Investments and Wealth Institute

Financial Report
with Supplemental Information
December 31, 2021

Contents

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Independent Auditor's Report

To the Board of Directors
Investments and Wealth Institute

Opinion

We have audited the financial statements of Investments and Wealth Institute (the "Institute"), which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets, functional expenses, 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 Institute as of December 31, 2021 and 2020 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Auditor's Responsibilities for the Audits 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 audits conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

To the Board of Directors
Investments and Wealth Institute

In performing audits in accordance with GAAS, we:

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

Plante & Moran, PLLC

April 26, 2022

Statement of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current Assets		
Cash and cash equivalents	$ 6,187,412	$ 4,221,154
Accounts receivable	47,919	81,639
Prepaid expenses	1,406,069	1,151,837
Total current assets	7,641,400	5,454,630
Investments	21,417,920	20,605,088
Development Costs - Net	889,536	806,195
Property and Equipment - Net	225,747	134,555
Other Assets	18,000	18,000
Total assets	**$ 30,192,603**	**$ 27,018,468**
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 745,807	$ 710,511
Accrued liabilities	818,418	568,506
Deferred revenue	8,155,115	7,145,251
Total current liabilities	9,719,340	8,424,268
Deferred Rent	6,831	47,811
Total liabilities	9,726,171	8,472,079
Net Assets - Without donor restrictions	20,466,432	18,546,389
Total liabilities and net assets	**$ 30,192,603**	**$ 27,018,468**

Statement of Activities and Changes in Net Assets

Years Ended December 31, 2021 and 2020

	2021	2020
Changes in Net Assets without Donor Restrictions		
Revenue, gains, and other support:		
Certification	$ 6,245,769	$ 5,307,328
Professional development	2,930,715	3,468,565
Membership	3,368,504	3,782,181
Total revenue, gains, and other support	12,544,988	12,558,074
Expenses:		
Program services:		
Certification	4,668,304	4,100,647
Professional development	2,358,717	2,644,682
Membership	1,373,870	1,292,834
Total program services	8,400,891	8,038,163
Support services:		
Management and general	2,886,403	2,562,590
Membership development	678,297	690,330
Certification growth strategy	891,994	621,329
Technology growth strategy	318,034	-
Total support services	4,774,728	3,874,249
Total expenses	13,175,619	11,912,412
(Decrease) Increase in Net Assets without Donor Restrictions - Before nonoperating income	(630,631)	645,662
Nonoperating Income - Investment return	2,550,674	2,574,818
Increase in Net Assets	1,920,043	3,220,480
Net Assets - Beginning of year	18,546,389	15,325,909
Net Assets - End of year	**$ 20,466,432**	**$ 18,546,389**

Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services				Support Services					
	Certification	Professional Development	Membership	Total	Management and General	Member Development	Certification Growth Strategy	Technology Growth Strategy	Total	Total
Wages	$ 1,175,318	$ 966,369	$ 598,723	$ 2,740,410	$ 1,394,128	$ 252,266	$ 66,002	$ 125,416	$ 1,837,812	$ 4,578,222
Benefits and payroll taxes	332,217	272,422	168,739	773,378	395,877	71,453	19,723	36,115	523,168	1,296,546
Conference, meeting, and travel costs	60,900	231,172	5,299	297,371	59,363	10,934	22,485	-	92,782	390,153
Marketing, promotions, and public relations	241,024	203,533	95,799	540,356	-	253,652	254,783	-	508,435	1,048,791
Professional consulting and outside service agreements	2,314,473	351,624	45,800	2,711,897	428,660	30,878	294,706	156,140	910,384	3,622,281
Telephone	9,991	6,312	4,940	21,243	4,540	1,272	-	-	5,812	27,055
Printing supplies, textbooks, and other	43,201	70,609	-	113,810	-	3,459	-	-	3,459	117,269
Publication production costs	-	-	251,821	251,821	-	-	173	-	173	251,994
Insurance	18,030	11,390	8,915	38,335	8,192	2,295	-	-	10,487	48,822
Computer and IT expenses	77,679	49,073	38,408	165,160	35,295	9,886	-	-	45,181	210,341
Credit card, bank, and other fees	-	-	-	-	338,365	-	-	-	338,365	338,365
Occupancy costs	20,341	12,851	10,057	43,249	9,241	2,588	-	-	11,829	55,078
Rent	148,903	94,067	73,625	316,595	67,658	18,951	-	-	86,609	403,204
Depreciation and amortization	181,595	73,171	57,270	312,036	52,628	14,746	-	-	67,374	379,410
Development costs impairment	4,000	-	-	4,000	-	-	-	-	-	4,000
Miscellaneous	40,632	16,124	14,474	71,230	92,456	5,917	234,122	363	332,858	404,088
Total functional expenses	**$ 4,668,304**	**$ 2,358,717**	**$ 1,373,870**	**$ 8,400,891**	**$ 2,886,403**	**$ 678,297**	**$ 891,994**	**$ 318,034**	**$ 4,774,728**	**$ 13,175,619**

See notes to financial statements.

Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services				Support Services				
	Certification	Professional Development	Membership	Total	Management and General	Member Development	Certification Growth Strategy	Total	Total
Wages	$ 1,062,146	$ 914,792	$ 508,360	$ 2,485,298	$ 1,280,426	$ 290,363	$ 48,087	$ 1,618,876	$ 4,104,174
Benefits and payroll taxes	318,574	278,343	153,591	750,508	384,980	87,559	27,268	499,807	1,250,315
Conference, meeting, and travel costs	5,701	528,808	3,011	537,520	24,794	28,219	27,925	80,938	618,458
Marketing, promotions, and public relations	87,876	197,451	103,605	388,932	-	145,557	81,547	227,104	616,036
Professional consulting and outside service agreements	2,052,254	249,272	48,188	2,349,714	314,300	78,606	269,448	662,354	3,012,068
Telephone	9,679	7,919	4,911	22,509	4,740	1,135	-	5,875	28,384
Printing supplies, textbooks, and other	86,676	145,810	-	232,486	-	156	-	156	232,642
Publication production costs	-	-	289,443	289,443	-	-	62,652	62,652	352,095
Insurance	20,828	17,042	10,567	48,437	10,200	2,443	-	12,643	61,080
Computer and IT expenses	63,732	52,145	32,333	148,210	31,212	7,476	-	38,688	186,898
Credit card, bank, and other fees	-	-	-	-	331,356	-	-	331,356	331,356
Occupancy costs	15,769	12,903	8,000	36,672	7,723	1,850	-	9,573	46,245
Rent	138,396	113,233	70,213	321,842	67,777	16,234	-	84,011	405,853
Depreciation and amortization	175,330	79,098	49,047	303,475	47,346	11,340	-	58,686	362,161
Development costs impairment	28,667	-	-	28,667	-	-	-	-	28,667
Miscellaneous	35,019	47,866	11,565	94,450	57,736	19,392	104,402	181,530	275,980
Total functional expenses	**$ 4,100,647**	**$ 2,644,682**	**$ 1,292,834**	**$ 8,038,163**	**$ 2,562,590**	**$ 690,330**	**$ 621,329**	**$ 3,874,249**	**$ 11,912,412**

See notes to financial statements.

Statement of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	$ 1,920,043	$ 3,220,480
Adjustments to reconcile change in net assets to net cash and cash equivalents from operating activities:		
Depreciation and amortization	379,410	362,161
Realized and unrealized gains	(1,819,654)	(2,101,440)
Deferred rent	(40,980)	(40,981)
Impairment of development costs	4,000	28,667
Changes in operating assets and liabilities that provided (used) cash and cash equivalents:		
Accounts receivable	33,720	4,580
Prepaid expenses	(254,232)	(82,952)
Publications inventory and other assets	-	36,830
Accounts payable	35,296	166,414
Accrued liabilities	249,912	(53,016)
Deferred revenue	1,009,864	108,068
Net cash and cash equivalents provided by operating activities	1,517,379	1,648,811
Cash Flows from Investing Activities		
Proceeds from sale of investments	1,830,000	1,005,956
Purchases of investments	(823,178)	(468,360)
Purchase of property and equipment	(203,975)	(35,274)
Acquisition of development costs	(353,968)	(127,833)
Net cash and cash equivalents provided by investing activities	448,879	374,489
Net Increase in Cash and Cash Equivalents	1,966,258	2,023,300
Cash and Cash Equivalents - Beginning of year	4,221,154	2,197,854
Cash and Cash Equivalents - End of year	**$ 6,187,412**	**$ 4,221,154**

Note 1 - Nature of Business

Investments and Wealth Institute (the "Institute") is a membership organization for investment professionals. The Institute was established in 1985 to deliver premier investment consulting and wealth management credentials and world-class educational offerings. The Institute also provides forums (conferences) for ongoing education and information sharing among its members.

In 2017, the Institute changed its name from Investment Management Consultants Association, Inc. to Investments and Wealth Institute. The Institute is a service mark of Investment Management Consultants Association, Inc. dba Investments and Wealth Institute.

The Institute 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, the Institute is a 501(c)(6) membership organization; this means the Institute is a tax-exempt organization, as authorized by the Internal Revenue Service (IRS). In addition to providing the membership services and educational conferences to its members, the Institute supports three highly prestigious designations in the investment consulting field: certified investment management analyst (CIMA), certified private wealth advisor (CPWA), and retirement management analyst (RMA).

Note 2 - Significant Accounting Policies

Classification of Net Assets

Net assets of the Institute are classified based on the presence or absence of donor-imposed restrictions.

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Institute.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors and grantors. The Institute did not have any donor-restricted net assets at December 31, 2021 or 2020.

Cash Equivalents

The Institute considers all highly liquid investments with an original maturity of three months or less that are not held by investment managers as part of an investment portfolio to be cash equivalents. The Institute continually monitors its position with, and the credit quality of, the financial institutions with which it invests.

Accounts Receivable

The Institute extends credit to customers for payments for goods and services provided. As of December 31, 2021 and 2020, management has determined that all receivables are collectible.

Prepaid Expenses

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

Investments

The Institute 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 statement of activities and changes in net assets as investment return.

Note 2 - Significant Accounting Policies (Continued)

The Institute invests in various investments. Investments are exposed to various risks, such as interest rate, market, and credit risks. Due to the level of risk associated with certain investments, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect the Institute's investment balances and the amounts reported in the financial statements.

Development Costs

The Institute 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. The Institute 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.

Property and Equipment

Property and equipment are recorded at cost. The straight-line method is used for computing depreciation. Assets are depreciated over their estimated useful lives, ranging from three to seven years. The Institute capitalizes property and equipment purchases with a cost in excess of $1,000 and a useful life of one year or greater. The cost of leasehold improvements is amortized over the lesser of the length of the related leases or the estimated useful lives of the assets.

Impairment or Disposal of Long-lived Assets

The Institute reviews the recoverability of long-lived assets, including equipment and internal-use software, when events or changes in circumstances occur that indicate the carrying value of the asset may not be recoverable. The assessment of possible impairment is based on the ability to recover the carrying value of the asset from the expected future pretax cash flows (undiscounted and without interest charges) of the related operations. If these cash flows are less than the carrying value of such asset, an impairment loss is recognized for the difference between estimated fair value and carrying value. The measurement of impairment requires management to make estimates of these cash flows related to long-lived assets, as well as other fair value determinations.

Deferred Rent

The Institute has entered into a lease that provides for leasehold improvements. Rent expense is recognized on a straight-line basis over the term of the lease. Deferred rent represents the accumulated difference between rent payments and expense recognized.

Revenue Recognition

The Institute recognizes revenue from contracts with customers as follows:

<u>Certification</u>

The Institute provides three certifications in the investment consulting field: certified investment management analyst, certified private wealth advisor, and retirement management analyst. The Institute recognizes revenue on certifications at a point in time upon participants completing the required class. Any registrations received in advance are included in deferred revenue. Recertification fees are deferred and recognized monthly over time using the straight-line method over the applicable two-year certification period.

Note 2 - Significant Accounting Policies (Continued)

Meetings and Conferences

Revenue for meetings and conferences is recognized at the point in time when the meeting or conference has occurred. Any amounts received in advance are included in deferred revenue. Revenue related to this is included in professional development on the statement of activities and changes in net assets.

Membership

Membership dues are charged to members to access information and resources provided by the Institute over a defined membership period. Membership revenue is billed in advance and is deferred and recognized over time using the straight-line method over the membership period as the services are provided.

Education

The Institute provides in-person and online education courses. Customers are billed upon registration. For in-person classes, the Institute recognizes revenue when the class has been completed, as the time between the start and completion of education courses is trivially short. For online education courses, the Institute recognizes revenue at a point in time when access to the online course platform has been given to the participant. Amounts received in advance are included in deferred revenue. Revenue related to this is included in professional development on the statement of activities and changes in net assets.

Other Information

As of January 1, 2020, accounts receivable and deferred revenue (contract liabilities) from contracts with customers were $86,219 and $7,037,183, respectively.

Functional Allocation of Expenses

Expenses incurred directly for a program are charged to such program. Certain costs have been allocated between program and support services on several bases and estimates. Certain wages and benefits have been allocated based on time and effort. Supplies, depreciation, telephone, internet, and IT expenses are allocated based on head count. Rent and occupancy expenses are allocated based on square footage.

Certification Growth Strategy

A five-year $4,600,000 certification growth strategy was approved in 2020. The strategy is focused growing applications through aggressive sales and marketing efforts, assisting candidates with completing the certification process and delivering premier, quality education with real-world solutions for practitioners. The plan calls for increased spending in the sales staff, international expansion, scholarships, and infrastructure. During the years ended December 31, 2021 and 2020, expenses incurred under this plan were $891,994 and $621,329, respectively, resulting in a cumulative investment of $1,513,323.

Technology Growth Strategy

During the year ended December 31, 2021, the board of director approved a $359,500 technology growth plan. The strategy of the technology growth plan is focused on the following: (1) to evolve and integrate existing technology applications with new technology platforms, (2) to better engage the Institute's audiences, (3) mobilize key audiences toward desired activities, and (4) create revenue streams through data-powered offerings. During the year ended December 31, 2021, expenses incurred under this plan were $318,034.

Income Taxes

The Institute is a not-for-profit corporation and is exempt from tax under the provisions of Internal Revenue Code Section 501(c)(6).

Note 2 - Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 and expenses during the reporting period. Actual results could differ from those estimates.

Credit Risk

Financial instruments that potentially subject the Institute to concentrations of credit risk consist principally of cash and investments. The Institute 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 the Institute.

Risks and Uncertainties

On March 11, 2020, the World Health Organization declared the outbreak of a respiratory disease caused by a new coronavirus pandemic. First identified in late 2019 and now known as COVID-19, the outbreak has impacted millions of individuals worldwide. In response, many countries have implemented measures to combat the outbreak that have impacted global business operations.

The Institute had to cancel various in-person meetings and classes due to government stay-at-home orders. As a result, the Institute either moved many in-person classes and meetings to a virtual platform or postponed them to future dates. This resulted in a decrease in meetings and conference revenue and expenses. Membership and certificate levels were not significantly impacted as a result of the pandemic.

Because of the direct and indirect impacts of the continuing pandemic, the Institute's activities, functional expenses, cash flows, and financial condition could be negatively impacted in the future, but the extent of the impact cannot be reasonably estimated at this time.

Upcoming Accounting Pronouncement

The Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2016-02, *Leases (Topic 842)*, which will supersede the current lease requirements in Accounting Standards Codification (ASC) 840. The ASU requires lessees to recognize a right-of-use asset and related lease liability for all leases, with a limited exception for short-term leases. Leases will be classified as either finance or operating, with the classification affecting the pattern of expense recognition in the statement of operations. Currently, leases are classified as either capital or operating, with only capital leases recognized on the balance sheet. The reporting of lease-related expenses in the statements of operations and cash flows will be generally consistent with the current guidance. The new lease guidance will be effective for the Institute's year ending December 31, 2022 and will be applied using a modified retrospective transition method to either the beginning of the earliest period presented or the beginning of the year of adoption. The Institute is currently evaluating the impact this standard will have on the financial statements related to the operating leases currently disclosed in Note 8.

Reclassification

Certain 2020 amounts have been reclassified to conform to the 2021 presentation. Meetings and conferences and education classifications have been combined and presented as professional development for both revenue and expenses the 2021 financial statements. There were no changes to the total revenue or expenses previously reported.

Note 2 - Significant Accounting Policies (Continued)

Subsequent Events

The financial statements and related disclosures include evaluation of events up through and including April 26, 2022, which is the date the financial statements were available to be issued.

Note 3 - Liquidity and Availability of Resources

The Institute's financial assets available within one year of December 31, 2021 and 2020 for general expenditure are as follows:

	2021	2020
Cash and cash equivalents	$ 6,187,412	$ 4,221,154
Accounts receivable	47,919	81,639
Investments	21,417,920	20,605,088
Total	$ 27,653,251	$ 24,907,881

None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statement of financial position date. For the years ended December 31, 2021 and 2020, the Institute had a goal to maintain financial assets, which consist of primarily of cash and short-term investments, on hand to meet 60 days of normal operating expenses. The Institute has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Institute invests cash in excess of daily requirements in various short-term investments, including certificates of deposit and short-term treasury investments.

Note 4 - Fair Value Measurements

Accounting standards require certain assets and liabilities be reported at fair value in the financial statements and provide a framework for establishing that fair value. The framework for determining fair value is based on a hierarchy that prioritizes the inputs and valuation techniques used to measure fair value. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

In determining fair value, the Institute utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible, as well as considering 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.

The 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

Debt securities - Value is based on price currently available on comparable securities.

Private equity - Valued at net asset value per share as reported by the investment manager as a practical expedient

There have been no changes to the valuation methodology during the years ended December 31, 2021 and 2020.

Note 4 - Fair Value Measurements (Continued)

The Institute has the following fair value measurements as of December 31, 2021 and 2020:

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2021			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2021
Fixed-income mutual funds	$ 1,848,261	$ -	$ -	$ 1,848,261
Debt securities	-	3,788,854	-	3,788,854
Domestic equity mutual funds	6,074,788	-	-	6,074,788
Foreign equity mutual funds	4,700,015	-	-	4,700,015
Absolute return mutual funds	2,096,454	-	-	2,096,454
Tangible/Alternative mutual funds	1,794,445	-	-	1,794,445
Total	$ 16,513,963	$ 3,788,854	$ -	20,302,817
Investments measured at NAV				1,071,171
Total assets				$ 21,373,988

	Assets Measured at Fair Value on a Recurring Basis at December 31, 2020			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at December 31, 2020
Fixed-income mutual funds	$ 1,713,517	$ -	$ -	$ 1,713,517
Debt securities	-	3,802,203	-	3,802,203
Domestic equity mutual funds	5,856,740	-	-	5,856,740
Foreign equity mutual funds	5,019,296	-	-	5,019,296
Absolute return mutual funds	1,873,354	-	-	1,873,354
Tangible/Alternative mutual funds	1,529,759	-	-	1,529,759
Total	$ 15,992,666	$ 3,802,203	$ -	19,794,869
Investments measured at NAV				766,220
Total assets				$ 20,561,089

Cash and cash equivalents in the amount of $43,932 and $43,999 as of December 31, 2021 and 2020, respectively, are included in investments but are not subject to fair value reporting and, therefore, are not included in the table above.

Investments in Entities that Calculate Net Asset Value per Share

The Institute holds shares or interests in investment companies at year end where the fair value of the investment held is estimated based on net asset value per share (or its equivalent) of the investment company.

Note 4 - Fair Value Measurements (Continued)

The Institute invested in a private equity fund that is valued at net asset value per share. The objective of this private equity fund is to invest in platform investments in fragmented sectors capitalizing on macro-trends of growth in technology-related products and services to continue to generate attractive returns. There are no unfunded commitments for this investment as of December 31, 2021. The fund can be redeemed with a redemption notice period of 60 days once a quarter or at the discretion of the fund's board.

Investment return in the statement of activities and changes in net assets consists of the following:

	2021	2020
Dividends and interest	$ 386,321	$ 473,378
Net realized gains	483,292	666,221
Net unrealized gains	1,681,061	1,435,219
Total	$ 2,550,674	$ 2,574,818

Note 5 - Property and Equipment

Property and equipment are summarized as follows:

	2021	2020
Equipment	$ 618,551	$ 507,189
Software	130,913	130,913
Leasehold improvements	307,316	307,316
Total	1,056,780	945,418
Less accumulated depreciation	831,033	810,863
Total	$ 225,747	$ 134,555

Depreciation expense for 2021 and 2020 was $112,784 and $70,739, respectively.

Note 6 - Development Costs

Development costs of the Institute at December 31, 2021 and 2020 are summarized as follows:

	2021	2020
Software development	$ 1,181,301	$ 1,024,833
RMA	494,666	626,266
Website/Data manager	486,892	485,093
Online education	186,149	186,149
Advisor search	162,750	-
CPWA	-	10,600
Resource development center	66,750	66,750
Applied behavioral finance development	43,869	43,869
IHOP development	20,100	20,100
Wealth program	32,950	-
Endowments and foundation	17,177	17,177
Less accumulated amortization	(1,803,068)	(1,674,642)
Total development costs	$ 889,536	$ 806,195

Note 6 - Development Costs (Continued)

Amortization expense for the years ended December 31, 2021 and 2020 was $266,626 and $291,422, respectively.

During 2021 and 2020, the Institute determined that, based on estimated future cash flows, the carrying amount of certain customer lists relating to RMA exceeded their fair value by $4,000 and $28,667, respectively; accordingly, an impairment loss of that amount was recognized and is included in 2021 and 2020 program services expenses.

Note 7 - Deferred Revenue

The following is the detail of deferred revenue:

	2021	2020
Membership	$ 2,546,782	$ 2,838,752
CPWA certification	2,638,404	2,453,124
CIMA certification	1,837,998	1,331,461
Conference registration	227,274	127,613
RMA certification	182,313	105,025
Other	722,344	289,276
Total	$ 8,155,115	$ 7,145,251

Note 8 - Operating Leases

The Institute is obligated under operating leases primarily for office space and equipment, expiring at various dates through 2029. The leases require the Institute to pay taxes, insurance, utilities, and maintenance costs. Total rent expense under these leases was $426,266 and $428,072 for 2021 and 2020, respectively.

Future minimum annual commitments under these operating leases are as follows:

Years Ending December 31	Amount
2022	$ 158,015
2023	358,415
2024	363,431
2025	368,870
2026	374,970
Thereafter	1,041,490
Total	$ 2,665,191

Note 9 - Commitments on Conference Contracts

The Institute has entered into contracts with facilities and vendors for classes and conferences to be held at various times through 2022. As part of the contracts, the Institute 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 $1,832,145 and $837,000 at December 31, 2021 and 2020, respectively.

Note 10 - Retirement Plans

Profit-sharing Plan

The Institute sponsors a profit-sharing retirement plan (the "Plan") under Section 401 of the Internal Revenue Code (IRC) for all full-time and part-time employees who work over 1,000 hours in any given year and are at least 21 years of age after 90 days of employment. The Plan is nondiscretionary, and the Institute contributes on a yearly basis, as defined in the plan document. Employees vest on a five-year graded vesting schedule in employer nondiscretionary contributions. Contributions to the Plan totaled $159,940 and $157,729 for the years ended December 31, 2021 and 2020, respectively.

401(k) and Safe Harbor Plans

The Institute sponsors a retirement savings plan that allows employees to make contributions by salary reduction pursuant to Section 401(k) of the IRC. Employees are eligible for matching contributions up to 3 percent once they meet the eligibility requirements. Employees vest in matching contributions on a five-year graded vesting schedule. The Institute also regularly contributes 3 percent 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 totaled $223,008 and $204,390 for the years ended December 31, 2021 and 2020, respectively.

Cash Balance Defined Benefit Plan

As of January 1, 2017, the Institute formed a noncontributory defined cash balance benefit plan (the "noncontributory plan") covering all employees who have attained the age of 21 and have completed three months of service. The Institute will make contributions to the noncontributory plan based on either a percentage of compensation or other fixed amounts, as defined in the plan document. Under the noncontributory plan, employees are guaranteed a 5 percent annual investment return on contributions made to the noncontributory plan.

As of December 31, 2021, the plan assets and projected benefit obligation were approximately $517,000 and $613,000, respectively, resulting in a net benefit obligation of approximately $96,000. As of December 31, 2021, the Institute accrued a contribution payable to the noncontributory plan of $133,959. The projected benefit obligation at December 31, 2021 was calculated using assumptions, including a long-term rate of return and discount rates of 5 percent.

As of December 31, 2020, the plan assets and projected benefit obligation were approximately $533,000 and $510,230, respectively, resulting in a net asset of approximately $23,000. As of December 31, 2020, the Institute accrued a contribution to the noncontributory plan of $0. The projected benefit obligation at December 31, 2020 was calculated using assumptions, including a long-term rate of return and discount rates of 5 percent.

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Independent Auditor's Report on Supplemental Information

To the Board of Directors
Investments and Wealth Institute

We have audited the financial statements of Investments and Wealth Institute as of and for the years ended December 31, 2021 and 2020 and have issued our report thereon dated April 26, 2022, which contained an unmodified opinion on those financial statements. Our audits were performed for the purpose of forming an opinion on the financial statements as a whole. The schedule of revenue and expenses - budget to actual is presented for the purpose of additional analysis and is 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 the 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.

Plante & Moran, PLLC

April 26, 2022

Schedule of Revenue and Expenses - Budget to Actual

Year Ended December 31, 2021

	Actual	Budget (Unaudited)	Variance
Revenue, Gains, and Other Support			
Certification	$ 6,245,769	$ 6,850,524	$ (604,755)
Professional development	2,930,715	3,011,565	(80,850)
Membership	3,368,504	3,358,440	10,064
Total revenue, gains, and other support	12,544,988	13,220,529	(675,541)
Expenses			
Certification	4,668,304	5,228,105	(559,801)
Professional development	2,358,717	2,904,496	(545,779)
Membership	1,373,870	2,327,439	(953,569)
Total program services	8,400,891	10,460,040	(2,059,149)
Support services:			
Management and general	2,886,403	2,630,488	255,915
Membership development	678,297	78,648	599,649
Certification growth strategy	891,994	713,403	178,591
Technology growth strategy	318,034	359,500	(41,466)
Total support services	4,774,728	3,782,039	992,689
Total expenses	13,175,619	14,242,079	(1,066,460)
Decrease in Net Assets - Before investment return	(630,631)	(1,021,550)	390,919
Investment Return	2,550,674	315,000	2,235,674
Change in Net Assets	**$ 1,920,043**	**$ (706,550)**	**$ 2,626,593**

Schedule of Revenue and Expenses - Budget to Actual

Year Ended December 31, 2020

	Actual	Budget (Unaudited)	Variance
Revenue, Gains, and Other Support			
Certification	$ 5,307,328	$ 6,322,501	$ (1,015,173)
Professional development	3,468,565	5,051,550	(1,582,985)
Membership	3,782,181	3,965,158	(182,977)
Total revenue, gains, and other support	12,558,074	15,339,209	(2,781,135)
Expenses			
Certification	4,100,647	4,588,460	(487,813)
Professional development	2,644,682	2,948,372	(303,690)
Membership	1,292,834	5,033,765	(3,740,931)
Total program services	8,038,163	12,570,597	(4,532,434)
Support services:			
Management and general	2,562,590	2,471,384	91,206
Membership development	690,330	-	690,330
Certification growth strategy	621,329	1,142,520	(521,191)
Total support services	3,874,249	3,613,904	260,345
Total expenses	11,912,412	16,184,501	(4,272,089)
Increase (Decrease) in Net Assets - Before investment return	645,662	(845,292)	1,490,954
Investment Return	2,574,818	250,000	2,324,818
Change in Net Assets	**$ 3,220,480**	**$ (595,292)**	**$ 3,815,772**