, notional contribution to the HRA and partner HRA. The amount allocated to the HRA and the partner HRA, if applicable, is based on years of service (YOS) with the Association after age 45 and the indexed credit for the year of retirement.

The HRA benefit is calculated as follows:

[Indexed Credit $ Amount] × [YOS after age 45 (maximum of 20)] = HRA Account Value

Prior to 2016, eligible retirees received reimbursement for the cost of medical coverage or Medicare supplement coverage, limited by an indexed YOS percentage.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

At June 30, 2022 and 2021, the actuarial and recorded liabilities for the Plan, none of which have been funded, and the net periodic post-retirement benefit cost and benefits paid for the Plan that are included in other liabilities, were as follows:

	2022	2021
Change in benefit obligation		
Benefit obligation, beginning of year	$ (12,045,755)	$ (11,613,762)
Employer service cost	(840,018)	(856,516)
Interest cost	(309,848)	(282,150)
Actuarial gain (loss)	3,587,046	561,110
Benefits paid	185,161	145,563
Benefit obligation, end of year	$ (9,423,414)	$ (12,045,755)
Change in plan assets		
Plan assets, beginning of year	$ –	$ –
Employer contributions	185,161	145,563
Benefits paid	(185,161)	(145,563)
Plan assets, end of year	$ –	$ –
Amounts recognized in the statements of financial position		
Accumulated benefit obligations - current	$ (324,130)	$ (515,070)
Accumulated benefit obligations - noncurrent	(9,099,284)	(11,530,685)
Total accumulated benefit obligations	$ (9,423,414)	$ (12,045,755)

The components of the net periodic post-retirement benefit cost for the Plan for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Net periodic post-retirement benefit cost		
Service cost	$ 840,018	$ 856,516
Interest cost	309,848	282,150
Amortization of prior service cost	(303,335)	(305,492)
Amortization of net actuarial loss	46,989	134,660
Total net periodic post-retirement benefit cost	**$ 893,520**	**$ 967,834**

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

The post-retirement benefit plan accumulated losses and prior service cost not yet recognized as a component of periodic postretirement benefit cost, but accumulated in net assets without donor restrictions as of June 30, 2022 and 2021, are as follows:

	2022	2021
Unrecognized prior service cost	$ (2,033,386)	$ (1,600,649)
Unrecognized net loss	(627,500)	930,835
Total accumulated in net assets without donor restrictions	**$ (2,660,886)**	**$ 669,814**

The post-retirement benefit plan items not yet recognized as a component of periodic postretirement benefit cost, but included as a separate charge to net assets without donor restrictions for the years ended June 30, 2022 and 2021, are as follows:

	2022	2021
Actuarial (gain) loss arising during the period	$ (3,587,047)	$ (561,110)
Amortization of net prior service credit (cost)	303,335	305,492
Amortization of net actuarial (gain) loss	(46,989)	(134,660)
Total recognized as a separate charge to net assets without donor restrictions (credit) charge	**$ (3,330,701)**	**$ (390,278)**

Actuarial assumptions for the postretirement benefits as of June 30, 2022 and 2021, are as follows:

	2022	2021
Weighted-average assumptions:		
Discount rate - benefit obligation	4.70%	2.45%
Discount rate - benefit cost	2.45	2.30

The rate of increase in the gross cost of covered health care benefits was assumed to be 5.75% for fiscal year 2022 and 6.00% for fiscal year 2021. The rate of increase is assumed to decline by 0.25% for each year after 2022, to 5.00% in 2025 and after.

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

The following table presents the benefits expected to be paid under the Plan in each of the next five fiscal years, and in the aggregate for the five years thereafter, as of June 30, 2022:

2023	$ 331,860
2024	459,269
2025	541,438
2025	623,917
2027	728,255
2028–2032	4,686,862

NOTE H: DEFERRED RENT CREDIT

Effective January 2008, the Association executed a 12-year operating lease for office premises in Chicago. In December 2011, the Association extended its Chicago lease by 44 months, through August 2023. The Association's New York office relocated in November 2013, and the Association entered into a lease for this space through July 2024. The leases include rent incentives and, accordingly, the Association recognizes such abatement as an adjustment to a deferred rent credit over the terms of the lease on a straight-line basis. The total deferred rent credit at June 30, 2022 and 2021 was $1,259,471 and $2,045,654, respectively, of which $777,130 and $777,130, respectively, is included in accounts payable, accrued expenses and other current liabilities on the accompanying statements of financial position.

For the years ended June 30, 2022 and 2021, the Association's rent expense was as follows:

	2022	2021
Cash payments for rent	$ 5,068,022	$ 5,321,027
Less amortization of deferred rent credits	(781,905)	(847,134)
Rent expense	**$ 4,286,117**	**$ 4,473,893**

NFA: NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

NOTE I: AVAILABILITY AND LIQUIDITY

The following reflects the Association's financial assets as of June 30, 2022 and 2021 available for general use within one year of the financial statement date.

	2022	2021
Cash and cash equivalents	$ 23,339,988	$ 33,576,581
Short-term investments	119,165,587	99,440,927
Assessments receivable net	6,150,208	5,386,822
Other current assets, net	798,426	2,595,542
Total financial assets available within one year	**$ 149,454,209**	**$ 140,999,872**

The Association regularly monitors liquidity required to meet its operating needs and other contractual commitments.

NOTE J: SUBSEQUENT EVENTS

The Association evaluated its June 30, 2022 financial statements for subsequent events through November 3, 2022, the date the financial statements were available to be issued. The Association is not aware of any subsequent events that require recognition or disclosure in the financial statements except as noted within Note F.

About NFA

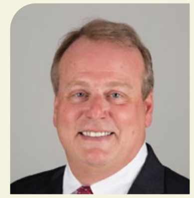
NFA is the industrywide SRO for the U.S. derivatives industry. Designated by the CFTC as a registered futures association, NFA strives every day to safeguard the integrity of the derivatives markets, protect investors and ensure Members meet their regulatory responsibilities.

As of June 30, 2022, NFA had 518 employees.

NFA Leadership

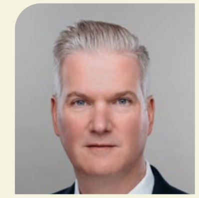
Thomas W. Sexton, III
President and CEO

Edward J. Dasso, III
Senior Vice President, Market Regulation



David L. Hawrysz
Senior Vice President, CFO and Treasurer

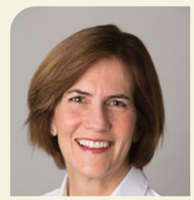
Timothy J. McHenry
Senior Vice President, Information Systems



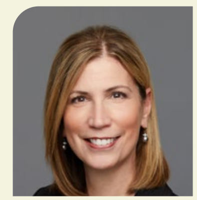
Michael Otten
Senior Vice President, OTC Derivatives

Regina G. Thoele
Senior Vice President, Compliance

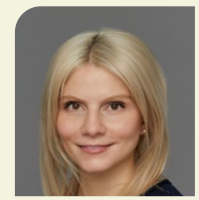
Carol A. Wooding
Senior Vice President, General Counsel and Secretary



Karen K. Wuertz
Senior Vice President, External Affairs and Communications



Nancy C. Bohanon
Vice President, Human Resources



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