INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Financial Statements
and
Independent Auditors' Report
December 31, 2016 and 2015

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INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Investment Management Consultants Association, Inc.
Greenwood Village, Colorado

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Investment Management Consultants Association, Inc., which are comprised of the statements of financial position as of December 31, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

OPINION

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Investment Management Consultants Association, Inc. as of December 31, 2016 and 2015, 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.

OTHER MATTERS

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of revenues and expenses - budget to actual are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. Except for that portion marked "unaudited," the information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The information marked "unaudited" has not been subjected to the auditing procedures applied in the audits of the financial statements; accordingly, we do not express an opinion or provide any assurance on it.

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April 7, 2017
Denver, Colorado

INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Statements of Financial Position

	December 31, 2016 (Unrestricted)	December 31, 2015 (Unrestricted)
Assets		
Current assets		
Cash and cash equivalents	$ 3,396,818	$ 3,491,842
Accounts receivable	406,985	641,534
Prepaid expenses	607,094	622,866
Publications inventory and other assets	77,210	118,151
Total current assets	4,488,107	4,874,393
Property and equipment, net	39,251	50,650
Development costs, net	236,088	245,469
Other assets		
Investments	18,661,271	15,621,699
Other assets	18,000	18,000
Total assets	$ 23,442,717	$ 20,810,211
Liabilities and Net Assets		
Current liabilities		
Accounts payable	$ 1,010,389	$ 562,588
Accrued compensated absences	163,236	138,027
Deferred revenue	7,149,014	6,632,630
Total liabilities	8,322,639	7,333,245
Net assets		
Unrestricted	15,120,078	13,476,966
Total net assets	15,120,078	13,476,966
Total liabilities and net assets	$ 23,442,717	$ 20,810,211

See notes to financial statements.

INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Statements of Activities

	For the Years Ended December 31, 2016 (Unrestricted)	For the Years Ended December 31, 2015 (Unrestricted)
Revenues and gains		
Certification	$ 3,950,371	$ 2,776,591
Meetings and conferences	4,161,856	5,028,809
Membership	3,837,920	3,754,438
Education	806,408	770,460
Other income	-	9,593
Total revenues and gains	12,756,555	12,339,891
Expenses		
Program services		
Certification	3,720,930	3,074,823
Meetings and conferences	3,783,273	4,251,797
Education	514,364	556,682
Membership	2,255,085	2,054,484
Total program services	10,273,652	9,937,786
Supporting services		
Management and general	1,900,093	1,737,585
Total expenses	12,173,745	11,675,371
Change in net assets before investment income (loss)	582,810	664,520
Investment income (loss)	1,060,302	(356,887)
Change in net assets	1,643,112	307,633
Net assets at beginning of year	13,476,966	13,169,333
Net assets at end of year	$ 15,120,078	$ 13,476,966

See notes to financial statements.

INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Statements of Cash Flows

	For the Years Ended December 31,	
	2016	2015
Cash flows from operating activities		
Change in net assets	$ 1,643,112	$ 307,633
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	18,881	26,322
Amortization	114,144	123,987
Net unrealized/realized (gain) loss on investments	(685,740)	732,117
Changes in assets and liabilities		
Accounts receivables	234,549	(166,291)
Prepaid expenses	15,772	(83,243)
Publications inventory and other assets	40,941	(73,101)
Accounts payable	447,801	(37,304)
Accrued compensated absences	25,209	39,592
Deferred revenue	516,384	934,272
	727,941	1,496,351
Net cash provided by operating activities	2,371,053	1,803,984
Cash flows from investing activities		
Purchases of property and equipment	(7,482)	(11,443)
Acquisition of development costs	(104,763)	(159,012)
Net purchases of investments	(2,353,832)	(2,352,788)
Net cash used in investing activities	(2,466,077)	(2,523,243)
Net decrease in cash and cash equivalents	(95,024)	(719,259)
Cash and cash equivalents at beginning of year	3,491,842	4,211,101
Cash and cash equivalents at end of year	$ 3,396,818	$ 3,491,842

See notes to financial statements.

Note 1 - Organization and Summary of Significant Accounting Policies

Organization

Investment Management Consultants Association, Inc. ("IMCA") is a membership organization for investment professionals. IMCA was established in 1985 to deliver premier investment consulting and wealth management credentials and world-class educational offerings. IMCA also provides forums (conferences) for ongoing education and information sharing among its members.

IMCA is governed by a volunteer Board of Directors (the "Board") of 13 elected members with a Chair, Vice-Chair, Secretary, and Treasurer. There are also numerous volunteer committees through which membership/designation policies and procedures are discussed and cleared. The Board meets several times a year in person or by teleconference; most of the committees meet by teleconference over the course of the year.

Organizationally, IMCA is a 501(c)(6) membership organization; this means IMCA is a tax-exempt organization as authorized by the IRS. In addition to providing membership services and educational conferences to its members, IMCA supports two highly prestigious designations in the investment consulting field: Certified Investment Management Analyst ("CIMA") and Certified Private Wealth Advisor ("CPWA").

Basis of Presentation

IMCA reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Unrestricted amounts are those currently available at the discretion of the Board of Directors for use in IMCA's operations and those resources invested in property and equipment. IMCA has no temporarily or permanently restricted net assets.

Recently Issued Accounting Pronouncements

In August 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2016-14, *Not-For-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. The amendment reduces the classes of net assets to *net assets with donor restrictions* and *net assets without donor restrictions*; removes the reconciliation of cash flows to the indirect method if using the direct method; requires the reporting of investment returns, net of expenses, with no disclosure of netted expenses required; requires the use, in the absence of explicit donor stipulations, of the placed-in-service approach for reporting expirations of restrictions on cash or other asset donations and requires disclosure of expenses by both their natural and functional classification on the face of the statement of activities, as a separate statement, or in the notes to the financial statements. In addition, the amendment provides enhanced disclosures on amounts and purposes of board designations and appropriations, composition of net assets with donor restrictions, discussion of liquidity for the year following year-end, discussion of liquidity of financial assets at year-end, methodology used to allocate costs between program and support functions, and underwater endowment funds. The amendment is effective for IMCA for the year ended December 31, 2018 with early adoption allowed. Entities should apply the amendment in this update retrospectively to all periods presented.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Recently Issued Accounting Pronouncements (continued)

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers*, which amended revenue recognition guidance to clarify the principles for recognizing revenue from contracts with customers. The guidance requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The guidance also requires expanded disclosures relating to the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. Additionally, qualitative and quantitative disclosures are required about customer contracts, significant judgments and changes in judgments, and assets recognized from the costs to obtain or fulfill a contract. ASU No. 2014-09 is effective for IMCA for the year ending December 31, 2019.

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. The new standard establishes a right-of-use ("ROU") model that requires a lessee to record an ROU asset and a lease liability on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for IMCA for the year ended December 31, 2020, including interim periods within those fiscal years. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

IMCA is currently evaluating the impact of the pending adoption of the new standards on the financial statements.

Cash and Cash Equivalents

IMCA considers all highly liquid investments with a maturity of three months or less that are not held by investment managers as part of an investment portfolio to be cash equivalents. IMCA continually monitors its position with, and the credit quality of, the financial institutions with which it invests. As of December 31, 2016, IMCA's cash accounts were fully insured by the FDIC.

Accounts Receivable

IMCA extends credit to customers for payment for goods and services provided. As of December 31, 2016 and 2015, management has determined that all receivables are collectible.

Prepayments

Prepayments consist mainly of deposits, travel, and other costs associated with the preparation of upcoming programs sponsored by IMCA. Prepayments related to holding the programs are recognized as an expense in the year the program is held.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Publications Inventory

Inventory consists of various books and other publications held for sale or provided as benefits to members. Inventory is stated at cost on a first-in, first-out method.

Property and Equipment

Property and equipment is stated at cost. Depreciation and amortization are computed on the straight-line method over estimated useful lives of the assets, ranging from three to seven years. IMCA capitalizes property and equipment purchases with a cost in excess of $1,000 and a useful life of one year or greater. Leasehold improvements are amortized over the shorter of their useful life or the terms of the lease agreement.

Development Costs

IMCA accounts for costs incurred in the development of system software and online education programs as software research and development costs until the preliminary project stage is completed. Direct costs incurred in the development of software are capitalized once the preliminary project stage is completed, management has committed to funding the project, and completion and use of the software for its intended purpose are probable. IMCA ceases capitalization of development costs once the software has been substantially completed and is ready for its intended use. Software development costs are amortized over their estimated useful lives, generally three to four years. Costs associated with upgrades and enhancements that result in additional functionality are capitalized.

Investments

IMCA reports investments in equity securities and alternative mutual funds with readily determinable fair values and debt securities at their fair values. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities as investment income (loss).

Concentrations of Credit Risk

Financial instruments that potentially subject IMCA to concentrations of credit risk consist principally of cash and investments. IMCA places its cash and investment accounts with creditworthy, high-quality financial institutions. Although the market value of investments is subject to fluctuations on a year-to-year basis, management believes that the investment policy is prudent for the long-term welfare of IMCA.

Long-Lived Assets

IMCA reviews its long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the asset may not be recovered. IMCA looks primarily to the undiscounted future cash flows in its assessment of whether long-lived assets have been impaired. There was no impairment at December 31, 2016 and 2015.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

Revenue Recognition and Deferred Revenue

Revenue from membership dues, fees, and services is recognized ratably over the applicable period of service. Deferred revenue represents unearned dues, fees, and services revenue received in advance and will be recognized when earned.

Advertising Costs

IMCA expenses advertising costs as incurred. During the years ended December 31, 2016 and 2015, advertising expense was $659,271 and $687,528, respectively.

Functional Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among the appropriate programs and supporting services.

International Expenses

The Board approved a multi-year $500,000 international strategy plan to penetrate the global marketplace with emphasis in Canada and Australia and build out the infrastructure to support a global market. During the years ended December 31, 2016 and 2015, total international expense was $239,107 and $135,378, respectively, which is included in management and general expenses on the accompanying statements of activities.

Income Taxes

IMCA is exempt from federal income taxes under Section 501(c)(6) of the Internal Revenue Code ("IRC"); accordingly, no provision for income taxes is included in the accompanying financial statements.

IMCA applies a more-likely-than-not measurement methodology to reflect the financial statement impact of uncertain tax positions taken or expected to be taken in a tax return. After evaluating the tax positions taken, none are considered to be uncertain; therefore, no amounts have been recognized as of December 31, 2016 or 2015.

If incurred, interest and penalties associated with tax positions are recorded in the period assessed as general and administrative expense. No interest or penalties have been assessed as of December 31, 2016 or 2015.

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

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 the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Subsequent Events

IMCA has evaluated all subsequent events through the auditors' report date, which is the date the financial statements were available to be issued, and has determined there are no events requiring disclosure.

Note 2 - Fair Value Measurement

IMCA values its financial assets and liabilities 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, the following fair value hierarchy prioritizes observable inputs used to measure fair value into three broad levels, which are described below:

Level 1: Quoted prices in active markets that are accessible at the measurement date for assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Observable prices that are based on inputs not quoted on active markets, but corroborated by market data.

Level 3: Unobservable inputs are used when little or no market data is available.

In determining fair value, IMCA utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considers counterparty credit risk in its assessment of fair value. These classifications (Levels 1, 2, and 3) are intended to reflect the observability of inputs used in the valuation of investments and are not necessarily an indication of risk or liquidity. All financial assets were classified as Level 1 at December 31, 2016 and 2015.

Following is a description of the valuation methodology used for assets measured at fair value:

Mutual funds: Valued at the closing price reported on the active market on which the individual securities are traded.

There have been no changes to the valuation methodology during the years ended December 31, 2016 or 2015.

Note 2 - Fair Value Measurement (continued)

Financial assets carried at fair value consist of the following:

	December 31,	
	2016	2015
Fixed income and mutual funds	$ 7,725,889	$ 7,138,648
Domestic equity and mutual funds	2,479,559	1,897,382
Foreign equity and mutual funds	5,372,428	4,308,012
Tangible/alternative mutual funds	2,808,072	2,211,118
	$ 18,385,948	$ 15,555,160

Cash and cash equivalents in the amount of $275,323 and $66,539 as of December 31, 2016 and 2015, respectively, are included in investments but are not subject to fair value reporting and, therefore, are not included in the table above.

Investment income (loss) consists of the following and is included in investment income in the statements of activities:

	December 31,	
	2016	2015
Dividends and interest	$ 374,562	$ 375,230
Net realized losses	(235,372)	(162,473)
Net unrealized gains (losses)	921,112	(569,644)
	$ 1,060,302	$ (356,887)

Note 3 - Property and Equipment

Property and equipment consist of the following:

	December 31,	
	2016	2015
Equipment	$ 426,277	$ 418,795
Software	140,443	140,443
Leasehold improvements	159,148	159,148
	725,868	718,386
Less accumulated depreciation	(686,617)	(667,736)
Total	$ 39,251	$ 50,650

Note 4 - Development Costs

Development costs consist of the following:

	December 31, 2016	December 31, 2015
Software development	$ 999,401	$ 917,138
Online essentials	283,300	260,800
CPWA	278,841	278,841
Website/data manager	246,635	246,635
Resource Center development	120,250	120,250
Applied behavioral finance development	43,869	43,869
IHOP development	20,100	20,100
	1,992,396	1,887,633
Less accumulated amortization	(1,756,308)	(1,642,164)
Total	$ 236,088	$ 245,469

Note 5 - Deferred Revenue

Deferred revenue is comprised of the following:

	December 31, 2016	December 31, 2015
Membership dues income	$ 2,677,960	$ 2,529,142
CPWA income	1,894,250	1,521,739
Conference registration	1,705,688	1,813,625
Recertification	799,918	654,777
Journal, Investments & Wealth Monitor	41,043	37,292
Other, including refunds	30,155	76,055
Total	$ 7,149,014	$ 6,632,630

Note 6 - Lease Commitments

Leases

IMCA leases office space and equipment under operating leases that expire at various dates through 2022. Rent expense totaled $326,386 and $329,935 for the years ended December 31, 2016 and 2015, respectively. Future minimum lease payments as of December 31, 2016 are as follows:

For the Year Ending December 31,	
2017	$ 395,022
2018	406,383
2019	412,589
2020	414,436
2021	412,819
Thereafter	68,709
	$ 2,109,958

Note 7 - Commitments on Conference Contracts

IMCA has entered into contracts with facilities and vendors for classes and conferences to be held at various times through 2019. As part of the contracts, IMCA has guaranteed a certain level of rooms and food and beverage revenue for the vendors/facilities. The amounts are subject to cancellation policies with each party. The anticipated costs associated with the future events are approximately $2,810,000 and $2,890,000 at December 31, 2016 and 2015, respectively.

Note 8 - Employee Benefits

IMCA initiated a Profit Sharing Retirement Plan (the "Plan") in March 2001. The Plan is under Section 401 of the IRC. All full-time employees and part-time employees who work over 1,000 hours in any given year and are 21 years of age are eligible to participate in the Plan after 90 days of employment. The Plan is discretionary, and IMCA contributes as financial conditions allow. Employees vest on a six-year graded vesting schedule in employer discretionary contributions. Historically, IMCA has contributed 4% to 7% to the Plan.

As of March 2001, IMCA formed a retirement savings plan that allows IMCA's employees to make contributions by salary reduction pursuant to Section 401(k) of the IRC. Employees are eligible for matching contributions up to 3% once they meet the eligibility requirements. Employees vest on a six-year graded vesting schedule in matching contributions. IMCA also regularly contributes 3% of the employees' eligible compensation under the Safe Harbor provision of the retirement savings plan. Upon eligibility, employees are immediately vested under this provision of the retirement savings plan.

Total contributions to both plans were $257,408 and $253,003 for the years ended December 31, 2016 and 2015, respectively.

SUPPLEMENTAL INFORMATION

INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2016

	Budget (Unaudited)	Actual	Variance
Revenues and gains			
Certification	$ 2,792,643	$ 3,950,371	$ 1,157,728
Meetings and conferences	4,983,145	4,161,856	(821,289)
Membership	3,788,337	3,837,920	49,583
Education	584,175	806,408	222,233
Total revenues and gains	12,148,300	12,756,555	608,255
Expenses			
Program services			
Certification	3,203,334	3,720,930	517,596
Meetings and conferences	4,185,376	3,783,273	(402,103)
Education	569,801	514,364	(55,437)
Membership	2,409,852	2,255,085	(154,767)
Total program services	10,368,363	10,273,652	(94,711)
Supporting services			
Management and general	2,016,740	1,900,093	(116,647)
Total expenses	12,385,103	12,173,745	(211,358)
Change in net assets before investment income	(236,803)	582,810	819,613
Investment income	238,000	1,060,302	822,302
Change in net assets	$ 1,197	1,643,112	$ 1,641,915
Net assets at beginning of year		13,476,966	
Net assets at end of year		$ 15,120,078	

INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION, INC.

Schedule of Revenues and Expenses - Budget to Actual
For the Year Ended December 31, 2015

	Budget (Unaudited)	Actual	Variance
Revenues and gains			
Certification	$ 2,239,392	$ 2,776,591	$ 537,199
Meetings and conferences	5,415,987	5,028,809	(387,178)
Membership	3,653,762	3,754,438	100,676
Education	550,150	770,460	220,310
Other expense	-	9,593	9,593
Total revenues and gains	11,859,291	12,339,891	480,600
Expenses			
Program services			
Certification	2,910,124	3,074,823	164,699
Meetings and conferences	4,417,442	4,251,797	(165,645)
Education	631,184	556,682	(74,502)
Membership	2,236,409	2,054,484	(181,925)
Total program services	10,195,159	9,937,786	(257,373)
Supporting services			
Management and general	1,960,557	1,737,585	(222,972)
Total expenses	12,155,716	11,675,371	(480,345)
Change in net assets before investment income	(296,425)	664,520	960,945
Investment income (loss)	153,000	(356,887)	(509,887)
Change in net assets	$ (143,425)	307,633	$ 451,058
Net assets at beginning of year		13,169,333	
Net assets at end of year		$ 13,476,966	