



AGC 2018 Financial Notes

Preliminary Report – Current Period – August

Year to Date Period – Jan. 1, 2018 to August 31, 2018

Net Operating Income – see Consolidated Statement of Operations (Page 9)

As of August 31, 2018, the preliminary Net Operating Income (NOI) equals \$2.157M vs. a year-to-date budget NOI of \$926K creating a favorable year-to-date total budget variance of \$1.231M.

The year-to-date positive revenue variance of \$861K combined with the positive expense variance of \$370K produces the total favorable year-to-date budget variance of \$1.231M.

Income Variance

The year-to-date positive revenue variance of \$861K (see Consolidated Statement of Operations – YTD Variance column) is primarily from above budget revenue in all revenue categories except Program / Grant Revenue and Building/Retail Rent revenue.

Expense Variance

The year-to-date positive expense variance of \$370K is comprised of under budget expenses in primarily all expense categories except Consultant Fees, Event Expense and Building /Marina Expense.

Accounts Receivable

	Building	Marina	AR Parking	AGCEF	Other AR	Total
July	54	45,274	44,056	10,838	94,694	194,915
August	(1,729)	8,891	20,440	11,027	111,245	149,875

Note: AR Building primarily represents past billings from building tenants.
 AR Marina primarily represents past billings from moorage tenants.
 AR Parking primarily represents receivables for parking.
 AR AGCEF represents billings to AGC Education Foundation
 AR Other represents billings outstanding for purchases and events (i.e. annual meeting, sponsorships, membership dues, Retro, etc.).

AGC Actual / Forecast - see 12 Month Actual / Forecast to Budget

As of August 31, 2018, AGC's 2018 annual net operating income is forecast to be \$1.261M versus an annual budget net operating income of \$50K.

AGC Building:

Occupancy rate for office space is **100%** as of August 31, 2018.

Occupancy rate for retail space is **37%** as of August 31, 2018.

AGC of Washington 2018 Cash Activity Forecast			
	2018 Total Actual / Forecast	2018 Total Budget	Variance *
Retro Plan Income	2,987,803	2,352,216	635,587
Retro Exp Gross	(1,851,214)	(1,902,216)	51,002
Net Retro Income	1,136,589	450,000	686,589 P
REVENUES			
Membership Dues	2,028,091	1,875,000	153,091 P
Program / Grant Revenue	212,154	231,795	(19,641) P
Event Revenue	311,834	291,800	20,034 P
Building / Retail Rent	3,322,197	3,370,973	(48,776) P
Other Rent Revenue	1,061,083	1,036,400	24,683 P
Other Revenue / CAM	136,004	92,208	43,796 P
Misc Income	16,544	16,155	389 T
Operating Revenue	7,087,906	6,914,331	173,575
TOTAL REVENUE	8,224,495	7,364,331	860,164
EXPENSES			
Salaries	2,444,432	2,440,758	(3,674) T
Payroll Burden Taxes & Benefits	697,297	716,026	18,729 T
Auto Expense / Corporate Travel	31,929	37,658	5,729 T
Miscellaneous Meetings	82,837	127,320	44,483 T
Consultant Fees	197,809	176,005	(21,804) T
Office Expense	77,957	80,418	2,461 T
Membership Dues/Donations	227,095	379,905	152,810 T
Rent	64,467	68,102	3,635 T
Technology Expense	72,160	82,584	10,424 T
Phone Exp.	35,694	38,574	2,880 T
Program / Grant Expense	199,811	378,135	178,324 T
Membership Promotion	236,269	268,220	31,951 T
Event Exp	399,554	371,650	(27,904) T
Insurance / Tax / Training	77,278	80,175	2,897 T
Building / Marina Expense	1,473,211	1,381,390	(91,821) P
Leasing Comm. Amortization	48,173	58,836	10,663 P
Depreciation	596,844	628,575	31,732 P
TOTAL EXPENSES	6,962,814	7,314,331	351,516
OPERATING INCOME (LOSS)	1,261,680	50,000	1,211,680
NET OPERATING INCOME (LOSS) - FORECAST VS. BUDGET	1,261,680	50,000	1,211,680
Non-Operating Investment Income (Loss)	40,881	12,000	28,881 P
NET INCOME (LOSS)	1,302,561	62,000	1,240,561
Gain/Loss on Disposal of Asset	0	0	0
TOTAL INCOME	1,302,561	62,000	1,240,561
Working Capital			
Net Operating Income	1,261,680	50,000	1,211,680 P
Amortization	48,173	58,836	(10,663) P
Depreciation	596,844	628,575	(31,732) P
Available Cash (Working Capital)	1,906,696	737,411	1,169,285
Less:			
Capital Expenditures - Association	69,802	104,000	34,198 P
Capital Expenditures - Seattle Building	591,920	365,000	(226,920) P
Capital Expenditures - Fife Building	10,770	40,000	29,230 P
Capital Expenditures - Marina	94,163	60,000	(34,163) P
Tenant Improvements - Building	462,278	500,000	37,722 P
Lease Commissions	187,055	187,000	(55) P
Total Deductions	1,415,989	1,256,000	(159,989)
Cash (Working Capital) Variance Favorable (Unfavorable)	490,708	(518,589)	1,009,296

Associated General Contractors of Washington
Statement of Financial Position
For the Period Ending 08/31/2018

[INTERNAL REPORT]

	Aug Unaudited	Dec Audited
ASSETS		
Current Assets		
Cash	2,278,534	4,263,803
Building Savings	806,160	803,482
Short-Term Investments	1,312	3,247,489
Accounts Receivable	149,875	307,891
Prepaid Expenses	119,257	167,340
Total Current Assets	<u>3,355,138</u>	<u>8,790,005</u>
Group Retrospective Rating Plan Assets	34,674,088	23,884,765
Prepaid Lease Commissions	155,201	112,367
Long Term Investments	5,278,244	-
Property and Equipment		
Land and Land Improvements	2,413,375	2,413,375
Buildings	14,141,921	13,590,762
Leasehold Improvements	1,633,017	1,403,076
Furniture and Equipment	1,343,855	1,315,507
Automobiles	43,774	43,774
Marina	1,703,504	1,675,341
Total Property Plant and Equipment	<u>21,279,444</u>	<u>20,441,834</u>
Less: Accumulated Depreciation	<u>(12,154,837)</u>	<u>(11,737,345)</u>
Net Property Plant and Equipment	<u>9,124,607</u>	<u>8,704,489</u>
TOTAL ASSETS	<u>52,587,278</u>	<u>41,491,626</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	332,809	680,901
Accrued Expenses	48,658	66,910
Deferred Income	106,229	1,594,470
Current Portion - LT Debt	-	-
	<u>487,696</u>	<u>2,342,281</u>
Group Retrospective Rating Plan Liability	34,674,088	23,952,765
Long Term Debt, Less Current Portion	-	-
Tenant Deposits	243,867	209,141
Total Liabilities	<u>35,405,650</u>	<u>26,504,187</u>
Net Assets		
Unrestricted	12,181,628	11,087,439
Board Designated	5,000,000	3,900,000
TOTAL UNRESTRICTED NET ASSETS	<u>17,181,628</u>	<u>14,987,439</u>
TOTAL LIABILITIES AND NET ASSETS	<u>52,587,278</u>	<u>41,491,626</u>

Associated General Contractors of Washington
Cash Flow Statement
For the 8 Month(s) ending 08/31/2018

	Unaudited
Changes in Net Assets	2,194,189
Adjustments to Changes in Net Assets to Cash Provided by Operating Activities	
Depreciation	417,492
(Gain) Loss on Disposal of Property	-
(Gain) Loss on Sales of Investments	(74,821)
(Gain) Loss on Investments @ Market	33,961
(Increase) / Decrease in accounts:	
Accounts Receivable	158,016
Prepaid Expenses and Other Assets	5,250
Increase / (Decrease) in accounts:	
Accounts Payable	(416,092)
Accrued Expenses	(18,252)
Tenant Deposits	34,725
Deferred Income	(1,488,241)
Net Cash Provided / (Used) by Operating Activities	846,228
Cash Flow From Investing Activities:	
Purchase of Long Term Investment	(5,237,385)
Leasehold Improvements - Seattle Bldg	(229,940)
Capital Improvements on Seattle Bldg	(540,389)
Capital Improvements on Marina	(38,933)
Purchase of property, equipment and automobile	(28,348)
Net Cash Provided / (Used) by Investing Activities	(6,074,995)
Cash Flow from Financing Activities:	
Current Long Term Debt	-
Long Term Debt / Loan Payments	-
Net Cash Provided / (Used) by Financing Activities	-
Net Increase (Decrease) in Cash	(5,228,767)
Cash, Beginning of Year	5,067,285
Cash Equivalents Beginning of Year	3,247,489
Total Cash and Cash Equivalents, Beginning of Year	8,314,774
Cash, End of Period	3,084,694
Cash Equivalents, End of Period	1,312
Total Cash and Cash Equivalents, End of Period	3,086,007

Associated General Contractors of Washington

(INTERNAL REPORT)

8/31/2018

Schedule of Reserve Funds

	Balance		Reserve Accounts
Operations	1,500,000	Long Term Invst	4,275,528
Plant & Equipment	3,400,000	Short Term Invst	1,312
Special Projects	100,000	Building Savings	806,160
	5,000,000		5,083,001

**** Statement of Capital Expenditures**

(** Designed for Budget Monitoring Purposes)

		2018	Balance
	8/31/2018	Approved Budget	Remaining
Parking Lot Improvements	1503-50-000	-	-
Fife Building	1505-85-000	10,770	40,000
Office Equipment	1509-10-000	-	-
Computer Hardware/Software	1513-10-000	28,348	54,000
Member Services Database	1514-10-036	-	50,000
RTW Curriculum	1515-10-000	-	-
SEA Bldg - Tenant Improvements	1550-50-000	229,940	500,000
SEA Bldg - Capital Improvements	1551-50-000	540,389	365,000
SEA Bldg - Lease Commissions	1402-50-050	46,055	187,000
Seattle Marina	1575-75-000	28,163	60,000
		883,665	1,256,000
			372,335

General Asset Capitalization Policy

- computer hardware, software, office equipment, and furniture with useful life of at least one year and \$2,000 or more must be capitalized
- capital assets for properties must be at least \$5,000 to be capitalized
- depreciation expense per year is based on estimated useful life
- depreciation expense may be prorated in the 1st year of a new purchase

Schedule of Depreciation Expenses

		Actual	8/31/2018 Budget	Variance
Seattle District Office	6950-12-000	628	628	-
Southern District Office	6950-14-000	-	-	-
Technology	6950-17-000	11,153	15,823	4,670
Administration	6950-18-000	13,288	13,288	(0)
Accounting	6950-19-000	710	710	(0)
State Government	6950-30-000	4,185	4,185	-
Labor Relations	6950-34-000	618	617	(0)
Membership	6950-36-000	16,292	15,458	(834)
Safety	6950-42-000	7,401	7,401	-
Northern District	6950-46-000	663	663	0
Central District	6950-48-000	722	723	0
Seattle Building	6950-50-000	276,491	287,517	11,025
Seattle Marina	6950-75-000	44,086	52,318	8,232
Fife Building	6950-85-000	21,655	19,723	(1,932)
		397,892	419,053	21,161

Board Contingency Expenses:

	YTD 8/31/2018	2018 Approved Board Contingency	Balance Remaining Board Contingency
Ahlers & Cressman - WSDOT Waiver		5,000	
Construction Advocacy Fund		10,000	
Construction for Change		10,000	
AGCA Board of Directors		3,792	
Veterans Golf Tournament Sponsorship		1,000	
	298,000	29,792	268,208

Associated General Contractors of Washington
Unaudited Statement of Activities by Cost Center
For the 8 Month(s) ending 08/31/2018

YTD

	REVENUE			EXPENSES			REVENUE OVER EXPENSES		
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR
I. Building & Properties:									
a) Seattle Building	2,485,312	2,471,397	13,915	1,191,219	1,144,592	46,628	1,294,093	1,326,806	(32,713)
b) Seattle Marina	520,720	514,292	6,428	369,142	361,226	7,916	151,578	153,066	(1,488)
c) Fife Building	35,260	35,260	0	73,534	75,459	(1,926)	(38,274)	(40,199)	1,926
Total Building & Properties	3,041,292	3,020,949	20,343	1,633,895	1,581,277	52,618	1,407,397	1,439,672	(32,275)
II. Association:									
1. Financial Assets	0	0	0	0	0	0	0	0	0
2. Admin. & Management									
a) Board of Trustees	0	0	0	68,546	244,661	(176,114)	(68,546)	(244,661)	176,114
b) Technology	0	0	0	78,555	96,178	(17,623)	(78,555)	(96,178)	17,623
c) Administration	38,974	14,750	24,224	343,099	305,992	37,107	(304,126)	(291,242)	(12,883)
d) Accounting	9,345	9,345	0	175,893	178,899	(3,006)	(166,548)	(169,554)	3,006
	48,319	24,095	24,224	666,094	825,730	(159,636)	(617,775)	(801,635)	183,860
3. Member Services									
a) Communications	19,383	17,600	1,783	123,968	130,289	(6,321)	(104,585)	(112,689)	8,104
b) Meetings & Events	0	0	0	43,385	62,200	(18,815)	(43,385)	(62,200)	18,815
c) Special Events	129,145	150,000	(20,855)	189,451	188,389	1,062	(60,306)	(38,389)	(21,917)
d) Member Service	2,032,257	1,881,000	151,257	126,328	146,258	(19,930)	1,905,929	1,734,742	171,187
e) Construction Leadership Council	20,180	6,800	13,380	100,710	84,093	16,617	(80,530)	(77,293)	(3,237)
	2,200,965	2,055,400	145,565	583,842	611,229	(27,387)	1,617,123	1,444,171	172,952
4. Education & Training Service									
a) Workforce Development	0	50,000	(50,000)	155,199	307,373	(152,174)	(155,199)	(257,373)	102,174
b) Safety	63,466	66,745	(3,279)	319,077	321,285	(2,208)	(255,611)	(254,540)	(1,070)
c) Group Retro	2,353,731	1,718,144	635,587	1,217,142	1,268,144	(51,002)	1,136,589	450,000	686,589
	2,417,197	1,834,889	582,308	1,691,418	1,896,802	(205,385)	725,779	(61,913)	787,693
5. Government Relations									
a) Government Affairs Council	28,840	26,500	2,340	311,150	350,229	(39,079)	(282,310)	(323,729)	41,419
b) Build-Pac	0	0	0	15,491	17,392	(1,900)	(15,491)	(17,392)	1,900
c) AGC - Federal Facilities	0	0	0	5,371	4,754	617	(5,371)	(4,754)	(617)
	28,840	26,500	2,340	332,012	372,375	(40,362)	(303,172)	(345,875)	42,702
6. Industry Relations									
a) Labor	1,150	0	1,150	251,803	273,534	(21,731)	(250,653)	(273,534)	22,881
b) Open Shop	0	0	0	13,028	13,087	(58)	(13,028)	(13,087)	58
	1,150	0	1,150	264,831	286,620	(21,789)	(263,681)	(286,620)	22,939
7. Districts									
a) Seattle District	83,372	61,600	21,772	188,446	203,395	(14,949)	(105,074)	(141,795)	36,721
b) Southern District	66,791	56,450	10,341	217,562	199,469	18,092	(150,770)	(143,019)	(7,751)
c) Northern District	2,050	0	2,050	62,693	84,713	(22,020)	(60,643)	(84,713)	24,070
d) Central WA District	18,999	19,400	(401)	111,060	111,768	(708)	(92,061)	(92,368)	307
	171,212	137,450	33,762	579,761	599,346	(19,585)	(408,548)	(461,896)	53,347
Total Association	4,867,683	4,078,334	789,349	4,117,958	4,592,102	(474,143)	749,725	(513,768)	1,263,493
Total of Assoc. & Prop	7,908,976	7,099,283	809,692	5,751,853	6,173,379	(421,525)	2,157,122	925,904	1,231,218
Non-Operating Income (Loss)	44,205	16,000	28,205	7,138	9,000	(1,862)	37,067	7,000	30,067
Grand Total	7,953,180	7,115,283	837,897	5,758,991	6,182,379	(423,387)	2,194,189	932,904	1,261,285

Associated General Contractors of Washington
Unaudited Statement of Activities by Cost Center
For the Month ending 08/31/2018

MTD

	REVENUE			EXPENSES			REVENUE OVER EXPENSE		
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR
I. Building & Properties:									
a) Seattle Building	312,239	313,164	(925)	129,499	113,842	15,657	182,740	199,322	(16,582)
b) Seattle Marina	68,999	64,316	4,683	39,577	31,219	8,358	29,422	33,097	(3,675)
c) Fife Building	4,408	4,408	0	5,331	6,169	(838)	(923)	(1,761)	838
Total Building & Properties	385,645	381,888	3,758	174,407	151,230	23,177	211,239	230,658	(19,419)
II. Association:									
1. Financial Assets	0	0	0	0	0	0	0	0	0
2. Admin. & Management									
a) Board of Trustees	0	0	0	7,371	31,118	(23,747)	(7,371)	(31,118)	23,747
b) Technology	0	0	0	9,700	10,429	(729)	(9,700)	(10,429)	729
c) Administration	(150)	0	(150)	33,010	34,528	(1,518)	(33,160)	(34,528)	1,368
d) Accounting	0	0	0	15,706	19,902	(4,196)	(15,706)	(19,902)	4,196
	(150)	0	(150)	65,787	95,977	(30,191)	(65,937)	(95,977)	30,041
3. Member Services									
a) Communications	0	2,200	(2,200)	11,954	13,497	(1,544)	(11,954)	(11,297)	(656)
b) Meetings & Events	0	0	0	298	650	(352)	(298)	(650)	352
c) Special Events	(95)	0	(95)	109	3,189	(3,080)	(204)	(3,189)	2,985
d) Member Service	(1,027)	0	(1,027)	15,121	26,893	(11,771)	(16,149)	(26,893)	10,744
e) Construction Leadership Council	3,520	1,000	2,520	2,897	10,451	(7,554)	623	(9,451)	10,074
	2,398	3,200	(802)	30,379	54,680	(24,301)	(27,981)	(51,480)	23,498
4. Education & Training Service									
a) Workforce Development	0	0	0	12,938	25,882	(12,944)	(12,938)	(25,882)	12,944
b) Safety	2,849	3,600	(751)	39,456	34,712	4,745	(36,607)	(31,112)	(5,496)
c) Group Retro	130,000	158,518	(28,518)	130,000	158,518	(28,518)	0	0	0
	132,849	162,118	(29,269)	182,395	219,112	(36,717)	(49,546)	(56,994)	7,448
5. Government Relations									
a) Government Affairs Council	17,500	17,500	0	36,132	43,322	(7,190)	(18,632)	(25,822)	7,190
b) Build-Pac	0	0	0	1,494	1,502	(9)	(1,494)	(1,502)	9
c) AGC - Federal Facilities	0	0	0	796	361	434	(796)	(361)	(434)
	17,500	17,500	0	38,421	45,186	(6,765)	(20,921)	(27,686)	6,765
6. Industry Relations									
a) Labor	1,030	0	1,030	37,118	26,212	10,906	(36,088)	(26,212)	(9,876)
b) Open Shop	0	0	0	1,216	1,236	(20)	(1,216)	(1,236)	20
	1,030	0	1,030	38,334	27,447	10,886	(37,304)	(27,447)	(9,856)
7. Districts									
a) Seattle District	635	0	635	23,233	14,481	8,753	(22,598)	(14,481)	(8,118)
b) Southern District	1,575	6,000	(4,425)	36,251	26,616	9,635	(34,677)	(20,616)	(14,061)
c) Northern District	0	0	0	876	9,691	(8,814)	(876)	(9,691)	8,814
d) Central WA District	14	0	14	10,246	11,043	(797)	(10,232)	(11,043)	811
	2,224	6,000	(3,776)	70,607	61,831	8,777	(68,384)	(55,831)	(12,553)
Total Association	155,850	188,818	(32,968)	425,923	504,233	(78,310)	(270,072)	(315,415)	45,343
Total of Assoc. & Prop	541,496	570,706	(29,210)	600,329	655,463	(55,134)	(58,834)	(84,758)	25,924
Non-Operating Income (Loss)	25,336	2,000	23,336	0	0	0	25,336	2,000	23,336
Grand Total	566,832	572,706	(5,873)	600,329	655,463	(55,134)	(33,497)	(82,758)	49,260

Associated General Contractors of Washington
Statement of Operations
CONSOLIDATED
For the 8 Month(s) ending 08/31/2018

	AUG ACTUAL	AUG BUDGET	YTD ACTUAL	YTD BUDGET	YTD Variance	Annual BUDGET	Budget Remaining
Retro Plan Income	130,000	158,518	2,353,731	1,718,144	635,587	2,352,216	(1,515)
Retro Exp Gross	(130,000)	(158,518)	(1,217,142)	(1,268,144)	51,002	(1,902,216)	(685,074)
Net Retro Income	0	0	1,136,589	450,000	686,589	450,000	(686,589)
Membership Dues	(1,027)	0	2,028,091	1,875,000	153,091	1,875,000	(153,091)
Program / Grant Revenue	21,124	23,200	161,055	180,695	(19,640)	231,795	70,740
Event Revenue	4,750	7,000	309,175	288,600	20,575	291,800	(17,375)
Building / Retail Rent	288,617	281,004	2,206,932	2,255,710	(48,778)	3,370,973	1,164,041
Other Rent Revenue	82,364	93,200	728,451	703,767	24,684	1,036,400	307,949
Other Revenue / CAM	14,664	7,684	105,268	61,472	43,796	92,208	(13,060)
Misc Income	1,004	100	16,274	15,895	379	16,165	(109)
Total Revenue	411,496	412,188	6,691,834	5,831,139	860,695	7,364,341	672,507
Salaries	179,194	178,381	1,532,832	1,546,976	(14,144)	2,440,758	907,926
Payroll Burden Taxes and Benefits	53,821	59,669	458,622	477,351	(18,729)	716,026	257,404
Auto Expense / Corporate Travel	2,779	3,414	19,620	24,277	(4,657)	37,658	18,038
Miscellaneous Meetings	7,425	6,092	60,376	97,656	(37,280)	127,320	66,944
Consultant Fees	18,421	11,265	157,246	135,442	21,803	176,005	18,760
Office Expense	7,605	5,523	48,532	48,455	77	80,418	31,886
Membership Dues/Donations	11,163	24,971	141,540	293,698	(152,158)	379,905	238,365
Rent	5,134	5,622	43,242	45,491	(2,249)	68,102	24,860
Technology Expense	5,551	5,928	45,546	59,753	(14,206)	82,584	37,038
Phone Expense	1,339	3,137	23,627	25,886	(2,259)	38,574	14,947
Program/Grant Expense	10,137	27,995	86,704	261,577	(174,873)	378,135	291,431
Membership Promotion	7,424	21,827	122,479	152,813	(30,334)	268,220	145,741
Event Expense	19,672	13,525	360,305	337,115	23,190	371,650	11,345
Insurance/Tax/Training	1,175	4,879	60,137	58,982	1,155	80,175	20,038
Building / Marina Expense	84,950	67,433	947,454	881,487	65,967	1,381,390	433,936
Leasing Comm. Amort.	4,803	4,903	28,558	39,224	(10,666)	58,836	30,278
Depreciation	49,737	52,382	397,892	419,053	(21,161)	628,579	230,687
Total Expenses	470,329	496,945	4,534,712	4,905,235	(370,523)	7,314,335	2,779,623
Net Operating Income (Loss)	(58,834)	(84,758)	2,157,122	925,904	1,231,218	50,006	(2,107,116)
LT Inv - Dividends/Interest	6,056	2,000	78,165	16,000	62,165	24,000	(54,165)
LT Inv - Net Gain (Loss)	19,281	0	(33,961)	0	(33,961)	0	33,961
Investment Consultant Fee	0	0	(7,138)	(9,000)	1,862	(12,000)	(4,862)
Non-Operating Income (Loss)	25,336	2,000	37,066	7,000	30,066	12,000	(25,066)
Gain / Loss on Disposal of Asset	0	0	0	0	0	0	0
Grand Total	(33,497)	(82,758)	2,194,188	932,904	1,261,283	62,006	(2,132,182)