

VALUE LINE INC  
Form 10-K  
July 26, 2017  
UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

**FORM 10-K**

(Mark One)

**ANNUAL REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended April 30, 2017

or

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to  
\_\_\_\_\_

Commission file number: 0-11306

VALUE LINE, INC.

(Exact name of registrant as specified in its charter)

New York 13-3139843  
(State or other jurisdiction of incorporation or organization) (I.R.S. Employer Identification No.)

551 Fifth Avenue, New York, New York 10176-0001  
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (212) 907-1500

Securities registered pursuant to Section 12(b) of the Act:

Common Stock, \$0.10 par value The NASDAQ Capital Market  
(Title of class) (Name of each exchange on which registered)

Securities registered pursuant to Section 12 (g) of the Act: None

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.  
 Yes  No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act.  Yes  No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the

Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.  
 Yes  No

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Website, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).  Yes  No

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulations S-K (§229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K.

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller reporting company  
 Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

The aggregate market value of the registrant's voting and non-voting common stock held by non-affiliates at October 31, 2016 was \$19,367,784.

There were 9,709,312 shares of the registrant's Common Stock outstanding at June 30, 2017.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant's Proxy Statement relating to the registrant's 2017 Annual Meeting of Shareholders, to be held on September 27, 2017, are incorporated by reference into Part III of this Annual Report on Form 10-K where indicated.

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Value Line, the Value Line logo, The Most Trusted Name In Investment Research, “Smart research. Smarter investing”, The Value Line Investment Survey, Value Line Select, Timeliness and Safety are trademarks or registered trademarks of Value Line Inc. and/or its affiliates in the United States and other countries. All other trademarks are the property of their respective owners.

### Cautionary Statement Regarding Forward-Looking Information

This report contains statements that are predictive in nature, depend upon or refer to future events or conditions (including certain projections and business trends) accompanied by such phrases as “believe”, “estimate”, “expect”, “anticipate”, “will”, “intend” and other similar or negative expressions, that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995, as amended. Actual results for Value Line, Inc. (“Value Line” or “the Company”) may differ materially from those projected as a result of certain risks and uncertainties, including but not limited to the following:

- maintaining revenue from subscriptions for the Company’s digital and print published products;
- changes in market and economic conditions, including global financial issues;
- protection of intellectual property rights;
- dependence on non-voting revenues and non-voting profits interests in EULAV Asset Management, a Delaware statutory trust (“EAM” or “EAM Trust”), which serves as the investment advisor to the Value Line Funds and engages in related distribution, marketing and administrative services;
- fluctuations in EAM’s assets under management due to broadly based changes in the values of equity and debt securities, redemptions by investors and other factors, and the effect these changes may have on the valuation of EAM’s intangible assets;
- dependence on key personnel;
- competition in the fields of publishing, copyright data and investment management;
- the impact of government regulation on the Company’s and EAM’s businesses;
- availability of free or low cost investment data through discount brokers or generally over the internet;
- terrorist attacks, cyber attacks and natural disasters;
- other risks and uncertainties, including but not limited to the risks described in Item 1A, “Risk Factors” herein; and
- other risks and uncertainties arising from time to time.

These factors are not necessarily all of the important factors that could cause actual results to differ materially from those expressed in any of our forward-looking statements. Other unknown or unpredictable factors which may involve external factors over which we may have no control or changes in our plans, strategies, objectives, expectations or intentions, which may happen at any time at our discretion, could also have material adverse effects on future results. Except as otherwise required to be disclosed in periodic reports required to be filed by public companies with the SEC pursuant to the SEC’s rules, we have no duty to update these statements, and we undertake no obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. In light of these risks and uncertainties, current plans, anticipated actions, and future financial conditions and results may differ from those expressed in any forward-looking information contained herein.

## Explanatory Notes

References in this Annual Report on Form 10-K for the fiscal year ending April 30, 2017, to “the Company”, “Value Line”, “we”, “us” and “our” refer to Value Line, Inc. and its consolidated subsidiaries, unless the context otherwise requires. In addition, unless the context otherwise requires, references to:

“fiscal 2017” are to the twelve month period from May 1, 2016 to April 30, 2017;

“fiscal 2016” are to the twelve month period from May 1, 2015 to April 30, 2016;

“fiscal 2015” are to the twelve month period from May 1, 2014 to April 30, 2015;

the “Adviser” or “EAM” are to EULAV Asset Management Trust, a Delaware business statutory trust;

the “Distributor” or “ES” are to EULAV Securities LLC, a Delaware limited liability company wholly owned by EAM;

“EAM LLC” are to EULAV Asset Management LLC, a Delaware limited liability company and wholly-owned former subsidiary of the Company, which prior to the Restructuring Date, was the adviser to the Value Line Funds;

“ESI” are to EULAV Securities, Inc., a New York corporation and wholly-owned subsidiary of the Company which, prior to the Restructuring Date was the distributor of the Value Line Funds;

the “EAM Declaration of Trust” are to the EAM Declaration of Trust dated December 23, 2010;

the “Restructuring Date” are to December 23, 2010, the effective date of the Restructuring Transaction;

the “Restructuring Transaction” are to the restructuring of the Company’s asset management and mutual fund distribution businesses whereby (1) ESI was restructured into ES, (2) the Company transferred 100% of its ownership interest in ES to EAM LLC, (3) EAM LLC was converted into EAM and (4) the capital structure of EAM was established so that the Company owns only non-voting revenue and non-voting profits interests of EAM, and each of five individuals owns 20% of the voting profits interests of EAM; and

the “Value Line Funds” or the “Funds” are to the Value Line Mutual Funds registered under the Investment Company Act of 1940 for which EAM serves (and, prior to the Restructuring Date, EAM LLC served) as investment adviser.



Part I

Item 1. BUSINESS.

Value Line, Inc. is a New York corporation headquartered in New York City and formed in 1982. The Company's core business is producing investment periodicals based on underlying research and making available copyright data, including certain Proprietary Ranking System and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including *Value Line*®, *the Value Line logo*®, *The Value Line Investment Survey*®, *Smart Research*, *Smarter Investing*™ and *The Most Trusted Name in Investment Research*®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. Prior to December 23, 2010, (see "Asset Management and Mutual Fund Distribution Businesses" below), the Company provided investment management services to the Value Line Mutual Funds ("Value Line Funds"), institutional and individual accounts and provided distribution, marketing, and administrative services to the Value Line Funds. Since December 23, 2010, EULAV Asset Management Trust ("EAM") provides the investment management services to the Value Line Funds accounts and provides distribution, marketing, and administrative services to the Value Line Funds. Value Line holds substantial non-voting revenues and non-voting profits interests in EAM.

The Company is the successor to substantially all of the operations of Arnold Bernhard & Co, Inc. ("AB&Co."). AB&Co. is the controlling shareholder of the Company and, as of April 30, 2017, owns 88.9% of the outstanding shares of the common stock of the Company.

***A. Investment Related Periodicals & Publications***

The investment periodicals and related publications offered by Value Line Publishing LLC ("VLP"), a wholly-owned entity of the Company, cover a broad spectrum of investments including stocks, mutual funds, ETFs, options and convertible securities. The Company's periodicals and related publications and services are of interest to individual and professional investors, as well as to institutions including municipal and university libraries and investment firms.

The services generally fall into four categories:

- Comprehensive reference periodical publications
- Targeted, niche periodical newsletters
- Investment analysis software

Current and historical financial databases

The comprehensive research services (*The Value Line Investment Survey*, *The Value Line Investment Survey - Small and Mid-Cap*, *The Value Line 600*, *The Value Line Small & Mid-Cap 300*, and *The Value Line Fund Advisor Plus*) provide both statistical and text coverage of a large number of investment securities, with an emphasis placed on Value Line's proprietary research, analysis and statistical ranks. *The Value Line Investment Survey* is the Company's flagship service, published each week in print and daily on the web, and covering approximately 1,700 stocks.

The niche newsletters (*Value Line Select*®, *Value Line Select: Dividend Income & Growth*, and *The Value Line Special Situations Service*®) provide information on a less comprehensive basis for securities that the Company believes will be of particular interest to subscribers. These services also make use of Value Line's proprietary statistical ranks and ratings. *Value Line Select*® is a targeted service with an emphasis on Value Line's proprietary in-depth research analysis and statistical selections, highlighting a monthly stock with strong return potential and reasonable risk. *Value Line Select: Dividend Income & Growth* represents Value Line's targeted coverage of high dividend yielding stocks. *The Value Line Special Situations Service* provides in-depth research analysis on small and mid-cap stocks.

Value Line offers digital versions of most of its products through the Company's website, [www.valueline.com](http://www.valueline.com). Subscribers to the print versions have, in some cases, received free access to the corresponding digital versions, although digital subscribers do not receive a free print edition. The most comprehensive of the Company's online efforts are *The Value Line Research Center* and its variations, which allow subscribers to access most of the Company's research and publications at a packaged price via the Internet.

Investment analysis software (*The Value Line Investment Analyzer*) includes data sorting and filtering tools. In addition, for institutional and professional subscribers, VLP offers current and historical financial databases (*DataFile, Estimates & Projections, Convertibles and Mutual Funds*) via online.

The print and digital services include, but are not limited to the following:

#### *The Value Line Investment Survey*

*The Value Line Investment Survey* is an investment periodical research service providing both timely articles on economic, financial and investment matters and analysis and ranks for equity securities. Two of the evaluations for covered equity securities are "Timeliness<sup>TM</sup>" and "Safety<sup>TM</sup>." "Timeliness" Ranks relate to the probable relative price performance of one stock over the next six to twelve months, as compared to the rest of the approximately 1,700 stocks covered. Ranks are updated each week and range from Rank 1 for the expected best performing stocks to Rank 5 for the expected poorest performers. "Safety" Ranks are a measure of risk and are based on the issuer's relative Financial Strength and its stock's Price Stability. "Safety" ranges from Rank 1 for the least risky stocks to Rank 5 for the riskiest. VLP employs analysts and statisticians who prepare articles of interest for each periodical and who evaluate stock performance and provide future earnings estimates and quarterly written evaluations with more frequent updates when relevant. *The Value Line Investment Survey* is comprised of three parts: The "Summary & Index" provides updated Timeliness and Safety Ranks, selected financial data, and "screens" of key financial measures; the "Ratings & Reports" section contains updated reports on about 130 stocks each week; and the "Selection & Opinion" section provides economic commentary and data, general interest articles, and four model portfolios managed by analysts covering a range of investment approaches. A fifth model portfolio, delivered via a weekly email newsletter, was added to this service in June 2014.

#### *The Value Line Investment Survey - Small and Mid-Cap*

*The Value Line Investment Survey - Small and Mid-Cap* is an investment research product introduced in 1995 that provides short descriptions of and extensive data for approximately 1,800 small and medium-capitalization stocks, many listed on The NASDAQ Exchange, beyond the approximately 1,700 equity securities of generally larger-capitalization companies covered in *The Value Line Investment Survey*. Like *The Value Line Investment Survey*,

the *Small and Mid-Cap* has its own "Summary & Index" providing updated performance ranks and other data, as well as "screens" of key financial measures and two model portfolios. The "Ratings and Reports" section, providing updated reports on about 140 equity securities each week, has been organized to correspond closely to the industries reviewed in *The Value Line Investment Survey*. One unique feature of the *Small and Mid-Cap* is The Performance Ranking System, which incorporates many of the elements of the Value Line Timeliness Ranking System, modified to accommodate the approximately 1,800 equity securities in the *Small and Mid-Cap Survey*. The Performance Rank is based on earnings growth and price momentum, and is designed to predict relative price performance over the next six to twelve months. The principal differences between the *Small and Mid-Cap Survey* and *The Value Line Investment Survey* are that the *Small and Mid-Cap Survey* does not include Value Line's Timeliness Ranks, financial forecasts, analyst commentary, or a *Selection & Opinion* section. These modifications allow VLP to offer this service at a lower price.

*The Value Line Fund Advisor*

The Value Line Mutual Fund Ranking System was introduced in 1993. It is the system utilized in the *Fund Advisor* product, a 48-page newsletter featuring load, no-load, and low-load open-end mutual funds. This product was originally introduced as *The Value Line No-Load Fund Advisor* in 1994 and augmented in 2009. Each issue offers strategies for maximizing total return, and highlights of specific mutual funds. It also includes information about retirement planning and industry news. A full statistical review, including latest performance, ranks, and sector weightings, is updated each month on approximately 800 leading load, no-load and low-load funds. Included with this product is online access to Value Line's database of more than 12,000 mutual funds, including screening tools and full-page printable reports on each fund. *Fund Advisor Plus* subscribers have access to the entire population of up to approximately 20,000 funds.

*The Value Line Special Situations Service*

*The Value Line Special Situations Service's* core focus is on smaller companies whose equity securities are perceived by Value Line's analysts as having exceptional appreciation potential. This publication was introduced in 1951. A second portfolio of stocks for more conservative investors seeking small company exposure was added in 2009.

*The Value Line Options Survey*

*The Value Line Options Survey* is an online only service that evaluates and ranks approximately 200,000 U.S. equity and equity index options. Features include an interactive database, spreadsheet tools, and a weekly email newsletter. This product is only offered as an online subscription due to the volatility in pricing of options.

*The Value Line Convertibles Survey*

Introduced in 1972, this service evaluates and ranks over 550 convertible securities (bonds and preferred stocks) for future market performance. In fiscal 2010, *The Value Line Convertibles Survey* became an online only service. By moving to online only delivery, all of the service's subscribers benefit from an enhanced website that includes daily price updates, individual analysis of each security with a printable fact sheet, and a weekly email newsletter alerting subscribers to recent rank changes.

*Value Line Select*

*Value Line Select*, is a monthly stock selection service and was first published in 1998. It focuses each month on a single company that the Value Line Research Department has selected from a group of high-quality companies whose stocks are viewed as having a superior risk/reward ratio. Recommendations are backed by in-depth research and are subject to ongoing monitoring by research personnel.

*Value Line Select: Dividend Income & Growth*

*Value Line Select: Dividend Income & Growth* (formerly *Value Line Dividend Select*), a monthly stock selection service, was introduced in June 2011. This product focuses on companies with dividend yields greater than the average of all stocks covered by Value Line, with a preference for companies that have consistently increased their dividends above the rate of inflation over the longer term and, based on Value Line analysis, have the financial strength both to support and increase dividend payments in the future. *Value Line Select: Dividend Income and Growth* is available online and in print.

*The Value Line 600*

*The Value Line 600* is a monthly publication, which contains full-page research reports on approximately 600 equity securities. Its reports provide information on many actively traded, larger capitalization issues as well as some smaller growth stocks. As a lower priced service, it offers investors who want the same type of analysis provided in *The Value Line Investment Survey*, but who do not want or need coverage of the approximately 1,700 companies covered by that product a suitable alternative. Readers also receive supplemental reports as well as a monthly Index, which includes updated statistics, including proprietary ranks and ratings. A model portfolio, delivered via a weekly email newsletter, was added to this service in January 2015.

### *The Value Line Small & Mid-Cap 300 and Investor 900*

In January 2016, we launched *The Value Line Small & Mid-Cap 300*. It is a monthly publication and details a select group of about 300 of the approximately 1,700 companies that comprise *The Value Line Investment Survey*. The 300 company reports included in this service are a smaller selection of the same full-page reports that are published in *The Value Line Investment Survey*. *The 300 stocks all have market capitalizations of under \$5.0 billion, and most industries are represented by at least two stocks.*

Although the 300 can be purchased separately, our main goal is to provide this service to current *Value Line 600* subscribers, who are predominantly receiving research on only larger cap stocks. Thus, the 300 is a companion service to the 600. When 600 subscribers add the 300 service, they are then subscribed to the print *Value Line 900* or on the web *The Value Line Investment Survey - Investor 900*. In addition to the stock reports, 900 subscribers receive monthly Summary & Index sections, which include updated company statistics, screens, and Supplementary Reports. The online 900 service provides many of our updates on a more timely basis, and two model portfolios are delivered via weekly email newsletters.

### *Value Line Investment Analyzer*

*Value Line Investment Analyzer* is a powerful menu-driven software program with fast filtering, ranking, reporting and graphing capabilities utilizing more than 230 data fields for various industries and indices and for the approximately 1,700 stocks covered in VLP's flagship publication, *The Value Line Investment Survey*. *Value Line Investment Analyzer* allows subscribers to apply numerous charting and graphing variables for comparative research. In addition to containing digital replicas of the entire *Value Line Investment Survey*, the *Value Line Investment Analyzer* includes 20-minute delayed data updates through its integration with the Value Line databases via the Internet. The software also includes a portfolio module that lets users create and track their own stock portfolios in depth with up to five years of historical financial data for scrutinizing performance, risk, yield and return. *Value Line Investment Analyzer Professional* is a more comprehensive product which covers approximately 6,000 stocks and allows subscribers to create both standardized and customized screens.

### *Value Line DataFile Products*

For our institutional customers, Value Line offers both current and historical data for equities, mutual funds, exchange traded funds ("ETFs"), and convertibles. All Value Line DataFile products are offered in Microsoft Access and ASCII formats via FTP. Below is a listing of the DataFile products:

*Fundamental DataFile I and II*

*Value Line's Fundamental DataFile I* contains fundamental data (both current and historical) on more than 6,000 publicly traded companies that follow U.S. generally accepted accounting principles ("GAAP"). This data product provides annual data from 1955, quarterly data from 1963, and full quarterly data as reported to the SEC from 1985. Value Line also offers historical data on over 9,500 companies that no longer exist in nearly 100 industries via our "Dead Company" File. The *Fundamental DataFile* has over 400 annual and over 80 quarterly fields for each of the companies included in the database. DataFile is sold primarily to the institutional and academic markets. Value Line also offers a scaled down DataFile product, *Fundamental DataFile II*, which includes a limited set of historical fundamental data.



*Estimates and Projections DataFile*

This DataFile offering contains the proprietary estimates and projections from Value Line analysts on approximately 1,700 companies. Data includes earnings, sales, cash flow, book value, margin, and other popular fields. Estimates are for the current year and next year, while projections encompass the three to five year period.

*Mutual Fund DataFile*

The Value Line *Mutual Fund DataFile* covers approximately 20,000 mutual funds with up to 20 years of historical data with more than 200 data fields. The *Mutual Fund DataFile* provides monthly pricing, basic fund information, weekly performance data, sector weights, and many other popular mutual fund data fields. This file is available for download from the Internet on a monthly basis.

*ETF DataFile*

This product is an extensive database containing the complete listing of every U.S.-listed ETF and every component and component weight since inception for every ETF on a daily basis. This includes all rebalancing, cash components, excluded assets, and distributions adjusted automatically on a daily basis. The data also includes the total return of the ETF and the total return of the corresponding underlying index on a daily basis. ETFs are added to the database and corresponding data made available usually by the first day of trading.

*Convertible DataFile*

This database is one of the largest sources of information available on convertible securities. Value Line offers data elements on our universe of more than 600 convertible bonds, preferred stocks, and warrants, with our top 150 fundamental and proprietary data items on each security.

*Value Line Research Center*

*The Value Line Research Center* provides on-line access to select Company investment research services covering stocks, mutual funds, options and convertible securities as well as special situation stocks. This service includes full digital subscriptions to *The Value Line Investment Survey*, *The Value Line Fund Advisor Plus*, *The Value Line Daily Options Survey*, *The Value Line Investment Survey - Small and Mid-Cap*, *The Value Line Convertibles Survey* and *The Value Line Special Situations Service*. Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. *The Value Line Research Center* has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

#### *Digital Services*

*The Value Line Investment Survey - Smart Investor* offers digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 1,700 stocks. Online tools include screener, alerts, watch-lists and charting. Print capabilities are included.

*The Value Line Investment Survey - Savvy Investor* offers digital access to full reports and Value Line proprietary ranks on approximately 3,500 stocks. Online tools include screener, alerts, watch-lists and charting. Print capabilities are included.

*The Value Line Investment Survey - Small Cap Investor* offers digital access to full reports and Value Line proprietary ranks on approximately 1,800 stocks. One year history is included. Online tools include screener, alerts, watch-lists and charting. Print capabilities are included.

*The Value Line Investment Survey - Investor 600*, equivalent to *The Value Line 600* print, offers digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 600 selected stocks covering the same variety of industries as *The Value Line Investment Survey*. Online tools include screener, alerts, watch-lists and charting. Print capabilities are included.

*Value Line Pro Premium* digital service includes *The Value Line Investment Survey*® and *The Value Line Investment Survey*® — *Small & Mid-Cap* and covers 3,500 stocks. This equity package monitors companies with market values ranging from \$100 million to well over \$300 billion, across 100 industries, representing 95% of daily U.S. trading volume. There are over 300 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, alerts and screening.

*Value Line Pro Basic* digital service covers the 1,700 stocks included in *The Value Line Investment Survey*®, drawn from 100 industries, representing 90% of total U.S. trading volume. There are over 300 data fields that can be screened to help make informed decisions. Features of the service include three years of historical reports and data, customizable modules, alerts and screening.

*Value Line Pro Elite* digital service includes *The Value Line Investment Survey*® and *The Value Line Investment Survey*® — *Small & Mid-Cap*. *Pro Elite* service package aimed at professional industry includes digital access to full reports and Value Line proprietary ranks on approximately 3,500 stocks. In addition, our database of mostly microcap firms adds approximately 2,500 names, for a total of about 6,000 stocks. Five years' history is included. Online tools include screener, alerts, watch-lists and charting. Downloading and print capabilities are included. Less expensive variant with fewer features is also available.

*The Value Line Investment Survey – Library Basic* covers the 1,700 stocks included in *The Value Line Investment Survey*, drawn from nearly 100 industries, and representing 90% of total U.S. daily trading volume. There are over 340 data fields that can be applied to help you make more informed decisions. Value Line has led its subscribers towards financial success by satisfying the demand for actionable insights and tools to manage any investment.

*The Value Line Investment Survey – Library Elite* offers libraries digital access to full reports, analyst commentary and Value Line proprietary ranks on approximately 3,500 stocks, along with one year of full-detail history. Online tools include screener, and charting. Print capabilities are included. A less expensive variant with fewer features is also available.

*The Value Line Pro Equity Research Center* is an equities-only package that includes access to exclusive premium services and provides online access to all of Value Line's equity products. This service offered both to financial advisers and high-net-worth individuals, includes full online subscriptions to *The Value Line Investment Survey*, *The*

*Value Line Investment Survey – Small & Mid-Cap, Value Line Select, Value Line Select: Dividend Income and Growth, and The Value Line Special Situations Service.* Users can screen more than 250 data fields, create graphs using multiple different variables, and access technical history. *The Value Line Pro Equity Research Center* has the ability to track model portfolios, (large, small and mid-cap) as well as providing ranks and news.

All the digital services have Charting features, including many options to chart against popular indexes with the ability to save settings and print. All products for financial professionals have an Alerts Hub which allows the user to set up alerts for up to 25 companies, with delivery via text, email or Facebook.

### ***B. Copyright Data Fees Programs***

The Company has copyright data, which include certain proprietary Ranking System information and other proprietary information made available for use in third party products, such as unit investment trusts, variable annuities, managed accounts and exchange traded funds, which it distributes under copyright data agreements. The sponsors of these products act as wholesalers and distribute the products generally by syndicating them through an extensive network of national and regional brokerage firms. The sponsors of these products will typically receive copyright data for one or more proprietary ranking systems, which may include Value Line Timeliness, Safety, Technical and Performance ranks, as screens for their portfolios. The sponsors are also given permission to associate Value Line's trademarks with the products. Value Line collects a copyright fee from each of the product sponsors/managers primarily based upon the market value of assets invested in each product's portfolio utilizing the Value Line proprietary data. Since these fees are based on the market value of the respective portfolios using the Value Line proprietary data, the payments to Value Line, which are typically received on a quarterly basis, will fluctuate.

Value Line's primary copyright data products are structured as ETFs, Unit Investment Trusts, all of which have in common some degree of reliance on the Value Line Ranking System for their portfolio creation. These products are offered and distributed by independent sponsors.

### *C. Investment Management Services*

The Company completed a restructuring of its asset management and mutual fund distribution businesses (the "Restructuring Transaction") on December 23, 2010 (the "Restructuring Date") and executed the EAM Declaration of Trust (the "EAM Declaration of Trust"). Pursuant to the EAM Declaration of Trust, the Company received an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM.

The business of EAM is managed by five individual trustees and a Delaware resident trustee (collectively, the "Trustees") and by its officers subject to the direction of the Trustees.

Collectively, the holders of the voting profits interests in EAM are entitled to receive 50% of the residual profits of the business, subject to temporary adjustments in certain circumstances. Value Line holds a non-voting profits interest representing 50% of residual profits, subject to temporary adjustments in certain circumstances, and has no power to vote for the election, removal or replacement of the trustees of EAM. Value Line also has a non-voting revenues interest in EAM pursuant to which it is entitled to receive a portion of the non-distribution revenues of the business ranging from 41% at non-distribution fee revenue levels of \$9 million or less to 55% at such revenue levels of \$35 million or more. In the event the business is sold or liquidated, the first \$56.1 million of net proceeds (the value of the business at the time the Restructuring Transaction was approved as determined by the directors of Value Line after reviewing a valuation report by the directors' financial advisors) plus any additional capital contributions (Value Line or any holder of a voting profits interest, at its discretion, may make future contributions to its capital account in EAM), which contributions would increase its capital account but not its percentage interest in operating profits, will be distributed in accordance with capital accounts; 20% of the next \$56.1 million will be distributed to the holders of the voting profits interests and 80% to the holder of the non-voting profits interests (currently, Value Line); and the excess will be distributed 45% to the holders of the voting profits interests and 55% to the holder of the non-voting profits interest (Value Line). EAM has elected to be taxed as a pass-through entity similar to a partnership.

Also, in connection with the Restructuring Transaction and pursuant to the EAM Declaration of Trust, Value Line (1) granted each Fund use of the name "Value Line" so long as EAM remains the Fund's adviser and on the condition that the Fund does not alter its investment objectives or fundamental policies from those in effect on the date of the investment advisory agreement with EAM, provided also that the Funds do not use leverage for investment purposes or engage in short selling or other complex or unusual investment strategies that create a risk profile similar to that of so-called hedge funds, (2) agreed to provide EAM its proprietary Ranking System information without charge or expense on as favorable basis as to Value Line's best institutional customers and (3) agreed to capitalize the business

with \$7 million of cash and cash equivalents at inception.

EAM is organized as a Delaware statutory trust and has no fixed term. However, in the event that control of the Company's majority shareholder changes, or in the event that the majority shareholder no longer beneficially owns 5% or more of the voting securities of the Company, then the Company has the right, but not the obligation, to buy the voting profits interests in EAM at a fair market value to be determined by an independent valuation firm in accordance with the terms of the EAM Declaration of Trust.

Value Line also has certain consent rights with respect to extraordinary events involving EAM, such as a proposed sale of all or a significant part of EAM, material acquisitions, entering into businesses other than asset management and fund distribution, paying compensation in excess of the mandated limit of 22.5%-30% of non-distribution fee revenues (depending on the level of such revenues), declaring voluntary bankruptcy, making material changes in tax or accounting policies or making substantial borrowings, and entering into related party transactions. These rights were established to protect Value Line's non-voting revenues and non-voting profits interests in EAM.

Until December 23, 2010, the Company, through its wholly-owned subsidiary EAM LLC, was the investment adviser for the Value Line Funds. Since December 23, 2010, EAM has acted as the Adviser to the Value Line Funds.

Until December 23, 2010, the Company through its wholly-owned subsidiary ESI, was the distributor for the Value Line Funds. Since December 23, 2010, EULAV Securities has acted as the Distributor for the Value Line Funds. State Street Bank, an unaffiliated entity, is the custodian of the assets of the Value Line Funds and provides them with fund accounting and administrative services. Shareholder services for the Value Line Funds are provided by Boston Financial Data Services.

On December 23, 2010, the Company deconsolidated its asset management and mutual fund distribution businesses and its interests in these businesses were restructured as non-voting revenues and non-voting profits interests in EAM. Accordingly, the Company no longer reports this operation as a separate business segment, although it still maintains a significant interest in the cash flows generated by this business and will continue to receive ongoing payments in respect of its non-voting revenues and non-voting profits interests, as discussed below. Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2017, were \$2.4 billion, which is \$192 million, or 8.6%, above total assets of \$2.2 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2016.

Total net assets of the Value Line Funds at April 30, 2017, were:

	(\$ in thousands)
Value Line Small Cap Opportunities	\$499,537
Value Line Income & Growth Fund	346,296
Value Line Premier Growth Fund	330,775
Value Line Asset Allocation Fund	310,493
Value Line Strategic Asset Management Fund	264,012
Value Line Larger Companies Focused Fund	244,278
Value Line Mid Cap Focused Fund	145,650
Value Line Centurion Fund	138,823
Value Line Core Bond Fund	64,506

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Value Line Tax Exempt Fund	58,353
Value Line Defensive Strategies Fund	8,451
Value Line VIP Equity Advantage Fund	2,560
Total EAM managed net assets	\$2,413,734



Investment management fees and distribution service fees (which we refer to as “12b-1fees”) vary among the Value Line Funds and may be subject to certain limitations. Certain investment strategies among the equity funds include, but are not limited to, reliance on the Value Line Timeliness™ Ranking System (the “Ranking System”) and/or the Value Line Performance Ranking System in selecting securities for purchase or sale. Each Ranking System seeks to compare the estimated probable market performance of each stock during the next six to twelve months to that of all of the approximately 1,700 or 1,800 (Performance System) stocks under review and ranks stocks on a scale of 1 (highest) to 5 (lowest). All the stocks followed by the Ranking System are listed on U.S. stock exchanges or traded in the U.S. over-the-counter markets. Prospectuses and annual reports for each of the Value Line open end mutual funds are available on the Funds’ website [www.vlfunds.com](http://www.vlfunds.com). Each mutual fund may use "Value Line" in its name only to the extent permitted by the terms of the EAM Declaration of Trust.

#### ***D. Wholly-Owned Operating Subsidiaries***

Wholly-owned operating subsidiaries of the Company as of April 30, 2017 include the following:

1. Value Line Publishing LLC (“VLP”) is the publishing unit for the investment related periodical publications and copyright data.
2. Vanderbilt Advertising Agency, Inc. places advertising on behalf of the Company's publications.
3. Value Line Distribution Center, Inc. (“VLDC”) provides subscription fulfillment services and subscriber relations services for Value Line’s publications and continues to distribute Value Line’s print publications.

#### ***E. Trademarks***

The Company holds trademark and service mark registrations for various names and logos in multiple countries. Value Line believes that these trademarks and service marks provide significant value to the Company and are an important factor in the marketing of its products and services, as well as in the marketing of the Value Line Funds, now managed by EAM. The Company is utilizing all of its trademarks and service marks, and properly maintaining all registrations.

#### ***F. Investments***

As of April 30, 2017 and April 30, 2016, the Company held total investment assets (excluding its interests in EAM) with a fair market value of \$16,576,000 and \$3,637,000, respectively, including equity securities and fixed income securities classified as available-for-sale on the Consolidated Balance Sheets. As of April 30, 2017, the Company held equity securities classified as available-for-sale, which consist of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL) and Proshares Trust S&P 500 Dividend (NOBL). As of April 30, 2017, the Company held fixed income securities which consist of certificates of deposits and securities issued by federal, state, and local governments within the United States. As of April 30, 2016, the Company held equity securities classified as available-for-sale, which consisted of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL), Proshares Trust S&P 500 Dividend (NOBL) and First Trust Total US Market Alphas ETF (TUSA). The Company did not hold any fixed income securities at April 30, 2016.

### ***G. Employees***

At April 30, 2017, the Company and its subsidiaries employed 183 people.

The Company and its affiliates, officers, directors and employees may from time to time own securities which are also held in the portfolios of the Value Line Funds or recommended in the Company's publications. Value Line analysts are not permitted to own securities of the companies they cover. The Company has adopted rules requiring reports of securities transactions by employees for their respective accounts. The Company has also established policies restricting trading in securities whose ranks are about to change in order to avoid possible conflicts of interest.

#### ***H. Principal Business Segments***

The information with respect to revenues from external customers and profit and loss of the Company's identifiable principal business segments is incorporated herein by reference to Note 17 of the Notes to the Company's Consolidated Financial Statements included in this Form 10-K.

Prior to December 23, 2010, the Company's businesses consolidated into two reportable business segments. The investment periodicals and related publications (retail and institutional) and fees from copyright data, including the proprietary Ranking System information and other proprietary information, consolidated into one segment called Publishing, and the investment management services to the Value Line Funds and other managed accounts were consolidated into a second business segment called Investment Management. Subsequent to December 23, 2010, the Publishing segment constitutes the Company's only reportable business segment.

#### ***I. Competition***

The investment information and publishing business conducted by the Company and the investment management business conducted by EAM are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company and EAM. The Internet continues to increase the amount of competition in the form of free and paid online investment research. With regard to the investment management business conducted by EAM, the prevalence of broker supermarkets or platforms permitting easy transfer of assets among mutual funds, mutual fund families, and other investment vehicles tends to increase the speed with which shareholders can leave or enter the Value Line Funds based, among other things, on short term fluctuations in performance.

#### ***J. Executive Officers of the Registrant***

The following table lists the names, ages (at June 30, 2017), and principal occupations and employment during the past five years of the Company's Executive Officers. All officers are elected to terms of office for one year. Except

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as noted, each of the following has held an executive position with the companies indicated for at least five years.

Name	Age	Principal Occupation or Employment
Howard A. Brecher	63	Chairman and Chief Executive Officer since October 2011; Acting Chairman and Acting Chief Executive Officer from November 2009 to October 2011; Chief Legal Officer; Vice President and Secretary until January 2010; Vice President and Secretary of each of the Value Line Funds from June 2008 to December 2010; Secretary of EAM LLC from February 2009 until December 2010; Director and General Counsel of AB&Co. Mr. Brecher has been an officer of the Company for more than 20 years.
Stephen R. Anastasio	58	Vice President since December 2010; Director since February 2010; Treasurer since 2005. Mr. Anastasio has been an officer of the Company for more than 10 years.

## WEBSITE ACCESS TO SEC REPORTS

The Company's Internet site address is [www.valueline.com](http://www.valueline.com). The Company's annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and any amendments to these reports are made available on the "Corporate Filings" page under the "About Value Line" tab on the Company's website @ [www.valueline.com/About/corporate\\_filings.aspx](http://www.valueline.com/About/corporate_filings.aspx). free of charge as soon as reasonably practicable after the reports are filed electronically with the SEC. All of the Company's SEC reports are also available on the SEC Internet site, [www.sec.gov](http://www.sec.gov).

## ITEM 1A. RISK FACTORS

In addition to the risks referred to elsewhere in this Form 10-K, the following risks, among others, sometimes may have affected, and in the future could affect, the Company's businesses, financial condition or results of operations and/or the investment management business conducted by EAM and consequently, the amount of revenue we receive from EAM. The risks described below are not the only ones we face. Additional risks not discussed or not presently known to us or that we currently deem insignificant, may also impact our businesses.

***The Company and its subsidiaries are dependent on the efforts of its executives and professional staff.***

The Company's future success relies upon its ability to retain and recruit qualified professionals and executives. The Company's executive officers do not have employment agreements with the Company and the Company does not maintain "key man" insurance policies on any of its executive officers. The loss of the services of key personnel could have an adverse effect on the Company.

***A decrease in the revenue generated by EAM's investment management business could adversely affect the Company's cash flow and financial condition.***

The Company derives a significant portion of its cash flow from its non-voting revenues and non-voting profits interests in EAM. A decrease in the revenue generated by EAM's investment management business, whether resulting from performance, competitive, regulatory or other reasons, would reduce the amount of cash flow received by the Company from EAM, which reduction could adversely affect the Company's cash flow and financial condition.

***EAM's assets under management, which impact EAM's revenue, and consequently the amount of the cash flow that the Company receives from EAM, are subject to fluctuations based on market conditions and individual fund performance.***

Financial market declines and/or adverse changes in interest rates would generally negatively impact the level of EAM's assets under management and consequently its revenue and net income. Major sources of investment management revenue for EAM (i.e., investment management and service and distribution fees) are calculated as percentages of assets under management. A decline in securities prices or in the sale of investment products or an increase in fund redemptions would reduce fee income. A prolonged recession or other economic or political events could also adversely impact EAM's revenue if it led to decreased demand for products, a higher redemption rate, or a decline in securities prices. Good performance of managed assets relative to both competing products and benchmark indices generally assists in both retention and growth of assets, and may result in additional revenues. Conversely, poor performance of managed assets relative to competing products or benchmark indices tends to result in decreased sales and increased redemptions with corresponding decreases in revenues to EAM. Poor performance could therefore reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company's financial condition.

***EAM derives all of its investment management fees from the Value Line Funds.***

EAM is dependent upon management contracts and service and distribution contracts with the Value Line Funds under which these fees are paid. As required by the Investment Company Act of 1940 (the "1940 Act"), the Trustees/Directors of the Funds, all of whom are independent of the Company and of EAM, have the right to terminate such contracts. If any of these contracts are terminated, not renewed, or amended to reduce fees, EAM's financial results, and consequently, the amount of cash flow received by the Company from EAM, and the Company's financial condition, may be adversely affected.

***If the Company does not maintain its subscriber base, its operating results could suffer.***

A substantial portion of the Company's revenue is generated from print and digital subscriptions, which are paid in advance by subscribers. Unearned revenues are accounted for on the Consolidated Balance Sheets of the Company within current and long term liabilities. The backlog of orders is primarily generated through renewals and new subscription marketing efforts as the Company deems appropriate. Future results will depend on the renewal of existing subscribers and obtaining new subscriptions for the investment periodicals and related publications. The availability of competitive information on the Internet at low or no cost has had and may continue have a negative impact on the demand for our products.

***The Company believes that the negative trend in retail print subscription revenue experienced in recent years is likely to continue.***

During the last several years, the Company has experienced a negative trend in retail print subscription revenue. It is expected that print revenues will continue to decline long term, while the Company emphasizes digital offerings. The Company has established the goal of maintaining competitive digital products and marketing them through traditional and digital channels to retail and institutional customers. However, the Company is not able to predict whether revenues from digital retail publications will grow more than print revenues decline, nor whether its initiatives to increase business in the professional investor market segment will continue to be successful.

***Loss of copyright data clients or decline in their customers, or assets managed by third party sponsors could reduce the Company's revenues.***

Copyright data agreements are based on market interest in the respective proprietary information. The Company believes this part of the business is dependent upon the desire of third parties to use the Value Line trademarks and proprietary research for their products, competition and on fluctuations in segments of the equity markets. If the fees from proprietary information decline, the Company's operating results could suffer.

***Failure to protect its intellectual property rights and proprietary information could harm the Company's ability to compete effectively and could negatively affect operating results.***

The Company's trademarks are important assets to the Company. Although its trademarks are registered in the United States and in certain foreign countries, the Company may not always be successful in asserting global trademark protection. In the event that other parties infringe on its intellectual property rights and it is not successful in defending its intellectual property rights, the result may be a dilution in the value of the Company's brands in the marketplace. If the value of the Company's brands becomes diluted, such developments could adversely affect the value that its customers associate with its brands, and thereby negatively impact its sales. Any infringement of our intellectual property rights would also likely result in a commitment of Company resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against our intellectual property rights and we may not be able successfully to resolve such claims. The Company is utilizing all of its trademarks and properly maintaining registrations for them.

*Adverse changes in market and economic conditions could lower demand for the Company's and EAM's products and services.*

The Company provides its products and services to individual investors, financial advisors, and institutional clients. Adverse conditions in the financial and securities markets may have an impact on the Company's subscription revenues, securities income, and copyright data fees which could adversely affect the Company's results of operations and financial condition. Adverse conditions in the financial and securities markets could also have an adverse effect on EAM's investment management revenues and reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company's financial condition.



***The Company and EAM face significant competition in their respective businesses.***

Both the investment information and publishing business conducted by the Company and the investment management business conducted by EAM are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company and EAM. With regard to the investment information and publishing business, barriers to entry have been reduced by the minimal cost structure of the Internet and other technologies. With regard to the investment management business, the absence of significant barriers to entry by new investment management firms in the mutual fund industry increases competitive pressure. Competition in the investment management business is based on various factors, including business reputation, investment performance, quality of service, marketing, distribution services offered, the range of products offered and fees charged. Access to mutual fund distribution channels has also become increasingly competitive.

***Government regulations, any changes to government regulations, and regulatory proceedings and litigation may adversely impact the business.***

Changes in legal, regulatory, accounting, tax and compliance requirements could have an effect on EAM's operations and results, including but not limited to increased expenses and restraints on marketing certain funds and other investment products. EAM is registered with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). The Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational and disclosure obligations. ES is registered as a broker-dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as "FINRA". Each Value Line Fund is a registered investment company under the 1940 Act. The 1940 Act requires numerous compliance measures, which must be observed, and involves regulation by the SEC. Each fund and its shareholders may face adverse tax consequences if the Value Line Funds are unable to maintain qualification as registered investment companies under the Internal Revenue Code of 1986, as amended. Those laws and regulations generally grant broad administrative powers to regulatory agencies and bodies such as the SEC and FINRA. If these agencies and bodies believe that EAM, ES or the Value Line Funds have failed to comply with their laws and regulations, these agencies and bodies have the power to impose sanctions. EAM, ES and the Value Line Funds, like other companies, can also face lawsuits by private parties. Regulatory proceedings and lawsuits are subject to uncertainties, and the outcomes are difficult to predict. Changes in laws, regulations or governmental policies, and the costs associated with compliance, could adversely affect the business and operations of the EAM, ES and the Value Line Funds. An adverse resolution of any regulatory proceeding or lawsuit against the EAM or ES could result in substantial costs or reputational harm to them or to the Value Line Funds and have an adverse effect on their respective business and operations. An adverse effect on the business and operations of EAM, ES and/or the Value Line Funds could reduce the amount of cash flow that the Company receives in respect of its non-voting revenues and non-voting profits interests in EAM and, consequently, could adversely affect the Company's cash flows, results of operations and financial condition.

***Terrorist attacks could adversely affect the Company and EAM.***

A terrorist attack, including biological or chemical weapons attacks, and the response to such terrorist attacks, could have a significant impact on the New York City area, the local economy, the United States economy, the global economy, and U.S. and/or global financial markets, and could also have a material adverse effect on the Company's business and on the investment management business conducted by EAM.

***Our controlling stockholder exercises voting control over the Company and has the ability to elect or remove from office all of our directors.***

As of April 30, 2017, AB&Co., Inc. beneficially owned 88.9% of the outstanding shares of the Company's voting stock. AB&Co. is therefore able to exercise voting control with respect to all matters requiring stockholder approval, including the election or removal from office of all of our directors.

***We are not subject to most of the listing standards that normally apply to companies whose shares are quoted on NASDAQ.***

Our shares of common stock are quoted on the NASDAQ Capital Market ("NASDAQ"). Under the NASDAQ listing standards, we are deemed to be a "controlled company" by virtue of the fact that AB&Co. has voting power with respect to more than 50% of our outstanding shares of voting stock. A controlled company is not required to have a majority of its board of directors comprised of independent directors. Director nominees are not required to be selected or recommended for the board's selection by a majority of independent directors or a nomination committee comprised solely of independent directors, nor do the NASDAQ listing standards require a controlled company to certify the adoption of a formal written charter or board resolution, as applicable, addressing the nominations process. A controlled company is also exempt from NASDAQ's requirements regarding the determination of officer compensation by a majority of the independent directors or a compensation committee comprised solely of independent directors. Although we currently comply with certain of the NASDAQ listing standards that do not apply to controlled companies, our compliance is voluntary, and there can be no assurance that we will continue to comply with these standards in the future.

***We are subject to cyber risks and may incur costs in connection with our efforts to enhance and ensure security from cyber attacks.***

Substantial aspects of our business depend on the secure operation of our computer systems and e-commerce websites. Security breaches could expose us to a risk of loss or misuse of sensitive information, including our own proprietary information and that of our customers and employees. While we devote substantial resources to maintaining adequate levels of cyber security, our resources and technical sophistication may not be adequate to prevent all of the rapidly evolving types of cyber attacks. Anticipated attacks and risks may cause us to incur increasing costs for technology, personnel, insurance and services to enhance security or to respond to occurrences. We maintain cyber risk insurance, but this insurance may not be sufficient to cover all of our losses from any possible future breaches of our systems.

***Changes to existing accounting pronouncements or taxation rules or practices may affect how we conduct our business and affect our reported results of operations.***

New accounting pronouncements or tax rules and varying interpretations of accounting pronouncements or taxation practice have occurred and may occur in the future. A change in accounting pronouncements or interpretations or taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. Changes to existing rules and pronouncements, future changes, if any, or the questioning of current practices or interpretations may adversely affect our reported financial results or the way we conduct our business.

Item 1B. UNRESOLVED STAFF COMMENTS.

None.

Item 2. PROPERTIES.

The Company leases 24,726 square feet of office space at 551 Fifth Avenue in New York, NY. In addition to the New York office space, the Company leases a warehouse facility with 24,110 square feet in New Jersey. The facility primarily serves the fulfillment and the distribution operations of VLDC for the various Company publications and serves as a disaster recovery site for the Company.

In February 2017 the Company's headquarters and offices moved to a new location. On November 30, 2016, Value Line, Inc., received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease

agreement between Value Line, Inc. (“Value Line” or “Company”) and ABM Industries, Incorporated (“ABM” or the “Sublandlord”) commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY (“Building” or “Premises”) beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company’s favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000, which is scheduled to be reduced to \$305,000 on September 30, 2021 and fully refunded after the sublease ends. This Building became the Company’s new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company’s annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line an allowance of \$417,000 which is expected to be applied against the Company’s costs and expenses related to the relocation to the new office facility or applied as additional free rent.

The Company leased 44,493 square feet of office space at 485 Lexington Avenue in New York, NY from July 2013 to February 2017. Base rent under the Sublease was \$1,468,269 per annum, subject to customary concessions in the Company's favor and pass-through of certain increases in operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$489,423, which was fully returned over the course of the sublease term.

On February 29, 2016, the Company's subsidiary Value Line Distribution Center ("VLDC") and Seagis Property Group LP (the "Landlord") entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ ("Warehouse") beginning on May 1, 2016 and ending on April 30, 2024 ("Lease"). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the Lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

Item 3. LEGAL PROCEEDINGS.

None.

Item 4. Mine Safety Disclosures

Not applicable.

## Part II

## Item 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES.

The Registrant's Common Stock is traded on NASDAQ under the symbol "VALU". The approximate number of record holders of the Registrant's Common Stock at April 30, 2017 was 38. As of June 29, 2017, the closing stock price was \$18.39.

The reported high and low prices and the dividends paid on these shares during the past two fiscal years were as follows:

Quarter Ended	High	Low	Dividend Declared  Per Share
April 30, 2017	\$18.36	\$16.30	\$ 0.18
January 31, 2017	\$25.25	\$17.38	\$ 0.17
October 31, 2016	\$19.45	\$14.99	\$ 0.17
July 31, 2016	\$19.15	\$14.05	\$ 0.17
April 30, 2016	\$16.39	\$16.00	\$ 0.17
January 31, 2016	\$19.72	\$15.61	\$ 0.16
October 31, 2015	\$16.60	\$16.24	\$ 0.16
July 31, 2015	\$13.63	\$13.63	\$ 0.16

On July 21, 2017, the Board of Directors of Value Line declared a quarterly dividend of \$0.18 per share to shareholders of record as of July 31, 2017 to be paid on August 11, 2017.

There are no securities of the Company authorized for issuance under equity compensation plans. The Company did not sell any unregistered shares of common stock during the fiscal year ended April 30, 2017.



**Purchases of Equity Securities by the Company**

The following table provides information with respect to all repurchases of common stock made by or on behalf of the Company during the fiscal quarter ended April 30, 2017. All purchases listed below were made in the open market at prevailing market prices.

**ISSUER PURCHASES OF EQUITY SECURITIES**

<b>Period</b>	<b>(a) Total Number of Shares (or Units) Purchased</b>	<b>(b) Average Price Paid per Share (or Unit)</b>	<b>(c) Total Number of Shares (or Units) Purchased as Part of Publicly Announced Plans or Programs</b>	<b>(d) Maximum Number (or Approximate Dollar Value) of Shares (or Units) that May Yet Be Purchased Under the Plans or Programs (1)</b>
February 1, 2017 through February 28, 2017	0	\$ -	0	\$ 669,000
March 1, 2017 through March 31, 2017	808	17.25	808	655,000
April 1, 2017 through April 30, 2017	2,655	17.25	2,655	609,000
<b>Total</b>	<b>3,463</b>	<b>\$ 17.25</b>	<b>3,463</b>	<b>\$ 609,000</b>

(1) On September 19, 2012, the Company's Board of Directors approved a share repurchase program, authorizing the repurchase of shares of the Company's common stock up to an aggregate purchase price of \$3,000,000. The repurchases will be made from time to time on the open market at prevailing market prices, in negotiated transactions off the market, in block purchases or otherwise. The repurchase program may be suspended or discontinued at any time at the Company's discretion and has no set expiration date. During fiscal 2017, the Company repurchased an aggregate of 44,924 shares of the Company's common stock for \$741,000 at an average price of \$16.51 per share under the repurchase program. During fiscal 2016, the Company repurchased an aggregate of 52,907 shares of the Company's common stock for \$796,000 at an average price of \$15.03 per share under the repurchase program. During fiscal 2015, the Company repurchased an aggregate of 8,433 shares of the Company's common stock for \$122,000 at



an average price of \$14.47 per share under the repurchase program.

Arnold Bernhard and Co., Inc. may purchase additional shares of common stock of the Company from time to time.

## Item 6. SELECTED FINANCIAL DATA.

(\$ in thousands, except number of shares and earnings per share amounts)	Fiscal Years Ended April 30,				
	2017	2016	2015	2014	2013
Revenues:					
Investment periodicals and related publications	\$30,168	\$31,925	\$32,676	\$33,598	\$31,940
Copyright data fees	4,406	2,621	2,847	2,733	3,900
Total investment periodicals and related publications	34,574	34,546	35,523	36,331	35,840
Gain on sale of operating facility	8,123	-	-	-	-
Total revenues	\$42,697	\$34,546	\$35,523	\$36,331	\$35,840
Income from operations	\$7,459	\$1,880	\$2,399	\$2,501	\$4,120
Revenues and profits interests from EAM Trust	\$7,714	\$7,651	\$7,970	\$7,499	\$6,260
Income from securities transactions and other, net	\$312	\$477	\$126	\$178	\$126
Net income	\$10,367	\$7,291	\$7,292	\$6,768	\$6,619
Earnings per share, basic and fully diluted	\$1.07	\$0.75	\$0.74	\$0.69	\$0.67
Total assets	\$87,072	\$86,507	\$87,421	\$86,875	\$84,341
Long term liabilities	\$24,628	\$25,609	\$26,768	\$26,521	\$23,962
Weighted average number of common shares outstanding	9,721,958	9,781,495	9,813,623	9,839,155	9,888,774
Cumulative cash dividends declared per share during the fiscal year	\$0.69	\$0.65	\$0.60	\$0.60	\$0.60

Item 7. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS.

The following Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is intended to help a reader understand Value Line, its operations and business factors. The MD&A should be read in conjunction with Item 1, "Business", Item 1A, "Risk Factors", and in conjunction with the consolidated financial statements and the accompanying notes contained in Item 8 of this report.

The MD&A includes the following subsections:

- Executive Summary of the Business
- Results of Operations
- Liquidity and Capital Resources
- Recent Accounting Pronouncements
- Critical Accounting Estimates and Policies

**Executive Summary of the Business**

The Company's core business is producing investment periodicals and their underlying research and making available copyright data, including certain proprietary Ranking System and other proprietary information, to third parties under written agreements for use in third-party managed and marketed investment products and for other purposes. Value Line markets under well-known brands including *Value Line*®, *the Value Line logo*®, *The Value Line Investment Survey*®, *Smart Research*, *Smarter Investing*™ and *The Most Trusted Name in Investment Research*®. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. Prior to December 23, 2010, (see "Asset Management and Mutual Fund Distribution Businesses" below), the Company provided investment management services to the Value Line® Mutual Funds ("Value Line Funds"), institutional and individual accounts and provided distribution, marketing, and administrative services to the Value Line Funds. Since December 23, 2010, EULAV Asset Management Trust ("EAM") was established to provide the investment management services to the Value Line Funds, institutional and individual accounts and provide distribution, marketing, and administrative services to the Value Line® Mutual Funds ("Value Line Funds"). The Company maintains a significant investment in EAM from which it receives non-voting revenues and non-voting profits interests. Pursuant to the EAM Declaration of Trust, the Company granted EAM the right to use the Value Line name for all existing Value Line Funds and agreed to supply the Value Line proprietary Ranking System information to EAM without charge or expense.

The Company's target audiences within the investment research field are individual investors, colleges, libraries, and investment management professionals. Individuals come to Value Line for complete research in one package.

Institutional licensees consist of corporations, financial professionals, colleges, and municipal libraries. Libraries and universities offer the Company's detailed research to their patrons and students. Investment management professionals use the research and historical information in their day-to-day businesses. The Company has a dedicated department that solicits institutional subscriptions.

Payments received for new and renewal subscriptions and the value of receivables for amounts billed to retail and institutional customers are recorded as unearned revenue until the order is fulfilled. As the orders are fulfilled, the Company recognizes revenue in equal installments over the life of the particular subscription. Accordingly, the subscription fees to be earned by fulfilling subscriptions after the date of a particular balance sheet are shown on that balance sheet as unearned revenue within current and long term liabilities.

The Company's move to new headquarters in the third quarter of fiscal 2017 resulted in lower rent expense over the term of the sublease. However, rental expenses during fiscal 2017 included additional three month overlapping rent expense of \$86,000 per month for the current office facility and \$105,000 for the previously occupied office facility during the period from December 1, 2016 to February 28, 2017.

Prior to December 23, 2010, the Company's businesses consolidated into two reportable business segments. The investment periodicals and related publications (retail and institutional) and fees from copyright data including the proprietary Ranking System information and other proprietary information consolidate into one segment called Publishing and the investment management services to the Value Line Funds and other managed accounts were consolidated into a second business segment called Investment Management. Subsequent to December 23, 2010, the Publishing segment constitutes the Company's only reportable business segment.

### **Asset Management and Mutual Fund Distribution Businesses**

The Company completed the restructuring of its asset management and mutual fund distribution businesses (the "Restructuring Transaction") on December 23, 2010 (the "Restructuring Date") and executed the EAM Declaration of Trust (the "EAM Declaration of Trust"). Pursuant to the EAM Declaration of Trust, the Company received an interest in certain revenues of EAM and a portion of the residual profits of EAM but has no voting authority with respect to the election or removal of the trustees of EAM.

The business of EAM is managed by its trustees each owning 20% of the voting profits interest in EAM and by its officers subject to the direction of the trustees. The Company's non-voting revenues and non-voting profits interests in EAM entitle it to receive a range of 41% to 55% of EAM's revenues (excluding distribution revenues) from EAM's mutual fund and separate account business and 50% of the residual profits of EAM (subject to temporary increase in certain limited circumstances). The Voting Profits Interest Holders will receive the other 50% of residual profits of EAM. Distribution is not less than 90% of EAM's profits payable each fiscal quarter under the provisions of the EAM Trust Agreement. Value Line's percent share of EAM's revenues calculated each fiscal quarter was 49.45%, 49.14%, 49.19% and 49.22% during the first, second, third and fourth quarters of fiscal 2017, respectively, and 50.05%, 50.16%, 50.14% and 49.97% during the first, second, third and fourth quarters of fiscal 2016, respectively.

Pursuant to the EAM Declaration of Trust, the Company granted EAM the right to use the Value Line name for all existing Value Line Funds and agreed to supply the Value Line proprietary Ranking System information to EAM without charge or expense.

### **Business Environment**

The nation's economy, which has been on an irregular path forward for almost the duration of the eight-year expansion, faltered anew to start 2017. On point, after a relatively impressive final six months of last year, in which growth averaged close to 3%, seasonal slippage in some business categories, a marked deceleration in consumer spending, a drawdown in private inventories, and a decline in federal government spending combined to hold growth in check during the opening period this year. In all, gross domestic product growth eased off to a pedestrian 1.4%

in the first quarter.

Encouragingly, though, the advance, albeit still choppy in spots, is generally proceeding at a more reassuring pace, suggesting that growth should average better than 2% during the concluding nine months of this year. Recent data on employment, manufacturing, non-manufacturing, and certain housing categories, for example, give us some cause for optimism going forward. However, just as these variables are improving, we also are seeing some selective slowing in certain consumer areas, and the latest auto sales figures, which were down for June, were hardly cause for generating much optimism. In fact, retail spending, in general, softened last month.

Meanwhile, as we look further down the road, we are tentatively optimistic on the expectation that we will yet see some movement on the legislative front, as the Trump Administration continues to try and advance critical business friendly proposals, including health care revision and tax reform. Should the respective political parties come together later this year and advance some generally popular proposals, the economy could well get a modest further lift in 2018, bringing GDP growth up past 2.5%. Even without much help on the fiscal side, however, GDP should gain close to 2.5%, or better next year and then sustain a moderate pace of growth out to next decade.

On a less-optimistic note, the global outlook remains unsettled. Heading the list of problems offshore are uncertain trade and political relations with certain international powers, including China and Russia, the continuing volatile nature of oil prices, and the evolving nuclear threat from North Korea.

Finally, there are questions on the home front. These mostly center on the Federal Reserve's efforts to bring about a more normalized interest-rate structure. The uncertain outcome there, along with the persistence of elevated P/E ratios, are increasing the level of volatility in the financial markets, even as the underlying stock market trends and the basic fundamentals remain positive.

### Results of Operations for Fiscal Years 2017, 2016 and 2015

The following table illustrates the Company's key components of revenues and expenses.

(\$ in thousands, except earnings per share)	Fiscal Years Ended April 30,			Change	
	2017	2016	2015	'17 vs. '16	'16 vs. '15
Income from operations including gain on sale of operating facility in fiscal 2017	\$7,459	\$1,880	\$2,399	296.8%	-21.6%
Non-voting revenues and non-voting profits interests from EAM Trust	7,714	7,651	7,970	0.8%	-4.0%
Income from operations plus non-voting revenues and non-voting profits interests from EAM Trust	\$15,173	\$9,531	\$10,369	59.2%	-8.1%
Operating expenses	35,238	32,666	33,124	7.9%	-1.4%
Income from securities transactions, net	312	477	126	-34.6%	278.6%
Income before income taxes	\$15,485	\$10,008	\$10,495	54.7%	-4.6%
Net income	\$10,367	\$7,291	\$7,292	42.2%	0.0%
Earnings per share	\$1.07	\$0.75	\$0.74	42.7%	1.4%

During the twelve months ended April 30, 2017, the Company's net income of \$10,367,000, or \$1.07 per share, was \$3,076,000 or 42.2% above net income of \$7,291,000, or \$0.75 per share, for the twelve months ended April 30, 2016. During the twelve months ended April 30, 2017 there were 9,721,958 average common shares outstanding as compared to 9,781,495 average common shares outstanding during the twelve months ended April 30, 2016. Income from operations of \$7,459,000 for the twelve months ended April 30, 2017 which included additional depreciation and amortization expense of \$806,000 was \$5,579,000 above income from operations of \$1,880,000 for the twelve months ended April 30, 2016. During the twelve months of fiscal 2017 both net income and income from operations included

a pre-tax gain of \$8,123,000 from the sale of the Company's operating facility for which it received net proceeds of \$11,555,000 on July 29, 2016. The fulfillment and mailing operations housed within the facility were relocated to a nearby area of New Jersey. During the fourth quarter ended April 30, 2017, the Company's reported loss from operations of \$489,000 was the result of an increase in salaries and employee benefits primarily in the Information Technology department related to augmenting the Company's digital infrastructure and production processes accompanied by increased expenses related to relocating the Company's New York City office facility.

During the twelve months ended April 30, 2016, the Company's net income of \$7,291,000, or \$0.75 per share, was comparable to net income of \$7,292,000, or \$0.74 per share, for the twelve months ended April 30, 2015. During the twelve months ended April 30, 2016 there were 9,781,495 average common shares outstanding as compared to 9,813,623 average common shares outstanding during the twelve months ended April 30, 2015. Income from operations of \$1,880,000 for the twelve months ended April 30, 2016 which included additional depreciation and amortization expense of \$1,102,000 was \$519,000 below income from operations of \$2,399,000 for the twelve months ended April 30, 2015. During the fourth quarter ended April 30, 2016, the Company's reported loss from operations of \$462,000 was the result of the accelerated amortization of the capitalized software development costs.



Total operating revenues

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2017	2016	2015	'17 vs. '16	'16 vs. '15
Investment periodicals and related publications:					
Print	\$14,094	\$15,659	\$16,553	-10.0 %	-5.4 %
Digital	16,074	16,266	16,123	-1.2 %	0.9 %
Total investment periodicals and related publications	30,168	31,925	32,676	-5.5 %	-2.3 %
Copyright data fees	4,406	2,621	2,847	68.1 %	-7.9 %
Gain on sale of operating facility	8,123	-	-	n/a	n/a
Total operating revenues	\$42,697	\$34,546	\$35,523	23.6 %	-2.8 %

During the twelve months ended April 30, 2017 total publishing revenues from investment periodicals and related publications excluding copyright data fees were \$30,168,000, which is 5.5% below the total publishing revenues excluding copyright data fees of \$31,925,000 during the twelve months ended April 30, 2016. During the twelve months ended April 30, 2017, the Company's decrease in the publishing revenues was partially the result of 52 weeks of print revenues recorded in the twelve months ended April 30, 2017 as compared to 53 weeks recorded in the twelve months ended April 30, 2016. The remaining decrease in print publications revenue is primarily a result of a 6.9% decrease in print circulation at April 30, 2017. Total publishing revenues from investment periodicals and related publications excluding copyright data fees were \$32,676,000 during the twelve months ended April 30, 2015.

Within investment periodicals and related publications, subscription sales orders are derived from print and digital products. The following chart illustrates the changes in the sales orders associated with print and digital subscriptions.

Sources of subscription sales

	Fiscal Years Ended April 30,					
	2017		2016		2015	
	Print	Digital	Print	Digital	Print	Digital
New Sales	13.0 %	14.6 %	12.0 %	16.3 %	12.4 %	18.6 %
Conversion and Renewal Sales	87.0 %	85.4 %	88.0 %	83.7 %	87.6 %	81.4 %
Total Gross Sales	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %	100.0 %

During the twelve months ended April 30, 2017 new sales of print publications increased as a percent of the total gross print sales as a result of an increase in new print gross sales to Institutions. Conversion and renewal sales of print orders decreased from the prior fiscal year. New sales of digital publications decreased as a percent of the total gross digital sales as a result of a decrease in new digital retail sales orders. Conversion and renewal sales of digital orders increased over the prior fiscal year as a result of increased efforts by our in-house Retail and Institutional Sales departments.

During the twelve months ended April 30, 2016 new sales of print and digital publications decreased as a percent of the total gross print and digital sales as a result of less aggressive promotion to first-time customers at introductory prices. Conversion and renewal sales orders increased over fiscal 2015 outpacing the decrease in new sales orders as a result of increased success by our in-house Retail and Institutional Sales departments.

(\$ in thousands)	As of April 30,			Change	
	2017	2016	2015	'17 vs. '16	'16 vs. '15
Unearned subscription revenue (current and long term liabilities)	\$25,659	\$25,442	\$26,047	0.9%	-2.3%

Unearned subscription revenue as of April 30, 2017 is almost 1% above April 30, 2016 and is 2.3% below April 30, 2015. A certain amount of variation is to be expected due to the volume of new orders and timing of renewal orders, direct mail campaigns and large Institutional Sales orders.

#### Investment periodicals and related publications revenues

Investment periodicals and related publications revenues decreased \$1,757,000, or 5.5%, for the twelve months ended April 30, 2017, as compared to fiscal 2016. The Company continued its efforts to attract new subscribers through various marketing channels, primarily direct mail, e-mail, and by the efforts of our sales personnel. Total product line circulation at April 30, 2017 was 7.1% below total product line circulation at April 30, 2016. The Company has been successful in growing revenues from digitally-delivered investment periodicals within the institutional market. Institutional Sales generated total sales orders of \$14,757,000 for the twelve months ended April 30, 2017 which were \$517,000 or 3.6%, above comparable total sales orders of \$14,240,000, for the twelve months ended April 30, 2016. This growth continues a positive trend for Institutional Sales, but is not sufficient to wholly offset the lost revenues from retail subscribers. We have also benefited from “converting” some customers from lower cost retail to the more robust professional priced services. The retail telemarketing sales team generated total sales orders of \$9,255,000 for the twelve months ended April 30, 2017 which were 2% above the prior fiscal year.

Digital publications revenues during the twelve months ended April 30, 2017, were \$192,000 or 1.2% below fiscal 2016. Revenues from institutional digital publications increased \$123,000 or 1.1% as compared to fiscal 2016. Digital publications revenues from retail subscribers decreased \$316,000 or 6.8% with circulation decreasing by 7.4% for the twelve months ended April 30, 2017, as compared to fiscal 2016. During the twelve months ended April 30, 2017, \$157,000 of retail digital revenues were converted to higher priced Institutional Sales orders generating \$146,000 additional revenues.

Print publication revenues decreased \$1,565,000 or 10.0% for the twelve months ended April 30, 2017 as compared to fiscal 2016. Revenues from institutional print publications increased \$152,000 or 7.1% while print publications revenues from retail subscribers decreased \$1,717,000 or 12.7% for the twelve months ended April 30, 2017, as compared to fiscal 2016. This includes the effect of 52 weeks of print revenues recorded in the twelve months ended April 30, 2017 as compared to 53 weeks recorded in the twelve months ended April 30, 2016. Total print circulation at April 30, 2017 was 6.9% below total print circulation at April 30, 2016.

Investment periodicals and related publications revenues decreased \$751,000, or 2.3%, for the twelve months ended April 30, 2016, as compared to fiscal 2015. The Company continued its efforts to attract new subscribers through various marketing channels, primarily direct mail, e-mail, and by the efforts of our sales personnel. Total product line circulation at April 30, 2016 was 3.7% below total product line circulation at April 30, 2015. The Company has been successful in growing revenues from digitally-delivered investment periodicals within the institutional market. Institutional Sales generated total sales orders of \$14,240,000 for the twelve months ended April 30, 2016 which were \$915,000 or 6.9%, above comparable total sales orders of \$13,325,000, for the twelve months ended April 30, 2015. This growth continues a positive trend for Institutional Sales, but is not sufficient to wholly offset the lost revenues from retail subscribers. We have also benefited from “converting” some customers from lower cost retail to the more robust professional priced services.

Digital publications revenues during the twelve months ended April 30, 2016, were \$143,000 above fiscal 2015. Revenues from institutional digital publications increased \$749,000 or 6.9% as compared to fiscal 2015. Digital publications revenues from retail subscribers decreased \$606,000 or 11.6% with circulation decreasing by 7.2% for the twelve months ended April 30, 2016, as compared to fiscal 2015. During the twelve months ended April 30, 2016, \$191,000 of retail digital revenues were converted to higher priced Institutional Sales orders generating \$159,000 additional revenues.

Print publication revenues decreased \$894,000 or 5.4% for the twelve months ended April 30, 2016 as compared to fiscal 2015. Revenues from institutional print publications increased \$165,000 or 8.4% while print publications revenues from retail subscribers decreased \$1,059,000 or 7.3% for the twelve months ended April 30, 2016, as compared to fiscal 2015. Total print circulation at April 30, 2016 was 2.4% below total print circulation at April 30, 2015 including an increase in the introductory lower-priced *Value Line 600* print product. *The VL 600* was utilized during fiscal 2016 and the latter part of 2015 as a retail lead-generation product. Though revenue from expiring full-price subscriptions has not been matched by the initial revenue from new promotional retail orders, our retail sales and marketing personnel have made an effort to renew and upgrade the new customers.

The Company has relied more on its personnel selling efforts in both the institutional segment and retail retention and sales, as the ability to obtain orders profitably through traditional direct marketing plateaus. The majority of the Company's subscribers have traditionally been individual investors who generally receive printed publications via U.S. Mail on a weekly basis. Individual investors interested in digitally-delivered investment information have access to both free and subscription equity research from many sources. Continuing factors that have contributed to the decline in the retail digital investment periodicals and related publications revenues include competition in the form of free or low cost investment research on the Internet and research provided by brokerage firms at no direct cost to their clients. Further, there appears to be a relative decline in individuals' interest in holding specific stocks as compared with ETFs, mutual funds and participation in retirement plans. In order to address competition the Company has emphasized its lower-priced "starter" levels of service in attracting new customers. Also many of the professional subscribers to the Company's digital and print retail products have been successfully converted to a higher priced Institutional product, with the peak impact of such movement behind us. The Company offers quality publications on mutual funds and Exchange Traded Funds, but they have achieved only modest market share.

Value Line serves primarily individual and professional investors in stocks, who pay, primarily on annual subscription plans, for basic services or as much as \$100,000 or more annually for comprehensive premium quality research, not obtainable elsewhere. The ongoing goal of adding new subscribers has led us to experiment with varying terms for our reliable, proprietary research including a period of intensive promotion of "starter" services and publications.

Copyright data fees

The Value Line proprietary Ranking System information (the “Ranking System”), a component of the Company’s flagship product, *The Value Line Investment Survey*, is also utilized in the Company’s copyright data business which also offers a number of specialized “models” for stock selection. The Ranking System is made available to EAM for specific uses without charge. For the six month period ended April 28, 2017, the combined Ranking System “Timeliness Rank 1 & 2” stocks’ increase of 13.8% outperformed the S&P 500 Index’s increase of 12.1% during the comparable period. For the twelve month period ended April 28, 2017, the combined Ranking System “Rank 1 & 2” stocks’ increase of 17.3% outperformed the S&P 500 Index’s increase of 15.4% during the comparable period.

During the twelve months ended April 30, 2017, copyright data fees of \$4,406,000 were 68% above fiscal 2016. As of April 30, 2017, total third party sponsored assets were attributable to three contracts for copyright data representing \$3.6 billion in various products, as compared to three contracts for copyright data representing \$1.8 billion in assets at April 30, 2016. During the twelve months ended April 30, 2015, copyright data fees were \$2,847,000 and total third party sponsored assets were attributable to four contracts for copyright data representing \$2.3 billion in various products, in assets at April 30, 2015.

The Company believes this part of the business is dependent upon the desire of third parties to use the Value Line trademarks and proprietary research for their products, on competition and on fluctuations in segments of the equity markets. Our quantitative specialists are seeking to develop and confirm reliable models for additional copyright data products, including Ranking System-based concepts as well as other proprietary quantitative models.

Investment management fees and services – (unconsolidated)

The Company has a substantial non-voting revenues and non-voting profits interests in EAM, the asset manager to the Value Line Mutual Funds. Accordingly, the Company does not report this operation as a separate business segment, although it maintains a significant interest in the cash flows generated by this business and will receive ongoing payments in respect of its non-voting revenues and non-voting profits interests.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2017, were \$2.4 billion, which is \$192 million, or 8.6%, above total assets of \$2.2 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2016, reflecting market appreciation offset by net redemptions in all but two of the twelve Value Line Funds over the twelve month period April 30, 2017.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2016, were \$2.2 billion, which is \$128 million, or 5.4%, below total assets of \$2.4 billion in the Value Line Funds managed and/or distributed by EAM at April 30, 2015, reflecting market depreciation and the net redemptions over the past twelve months ended April 30, 2016.

Shares of Value Line Strategic Asset Management Trust (“SAM”) and Value Line Centurion Fund (“Centurion”) are within certain variable annuity and variable life insurance contracts issued by The Guardian Insurance & Annuity Company, Inc. (“GIAC”); new contracts of this type are no longer sold. Starting January 2015, the Value Line VIP Equity Advantage Fund was added to the Guardian Pro Series Variable Annuities. The fund is an open end fund that invests primarily in a basket of closed-end funds.

Although sales and inflows for the Value Line Equity Funds during fiscal 2017 are comparable to fiscal 2016 which were up 57% as compared to fiscal 2015, the Value Line Funds continue to experience net redemptions and the associated net asset outflows (redemptions less new sales) for the last three fiscal years.

The following table shows the change in assets for the past three fiscal years including sales (inflows), redemptions (outflows), dividends and capital gain distributions, and market value changes. Inflows for sales, and outflows for

redemptions reflect decisions of individual investors. The table also illustrates the assets within the Value Line Funds broken down into equity funds, variable annuity funds and fixed income funds as of April 30, 2017, 2016 and 2015.



Value Line Mutual Funds*Total Net Assets*

<b>For the Years Ended April 30,</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2017 vs. 2016</b>	<b>2016 vs. 2015</b>		
Value Line equity fund assets (excludes variable annuity)— beginning (1)	\$ 1,681,698,049	\$ 1,737,521,140	\$ 1,647,890,976	-3.2	%	5.4	%
Sales/inflows	410,927,024	441,634,248	314,912,210	-7.0	%	40.2	%
Redemptions/outflows	(384,689,816 )	(350,894,662 )	(249,287,083 )	9.6	%	40.8	%
Dividend and Capital Gain Distributions	(97,996,109 )	(142,675,717 )	(127,174,928 )	-31.3	%	12.2	%
Market value change	267,090,750	(3,886,961 )	151,179,966	6771.5	%	-102.6	%
Value Line equity fund assets (non-variable annuity)— ending	1,877,029,899	1,681,698,049	1,737,521,140	11.6	%	-3.2	%
Variable annuity fund assets — beginning (2)	\$ 399,566,320	\$ 459,820,828	\$ 488,317,714	-13.1	%	-5.8	%
Sales/inflows	35,751,469	26,337,080	45,535,001	35.7	%	-42.2	%
Redemptions/outflows	(49,998,352 )	(70,599,332 )	(74,772,515 )	-29.2	%	-5.6	%
Dividend and Capital Gain Distributions	(26,230,225 )	(18,508,679 )	(37,531,133 )	41.7	%	-50.7	%
Market value change	46,305,950	2,516,423	38,271,762	1740.1	%	-93.4	%
Variable annuity fund assets — ending	405,395,163	399,566,320	459,820,828	1.5	%	-13.1	%
Fixed income fund assets — beginning (3)	\$ 141,430,806	\$ 153,016,581	\$ 161,786,294	-7.6	%	-5.4	%
Sales/inflows	26,354,593	6,109,851	8,609,157	331.3	%	-29.0	%
Redemptions/outflows	(33,640,443 )	(19,121,358 )	(20,089,197 )	75.9	%	-4.8	%
Dividend and Capital Gain Distributions	(42,068 )	202,957	197,218	-120.7	%	2.9	%
Market value change	(2,793,571 )	1,222,774	2,513,110	-328.5	%	-51.3	%
Fixed income fund assets — ending	131,309,317	141,430,806	153,016,581	-7.2	%	-7.6	%
Assets under management — ending	\$ 2,413,734,379	\$ 2,222,695,176	\$ 2,350,358,550	8.6	%	-5.4	%

At April 30, 2015 \$45 million of total assets were held in the Daily Income Fund managed by Reich & Tang Asset Management LLC which was liquidated on July 29, 2015. A money market alternative at Federated Government Obligations Fund was offered to Value Line Funds shareholders in fiscal 2017 and fiscal 2016.

EAM has successfully broadened distribution, particularly within the Adviser/Independent Broker Dealer (“IBD”) channel. Assets in that channel are up \$120 million or 22% year over year, due to ongoing growth in gross sales and market appreciation. The channel is approximately 71% of gross sales for the year. Due to stronger gross annual sales than that of the prior year, the Advisor/IBD channel continues to be positive and the leading channel for net sales for the period. The marketing efforts have led to over 3,800 financial advisers (individual reps or RIAs) owning a Value Line fund as of April 30, 2017. The largest distribution channel for the Value Line Funds remains the fund supermarket platforms such as Charles Schwab & Co., Inc., Fidelity, Pershing and E-Trade.

As of April 30, 2017, all six Value Line equity and hybrid mutual funds, excluding SAM and Centurion, held an overall four or five star rating by Morningstar, Inc. However, as of April 30, 2017, only two of the six equity and hybrid funds are in the top quartile of their respective peer groups for the one year period, although five of the six funds are in the top quartile for the three year period according to Morningstar. As of April 30, 2016, five of the six equity and hybrid funds were in the top quartile of their respective peer groups for one year and four of the six were in the top quartile for the three year period according to Morningstar.

Several of the Value Line Funds have received national recognition. The Value Line Small Cap Opportunities Fund is recognized on a select list at Lincoln Financial. Since June 30, 2015 Fidelity added the Value Line Small Cap Opportunities Fund as a Fidelity Fund Pick. The Small Cap Opportunities Fund and the Mid-Cap Focused Fund were named “Category Kings” in *The Wall Street Journal* in calendar 2017. The Value Line Income & Growth Fund is a recent year-to-date Category King for balanced funds. In November 2015 four funds: the Small Cap Opportunities Fund, the Larger Companies Focused Fund, the Asset Allocation Fund, and the Income and Growth Fund launched a new Institutional Class of shares. With the creation of institutional shares EAM has the opportunity to place the Value Line Mutual Funds on distribution platforms that offer exclusively those funds shares that have eliminated all 12b-1 fees from their fee structure.

*EAM Trust - Results of operations before distribution to interest holders*

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2017, before interest holder distributions, include total investment management fees earned from the Value Line Funds of \$14,701,000, 12b-1 fees and other fees of \$5,822,000 and other income of \$205,000 which includes dividend, interest and licensing fees income. For the same period, total investment management fee waivers were \$436,000 and 12b-1 fee waivers for four Value Line Funds were \$923,000. During the twelve months ended April 30, 2017, EAM's net income was \$1,038,000 after giving effect to Value Line’s non-voting revenues interest of \$7,195,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2016, before interest holder distributions, include total investment management fees earned from the Value Line Funds of \$14,548,000, 12b-1 fees and other fees of \$5,669,000 and net loss of \$14,000 on the investments. For the same period,

total investment management fee waivers were \$262,000 and 12b-1 fee waivers for four Value Line Funds were \$1,071,000. Removing management fee waivers on Asset Allocation Fund and the Core Bond Fund resulted in \$30,000 in increased management fees per month. During the twelve months ended April 30, 2016, EAM's net income was \$880,000 after giving effect to Value Line's non-voting revenues interest of \$7,211,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest. During the twelve months ended April 30, 2016 EAM compensation and employee benefits expenses increased \$173,000 above fiscal 2015 primarily due to the addition of an equity analyst in March 2015 and an increase in incentive compensation and the cost of employee benefits year over year. The equity analyst provides coverage and support to the equity funds and the portfolio managers.

The overall results of EAM’s investment management operations during the twelve months ended April 30, 2015, before interest holder distributions, include total investment management fees earned from the Value Line Funds of \$15,014,000, 12b-1 fees and other fees of \$5,459,000 and other income of \$34,000. For the same period, total investment management fee waivers were \$192,000 and 12b-1 fee waivers for six Value Line Funds were \$1,518,000. During the twelve months ended April 30, 2015, EAM’s net income was \$1,248,000 after giving effect to Value Line’s non-voting revenues interest of \$7,346,000, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

As of April 30, 2017, four of the Value Line Funds have all or a portion of the 12b-1 fees being waived, and one fund has partial investment management fee waivers in place. Although, under the terms of the EAM Declaration of Trust, the Company no longer receives or shares in the revenues from 12b-1 distribution fees, the Company could benefit from the fee waivers to the extent that the resulting reduction of expense ratios and enhancement of the performance of the Value Line Funds attracts new assets.

The Value Line equity and hybrid funds assets represent 78.1%, variable annuity funds issued by GIAC represent 16.8%, and fixed income fund assets represent 5.1%, respectively, of total fund assets under management (“AUM”) as of April 30, 2017. At April 30, 2017, equity, hybrid and GIAC variable annuities AUM increased by 10.2% and fixed income AUM decreased by 12.8% as compared to fiscal 2016.

*EAM - The Company’s non-voting revenues and non-voting profits interests*

The Company holds non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM’s investment management fee revenues from its mutual fund and separate accounts business, and 50% of EAM’s net profits, not less than 90% of which is distributed in cash every fiscal quarter. The applicable recent non-voting revenues interest percentage for fourth quarter of fiscal 2017 is 49.22%.

The Company recorded income from its non-voting revenues interest and its non-voting profits interest in EAM as follows:

	Fiscal Years Ended April			Change	
	2017	2016	2015	'17	'16
(\$ in thousands)				vs.	vs.

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				'16	'15
Non-voting revenues interest	\$7,195	\$7,211	\$7,346	-0.2 %	-1.8 %
Non-voting profits interest	519	440	624	18.0%	-29.5%
	\$7,714	\$7,651	\$7,970	0.8 %	-4.0 %

During the twelve months ended April 30, 2017 and April 30, 2016, the Company recorded revenues of \$7,714,000 and \$7,651,000, respectively, consisting of \$7,195,000 and \$7,211,000, from its non-voting revenues interest in EAM and \$519,000 and \$440,000, from its non-voting profits interest in EAM without incurring any directly related expenses. During the twelve months ended April 30, 2015, the Company recorded revenues of \$7,970,000, consisting of \$7,346,000, from its non-voting revenues interest in EAM and \$624,000, from its non-voting profits interest in EAM.

Operating expenses

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2017	2016	2015	'17 vs. '16	'16 vs. '15
Advertising and promotion	\$3,473	\$3,685	\$4,984	-5.8 %	-26.1 %
Salaries and employee benefits	17,477	15,702	15,935	11.3 %	-1.5 %
Production and distribution	9,063	8,725	7,081	3.9 %	23.2 %
Office and administration	5,225	4,554	5,124	14.7 %	-11.1 %
Total expenses	\$35,238	\$32,666	\$33,124	7.9 %	-1.4 %

Expenses within the Company are categorized into advertising and promotion, salaries and employee benefits, production and distribution, office and administration.

Operating expenses of \$35,238,000 for the twelve months ended April 30, 2017, increased \$2,572,000, or 7.9%, as compared to the twelve months ended April 30, 2016. The increase in expenses in fiscal 2017 resulted primarily from the additional depreciation and amortization of \$806,000 attributable to additional amortization of internally developed software costs related to the product production cycle for which the upgrade is expected to be completed during fiscal 2018, a \$1,035,000 decrease in capitalization of deferred software costs for digital product and database development and an increase in space rental and moving costs (New York City and New Jersey office facilities).

Operating expenses of \$32,666,000 for the twelve months ended April 30, 2016, decreased \$458,000, or 1.4%, as compared to the twelve months ended April 30, 2015. The decrease in expenses in fiscal 2016 resulted primarily from a \$1,445,000 decrease in direct mail expense partially offset by the additional depreciation and amortization of \$1,102,000 related to software development costs previously incurred.

Operating expenses of \$33,124,000 for the twelve months ended April 30, 2015, decreased \$706,000, or 2.1%, as compared to the twelve months ended April 30, 2014. The decrease in expenses resulted primarily from a \$945,000 decrease in rent expense partially offset by the additional depreciation and amortization of \$630,000 related to software development costs previously incurred.

Advertising and promotion

Advertising and promotion expenses of \$3,473,000 during the twelve months ended April 30, 2017 decreased \$212,000 or 5.8%, as compared to fiscal 2016. The decrease in direct mail expenses of \$275,000 during the twelve months ended April 30, 2017, is mainly attributable to a reduction in the number of campaigns for *The Value Line Investment Survey* and *The Value Line 600*, as compared to fiscal 2016 partially offset by an increase in direct marketing for *Value Line Select: Dividend Income & Growth*, *The Value Line Small and Mid-Cap* and *Special Situations* in fiscal 2017. There were four direct mail campaigns for *The Value Line Investment Survey* and three for *The Value Line 600* during the twelve months ended April 30, 2017 as compared to five direct mail campaigns for *The Value Line Investment Survey* and six for *The Value Line 600* in the comparable period of the prior fiscal year. During the twelve months ended April 30, 2017 sales commissions increased \$96,000 as compared to fiscal 2016. In fiscal 2017 third-party telemarketing expenses decreased \$66,000 as a result of eliminating dedicated representative as compared to the prior fiscal year. These decreases were offset by a \$59,000 increase in general advertising and trade shows for Institutional Sales department.

Advertising and promotion expenses of \$3,685,000 during the twelve months ended April 30, 2016 decreased \$1,299,000 or 26.1%, as compared to fiscal 2015. The decreases in direct mail expenses of \$1,445,000 for the twelve months ended April 30, 2016, are mainly attributable to a reduction in the number of pieces mailed to prospects for *The Value Line Investment Survey* and *The Value Line 600*, as compared to fiscal 2015 partially offset by an increase in direct marketing for *Value Line Select* and *Value Line Select: Dividend Income & Growth* in fiscal 2016. There were five direct mail campaigns for *The Value Line Investment Survey* during the twelve months ended April 30, 2016 as compared to ten direct mail campaigns in fiscal 2015. The Company also negotiated vendor savings resulting in a \$157,000 reduction in expenses related to third party inbound telemarketing services and eliminated third party product support, bringing the operations in house. During the twelve months ended April 30, 2016 sales commissions increased \$296,000 and were associated with a \$1,949,000 increase in retail sales orders and a \$915,000 increase in Institutional sales orders as compared to fiscal 2015. Commissions vary based on the type of customer, size of sale, and whether a sale is new or renewal.

Advertising and promotion expenses of \$4,984,000 during the twelve months ended April 30, 2015 increased \$761,000 or 18.0%, as compared to advertising and promotion expenses of \$4,223,000 in fiscal 2014, principally due to a \$305,000 increase in direct mail costs. The increase in direct mail expenses is attributable to an increase in list costs of 10% resulting from the purchase of more prospect names and the timing of mailing for *The Value Line 600* and *The Value Line Investment Survey* with more campaigns in fiscal 2015 than in fiscal 2014. Other increases include a \$51,000 increase in third-party client support expenses and a \$277,000 increase in sales commissions. In fiscal 2015 in-house telemarketing expenses increased \$249,000 and were associated with a \$1.7 million increase in retail sales orders during the twelve months ended April 30, 2015. An increase of \$144,000 in media and general advertising primarily related to expenses to improve services in retail marketing and brand awareness promotions through newspapers, radio and the internet.

#### Salaries and employee benefits

During the twelve months ended April 30, 2017 salaries and employee benefits of \$17,477,000 increased \$1,775,000 or 11.3% above fiscal 2016 which included the effect of a decrease in the capitalization of internal salaries and benefits expenses for digital project development of \$1,035,000 during the twelve months ended April 30, 2017, as compared to fiscal 2016. The remaining increases in salaries and employee benefits, primarily in the Information Technology department (“IT”) related to augmenting the Company’s digital infrastructure and production processes and Institutional Sales and Research departments including recruiting fees, were partially offset by decreases in salaries and employee benefits in Human Resources, Advertising and fulfillment and distribution operations at VLDC during the twelve months ended April 30, 2017.

Salaries and employee benefits of \$15,702,000 during the twelve months ended April 30, 2016 were \$233,000 or 1.5% below fiscal 2015’s primarily as a result of a decrease in salary and employee benefits in Institutional Sales, Information Technology, Advertising and Value Line Distribution Center (“VLDC”) and a restructuring of the incentive compensation program which were partially offset by an increase in Executive, Quantitative Research and Research departments. The capitalization of internal salaries and employee benefits expenses of \$1,250,000 for digital project



development decreased \$442,000 during the twelve months ended April 30, 2016, as compared to fiscal 2015.

Salaries and employee benefits of \$15,935,000 during the twelve months ended April 30, 2015 were \$400,000 or 2.4% below fiscal 2014's salaries and employee benefits of \$16,335,000 primarily as a result of a decrease in administrative and support personnel (in IT, Accounting, Advertising and the IT support at VLDC, the fulfillment operation) partially offset by an increase in the internal Telemarketing, Research and Institutional Sales departments. The capitalization of internal salaries and employee benefits expenses of \$1,692,000 for digital project development increased \$96,000 during the twelve months ended April 30, 2015, as compared to fiscal 2014.

During the twelve months ended April 30, 2017, 2016 and 2015, the Company recorded profit sharing expenses of \$345,000, \$473,000 and \$422,000, respectively.

Production and distribution

During the twelve months ended April 30, 2017, production and distribution expenses of \$9,063,000 increased \$338,000 or 3.9% above fiscal 2016. A major increase of \$877,000 was attributable to additional amortization of internally developed software costs related to the product production cycle for which the upgrade is expected to be completed during fiscal 2018. Additional increases in production costs include a \$333,000 increase in production support of the Company's website, upgrade of the Company's publishing and application operating system and Windows operating systems and framework. A \$43,000 increase in outside data services was due to modified delivery of financial product pricing services. These increases in production costs were offset by a \$477,000 annual savings resulting from the Company's transition to an alternative provider of equity data effective January 1, 2016. Service mailers and distribution expenses decreased \$251,000 in fiscal 2017 due to switching to United States Postal Service delivery of subscriber binders from a private carrier, consolidating freight carriers and a 6.9% decline in print circulation during the twelve months ended April 30, 2017 as compared to the prior fiscal year. Also a decline in print circulation resulted in an \$81,000 decrease in paper and printing costs.

Production and distribution expenses of \$8,725,000 during the twelve months ended April 30, 2016 increased \$1,644,000 or 23.2% as compared to fiscal 2015. During the twelve months ended April 30, 2016, an increase of \$1,239,000 of production expenses was attributable to additional accelerated amortization of internally developed software costs related to the cessation of software development for certain data galleries. In addition, the Company continues to amortize capitalized software costs attributable to the upgrade of our fulfillment system, single sign on, website development and new service oriented database production architecture. Third party production and hosting expenses for Company's print and digital product files for internal use and delivery to the Company's third party that hosts our digital and mobile version of our equity based product offerings, that began on July 9, 2014 (ten months in fiscal year 2015 and twelve months in fiscal 2016) increased \$376,000 during fiscal 2016. Increase in expenses included a cost of \$159,000 to host tandem moved to cloud, \$163,000 of overlapping costs as the Company transitioned to equity data provided by an alternative vendor effective January 1, 2016 offset by \$151,000 savings. Distribution expenses decreased \$90,000 in fiscal 2016 due to switching to United States Postal Service delivery from a private carrier.

Production and distribution expenses of \$7,081,000 during the twelve months ended April 30, 2015 increased \$679,000 or 10.6% as compared to production and distribution expenses of \$6,402,000 in fiscal 2014. During the twelve months ended April 30, 2015, an increase of \$470,000 was attributable to additional amortization of internally developed software costs for the upgrade of our fulfillment system, single sign on, concurrent user software, product and website development and new service oriented production architecture and a \$488,000 increase in third party expenses for hosting the Company's digital version of our equity based product offerings and mobile devices. The increase in expenses was partially offset by a \$159,000 decrease in service mailers cost and a \$116,000 decrease in paper, printing and mailing costs since the Company renegotiated printing, binder and paper prices with various vendors.

Office and administration

During the twelve months ended April 30, 2017 office and administration expenses of \$5,225,000 increased \$671,000 or 14.7% above fiscal 2016. During the twelve months ended April 30, 2016 total increase in office and administration costs included a \$60,000 increase in telephone costs attributable to one-time additional circuit installation cost and purchasing additional licenses for remote access to work files, a \$105,000 increase in antivirus software licenses and a \$101,000 decrease in professional fees. A \$409,000 increase in space rental is primarily due to overlapping rent expenses for financial statement purposes related to the Company's New York City office facility and a \$192,000 increase in moving costs (New Jersey and New York City office facilities). Increase in space rental includes \$193,000 rent expense for the new New Jersey warehouse partially offset by \$186,000 savings in VLDC utilities, depreciation and real estate taxes due to the VLDC building sale in July 2016 and additional three months overlapping rent expense of \$86,000 per month for the current office facility and \$105,000 for the previously occupied office facility during the period from December 1, 2016 to February 28, 2017 which is being offset by lower rent payments according to the sub-lease agreement with American Building Maintenance ("ABM" or the "Sublandlord"). In accordance with GAAP, we spread the benefit of a free rent period and other concessions over the term of our new NYC sublease, commencing on December 1, 2016. In fact, however, the Company is not paying cash rent for the new New York City office facility from December 2016 through September 2017.

Total office and administration expenses of \$4,554,000, during the twelve months ended April 30, 2016 decreased \$570,000 or 11.1% as compared to fiscal 2015. For the twelve months ended April 30, 2016, office and administration expenses included a decrease of \$423,000 in disaster recovery site hosting fees that resulted from changing the third party vendor. Additionally, a decrease of \$192,000 related to a decline in the cost of maintenance, utilities, insurance expenses, bank fees and Directors' fees offset by an increase of \$201,000 attributable to professional fees, telephone communication costs (primarily sales), and real estate taxes primarily for our NYC office facility.

Total office and administration expenses of \$5,124,000, during the twelve months ended April 30, 2015 decreased \$1,746,000 or 25.4% as compared to office and administration expenses of \$6,870,000 in fiscal 2014. For the twelve months ended April 30, 2015, office and administration expenses included a \$945,000 decrease in rental expense at our New York City facility including an additional one time overlapping rent of \$771,000 for the previously occupied office facilities during the short term lease extension which ended September 15, 2013, a decline of \$109,000 in telephone, utilities and equipment rental expenses, an accelerated write-off of \$138,000 of obsolete software and a decrease of \$272,000 in website hosting fees that resulted from the termination of a third party vendor. During fiscal 2015 restructuring and settlement costs decreased \$205,000 or 73.2%.

### Lease Commitments

In February 2017 the Company's headquarters and offices moved to a new location. On November 30, 2016, Value Line, Inc., received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. ("Value Line" or "Company") and ABM Industries, Incorporated ("ABM" or the "Sublandlord") commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY ("Building" or "Premises") beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company's favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000, which is scheduled to be reduced to \$305,000 on September 30, 2021 and fully refunded after the sublease ends. This Building became the Company's new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company's annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line an allowance of \$417,000 which is expected to be applied against the Company's costs and expenses related to the relocation to the new office facility or applied as additional free rent.

The Company leased 44,493 square feet of office space at 485 Lexington Avenue in New York, NY from July 2013 to February 2017. Base rent under the Sublease was \$1,468,269 per annum, subject to customary concessions in the Company's favor and pass-through of certain increases in operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$489,423, which was fully returned over the course of the sublease term.

On February 29, 2016, the Company's subsidiary Value Line Distribution Center ("VLDC") and Seagis Property Group LP (the "Landlord") entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ ("Warehouse") beginning on May 1, 2016 and ending on April 30, 2024 ("Lease"). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company

provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

Income from Securities Transactions, net

(\$ in thousands)	Fiscal Years Ended April 30,			Change	
	2017	2016	2015	'17 vs. '16	'16 vs. '15
Dividend income	\$193	\$142	\$157	35.9 %	-9.6 %
Interest income	33	-	3	n/a	-100.0%
Capital gain distributions from ETFs	39	105	57	-62.9 %	84.2 %
Capital gain	-	224	-	-100.0%	n/a
Other	47	6	(91)	683.3 %	-106.6%
Total income from securities transactions and other, net	\$312	\$477	\$126	-34.6 %	278.6 %

During the twelve months ended April 30, 2017 and April 30, 2016 the Company's income from securities transactions, net, primarily derived from dividend income, was \$312,000 and \$477,000, respectively. In fiscal 2017 income from securities transactions, net, included capital gain distribution from ETFs of \$39,000 which compares to capital gain distribution from ETFs of \$105,000 in fiscal 2016. There were no gains or losses from sales of equity securities, proceeds of which were \$53,000 during the twelve months ended April 30, 2017. During the twelve months ended April 30, 2016 sales of equity securities generated proceeds of \$10,206,000 and resulted in a \$224,000 capital gain.

During the twelve months ended April 30, 2016 and April 30, 2015 the Company's income from securities transactions, net, primarily derived from dividend income, realized capital gains from sales of equity securities and capital gain distributions from ETFs was \$477,000 and \$126,000, respectively. In fiscal 2016 income from securities transactions, net, included capital gain distributions from ETFs of \$105,000 which compares to capital gain distributions from ETFs of \$57,000 in fiscal 2015. During the twelve months ended April 30, 2016 sales of equity securities resulted in a \$224,000 gain. There were no sales, or gains or losses from sales, of equity securities during the twelve months ended April 30, 2015.

Effective income tax rate

The overall effective income tax rates, as a percentage of pre-tax ordinary income for the twelve months ended April 30, 2017, 2016 and 2015 were 33.05%, 27.15% and 30.52%, respectively. The Company's annual effective tax rate will change due to a number of factors including but not limited to an increase or decrease in the ratio of items that do not have tax consequences to pre-tax income, the Company's geographic profit mix between tax jurisdictions, new tax laws, new interpretations of existing tax laws and rulings and settlements with tax authorities. The fluctuation in the effective income tax rate during fiscal 2017 is primarily attributable to the attribution of 100% of the gain on the sale of the Company's operating facility to one tax jurisdiction. The fluctuation in the effective income tax rate during fiscal 2016 is primarily attributable to effect of the reduction in the allocation factors on the state and local deferred tax liability (primarily the gain on deconsolidation of EAM), reversal of excess income tax accruals established in past years that were resolved upon completion of the prior NYC and IRS audits and an increase in the domestic production tax credits. The fluctuation in the effective income tax rate during fiscal 2015 is primarily attributable to the write-off of the tax bases of goodwill.

## Liquidity and Capital Resources

The Company had working capital, defined as current assets less current liabilities, of \$1,548,000 as of April 30, 2017 and negative working capital of \$6,662,000 as of April 30, 2016. These amounts include short term unearned revenue of \$20,188,000 and \$20,516,000 reflected in total current liabilities at April 30, 2017 and April 30, 2016, respectively. Cash and short term securities were \$23,133,000 and \$16,759,000 as of April 30, 2017 and April 30, 2016, respectively.

The Company's cash and cash equivalents include \$6,066,000 and \$12,037,000 at April 30, 2017 and April 30, 2016, respectively, invested primarily in commercial banks and in Money Market Funds at brokers, which operate under Rule 2a-7 of the 1940 Act and invest primarily in short term U.S. government securities.

### *Cash from operating activities*

The Company had cash outflows from operating activities of \$3,678,000 during the twelve months ended April 30, 2017 compared to cash inflows from operations of \$2,004,000 and \$1,407,000 during the twelve months ended April 30, 2016 and 2015, respectively. The increase in cash outflows of \$5,682,000 from fiscal 2016 to fiscal 2017 resulted from the payment of additional income taxes of \$3,279,000, primarily attributable to the sale of the Company's VLDC operating facility and the timing of payments of invoices and prepayments to vendors. The increase in cash flows from fiscal 2015 to fiscal 2016 was primarily attributable to the timing of vendor payments, an increase in earnings before non-cash items that resulted from cost controls offset by a decrease in unearned income from the receipt of prepaid subscription orders in fiscal 2016.

### *Cash from investing activities*

The Company's cash inflows from investing activities of \$4,470,000 during the twelve months ended April 30, 2017 compared to cash inflows from investing activities of \$12,207,000 and \$4,689,000 for the twelve months ended April 30, 2016 and April 30, 2015, respectively. Cash inflows for the twelve months ended April 30, 2017 were lower than in fiscal 2016 primarily due to investing \$13,228,000 in fixed income and equity securities from the net proceeds of \$11,555,000 from the sale of the Company's operating facility as compared to \$3,854,000 invested in equity securities from the \$10,206,000 of proceeds from sales of securities classified as available for sale during fiscal 2016. Additionally, the Company invested \$469,000 in a bank money market fund and pledged this investment to represent cash securing a Bank Letter of Credit issued to the sublandlord as a security deposit for the Company's new leased corporate office facility. Cash inflows for the twelve months ended April 30, 2016 were higher than in fiscal 2015 due to the Company's decision to sell its inverse equity ETF securities and lower its overall equity securities investment position and the decrease in the capitalized software project costs during fiscal 2016.



*Cash from financing activities*

During the twelve months ended April 30, 2017, the Company's cash outflows from financing activities were \$7,357,000 and compared to cash outflows from financing activities of \$6,963,000 and \$6,010,000 for the twelve months ended April 30, 2016 and 2015, respectively. Cash outflows for financing activities included \$741,000, \$796,000 and \$122,000 for the repurchase of 44,924 shares, 52,907 shares and 8,433 shares of the Company's common stock under the September 19, 2012 board approved common stock repurchase program, during fiscal years 2017, 2016 and 2015, respectively. Quarterly dividend payments of \$0.17 per share during fiscal 2017 aggregated \$6,616,000. Quarterly dividend payments of \$0.15 per share during the first quarter and \$0.16 per share during the latter three quarters in fiscal 2016 aggregated \$6,167,000 as compared to quarterly dividend payments of \$0.15 per share totaling \$5,888,000 in fiscal 2015.

At April 30, 2017 there were 9,711,665 common shares outstanding as compared to 9,756,589 common shares outstanding at April 30, 2016. The Company expects financing activities to continue to include use of cash for dividend payments for the foreseeable future.

Management believes that the Company's cash and other liquid asset resources used in its business together with the future cash flows from operations and from the Company's non-voting revenues and non-voting profits interests in EAM will be sufficient to finance current and forecasted liquidity needs for the next twelve months. Management does not anticipate making any borrowings during the next twelve months. As of April 30, 2017, retained earnings and liquid assets were \$39,186,000 and \$23,133,000, respectively.

### **Seasonality**

Our publishing revenues are comprised of subscriptions which are generally annual subscriptions. Our cash flows from operating activities are minimally seasonal in nature, primarily due to the timing of customer payments made for orders and subscription renewals.

### **Recent Accounting Pronouncements**

In November 2015, the FASB issued ASU 2015-17, Income taxes (Topic 740): *Balance Sheet Classification of Deferred Taxes*. Under existing standards, deferred taxes for each tax-paying jurisdiction are presented as a net current asset or liability and net long-term asset or liability. To simplify presentation, the new guidance will require that all deferred tax assets and liabilities, along with related valuation allowances, be classified as long-term on the balance sheet. As a result, each tax-paying jurisdiction will now only have one net long-term asset or liability. The new guidance does not change the existing requirement that prohibits offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction. ASU 2015-17 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, which will be our fiscal year 2018 beginning May 1, 2017. Due to the full valuation allowance on our U.S. deferred tax assets, we do not expect the adoption of ASU 2015-17 to have a material impact on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) ("ASU 2016-02"). The core principle of Topic 842 requires that a lessee should recognize the assets and liabilities on the balance sheet and disclose key information about leasing arrangements. The amendments in ASU 2016-2 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The guidance is required to be adopted at the earliest period presented using a modified retrospective approach. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

In August, 2016, the FASB issued Accounting Standards Update No. 2016-15, Classification of Certain Cash Receipts and Cash Payments ( a consensus of the Emerging Issues Task Force) ("ASU 2016-15"). The amendments in ASU 2016-15 address eight specific cash flow issues and apply to all entities that are required to present a statement of cash flows under ASC Topic 230, Statement of Cash Flows. The amendments in ASU 2016-15 are effective for public

business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption during an interim period. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

## **Critical Accounting Estimates and Policies**

The Company prepares its consolidated financial statements in accordance with Generally Accepted Accounting Principles as in effect in the United States (U.S. “GAAP”). The preparation of these financial statements requires the Company to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. The Company bases its estimates on historical experience and on various other assumptions that it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities that are not readily apparent, and the Company evaluates its estimates on an ongoing basis. Actual results may differ from these estimates under different assumptions or conditions. The Company believes the following critical accounting policies reflect the significant judgments and estimates used in the preparation of its Consolidated Financial Statements:

- Revenue recognition
- Income taxes
- Valuation of EAM

### *Revenue Recognition*

The majority of the Company’s revenues come from the sale of print and digital subscriptions and fees for copyright proprietary information. The Company recognizes subscription revenue, net of discounts, in equal amounts over the term of the subscription, which generally ranges from three months to one year or longer, varying based on the product or service. Copyright data fees are calculated monthly based on market fluctuation and billed quarterly. The Company believes that the estimates related to revenue recognition are critical accounting estimates, and to the extent that there are material differences between its determination of revenues and actual results, its financial condition or results of operations may be affected.

### *Income Taxes*

The Company’s effective annual income tax expense rate is based on the U.S. federal and state and local jurisdiction tax rates on income and losses that are part of its Consolidated Financial Statements. Tax-planning opportunities, non-taxable income, expenses that are not deductible in the Company’s tax returns, and the blend of business income, including income derived from the Company’s non-voting revenue and non-voting profits interests in EAM and income from securities transactions, will impact the effective tax rate in the jurisdictions in which the Company operates. Significant judgment is required in evaluating the Company’s tax positions.



Tax law requires items to be included in the tax return at different times from when these items are reflected in the Company's Consolidated Financial Statements. As a result, the effective tax rate reflected in the Company's Consolidated Financial Statements is different from the tax rate reported on the Company's tax returns (the Company's cash tax rate). These differences reverse over time, such as depreciation and amortization expenses. These timing differences create deferred tax assets and liabilities. Deferred tax assets and liabilities are determined based on temporary differences between the financial reporting and the tax basis of assets and liabilities.

As of April 30, 2017 and 2016, the Company had \$348,000 and \$432,000, respectively, of deferred tax assets. In assessing the Company's deferred tax assets, the Company considers whether it is more likely than not that some portion or all of the deferred tax assets will be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible or utilized in the Company's tax filings.

In assessing the need for a valuation allowance, the Company considers both positive and negative evidence, including tax-planning strategies, projected future taxable income, and recent financial performance. If after future assessments of the realizability of the deferred tax assets the Company determines a lesser allowance is required, the Company would record a reduction to the income tax expense and to the valuation allowance in the period this determination was made. This would cause the Company's income tax expense, effective tax rate, and net income to fluctuate.

In addition, the Company establishes reserves at the time that it determines that it is more likely than not that it will need to pay additional taxes related to certain matters. The Company adjusts these reserves, including any impact of the related interest and penalties, in light of changing facts and circumstances such as the progress of a tax audit. A number of years may elapse before a particular matter for which the Company has established a reserve is audited and finally resolved. The number of years with open tax audits varies depending on the tax jurisdiction. Such liabilities are recorded as income taxes payable in the Company's Consolidated Balance Sheets. The settlement of any particular issue would usually require the use of cash. Favorable resolutions of tax matters for which the Company has previously established reserves are recognized as a reduction to the Company's income tax expense when the amounts involved become known.

Assessing the future tax consequences of events that have been recognized in the Company's financial statements or tax returns requires judgment. Variations in the actual outcome of these future tax consequences could materially impact the Company's financial position, results of operations, or cash flows.

#### *Investment in EAM Trust*

The Company accounts for its investment in EAM using the equity method of accounting. The value of its investment in EAM is the fair value of the contributed capital at inception, plus the Company's share of non-voting revenues and non-voting profits from EAM, less distributions received from EAM. The Company evaluates its investment in EAM on a regular basis for other-than-temporary impairment, which requires significant judgment and includes quantitative and qualitative analysis of identified events or circumstances that impact the fair value of the investment.

Should the fair value of the investment fall below its carrying value, the Company will determine whether the investment is other-than-temporarily impaired, which includes assessing the severity and duration of the impairment and the likelihood of recovery. If the investment is considered to be other-than-temporarily impaired, the Company will write down the investment to its fair value. Since the inception of EAM, the Company has not recognized any other-than-temporary impairment in the investment.

### Off-Balance Sheet Arrangements

We are not a party to any off-balance sheet arrangements, other than operating leases and a secured Letter of Credit (“LOC”) in the amount of \$469,000 issued as a security deposit for the Company’s office facility entered into in the ordinary course of business. The LOC is secured by a restricted Money Market Investment of similar amount.

### Contractual Obligations

Below is a summary of certain contractual obligations of the Company as of April 30, 2017 (\$ in thousands):

Contractual Obligations	Total	Payments due by period			
		Less than 1 year	1-3 years	3-5 years	More than 5 years
Long Term Debt Obligations	-	-	-	-	-
Capital Lease Obligations	-	-	-	-	-
Operating Lease Obligations	15,023	824	2,765	3,405	8,029
Purchase Obligations	-	-	-	-	-
Total	\$15,023	\$824	\$2,765	\$3,405	\$8,029

### Item 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK.

#### Market Risk Disclosures

The Company’s Consolidated Balance Sheet includes a substantial amount of assets whose fair values are subject to market risks. The Company’s market risks are primarily associated with interest rates and equity price risk. The following sections address the significant market risks associated with the Company’s investment activities.

## Interest Rate Risk

The Company's strategy has been to acquire debt securities with low credit risk. Despite this strategy management recognizes and accepts the possibility that losses may occur. To limit the price fluctuation in these securities from interest rate changes, the Company's management invests primarily in short-term obligations maturing within one year.

The fair values of the Company's fixed maturity investments will fluctuate in response to changes in market interest rates. Increases and decreases in prevailing interest rates generally translate into decreases and increases in fair values of those instruments. Additionally, fair values of interest rate sensitive instruments may be affected by prepayment options, relative values of alternative investments, and other general market conditions.

Fixed income securities consist of certificates of deposits and securities issued by federal, state, and local governments within the United States. As of April 30, 2017 the aggregate cost and fair value of fixed income securities classified as available-for-sale were \$7,484,000 and \$7,479,000, respectively. There were no fixed income securities at April 30, 2016.

The following table summarizes the estimated effects of hypothetical increases and decreases in interest rates on assets that are subject to interest rate risk. It is assumed that the changes occur immediately and uniformly to each category of instrument containing interest rate risks. The hypothetical changes in market interest rates do not reflect what could be deemed best or worst case scenarios. Variations in market interest rates could produce significant changes in the timing of repayments due to prepayment options available. For these reasons, actual results might differ from those reflected in the table.



## Fixed Income Securities

Estimated Fair Value after  
Hypothetical Change in Interest Rates  
(in thousands)

(bp = basis points)

	6 mos.	6 mos.	1 yr.	1 yr.	
Fair Value	50bp increase	50bp decrease	100bp increase	100bp decrease	
As of April 30, 2017					
Investments in securities with fixed maturities	\$7,479	\$7,473	\$7,504	\$7,473	n/a

Management regularly monitors the maturity structure of the Company's investments in debt securities in order to maintain an acceptable price risk associated with changes in interest rates.

**Equity Price Risk**

The carrying values of investments subject to equity price risks are based on quoted market prices as of the balance sheet dates. Market prices are subject to fluctuation and, consequently, the amount realized in the subsequent sale of an investment may significantly differ from the reported market value. Fluctuation in the market price of a security may result from perceived changes in the underlying economic characteristics of the issuer, the relative price of alternative investments and general market conditions. Furthermore, amounts realized in the sale of a particular security may be affected by the relative quantity of the security being sold.

The Company's equity investment strategy has been to acquire equity securities across a diversity of industry group. The portfolio consists of ETFs held for dividend yield that attempt to replicate the performance of certain equity indexes and ETFs that hold preferred shares primarily of financial institutions. In order to maintain liquidity in these securities, the Company's policy has been to invest in and hold in its portfolio, no more than 5% of the approximate average daily trading volume in any one issue.

As of April 30, 2017, the aggregate cost of the equity securities classified as available-for-sale, which consist of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL) and Proshares Trust S&P 500 Dividend (NOBL) was \$8,385,000 and the fair value was \$9,097,000. As of April 30, 2016, the aggregate cost of the equity securities classified as available-for-sale, which consisted of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL), Proshares Trust S&P 500 Dividend (NOBL) and First Trust Total US Market Alphadex ETF (TUSA) was \$3,445,000 and the fair value was \$3,637,000. During the second quarter ended October 31, 2015, the Company made a decision to reduce its dividend paying ETF position and liquidate its non dividend paying inverse ETF positions.

Equity Securities				Estimated Fair Value after Hypothetical Change in Prices	Hypothetical Increase (Decrease) in Shareholders' Equity	Hypothetical Percentage
(\$ in thousands)		Fair Value	Hypothetical Price Change			
As of April 30, 2017	Equity Securities and ETFs held for dividend yield	\$9,097	30% increase	\$ 11,826	4.69	%
			30% decrease	\$ 6,368	-4.69	%

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Equity Securities				Estimated Fair Value after Hypothetical Change in Prices	Hypothetical Increase (Decrease) in Shareholders' Equity	Hypothetical Percentage
(\$ in thousands)		Fair Value	Hypothetical Price Change			
As of April 30, 2016	Equity Securities and ETFs held for dividend yield	\$3,637	30% increase	\$ 4,728	2.05	%
			30% decrease	\$ 2,546	-2.05	%

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Item 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA.

The following consolidated financial statements of the registrant and its subsidiaries are included as a part of this Form 10-K:

	Page Number
Report of independent auditors	57
Consolidated balance sheets at April 30, 2017 and 2016	58
Consolidated statements of income for the fiscal years ended April 30, 2017, 2016 and 2015	59
Consolidated Statements of Comprehensive Income for the fiscal years ended April 30, 2017, 2016 and 2015	60
Consolidated statements of cash flows for the fiscal years ended April 30, 2017, 2016 and 2015	61
Consolidated statement of changes in shareholders' equity for the fiscal years ended April 30, 2017, 2016 and 2015	62
Notes to the consolidated financial statements	63

## Quarterly Results (Unaudited)

(\$ in thousands, except per share amounts)

	Net Revenues	Income/ (Loss) from Operations	Revenues and Profits Interests in EAM Trust	Income/ (Loss) From Securities Trans. and Other, net	Net Income	Earnings Per Share
2017, by Quarter						
First *	\$ 16,644	\$ 8,137	\$ 1,916	\$ 33	\$6,358	\$ 0.65
Second	8,650	23	1,932	61	1,480	0.15
Third	8,647	(212 )	1,934	132	1,445	0.15
Fourth *	8,756	(489 )	1,932	86	1,084	0.12
Total	\$ 42,697	\$ 7,459	\$ 7,714	\$ 312	\$10,367	\$ 1.07
2016, by Quarter						
First	\$ 8,832	\$ 959	\$ 2,042	\$ 51	\$2,119	\$ 0.22
Second	8,637	826	1,940	31	1,992	0.20
Third	8,599	557	1,919	133	1,913	0.20
Fourth **	8,478	(462 )	1,750	262	1,267	0.13
Total	\$ 34,546	\$ 1,880	\$ 7,651	\$ 477	\$7,291	\$ 0.75
2015, by Quarter						
First	\$ 9,070	\$ 1,062	\$ 2,022	\$ 41	\$2,036	\$ 0.21
Second	9,261	1,046	1,949	66	1,982	0.20
Third	8,863	851	2,024	96	2,177	0.22
Fourth ***	8,329	(560 )	1,975	(77 )	1,097	0.11
Total	\$ 35,523	\$ 2,399	\$ 7,970	\$ 126	\$7,292	\$ 0.74

\* During the first quarter of fiscal 2017 both net income and income from operations included a pre-tax gain of \$8,123,000 from the sale of the Company's operating facility for which it received gross proceeds of \$12,300,000 on July 29, 2016. During the fourth quarter ended April 30, 2017, the Company's reported loss from operations of

\$489,000 was the result of an increase in salaries and employee benefits primarily in the Information Technology department related to augmenting the Company's digital infrastructure and production processes, a decrease in the capitalization of internal salaries and benefits expenses for digital project development accompanied by increased expenses related to relocating the Company's New York City office facility.

\*\* During the fourth quarter ended April 30, 2016, the Company's loss from operations of \$462,000 was the result of accelerated amortization related to the cessation of software development for certain data galleries.

\*\*\* During the fourth quarter ended April 30, 2015, the Company's loss from operations of \$560,000 was the result of 12 weeks of print revenues recorded in the fourth quarter of fiscal 2015 as compared to 13 weeks recorded in the fourth quarter of fiscal 2014, accelerated write-off of \$138,000 related to obsolete software and an additional direct mail campaign in the fourth quarter of fiscal 2015.

Item 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON  
ACCOUNTING AND FINANCIAL DISCLOSURE.

None.

Item 9A. CONTROLS AND PROCEDURES.

(a) Evaluation of Disclosure Controls and Procedures.

The Company's Chief Executive Officer and Vice President & Treasurer carried out an evaluation of the effectiveness of the Company's "disclosure controls and procedures" (as defined in the Securities Exchange Act of 1934 (the "Exchange Act") Rules 13a-15(e) or 15d-15(e)) as of April 30, 2017, as required by paragraph (b) of Exchange Act Rules 13a-15 or 15d-15. The Company's Chief Executive Officer and Vice President & Treasurer are engaged in a comprehensive effort to review, evaluate and improve the Company's controls; however, management does not expect that the Company's disclosure controls or its internal controls over financial reporting can prevent all possible errors and fraud.

The Company maintains disclosure controls and procedures that are designed to ensure that information required to be disclosed in the Company's reports filed with the SEC is recorded, processed, summarized and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to the Company's management, including its Chief Executive Officer and Vice President & Treasurer, as appropriate, to allow timely decisions regarding required disclosure.

The Company's management has evaluated, with the participation of the Company's Chief Executive Officer and, the effectiveness of the Company's disclosure controls and procedures as of the end of the period covered by this report. Based on that evaluation, the Chief Executive Officer and Vice President & Treasurer have concluded that the Company's disclosure controls and procedures were effective as of the end of the period covered by this report.

This Form 10-K does not include an attestation report of the Company's registered public accounting firm regarding the Company's internal control over financial reporting. Under applicable SEC rules, no such attestation report by the Company's registered public accounting firm is required.

## Changes in Internal Controls

In the course of the evaluation of disclosure controls and procedures, the Chief Executive Officer and Vice President & Treasurer considered certain internal control areas in which the Company has made and is continuing to make changes to improve and enhance controls. Based upon that evaluation, the Chief Executive Officer and Vice President & Treasurer of the Company concluded that there were no changes in the Company's internal control over financial reporting identified in connection with the evaluation required by paragraph (d) of Exchange Act Rules 13a-15 or 15d-15 that occurred during the fourth quarter of fiscal 2017 that have materially affected, or are reasonably likely to materially affect, the Company's internal controls over financial reporting.

### (b) Management's Annual Report on Internal Control over Financial Reporting.

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rule 13a-15(f) under the Exchange Act. Internal control over financial reporting is a process designed by, or under the supervision of, the Company's principal executive and principal financial officers, and effected by the board of directors, management, and other personnel, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. GAAP including those policies and procedures that: (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company, (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with U.S. GAAP and that receipts and expenditures are being made only in accordance with authorizations of management and directors of the Company, and (iii) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.



Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with policies and procedures may deteriorate.

Under the supervision and with the participation of management, including the Chief Executive Officer and the Vice President & Treasurer, acting as Principal Financial Officer, the Company has assessed the effectiveness of its internal control over financial reporting as of April 30, 2017. In making this assessment, management used the criteria described in Internal Control - Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on this assessment and those criteria, management concluded that the Company did maintain effective internal control over financial reporting as of April 30, 2017.

#### Changes in Internal Control over Financial Reporting

There have been no changes in the Company's internal control over financial reporting during the fourth quarter of fiscal 2017 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

#### Item 9B. OTHER INFORMATION.

None.

Part III

Item 10. DIRECTORS, EXECUTIVE OFFICERS, AND CORPORATE GOVERNANCE.

(a) Names of Directors, Age as of June 30, 2017 and Principal Occupation	Director Since
Howard A. Brecher* (63). Chairman and Chief Executive Officer of the Company since October 2011; Acting Chairman and Acting Chief Executive Officer of the Company from November 2009 until October 2011; Chief Legal Officer; Vice President and Secretary of the Company from prior to 2005 until January 2010; Vice President and Secretary of the Value Line Funds from June 2008 until December 2010; Secretary of EAM LLC from February 2009 until December 2010; Director and General Counsel of AB&Co., Inc. since prior to 2005.	1992
Mr. Brecher has been an officer of the Company for more than 20 years. In addition to his current roles with the Company, he has also served as Secretary of the Company and as a senior officer of significant affiliates of the Company. Mr. Brecher is a graduate of Harvard College, Harvard Business School and Harvard Law School. He also holds a Master’s Degree in tax law from New York University.	
Stephen P. Davis (65). Deputy Commissioner, New York City Police Department (“NYPD”), since January, 2014. Managing Member, Davis Investigative Group, LLC from 2001 to 2013. Mr. Davis serves as a senior appointed official in the NYPD from which he retired in 1992 as a uniformed senior officer. He successfully managed his own business servicing the financial services industry and other clients for more than 11 years.	2010
Alfred R. Fiore (61). Retired Chief of Police, Westport, CT. Mr. Fiore served as the senior official of a municipal department with both executive and budget responsibilities. He was Chief of Police, Westport, CT from 2004 to 2011 and was a member of that Police Department for more than 33 years.	2010
Glenn J. Muenzer (60). Special Agent (Retired), Federal Bureau of Investigation (the “FBI”) from 1991 to 2012. Mr. Muenzer is an accomplished law enforcement professional with extensive law enforcement and financial investigative experience. Prior to joining the FBI, Mr. Muenzer was Vice President and Manager of Internal Audit at Thomson McKinnon Securities, Inc.; Assistant Vice President of Internal Audit at EF Hutton; Senior Auditor with Deloitte. Mr. Muenzer is a Certified Public Accountant and Certified in Financial Forensics.	2012
Stephen R. Anastasio* (58). Vice President of the Company since December 2010; Treasurer since September 2005 and Director since February 2010. Mr. Anastasio has been employed by Value Line, Inc. for more than 25 years. In addition to his current roles with the Company, he has served as Chief Financial Officer, Treasurer, Chief Accounting Officer and Corporate Controller of the Company. Mr. Anastasio is a graduate of Fairleigh Dickinson University and is a Certified Public Accountant.	2010
Mary Bernstein* (67). Director of Accounting of the Company since 2010; Accounting Manager of the Company from 2000 to 2010. Mrs. Bernstein holds an MBA Degree in accounting from Baruch College of CUNY and is a Certified Public Accountant. Mrs. Bernstein has been employed by Value Line, Inc. for more than 20 years.	2010

\* Member of the Executive Committee of the Board of Directors.

Except as noted, the directors have held their respective positions for at least five years. Information about the experience, qualifications, attributes and skills of the directors is incorporated by reference from the section entitled "Director Qualifications" in the Company's Proxy Statement for the 2017 Annual Meeting of Shareholders.

- (b) The information pertaining to executive officers of the Company is set forth in Part I, Item I, subsection J under the caption "Executive Officers of the Registrant" of this Form 10-K.

### Audit Committee

The Company has a standing Audit Committee performing the functions described in Section 3(a) (58) (A) of the Securities Exchange Act of 1934, the members of which are: Mr. Glenn Muenzer, Mr. Stephen Davis, and Mr. Alfred Fiore. Mr. Muenzer, a qualified financial expert, was elected Chairman of the Audit Committee in 2012. The Board of Directors have determined that Mr. Muenzer is an “audit committee financial expert” (as defined in the rules and regulations of the SEC). The Board of Directors believes that the experience and financial sophistication of the members of the Audit Committee are sufficient to permit the members of the Audit Committee to fulfill the duties and responsibilities of the Audit Committee. All members of the Audit Committee meet the NASDAQ’s financial sophistication requirements for audit committee members.

### Code of Ethics

The Company’s Code of Business Conduct and Ethics that applies to its principal executive officer, principal financial officer, all other officers, and all other employees is available on the Company’s website at [www.valueline.com/About/Code of Ethics.aspx](http://www.valueline.com/About/Code of Ethics.aspx).

### Procedures for Shareholders to Nominate Directors

There have been no material changes to the procedures by which shareholders of the Company may recommend nominees to the Company's Board of Directors.

### Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Securities Exchange Act of 1934 requires the Company's executive officers and directors, and persons who own more than ten percent of a registered class of the Company’s equity securities, to file reports of ownership and changes in ownership with the SEC on Forms 3, 4 and 5. Executive officers, directors and greater than ten percent shareholders are required by SEC regulations to furnish the Company with copies of all Forms 3, 4 and 5 they file.

Based on the Company's review of the copies of such forms that it has received and written representations from certain reporting persons confirming that they were not required to file Forms 5 for the fiscal year ended April 30,

2017, the Company believes that all its executive officers, directors and greater than ten percent shareholders complied with applicable SEC filing requirements during fiscal 2017.

Item 11. EXECUTIVE COMPENSATION.

The information required in response to this Item 11, Executive Compensation, is incorporated by reference from the section entitled “Compensation of Directors and Executive Officers” in the Company’s Proxy Statement for the 2017 Annual Meeting of Shareholders.

Item 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS.

The following table sets forth information as of April 30, 2017 as to shares of the Company's Common Stock held by persons known to the Company to be the beneficial owners of more than 5% of the Company's Common Stock.

Name and Address of Beneficial Owner	Number of Shares	Percentage of Shares
Arnold Bernhard & Co., Inc.* 551 Fifth Avenue New York, NY 10176	8,633,733	88.9 %

\*All of the outstanding voting stock of Arnold Bernhard & Co., Inc. is owned by Jean B. Buttner.

The following table sets forth information as of April 30, 2017, with respect to shares of the Company's Common Stock owned by each director of the Company, by each executive officer listed in the Summary Compensation Table and by all executive officers and directors as a group.

Name and Address of Beneficial Owner	Number of Shares	Percentage of Shares
Howard A. Brecher	1,200	*
Stephen R. Anastasio	500	*
Glenn J. Muenzer	300	*
Stephen P. Davis	200	*
Alfred R. Fiore	300	*
Mary Bernstein	200	*
All directors and executive officers as a group (6 persons)	2,700	*

\* Less than one percent

Securities Authorized for Issuance under Equity Compensation Plans

There are no securities of the Company authorized for issuance under equity compensation plans.

Item 13. CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS AND DIRECTOR INDEPENDENCE.

AB&Co., which owns 88.9% of the outstanding shares of the Company's common stock as of April 30, 2017, utilizes the services of officers and employees of the Company to the extent necessary to conduct its business. The Company and AB&Co. allocate costs for office space, equipment and supplies and shared staff pursuant to a servicing and reimbursement agreement. During the fiscal years ended April 30, 2017 and April 30, 2016, the Company was reimbursed \$383,000 and \$164,000, respectively for payments it made on behalf of and services it provided to AB&Co. There were no receivables due from the Parent at April 30, 2017 or April 30, 2016. In addition, a tax-sharing arrangement allocates the tax liabilities of the two companies between them. The Company is included in the consolidated federal income tax return filed by AB&Co. The Company pays to AB&Co. an amount equal to the Company's liability as if it filed a separate federal income tax return. For the years ended April 30, 2017 and 2016, the Company made payments to AB&Co. for federal income taxes amounting to \$6,824,000 and \$3,545,000, respectively.

As a result of the completion of the Restructuring Transaction on December 23, 2010, the Company no longer receives investment management or distribution services revenues from the Value Line Mutual Funds.

Since December 23, 2010, the Company no longer engages, through subsidiaries, in the investment management or mutual fund distribution businesses. The Company does hold non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM's investment management fee revenues from its mutual fund and separate accounts business, and 50% of EAM's net profits. EAM currently has no separately managed account clients.

During the twelve months ended April 30, 2017 and April 30, 2016, the Company recorded revenues of \$7,714,000 and \$7,651,000, respectively, consisting of \$7,195,000 and \$7,211,000, from its non-voting revenues interest in EAM and \$519,000 and \$440,000, from its non-voting profits interest in EAM without incurring any directly related expenses. During the twelve months ended April 30, 2015, the Company recorded revenues of \$7,970,000, consisting of \$7,346,000, from its non-voting revenues interest in EAM and \$624,000, from its non-voting profits interest in EAM.

Included in the Company's Investment in EAM Trust are receivables due from EAM of \$1,919,000 and \$1,750,000 at April 30, 2017 and April 30, 2016, respectively, for the unpaid portion of Value Line's non-voting revenues and non-voting profits interests. The non-voting revenues and non-voting profits interests due from EAM are payable to Value Line quarterly under the provisions of the EAM Declaration of Trust.

The Company has adopted a written Related Party Transactions Policy as part of its Code of Business Conduct and Ethics. This policy requires that any related party transaction which would be required to be disclosed under Item 404(a) of Regulation S-K must be approved or ratified by the Audit Committee of the Board of Directors. Transactions covered for the fiscal year ended April 30, 2017 include the matters described in the preceding paragraphs of this Item 13.

#### Director Independence

The information required with respect to director independence and related matters are incorporated by reference from the section entitled "Compensation of Directors and Executive Officers" in the Company's Proxy Statement for the 2017 Annual Meeting of Shareholders.





## Item 14. PRINCIPAL ACCOUNTING FEES AND SERVICES.

## Audit and Non-Audit Fees

The following table illustrates the fees paid to the Company's independent auditor, Horowitz & Ullmann P.C., for services provided:

	Fiscal Years Ended April 30,		
	2017	2016	2015
Audit fees	\$148,600	\$148,000	\$144,850
Audit-related fees	26,345	31,700	6,625
Tax related fees	185,630	137,395	105,568
Total	\$360,575	\$317,095	\$257,043

In the above table, in accordance with the SEC's definitions and rules, "audit fees" are fees the Company paid Horowitz & Ullmann, P.C. for professional services for the audit of the Company's consolidated financial statements for the fiscal years ended April 30, 2017 and 2016 included in Form 10-K and the review of consolidated condensed financial statements and included in Form 10-Qs and for services that are normally provided by the accountant in connection with statutory and regulatory filings or engagements; "audit-related fees" are fees for assurance and related services that are reasonably related to the performance of the audit or review of the Company's consolidated financial statements; and "tax fees" are fees for tax compliance, tax advice and tax planning.

## Audit Committee Pre-Approval Policies and Procedures

The Audit Committee of the Company's Board of Directors approves all services provided by Horowitz & Ullmann, P.C., prior to the provision of those services. The Audit Committee has not adopted any specific pre-approval policies and procedures.

Part IV

Item 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES.

(a) (1) Financial Statements - See Part II Item 8.

All other Schedules are omitted because they are not applicable or the required information is shown in the financial statements or notes thereto.

(b) Exhibits

3.1 Certificate of Incorporation of the Company, as amended through April 7, 1983, is incorporated by reference to Exhibit 3.1 to the Registration Statement on Form S-1 of Value Line, Inc. filed with the SEC on April 7, 1983.

3.2 Certificate of Amendment of Certificate of Incorporation dated October 24, 1989 is incorporated by reference to Exhibit 3.2 to the Amended Annual Report on Form 10-K/A for the year ended April 30, 2008 filed with the SEC on June 5, 2009.

3.3 By-laws of the Company, as amended through January 18, 1996, are incorporated by reference to Exhibit 3.1 to the Amended Quarterly Report on Form 10-Q/A for the quarter ended January 31, 1996 filed with the SEC on March 19, 1996.

10.1 Form of tax allocation arrangement between the Company and AB&Co. is incorporated by reference to Exhibit 10.8 to the Registration Statement on Form S-1 of Value Line, Inc. filed with the SEC on April 7, 1983.

10.2 Form of Servicing and Reimbursement Agreement between the Company and AB&Co. Inc., dated as of November 1, 1982, is incorporated by reference to Exhibit 10.9 to the Registration Statement on Form S-1 of Value Line, Inc. filed with the SEC on April 7, 1983.

10.3(a) Lease, dated as of June 4, 1993, for the Company's premises at 220 East 42nd Street, New York, NY, is incorporated by reference to Exhibit 10.13 to the Annual Report on Form 10-K for the year ended April 30, 1994 filed with the SEC on June 17, 1994.

10.3(b) Amendment to Lease, dated September 14, 2000, is incorporated by reference to Exhibit 10.14 to the Amended Annual Report on Form 10-K/A for the year ended April 30, 2001 filed with the SEC on August 17,

2001.

10.3(c) Amendment to Lease, dated April 23, 2007, is incorporated by reference to Exhibit 10.14 to the Annual Report on Form 10-K for the year ended April 30, 2007 filed with the SEC on July 20, 2007.

10.4 Form of indemnification agreement, dated July 13, 2010, by and between the Company and each of Howard A. Brecher, Stephen Davis, Alfred Fiore, William E. Reed, Mitchell E. Appel, Stephen R. Anastasio and Thomas T. Sarkany is incorporated by reference to Exhibit 10.15 to the Annual Report on Form 10-K for the year ended April 30, 2010 filed with the SEC on July 16, 2010.

10.5 EULAV Asset Management Declaration of Trust dated as of December 23, 2010 is incorporated by reference to Exhibit 10.16 to the Quarterly Report on Form 10-Q for the quarter ended January 31, 2011 filed with the SEC on March 24, 2011.

10.6(a) Agreement of Sublease, dated as of February 7, 2013, for the Company's premises at 485 Lexington Ave., New York, NY, is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended January 31, 2013 filed with the SEC on March 13, 2013.

Lease Modification, dated as of February 7, 2013, is incorporated by reference to Exhibit 10.2 to the 10.6(b) Quarterly Report on Form 10-Q for the quarter ended January 31, 2013 filed with the SEC on March 13, 2013.

10.7 Agreement of Lease, dated as of February 29, 2016, between the Company's subsidiary, VLDC and SPG 205 Chubb Ave., Lyndhurst, NJ, is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended January 31, 2016 filed with the SEC on March 11, 2016.

10.8 Agreement of Sublease, dated as of October 3, 2016, possession commencing December 1, 2016 for The Company's premises at 551 Fifth Ave., New York, NY and Consent of Landlord dated November 30, 2016, is incorporated by reference to Exhibit 10.1 to the Quarterly Report on Form 10-Q for the quarter ended October 31, 2016 filed with the SEC on December 13, 2016.

14.1 Code of Business Conduct and Ethics is incorporated by reference to Exhibit 14.1 to the Quarterly Report on Form 10-Q for the quarter ended January 31, 2011 filed with the SEC on March 24, 2011.

21 List of subsidiaries of Value Line, Inc.

31.1 Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Principal Financial Officer and Principal Accounting Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of the Chief Executive Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This exhibit shall not be deemed "filed" as a part of this Annual Report on Form 10-K.

32.2 Certification of the Principal Financial Officer and Principal Accounting Officer pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. This exhibit shall not be deemed "filed" as a part of this Annual Report on Form 10-K.

99.1 EULAV Asset Management Audited Consolidated Financial Statements as of April 30, 2016. Separate financial statements of subsidiaries not consolidated and fifty percent or less owned persons.\*

\* Filed herewith.

101.INS XBRL Instance Document

101.SCH XBRL Taxonomy Extension Schema Document

101.CAL XBRL Taxonomy Extension Calculation Linkbase Document

101.DEF XBRL Taxonomy Extension Definition Linkbase Document

101.LAB XBRL Taxonomy Extension Label Linkbase Document

101.PRE XBRL Taxonomy Extension Presentation Linkbase Document

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

VALUE LINE, INC.

(Registrant)

By: /s/ Howard A. Brecher  
Howard A. Brecher  
Chairman & Chief Executive Officer  
(Principal Executive Officer)

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated.

By: /s/ Howard A. Brecher  
Howard A. Brecher  
Chairman & Chief Executive Officer and  
Director  
(Principal Executive Officer)

By: /s/ Stephen R. Anastasio  
Stephen R. Anastasio

Vice President & Treasurer and Director  
(Principal Financial Officer and Principal  
Accounting Officer)

Dated: July 25, 2017

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Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed by the undersigned on behalf of the Registrant as Directors of the Registrant.

/s/ Glenn J. Muenzer

Glenn Muenzer

Director

/s/ Stephen P. Davis

Stephen Davis

Director

/s/ Alfred R. Fiore

Alfred Fiore

Director

/s/ Mary Bernstein

Mary Bernstein

Director

Dated: July 25, 2017

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**REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

To the Board of Directors and  
Stockholders of Value Line, Inc.

We have audited the accompanying consolidated balance sheets of Value Line, Inc. (the "Company") as of April 30, 2017 and 2016, and the related consolidated statements of income, comprehensive income, stockholders' equity, and cash flows for each of the three years in the period ended April 30, 2017. The Company's management is responsible for these financial statements. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the consolidated financial position of Value Line, Inc. as of April 30, 2017, and 2016, and the consolidated results of its operations and its cash flows for each of the three years in the period ended April 30, 2017 in conformity with accounting principles generally accepted in the United States of America.

/s/ Horowitz & Ullmann, P.C.

New York, NY

July 25, 2017

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**Part II****Item 8.****Value Line, Inc.****Consolidated Balance Sheets****(in thousands, except share amounts)**

	<b>April 30, 2017</b>	<b>April 30, 2016</b>
<b>Assets</b>		
<b>Current Assets:</b>		
Cash and cash equivalents (including short term investments of \$6,066 and \$12,037, respectively)	\$6,557	\$13,122
Securities available-for-sale	16,576	3,637
Accounts receivable, net of allowance for doubtful accounts of \$20 and \$22, respectively	1,018	1,254
Prepaid and refundable income taxes	72	126
Prepaid expenses and other current assets	1,567	1,381
Deferred income taxes	348	432
Total current assets	26,138	19,952
<b>Long term assets:</b>		
Investment in EAM Trust	58,223	57,942
Restricted money market investments	469	-
Property and equipment, net	1,239	3,621
Capitalized software and other intangible assets, net	1,003	4,992
Total long term assets	60,934	66,555
<b>Total assets</b>	<b>\$87,072</b>	<b>\$86,507</b>
<b>Liabilities and Shareholders' Equity</b>		
<b>Current Liabilities:</b>		
Accounts payable and accrued liabilities	\$1,257	\$2,669
Accrued salaries	1,285	1,066
Dividends payable	1,748	1,659
Accrued taxes on income	112	388
Unearned revenue	20,188	20,516
Total current liabilities	24,590	26,298

**Long term liabilities:**

Unearned revenue	5,471	4,926
Deferred charges	432	-
Deferred income taxes	18,725	20,683
Total long term liabilities	24,628	25,609
<b>Total liabilities</b>	<b>49,218</b>	<b>51,907</b>

**Shareholders' Equity:**

Common stock, \$0.10 par value; authorized 30,000,000 shares; issued 10,000,000 shares	1,000	1,000
Additional paid-in capital	991	991
Retained earnings	39,186	35,524
Treasury stock, at cost (288,335 shares and 243,411 shares, respectively)	(3,781 )	(3,040 )
Accumulated other comprehensive income, net of tax	458	125
Total shareholders' equity	37,854	34,600

<b>Total liabilities and shareholders' equity</b>	<b>\$87,072</b>	<b>\$86,507</b>
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See independent auditor's report and accompanying notes to the consolidated financial statements.

**Part II****Item 8.****Value Line, Inc.****Consolidated Statements of Income**

(in thousands, except share &amp; per share amounts)

	<b>For the Fiscal Years Ended</b>		
	<b>April 30,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Revenues:</b>			
Investment periodicals and related publications	\$30,168	\$31,925	\$32,676
Copyright data fees	4,406	2,621	2,847
Total publishing revenues	34,574	34,546	35,523
Gain on sale of operating facility	8,123	-	-
Total revenues	42,697	34,546	35,523
<b>Expenses:</b>			
Advertising and promotion	3,473	3,685	4,984
Salaries and employee benefits	17,477	15,702	15,935
Production and distribution	9,063	8,725	7,081
Office and administration	5,225	4,554	5,124
Total expenses	35,238	32,666	33,124
<b>Income from operations</b>	<b>7,459</b>	<b>1,880</b>	<b>2,399</b>
Revenues interest in EAM Trust	7,195	7,211	7,346
Profits interest in EAM Trust	519	440	624
Income from securities transactions, net	312	477	126
<b>Income before income taxes</b>	<b>15,485</b>	<b>10,008</b>	<b>10,495</b>
Income tax provision	5,118	2,717	3,203
<b>Net income</b>	<b>\$10,367</b>	<b>\$7,291</b>	<b>\$7,292</b>
<b>Earnings per share, basic &amp; fully diluted</b>	<b>\$1.07</b>	<b>\$0.75</b>	<b>\$0.74</b>
Weighted average number of common shares	9,721,958	9,781,495	9,813,623

See independent auditor's report and accompanying notes to the consolidated financial statements.





**Part II****Item 8.****Value Line, Inc.****Consolidated Statements of Comprehensive Income****(in thousands)**

	<b>For the Fiscal Years Ended April 30, 2017      2016      2015</b>		
<b>Net income</b>	\$10,367	\$7,291	\$7,292
Other comprehensive income/(loss), net of tax:			
Change in unrealized gains on securities, net of taxes	333	20	(141 )
Other comprehensive income/(loss)	333	20	(141 )
<b>Comprehensive income</b>	<b>\$10,700</b>	<b>\$7,311</b>	<b>\$7,151</b>

See independent auditor's report and accompanying notes to the consolidated financial statements.

**Part II****Item 8.****Value Line, Inc.****Consolidated Statements of Cash Flows****(in thousands)**

	<b>For the Fiscal Years Ended April 30,</b>		
	<b>2017</b>	<b>2016</b>	<b>2015</b>
<b>Cash flows from operating activities:</b>			
Net income	\$10,367	\$7,291	\$7,292
Adjustments to reconcile net income to net cash (used in)/provided by operating activities:			
Depreciation and amortization	4,623	3,817	2,715
Non-voting revenues interest in EAM Trust	(7,195 )	(7,211 )	(7,346 )
Non-voting profits interest in EAM Trust	(519 )	(440 )	(624 )
Realized gain on sales of operating facility	(8,123 )	-	-
Realized gain on sales of equity securities	-	(329 )	-
Deferred rent	265	(200 )	(200 )
Deferred income taxes	(1,711 )	(1,301 )	(237 )
Other, net	(60 )	-	-
Changes in operating assets and liabilities:			
Unearned revenue	217	(605 )	923
Accounts payable & accrued expenses	(1,245 )	915	(642 )
Accrued salaries	219	(153 )	(130 )
Accrued taxes on income	(620 )	(2 )	(249 )
Prepaid and refundable income taxes	54	(12 )	61
Prepaid expenses and other current assets	(186 )	79	47
Accounts receivable	236	155	(203 )
Total adjustments	(14,045)	(5,287 )	(5,885)
<b>Net cash (used in)/provided by operating activities</b>	<b>(3,678 )</b>	<b>2,004</b>	<b>1,407</b>
<b>Cash flows from investing activities:</b>			
Purchases/sales of securities classified as available-for-sale:			
Proceeds from sales of equity securities	53	10,206	57
Purchases of equity securities	(4,993 )	(3,854 )	(656 )
Proceeds from sales of fixed income securities	750	-	-
Purchases of fixed income securities	(8,235 )	-	-
Revenues distribution received from EAM Trust	7,053	7,372	7,238
Profits distributions received from EAM Trust	440	445	594

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Net proceeds from sale of operating facility	11,555	-	-
Restricted money market investment	(469 )	-	-
Acquisition of property and equipment	(1,276 )	(227 )	(120 )
Expenditures for capitalized software	(408 )	(1,735 )	(2,424)
<b>Net cash provided by investing activities</b>	<b>4,470</b>	<b>12,207</b>	<b>4,689</b>
<b>Cash flows from financing activities:</b>			
Purchase of treasury stock at cost	(741 )	(796 )	(122 )
Dividends paid	(6,616 )	(6,167 )	(5,888)
<b>Net cash used for financing activities</b>	<b>(7,357 )</b>	<b>(6,963 )</b>	<b>(6,010)</b>
Net change in cash and cash equivalents	(6,565 )	7,248	86
<b>Cash and cash equivalents at beginning of year</b>	<b>13,122</b>	<b>5,874</b>	<b>5,788</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$6,557</b>	<b>\$13,122</b>	<b>\$5,874</b>

See independent auditor's report and accompanying notes to the consolidated financial statements.

**Part II****Item 8.****Value Line, Inc.****Consolidated Statements of Changes in Shareholders' Equity****For the Fiscal Years Ended April 30, 2017, 2016 and 2015****(in thousands, except share amounts)**

	<b>Common stock</b>		<b>Additional</b>	<b>Treasury Stock</b>		<b>Retained</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>paid-in capital</b>	<b>Shares</b>	<b>Amount</b>	<b>earnings</b>	<b>Other Comprehensive income</b>	
Balance as of April 30, 2014	10,000,000	\$ 1,000	\$ 991	(182,071)	\$(2,122)	\$ 33,183	\$ 246	\$ 33,298
Net income						7,292		7,292
Change in unrealized gains on securities, net of taxes							(141)	(141)
Purchase of treasury stock				(8,433)	(122)			(122)
Dividends declared						(5,888)		(5,888)
<b>Balance as of April 30, 2015</b>	<b>10,000,000</b>	<b>\$ 1,000</b>	<b>\$ 991</b>	<b>(190,504)</b>	<b>\$(2,244)</b>	<b>\$ 34,587</b>	<b>\$ 105</b>	<b>\$ 34,439</b>

Dividends declared per share were \$0.15 for each of the three months ending July 31, 2014, October 31, 2014, January 31, 2015 and April 30, 2015.

	<b>Common stock</b>		<b>Additional</b>	<b>Treasury Stock</b>		<b>Retained</b>	<b>Accumulated</b>	<b>Total</b>
	<b>Shares</b>	<b>Amount</b>	<b>paid-in capital</b>	<b>Shares</b>	<b>Amount</b>	<b>earnings</b>	<b>Other Comprehensive income</b>	
Balance as of April 30, 2015	10,000,000	\$ 1,000	\$ 991	(190,504)	\$(2,244)	\$ 34,587	\$ 105	\$ 34,439
Net income						7,291	20	7,291
								20

Change in unrealized gains on securities, net of taxes								
Purchase of treasury stock				(52,907 )	(796 )			(796 )
Dividends declared						(6,354 )		(6,354 )
<b>Balance as of April 30, 2016</b>	10,000,000	\$ 1,000	\$ 991	(243,411)	\$(3,040 )	\$ 35,524	\$ 125	\$ 34,600

Dividends declared per share were \$0.16 for each of the three months ending July 31, 2015, October 31, 2015 and January 31, 2016 and \$0.17 for the three months ended April 30, 2016.

	Common stock		Additional	Treasury Stock		Retained	Accumulated	Other Comprehensive Total
	Shares	Amount	paid-in capital	Shares	Amount	earnings	income	
Balance as of April 30, 2016	10,000,000	\$ 1,000	\$ 991	(243,411)	\$(3,040 )	\$ 35,524	\$ 125	\$ 34,600
Net income						10,367		10,367
Change in unrealized gains on securities, net of taxes							333	333
Purchase of treasury stock				(44,924 )	(741 )			(741 )
Dividends declared						(6,705 )		(6,705 )
<b>Balance as of April 30, 2017</b>	10,000,000	\$ 1,000	\$ 991	(288,335)	\$(3,781 )	\$ 39,186	\$ 458	\$ 37,854

Dividends declared per share were \$0.17 for each of the three months ending July 31, 2016, October 31, 2016 and January 31, 2017 and \$0.18 for the three months ended April 30, 2017.

See independent auditor's report and accompanying notes to the consolidated financial statements.

**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

**Note 1-Organization and Summary of Significant Accounting Policies:**

Value Line, Inc. ("Value Line" or "VLI", and collectively with its subsidiaries, the "Company") is incorporated in the State of New York. The name "Value Line" as used to describe the Company, its products, and its subsidiaries, is a registered trademark of the Company. The Company's primary business is producing investment periodicals and related publications and making available copyright data including certain Value Line trademarks and Value Line Proprietary Ranking System information to third parties under written agreements for use in third party managed and marketed investment products. The Company maintains a significant investment in the Eulav Asset Management LLC ("EAM") from which it received a non-voting revenues interest and a non-voting profits interest. EAM was established to provide investment management services to the Value Line Mutual Funds ("Value Line Funds" or the "Funds").

Prior to December 23, 2010 (the "Restructuring Date"), VLI, through its direct subsidiary EULAV Asset Management LLC ("EAM LLC"), provided investment management services to the Value Line Funds, institutions and individual accounts, and, through EAM LLC's subsidiary EULAV Securities, Inc. ("ESI"), provided distribution, marketing, and administrative services to the Value Line Funds. On December 23, 2010, the Company deconsolidated the asset management and mutual fund distribution subsidiaries and exchanged its controlling interest in these subsidiaries for a non-voting revenues interest and a non-voting profits interest in EULAV Asset Management Trust, a Delaware business statutory trust ("EAM" or "EAM Trust"), the successor to EAM LLC and the sole member of EULAV Securities LLC ("ES"), the successor to ESI, (the "Restructuring Transaction"). Pursuant to the EAM Declaration of Trust dated as of December 23, 2010 (the "EAM Trust Agreement"), VLI granted EAM the right to use the Value Line name for all existing Value Line Funds and agreed to supply, without charge or expense, the Value Line Proprietary Ranking System information to EAM for use in managing the Value Line Funds.

**Use of Estimates:**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles ("GAAP") requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

**Principles of Consolidation:**

The Company follows the guidance in the Financial Accounting Standards Board's ("FASB") Topic 810 "Consolidation" to determine if it should consolidate its investment in a variable interest entity ("VIE"). A VIE is a legal entity in which either (i) equity investors do not have sufficient equity investment at risk to enable the entity to finance its activities independently or (ii) the equity holders at risk lack the obligation to absorb losses, the right to receive residual returns or the right to make decisions about the entity's activities that most significantly affect the entity's economic performance. A holder of a variable interest in a VIE is required to consolidate the entity if it is determined that it has a controlling financial interest in the VIE and is therefore the primary beneficiary. The determination of a controlling financial interest in a VIE is based on a qualitative assessment to identify the variable interest holder, if any, that has (i) the power to direct the activities of the VIE that most significantly impact the VIE's economic performance, and (ii) either the obligation to absorb losses of the entity or the right to receive benefits from the entity that could potentially be significant to the VIE. The accounting guidance requires the Company to perform an ongoing assessment of whether the Company is the primary beneficiary of a VIE and the Company has determined it is not the primary beneficiary of a VIE (see Note 5).

In accordance with FASB's Topic 810, the assets, liabilities, and results of operations of subsidiaries in which the Company has a controlling interest have been consolidated. All significant intercompany accounts and transactions have been eliminated in consolidation. On December 23, 2010, the Company completed the Restructuring Transaction and deconsolidated the related affiliates in accordance with FASB's Topic 810. As part of the Restructuring Transaction, the Company received a significant non-voting revenues interest (excluding distribution revenues) and a significant non-voting profits interest in the new entity, EULAV Asset Management, a Delaware statutory trust ("EAM" or "EAM Trust"). The Company relied on the guidance in FASB's ASC Topics 323 and 810 in its determination not to consolidate its investment in EAM and to account for such investment under the equity method of accounting. The Company reports the amount it receives for its non-voting revenues and non-voting profits interests as a separate line item below operating income in the Consolidated Statements of Income.

### **Revenue Recognition:**

Depending upon the product, subscription fulfillment for Value Line periodicals and related publications is available in print or digitally, via internet access. The length of a subscription varies by product and offer received by the subscriber. Generally, subscriptions are offered as annual subscriptions. Subscription revenues, net of discounts, are recognized ratably on a straight line basis when the product is served to the client over the life of the subscription. Accordingly, the amount of subscription fees to be earned by fulfilling subscriptions after the date of the balance sheets are shown as unearned revenue within current and long term liabilities.

Copyright data revenues are derived from providing certain Value Line trademarks and the Value Line Proprietary Ranking System information to third parties under written agreements for use in selecting securities for third party marketed products, including unit investment trusts, annuities and exchange traded funds ("ETFs"). The Company earns asset-based copyright data fees as specified in the individual agreements. Revenue is recognized monthly over the term of the agreement and, because it is asset-based, will fluctuate as the market value of the underlying portfolio increases or decreases in value.

EAM earns investment management fees from the Value Line Funds. The management fees and average daily net assets for the Value Line Funds are calculated by State Street Bank, which serves as the fund accountant, fund administrator, and custodian of the Value Line Funds.

The Value Line Funds are open-end management companies registered under the Investment Company Act of 1940 (the "1940 Act"). Shareholder transactions for the Value Line Funds are processed each business day by the third party transfer agent of the Funds. Shares can be redeemed without advance notice upon request of the shareowners each day that the New York Stock Exchange is open.



**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

**Investment in Unconsolidated Entities:**

The Company accounts for its investment in its unconsolidated entity, EAM, using the equity method of accounting in accordance with FASB's ASC 323. The equity method is an appropriate means of recognizing increases or decreases measured by GAAP in the economic resources underlying the investments. Under the equity method, an investor recognizes its share of the earnings or losses of an investee in the periods for which they are reported by the investee in its financial statements rather than in the period in which an investee declares a dividend or distribution. An investor adjusts the carrying amount of an investment for its share of the earnings or losses recognized by the investee.

The Company's "interests" in EAM, the investment adviser to and the sole member of the distributor of the Value Line Funds, consist of a "non-voting revenues interest" and a "non-voting profits interest" in EAM as defined in the EAM Trust Agreement. The non-voting revenues interest entitles the Company to receive a range of 41% to 55%, based on the amount of EAM's adjusted gross revenues, excluding EULAV Securities' distribution revenues ("Revenues Interest"). The non-voting profits interest entitles the Company to receive 50% of EAM's profits, subject to certain limited adjustments as defined in the EAM Trust Agreement ("Profits Interest"). The Revenues Interest and at least 90% of the Profits Interest are to be distributed each quarter to all interest holders of EAM, including Value Line. Subsequent to the Restructuring Date, the Company's Revenues Interest in EAM excludes participation in the service and distribution fees of EAM's subsidiary EULAV Securities. The Company reflects its non-voting revenues and non-voting profits interests in EAM as non-operating income under the equity method of accounting subsequent to the Restructuring Transaction. Although the Company does not have control over the operating and financial policies of EAM, pursuant to the EAM Trust Agreement, the Company has a contractual right to receive its share of EAM's revenues and profits.

**Recent Accounting Pronouncements:**

In November 2015, the FASB issued ASU 2015-17, Income taxes (Topic 740): Balance Sheet Classification of Deferred Taxes. Under existing standards, deferred taxes for each tax-paying jurisdiction are presented as a net current asset or liability and net long-term asset or liability. To simplify presentation, the new guidance will require that all deferred tax assets and liabilities, along with related valuation allowances, be classified as long-term on the balance sheet. As a result, each tax-paying jurisdiction will now only have one net long-term asset or liability. The new guidance does not change the existing requirement that prohibits offsetting deferred tax liabilities from one jurisdiction against deferred tax assets of another jurisdiction. ASU 2015-17 is effective for fiscal years, and interim periods within those years, beginning after December 15, 2016, which will be our fiscal year 2018 beginning May 1, 2017. Due to the full valuation allowance on our U.S. deferred tax assets, we do not expect the adoption of ASU

2015-17 to have a material impact on our consolidated financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842) (“ASU 2016-02”). The core principle of Topic 842 requires that a lessee should recognize the assets and liabilities on the balance sheet and disclose key information about leasing arrangements. The amendments in ASU 2016-2 are effective for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years. The guidance is required to be adopted at the earliest period presented using a modified retrospective approach. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

In August, 2016, the FASB issued Accounting Standards Update No. 2016-15, Classification of Certain Cash Receipts and Cash Payments ( a consensus of the Emerging Issues Task Force) (“ASU 2016-15”). The amendments in ASU 2016-15 address eight specific cash flow issues and apply to all entities that are required to present a statement of cash flows under ASC Topic 230, Statement of Cash Flows. The amendments in ASU 2016-15 are effective for public business entities for fiscal years beginning after December 15, 2017, and interim periods within those fiscal years. Early adoption is permitted, including adoption during an interim period. The Company is in the process of evaluating the impact of this standard on the consolidated financial statements.

#### **Valuation of Securities:**

The Company's securities classified as cash equivalents and available-for-sale consist of shares of money market funds that invest primarily in short-term U.S. Government securities and investments in equities including ETFs and are valued in accordance with the requirements of the Fair Value Measurements Topic of the FASB's ASC 820. The securities classified as available-for-sale reflected in the Consolidated Balance Sheets are valued at market and unrealized gains and losses, net of applicable taxes, are reported as a separate component of shareholders' equity. Realized gains and losses on sales of the securities classified as available-for-sale are recorded in earnings as of the trade date and are determined on the identified cost method.

The Company classifies its securities available-for-sale as current assets to properly reflect its liquidity and to recognize the fact that it has liquid assets available-for-sale should the need arise.

Market valuations of securities listed on a securities exchange and ETF shares are based on the closing sales prices on the last business day of each month. The market value of the Company's fixed maturity U.S. Government debt securities is determined utilizing publicly quoted market prices. Cash equivalents consist of investments in money market funds that invest primarily in U.S. Government securities valued in accordance with rule 2a-7 under the 1940 Act.

The Fair Value Measurements Topic of FASB's ASC defines fair value as the price that the Company would receive upon selling an investment in a timely transaction to an independent buyer in the principal or most advantageous market for the investment. The Fair Value Measurements Topic established a three-tier hierarchy to maximize the use of observable market data and minimize the use of unobservable inputs and to establish classification of fair value measurements for disclosure purposes. Inputs refer broadly to the information that market participants would use in pricing the asset or liability, including assumptions about risk. Examples of risks include those inherent in a particular valuation technique used to measure fair value such as the risk inherent in the inputs to the valuation technique. Inputs are classified as observable or unobservable. Observable inputs are inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are inputs that reflect the reporting entity's own assumptions about the factors market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

**Value Line, Inc.****Notes to Consolidated Financial Statements**

The three-tier hierarchy of inputs is summarized in the three broad levels listed below.

Level 1 – quoted prices in active markets for identical investments

Level 2 – other significant observable inputs (including quoted prices for similar investments, interest rates, prepayment speeds, credit risk, etc.)

Level 3 – significant unobservable inputs (including the Company's own assumptions in determining the fair value of investments)

The following summarizes the levels of fair value measurements of the Company's investments:

(\$ in thousands)	As of April 30, 2017			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$6,066	\$ -	\$ -	\$6,066
Securities available-for-sale	16,576	-	-	16,576
	\$22,642	\$ -	\$ -	\$22,642

(\$ in thousands)	As of April 30, 2016			
	Level 1	Level 2	Level 3	Total
Cash equivalents	\$12,037	\$ -	\$ -	\$12,037
Securities available-for-sale	3,637	-	-	3,637
	\$15,674	\$ -	\$ -	\$15,674

The Company had no other financial instruments such as futures, forwards and swap contracts. For the periods ended April 30, 2017 and April 30, 2016, there were no Level 2 nor Level 3 investments. The Company does not have any liabilities subject to fair value measurement.

**Advertising expenses:**

The Company expenses advertising costs as incurred.

**Income Taxes:**

The Company computes its income tax provision in accordance with the Income Tax Topic of the FASB's ASC. Deferred tax liabilities and assets are recognized for the expected future tax consequences of events that have been reflected in the Consolidated Financial Statements. Deferred tax liabilities and assets are determined based on the differences between the book values and the tax bases of particular assets and liabilities, using tax rates currently in effect for the years in which the differences are expected to reverse.

The Income Tax Topic of the FASB's ASC establishes for all entities, a minimum threshold for financial statement recognition of the benefit of positions taken in filing tax returns (including whether an entity is taxable in a particular jurisdiction), and requires certain expanded tax disclosures. As of April 30, 2017, management has reviewed the tax positions for the years still subject to tax audit under the statute of limitations, evaluated the implications, and determined that there is no material impact to the Company's financial statements.

**Earnings per share:**

Earnings per share are based on the weighted average number of shares of common stock and common stock equivalents outstanding during each period. Any shares that are reacquired during the period are weighted for the portion of the period that they are outstanding. The Company does not have any potentially dilutive common shares from outstanding stock options, warrants, restricted stock, or restricted stock units.

**Cash and Cash Equivalents:**

For purposes of the Consolidated Statements of Cash Flows, the Company considers all cash held at banks and short term liquid investments with an original maturity of less than three months to be cash and cash equivalents. As of April 30, 2017 and April 30, 2016, cash equivalents included \$6,066,000 and \$12,037,000, respectively, for amounts invested in money market mutual funds that invest in short term U.S. government securities.

**Note 2-Supplementary Cash Flow Information:**

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	Fiscal Years Ended April 30,		
(\$ in thousands)	2017	2016	2015
State and local income tax payments	\$560	\$188	\$238
Federal income tax payments to the Parent	\$6,824	\$3,545	\$3,366

See Note 3-Related Party Transactions for tax amounts associated with Arnold Bernhard and Co., Inc. ("AB&Co." or the "Parent").

**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

**Note 3-Related Party Transactions:**

***Investment Management (overview):***

On December 23, 2010, the Company deconsolidated its asset management and mutual fund distribution businesses and its interest in these businesses was restructured as a non-voting revenues and non-voting profits interests in EAM. Accordingly, the Company no longer reports this operation as a separate business segment, although it still maintains a significant interest in the cash flows generated by this business and will receive non-voting revenues and non-voting profits interests going forward, as discussed below.

Total assets in the Value Line Funds managed and/or distributed by EAM at April 30, 2017, were \$2.4 billion, which is \$192 million, or 8.6%, above total assets of \$2.2 billion in the Value Line Funds managed by EAM at April 30, 2016.

Starting January 2015, the Value Line VIP Equity Advantage Fund was added to the Guardian Pro Series Variable Annuities. The fund is an open end fund that invests primarily in a basket of closed-end funds.

The Company's non-voting revenues and non-voting profits interests in EAM entitle it to receive quarterly distributions in a range of 41% to 55% of EAM's revenues (excluding distribution revenues) from EAM's mutual fund and separate account business and at least 90% of the Company's 50% interest in the residual profits of EAM which are payable each fiscal quarter under the provisions of the EAM Trust Agreement. Value Line's percent share of EAM's revenues calculated each fiscal quarter was 49.45%, 49.14%, 49.19% and 49.22% during the first, second, third and fourth quarters of fiscal 2017, respectively, and 50.05%, 50.16%, 50.14% and 49.97% during the first, second, third and fourth quarters of fiscal 2016, respectively.

The non-voting revenues and 90% of the Company's non-voting profits interests due from EAM to the Company are payable each fiscal quarter under the provisions of the EAM Trust Agreement. The distributable amounts earned through the balance sheet date, which is included in the Investment in EAM Trust on the Consolidated Balance Sheets, and not yet paid, were \$1,919,000 and \$1,750,000 at April 30, 2017 and April 30, 2016, respectively.

***EAM Trust - VLI's non-voting revenues and non-voting profits interests:***

The Company holds non-voting revenues and non-voting profits interests in EAM which entitle the Company to receive from EAM an amount ranging from 41% to 55% of EAM's investment management fee revenues from its mutual fund and separate accounts business. EAM currently has no separately managed account clients. The Company recorded income from its non-voting revenues interest and its non-voting profits interests in EAM as follows:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2017	2016	2015
Non-voting revenues interest in EAM	\$7,195	\$7,211	\$7,346
Non-voting profits interest in EAM	519	440	624
	\$7,714	\$7,651	\$7,970

***Transactions with Parent:***

During the fiscal years ended April 30, 2017 and April 30, 2016, the Company was reimbursed \$383,000 and \$164,000, respectively for payments it made on behalf of and services it provided to AB&Co. There were no receivables due from the Parent at April 30, 2017 or April 30, 2016.

The Company is a party to a tax-sharing arrangement with the Parent which allocates the tax liabilities of the two Companies between them. For the years ended April 30, 2017, 2016, and 2015, the Company made payments to the Parent for federal income tax amounting to \$6,824,000, \$3,545,000, and \$3,366,000, respectively.

From time to time, the Parent has purchased additional shares of common stock of the Company in the market when and as the Parent has determined it to be appropriate. The Parent may make additional purchases of common stock of the Company from time to time in the future. As of April 30, 2017, the Parent owned 88.9% of the outstanding shares of common stock of the Company.

**Note 4-Investments:*****Securities Available-for-Sale:***



Investments held by the Company and its subsidiaries are classified as securities available-for-sale in accordance with FASB's ASC 320, Investments - Debt and Equity Securities. All of the Company's securities classified as available-for-sale were readily marketable or had a maturity of twelve months or less and are classified as current assets on the Consolidated Balance Sheets.

***Equity Securities:***

Equity securities classified as available-for-sale on the Consolidated Balance Sheets, consist of ETFs held for dividend yield that attempt to replicate the performance of certain equity indexes and ETFs that hold preferred shares primarily of financial institutions.

**Value Line, Inc.****Notes to Consolidated Financial Statements**

As of April 30, 2017, the aggregate cost of the equity securities classified as available-for-sale, which consist of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL) and Proshares Trust S&P 500 Dividend (NOBL) was \$8,385,000 and the fair value was \$9,097,000. As of April 30, 2016, the aggregate cost of the equity securities classified as available-for-sale, which consisted of investments in the SPDR Series Trust S&P Dividend ETF (SDY), First Trust Value Line Dividend Index ETF (FVD), PowerShares Financial Preferred ETF (PGF), Select Utilities Select Sector SPDR ETF (XLU), First Trust Value Line 100 ETF (FVL), Proshares Trust S&P 500 Dividend (NOBL) and First Trust Total US Market Alphas ETF (TUSA) was \$3,445,000 and the fair value was \$3,637,000. *During the second quarter ended October 31, 2015, the Company made a decision to reduce its dividend paying ETF position and liquidate its non dividend paying inverse ETF positions. The liquidated portfolio of investments generated an annual dividend return averaging 3% annually during the years it was held.*

Proceeds from sales of equity securities classified as available-for-sale during the twelve months ended April 30, 2017 were \$53,000 and capital gain distributions of \$39,000 were reclassified from Accumulated Other Comprehensive Income in the Consolidated Balance Sheet to the Consolidated Statement of Income. There was no gain or loss on sales of equity securities classified as available-for-sale during fiscal 2017. The increase in gross unrealized gains on equity securities classified as available-for-sale of \$520,000, net of deferred taxes of \$183,000 was included in Shareholders' Equity at April 30, 2017. Proceeds from sales of equity securities classified as available-for-sale during the twelve months ended April 30, 2016 were \$10,206,000 and the related capital gains of \$224,000 and capital gain distributions of \$105,000 were reclassified from Accumulated Other Comprehensive Income in the Consolidated Balance Sheet to the Consolidated Statement of Income. The increase in gross unrealized gains on equity securities classified as available-for-sale of \$29,000, net of deferred taxes of \$9,000 was included in Shareholders' Equity at April 30, 2016. There were capital gain distributions from certain ETFs of \$39,000 and \$105,000, respectively, during fiscal years 2017 and 2016.

The carrying value and fair value of securities available-for-sale at April 30, 2017 were as follows:

(\$ in thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ETFs - equities	\$8,385	\$ 712	\$ -	\$9,097

The carrying value and fair value of securities available-for-sale at April 30, 2016 were as follows:

(\$ in thousands)	Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
ETFs - equities	\$3,445	\$ 194	\$ (2 )	\$3,637

***Government Debt Securities (Fixed Income Securities):***

Fixed income securities consist of certificates of deposits and securities issued by federal, state, and local governments within the United States. The aggregate cost and fair value at April 30, 2017 of fixed income securities classified as available-for-sale were as follows:

(\$ in thousands)	Amortized Historical Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses	Fair Value
Maturity				
Due within 1 year	\$ 4,384	\$ 4	\$ (3 )	\$4,385
Due 1 year through 5 years	3,100	-	(6 )	3,094
Total investment in government debt securities	\$ 7,484	\$ 4	\$ (9 )	\$7,479

The increase in gross unrealized losses of \$5,000 on fixed income securities classified as available-for-sale net of deferred income tax of \$1,000, was included in Accumulated Other Comprehensive Income on the Consolidated Balance Sheet as of April 30, 2017.

The average yield on the Government debt securities classified as available-for-sale at April 30, 2017 was 0.40%.

There were no fixed income securities at April 30, 2016. There were no sales or proceeds from maturities and sales of government debt securities classified as available-for-sale during the fiscal years ended April 30, 2016.

***Income from Securities Transactions:***

Income from securities transactions was comprised of the following:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2017	2016	2015
Dividend income	\$193	\$142	\$157

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Interest income	33	-	3
Capital gain distribution from ETFs (1)	39	105	57
Capital gains (2)	-	224	-
Other	47	6	(91)
Total income from securities transactions and other, net	\$312	\$477	\$126

(1) Capital gain distributions of \$39,000, \$105,000 and \$57,000 were reclassified from Accumulated Other Comprehensive Income in the Consolidated Balance Sheets to the Consolidated Statements of Income in fiscal 2017, 2016 and 2015, respectively.

(2) Capital gains of \$224,000 were reclassified from Accumulated Other Comprehensive Income in the Consolidated Balance Sheets to the Consolidated Statements of Income in fiscal 2016.

**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

The changes in the value of equity and fixed income securities investments are recorded in Other Comprehensive Income in the Consolidated Financial Statements. Realized gains and losses are recorded on the trade date in the Consolidated Statements of Income when securities are sold, mature or are redeemed. As of April 30, 2017 and April 30, 2016, gross unrealized gains of \$515,000 and \$192,000, net of deferred taxes of \$182,000 and \$68,000, respectively, are recorded in Accumulated Other Comprehensive Income in the Consolidated Balance Sheets.

***Investment in Unconsolidated Entities:***

***Equity Method Investment:***

As of April 30, 2017 and April 30, 2016, the Company's investment in EAM Trust, on the Consolidated Balance Sheets was \$58,223,000 and \$57,942,000, respectively.

The value of VLI's investment in EAM at April 30, 2017 and April 30, 2016 reflects the fair value of contributed capital of \$55,805,000 at inception, which included \$5,820,000 of cash and liquid securities in excess of working capital requirements contributed to EAM's capital account by VLI, plus VLI's share of non-voting revenues and non-voting profits from EAM less distributions, made quarterly to VLI by EAM, during the period subsequent to its initial investment through the dates of the Consolidated Balance Sheets.

It is anticipated that EAM will have sufficient liquidity and earn enough profit to conduct its current and future operations so the management of EAM will not need additional funding.

The Company monitors its Investment in EAM Trust for impairment to determine whether an event or change in circumstances has occurred that may have a significant adverse effect on the fair value of the investment. Impairment indicators include, but are not limited to the following: (a) a significant deterioration in the earnings performance, asset quality, or business prospects of the investee, (b) a significant adverse change in the regulatory, economic, or technological environment of the investee, (c) a significant adverse change in the general market condition of the industry in which the investee operates, or (d) factors that raise significant concerns about the investee's ability to continue as a going concern such as negative cash flows, working capital deficiencies, or noncompliance with statutory capital and regulatory requirements. EAM did not record any impairment losses for its assets during the

fiscal years 2017 or 2016.

The components of EAM's investment management operations, provided to the Company by EAM, were as follows:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2017	2016	2015
Investment management fees earned from the Value Line Funds, net of waivers shown below	\$ 14,701	\$ 14,548	\$ 15,014
12b-1 fees and other fees, net of waivers shown below	\$ 5,822	\$ 5,669	\$ 5,459
Other income/(loss)	\$ 205	\$ (14 )	\$ 34
Investment management fee waivers and reimbursements (1)	\$ 436	\$ 262	\$ 192
12b-1 fee waivers (1)	\$ 923	\$ 1,071	\$ 1,518
Value Line's non-voting revenues interest	\$ 7,195	\$ 7,211	\$ 7,346
EAM's net income (2)	\$ 1,038	\$ 880	\$ 1,248

(1) During fiscal 2017, 2016 and 2015 investment management fee waivers and reimbursements primarily related to one Value Line Mutual Fund and the 12b-1 fee waivers related to four of the Value Line Mutual Funds, respectively.

(2) Represents EAM's net income, after giving effect to Value Line's non-voting revenues interest, but before distributions to voting profits interest holders and to the Company in respect of its 50% non-voting profits interest.

(\$ in thousands)	Fiscal Years Ended April 30,	
	2017	2016
EAM's total assets	\$ 60,432	\$ 60,292
EAM's total liabilities (1)	( 2,931 )	( 3,021 )
EAM's total equity	\$ 57,501	\$ 57,271

(1) At April 30, 2017 and 2016, EAM's total liabilities included a payable to VLI for its accrued non-voting revenues and non-voting profits interests of \$1,919,000 and \$1,750,000, respectively.

#### Note 5-Variable Interest Entity:

The Company retained a non-voting revenues interest and a 50% non-voting profits interest in EAM, which was formed, as a result of the Restructuring Transaction on December 23, 2010, to carry on the asset management and mutual fund distribution businesses formerly conducted by the Company. EAM is considered to be a VIE. The Company makes its determination for consolidation of EAM as a VIE based on a qualitative assessment of the

purpose and design of EAM, the terms and characteristics of the variable interests in EAM, and the risks EAM is designed to originate and pass through to holders of variable interests. Other than EAM, the Company does not have an interest in any other VIEs.

The Company has determined that it does not have a controlling financial interest in EAM because it does not have the power to direct the activities of EAM that most significantly impact its economic performance. Value Line does not hold any voting stock of EAM and it does not have any involvement in the day-to-day activities or operations of EAM. Although the EAM Trust Agreement provides Value Line with certain consent rights and contains certain restrictive covenants related to the activities of EAM, these are considered to be protective rights and therefore Value Line does not maintain control over EAM.

**Value Line, Inc.****Notes to Consolidated Financial Statements**

In addition, although EAM is expected to be profitable, there is a risk that it could operate at a loss. While all of the profit interest shareholders in EAM are subject to variability based on EAM's operations risk, Value Line's non-voting revenues interest in EAM is a preferred interest in the revenues of EAM, rather than a profits interest in EAM, and Value Line accordingly believes it is subject to proportionately less risk than other holders of the profits interests.

The Company has not provided any explicit or implicit financial or other support to EAM other than what was contractually agreed to in the EAM Trust Agreement. Value Line has no obligation to fund EAM in the future and, as a result, has no exposure to loss beyond its initial investment and any undistributed revenues and profits interests retained in EAM. The following table presents the total assets of EAM, the maximum exposure to loss due to involvement with EAM, as well as the value of the assets and liabilities the Company has recorded on its Consolidated Balance Sheets for its interest in EAM.

(\$ in thousands)	VIE Assets	Value Line Investment in EAM Trust (1)	Liabilities	Maximum Exposure to Loss
As of April 30, 2017	\$60,432	\$ 58,223	\$ -	\$ 58,223
As of April 30, 2016	\$60,292	\$ 57,942	\$ -	\$ 57,942

(1) Reported within Long Term Assets on Consolidated Balance Sheets.

**Note 6-Property and Equipment:**

Property and equipment are carried at cost. Depreciation and amortization are provided using the straight-line method over the estimated useful lives of the assets, or in the case of leasehold improvements, over the remaining terms of the leases. For income tax purposes, depreciation of furniture and equipment is computed using accelerated methods and buildings and leasehold improvements are depreciated over prescribed extended tax lives. Property and equipment, net, on the Consolidated Sheets was comprised of the following:



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(\$ in thousands)	As of April 30,	
	2017	2016
Land	\$-	\$726
Building and leasehold improvements	789	5,190
Furniture and equipment	3,865	4,156
	4,654	10,072
Accumulated depreciation and amortization	(3,415)	(6,451)
Total property and equipment, net	\$1,239	\$3,621

**Note 7-Federal, State and Local Income Taxes:**

In accordance with the requirements of the Income Tax Topic of the FASB's ASC, the Company's provision for income taxes includes the following:

(\$ in thousands)	Fiscal Years Ended April 30,		
	2017	2016	2015
Current tax expense (benefit):			
Federal	\$6,360	\$3,799	\$3,197
State and local	469	219	243
	6,829	4,018	3,440
Deferred tax expense (benefit):			
Federal	(1,299)	(839)	(83)
State and local	(412)	(462)	(154)
	(1,711)	(1,301)	(237)
Income tax provision:	\$5,118	\$2,717	\$3,203

**Value Line, Inc.****Notes to Consolidated Financial Statements**

Deferred income taxes are provided for temporary differences between the financial reporting basis and the tax basis of the Company's assets and liabilities. The tax effect of temporary differences giving rise to the Company's deferred tax asset and deferred tax liability are as follows:

(\$ in thousands)	Fiscal Years Ended April 30,	
	2017	2016
Federal tax benefit (liability):		
Unrealized gains on securities available-for-sale	\$(249)	\$(68 )
Capital loss carryforward	-	86
Operating lease exit obligation	151	58
Deferred professional fees	17	77
Deferred charges	402	250
Total federal tax benefit	321	403
State and local tax benefits:		
Other - deferred charges	28	29
Total state and local tax benefits	28	29
Deferred tax asset, short term	\$349	\$432

(\$ in thousands)	Fiscal Years Ended April 30,	
	2017	2016
Federal tax liability (benefit):		
Deferred gain on deconsolidation of EAM	\$17,742	\$17,679
Deferred non-cash post-employment compensation	(619 )	(619 )
Depreciation and amortization	454	1,812
Other	(45 )	8
Total federal tax liability	17,532	18,880
State and local tax liabilities (benefits):		
Deferred gain on deconsolidation of EAM	1,206	1,704
Deferred non-cash post-employment compensation	(42 )	(60 )
Depreciation and amortization	31	174
Deferred professional fees	(2 )	(15 )
Total state and local tax liabilities	1,193	1,803
Deferred tax liability, long term	\$18,725	\$20,683

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The tax effect of temporary differences giving rise to the Company's long term deferred tax liability is primarily a result of the federal, state, and local taxes related to the \$50,510,000 gain from deconsolidation of the Company's asset management and mutual fund distribution subsidiaries, partially offset by the long term tax benefit related to the non-cash post-employment compensation of \$1,770,000 granted to VLI's former employee.

The Company uses the effective income tax rate determined to provide for income taxes on a year-to-date basis and reflects the tax effect of any tax law changes and certain other discrete events in the period in which they occur.

The overall effective income tax rates, as a percentage of pre-tax ordinary income for the twelve months ended April 30, 2017, 2016 and 2015 were 33.05%, 27.15% and 30.52%, respectively. The Company's annual effective tax rate will change due to a number of factors including but not limited to an increase or decrease in the ratio of items that do not have tax consequences to pre-tax income, the Company's geographic profit mix between tax jurisdictions, new tax laws, new interpretations of existing tax laws and rulings and settlements with tax authorities. The fluctuation in the effective income tax rate during fiscal 2017 is primarily attributable to the attribution of 100% of the gain on the sale of the Company's operating facility to one tax jurisdiction. The fluctuation in the effective income tax rate during fiscal 2016 is primarily attributable to the effect of the reduction in the allocation factors on the state and local deferred tax liability (primarily the gain on deconsolidation of EAM), reversal of excess income tax accruals established in past years that were resolved upon completion of the prior NYC and IRS audits and an increase in the domestic production tax credits. The fluctuation in the effective income tax rate during fiscal 2015 is primarily attributable to the write-off of the tax bases of goodwill.

The provision for income taxes differs from the amount of income tax determined by applying the applicable U.S. statutory income tax rate to pretax income as a result of the following:

	Fiscal Years Ended April 30,		2015			
	2017	2016				
U.S. statutory federal rate	35.00	%	35.00	%	35.00	%
Increase (decrease) in tax rate from:						
State and local income taxes, net of federal income tax benefit	-0.88	%	-3.39	%	-0.15	%
Effect of dividends received deductions	-0.33	%	-0.41	%	-0.40	%
Write off goodwill	-		-		-1.62	%
Domestic production tax credit	-0.17	%	-0.33	%	-0.44	%
Other, net	-0.57	%	-3.72	%	-1.87	%
Effective income tax rate	33.05	%	27.15	%	30.52	%

**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

The Company believes that, as of April 30, 2017, there were no material uncertain tax positions that would require disclosure under GAAP.

The Company is included in the consolidated federal income tax return of the Parent. The Company has a tax sharing agreement which requires it to make tax payments to the Parent equal to the Company's liability/(benefit) as if it filed a separate return. Beginning with the fiscal year ended April 30, 2017, the Company will file combined income tax returns with the Parent on a unitary basis in certain states as a result of changes in state tax regulations. The Company does not anticipate any significant tax implications from the change to unitary state tax filing.

The Company's federal income tax returns (included in the Parent's consolidated returns) and state and city tax returns for fiscal years ended 2013 through 2016, are subject to examination by the tax authorities, generally for three years after they are filed with the tax authorities. The Company favorably concluded certain tax audits during the third quarter of fiscal 2016 that provided the recognition of tax benefits resulting from a favorable outcome. The Company is presently engaged in a federal tax audit for the fiscal year ended April 30, 2015 and a state tax audit for that period, but does not expect them to have a material effect on the financial statements.

**Note 8-Employees' Profit Sharing and Savings Plan:**

Substantially all employees of the Company and its subsidiaries are members of the Value Line, Inc. Profit Sharing and Savings Plan (the "Plan"). In general, this is a qualified, contributory plan which provides for a discretionary annual Company contribution which is determined by a formula based on the salaries of eligible employees and the amount of consolidated net operating income as defined in the Plan. For the fiscal years ended April 30, 2017, 2016 and 2015, the estimated profit sharing plan contribution, which is included as an expense in salaries and employee benefits in the Consolidated Statements of Income, was \$345,000, \$473,000 and \$422,000, respectively. During fiscal 2017 the U.S. Department of Labor Employee Benefits Security Administration examined the Plan for the period May 1, 2010 through March 17, 2016. As a result of the examination, the Plan sponsor decided to reimburse the Plan in the amount of \$277,000 during fiscal 2017. The reimbursement was for fees received indirectly by the Plan sponsor from EAM, related to the Plan assets invested in the Value Line Mutual Funds, subsequent to Value Line's divestiture of its asset management and advisory business on December 23, 2010. Prior to then, Value Line received fees under a class exemption for certain transactions between investment companies and employee benefit plans. After the corporate restructuring, the fee payments may no longer have qualified under the exemption, and therefore, Value Line decided to pay the fees that it previously collected indirectly from EAM back to the Plan.

**Note 9-Lease Commitments:**

In February 2017 the Company's headquarters and offices moved to a new location. On November 30, 2016, Value Line, Inc., received consent from the landlord at 551 Fifth Avenue, New York, NY to the terms of a new sublease agreement between Value Line, Inc. ("Value Line" or "Company") and ABM Industries, Incorporated ("ABM" or the "Sublandlord") commencing on December 1, 2016. Pursuant to the agreement Value Line leased from ABM 24,726 square feet of office space located on the second and third floors at 551 Fifth Avenue, New York, NY ("Building" or "Premises") beginning on December 1, 2016 and ending on November 29, 2027. Base rent under the sublease agreement is \$1,126,000 per annum during the first year with an annual increase in base rent of 2.25% scheduled for each subsequent year, payable in equal monthly installments on the first day of each month, subject to customary concessions in the Company's favor and pass-through of certain increases in utility costs and real estate taxes over the base year. The Company provided a security deposit represented by a letter of credit in the amount of \$469,000, which is scheduled to be reduced to \$305,000 on September 30, 2021 and fully refunded after the sublease ends. This Building became the Company's new corporate office facility. The Company is required to pay for certain operating expenses associated with the Premises as well as utilities supplied to the Premises. The sublease terms provide for a significant decrease (23% initially) in the Company's annual rental expenditure taking into account free rent for the first six months of the sublease. Sublandlord provided Value Line an allowance of \$417,000 which is expected to be applied against the Company's costs and expenses related to the relocation to the new office facility or applied as additional free rent.

On February 29, 2016, the Company's subsidiary Value Line Distribution Center ("VLDC") and Seagis Property Group LP (the "Landlord") entered into a lease agreement, pursuant to which VLDC has leased 24,110 square feet of warehouse and appurtenant office space located at 205 Chubb Ave., Lyndhurst, NJ ("Warehouse") beginning on May 1, 2016 and ending on April 30, 2024 ("Lease"). Base rent under the Lease is \$192,880 per annum payable in equal monthly installments on the first day of each month, in advance during fiscal 2017 and will gradually increase to \$237,218 in fiscal 2024, subject to customary increases based on operating costs and real estate taxes. The Company provided a security deposit in cash in the amount of \$32,146, which will be fully refunded after the Lease term expires. The lease is a net lease requiring the Company to pay for certain operating expenses associated with the Warehouse as well as utilities supplied to the Warehouse.

The total amount of the base rent payments is being charged to expense on the straight-line method over the term of the lease.

Future minimum payments, exclusive of potential increases in real estate taxes and operating cost escalations, under operating leases for office space, with remaining terms of one year or more, are as follows:

Fiscal Years Ended April 30,	(\$ in thousands)
2018	824
2019	1,366

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2020	1,399
2021	1,432
2022 and thereafter	10,002
	\$ 15,023

For the fiscal years ended April 30, 2017, 2016 and 2015, rental expenses were \$1,677,000, \$1,268,000 and \$1,268,000, respectively. The rental expenses during fiscal 2017 included additional three month overlapping rent expense of \$86,000 per month for the current office facility and \$105,000 for the previously occupied office facility during the period from December 1, 2016 to February 28, 2017 which is being offset by lower rent payments according to the sub-lease agreement with American Building Maintenance (“ABM” or the “Sublandlord”).

**Value Line, Inc.**

**Notes to Consolidated Financial Statements**

**Note 10-Disclosure of Credit Risk of Financial Instruments with Off-Balance Sheet Risk:**

Other than EAM and the Value Line Funds as explained in Note 3 - Related Party Transactions, no single customer accounted for a significant portion of the Company's sales in fiscal 2017, 2016 or 2015, nor its accounts receivable as of April 30, 2017 or 2016.

**Note 11-Comprehensive Income:**

The FASB's ASC Comprehensive Income topic requires the reporting of comprehensive income in addition to net income from operations. Comprehensive income is a more inclusive financial reporting methodology that includes disclosure of certain financial information that otherwise would not be recognized in the calculation of net income.

As of April 30, 2017 and April 30, 2016, the Company held equity securities consisting primarily of ETFs with high relative dividend yields that are classified as securities available-for-sale on the Consolidated Balance Sheets. As of April 30, 2017 the Company held fixed income securities consisting of certificates of deposits and securities issued by federal, state, and local governments within the United States that are classified as securities available-for-sale on the Consolidated Balance Sheets. The change in valuation of these securities, net of deferred income taxes, has been recorded in accumulated other comprehensive income in the Company's Consolidated Balance Sheets.

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2017 are as follows:

	Fiscal Year Ended April 30, 2017	
	Amount Before Tax Expense/	Amount Net of Tax
(\$ in thousands)		

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Change in unrealized gains on securities	\$476	\$ (168 )	\$ 308
Less: Gains realized in net income	39	(14 )	25
	\$515	\$ (182 )	\$ 333

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2016 are as follows:

(\$ in thousands)	Fiscal Year Ended April 30, 2016		
	Amount Before	Tax Expense/	Amount Net of
	Tax	(Benefit)	Tax
Change in unrealized gains on securities	\$(300)	\$ 106	\$(194 )
Less: Gains realized in net income	329	(115 )	214
	\$29	\$ (9 )	\$ 20

The components of comprehensive income that are included in the Consolidated Statement of Changes in Shareholders' Equity for the twelve months ending April 30, 2015 are as follows:

(\$ in thousands)	Fiscal Year Ended April 30, 2015		
	Amount Before	Tax Expense/	Amount Net of
	Tax	(Benefit)	Tax
Change in unrealized gains on securities	\$(274)	\$ 96	\$(178 )
Less: Gains realized in net income	57	(20 )	37
	\$(217)	\$ 76	\$(141 )

**Note 12-Accounting for the Costs of Computer Software Developed for Internal Use:**

The Company has adopted the provisions of the Statement of Position 98-1 (SOP 98-1), "Accounting for the Costs of Computer Software Developed for Internal Use". SOP 98-1 requires companies to capitalize as long-lived assets many of the costs associated with developing or obtaining software for internal use and amortize those costs over the software's estimated useful life in a systematic and rational manner.

The Company capitalized \$407,000 and \$1,681,000 related to the development of software for internal use for the twelve months ended April 30, 2017 and 2016, respectively. Total capitalized software includes \$215,000 and \$1,250,000 of internal costs to develop software and \$192,000 and \$431,000 of third party programmers' costs for the



years ended April 30, 2017 and April 30, 2016, respectively. Such costs are capitalized and amortized over the expected useful life of the asset which is 3 to 5 years. Total amortization expenses for the years ended April 30, 2017, 2016 and 2015 were \$4,397,000, \$3,520,000, and \$2,421,000, respectively. Amortization expense in fiscal 2017 included an increase of \$877,000 of production expenses primarily attributable to additional amortization of internally developed software costs related to the product production cycle that is expected to be upgraded during fiscal 2018.

**Value Line, Inc.****Notes to Consolidated Financial Statements****Note 13-Treasury Stock and Repurchase Program:**

On September 19, 2012, the Company's Board of Directors approved a share repurchase program authorizing the repurchase of shares of the Company's common stock up to an aggregate purchase price of \$3,000,000. The repurchases may be made from time to time on the open market at prevailing market prices, in negotiated transactions off the market, in block purchases or otherwise. The repurchase program may be suspended or discontinued at any time at the Company's discretion and has no set expiration date.

Treasury stock, at cost, consists of the following:

(\$ in thousands except for cost per share)	Shares	Cost Assigned	Average Cost per Share	Aggregate Purchase Price Remaining Under the Program
Balance as of April 30, 2014 (1)	182,071	\$ 2,122	\$ 11.65	\$ 2,268
Purchases effected in open market (2)	8,433	\$ 122	\$ 14.47	\$ 2,146
Balance as of April 30, 2015	190,504	\$ 2,244	\$ 11.78	\$ 2,146
Purchases effected in open market (2)	52,907	\$ 796	\$ 15.05	\$ 1,350
Balance as of April 30, 2016	243,411	\$ 3,040	\$ 12.49	\$ 1,350
Purchases effected in open market (2)	44,924	\$ 741	\$ 16.51	\$ 609
Balance as of April 30, 2017	288,335	\$ 3,781	\$ 13.11	\$ 609

(1) Includes 85,219 shares with a total average cost of \$1,036,000 that were acquired during the former repurchase program, which was authorized in January 2011 and expired in January 2012; 18,400 shares were acquired prior to the repurchase program authorized in January 2011.

(2) Were acquired during the \$3 million repurchase program authorized in September 2012.

**Note 14-Copyright Data Fees:**

During the twelve months ended April 30, 2017, copyright data fees of \$4,406,000 were 68% above fiscal 2016. As of April 30, 2017, total third party sponsored assets were attributable to three contracts for copyright data representing \$3.6 billion in various products, as compared to three contracts for copyright data representing \$1.8 billion in assets at April 30, 2016.

**Note 15 - Restricted Cash and Deposits:**

Restricted Money Market Investment in the noncurrent assets on the Consolidated Condensed Balance Sheet at April 30, 2017, includes \$469,000, which represents cash invested in a bank money market fund securing a letter of credit ("LOC") in the amount of \$469,000 issued to the sublandlord as a security deposit for the Company's new leased corporate office facility.

**Note 16 - Gain on Sale of Operating Facility:**

On July 29, 2016, Value Line closed the sale of its 85,000 sq ft distribution, fulfillment and warehouse operating facility located at 125 East Union Avenue, East Rutherford, NJ, received net proceeds of \$11,555,000 and reported an increment to net profits after tax during the first quarter of fiscal 2017 of approximately \$5.28 million. The distribution, fulfillment and warehouse operations were relocated to an alternative 24,110 sq ft leased facility (See Note 9).

**Note 17-Business Segments:**

Prior to December 23, 2010, (the Restructuring Transaction date), the Company operated two reportable business segments: (1) Publishing and (2) Investment Management. The Publishing segment, the Company's only reportable segment subsequent to the Restructuring Transaction date, produces investment periodicals and related publications (retail and institutional) in both print and digital form, and includes copyright data fees for the Value Line Proprietary Ranking System information and other proprietary information.

As more fully described in Note 1 - Organization and Summary of Significant Accounting Policies, the Company deconsolidated its investment management business on December 23, 2010 and therefore no longer reports the investment management operation as a separate business unit. Although VLI continues to receive significant cash flows from these operations through its non-controlling investment in EAM, it no longer considers this to be a reportable business segment due to its lack of control over the operating and financial policies of EAM.

