



AGC 2017 October Financial Notes

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

As of October 31, 2017 the preliminary Net Operating Income (NOI) equals \$1.602M vs. a year-to-date budget NOI of \$445K creating a favorable year-to-date total budget variance of \$1.157M.

The year-to-date positive revenue variance of \$1.031M combined with the positive expense variance of \$126K produces the total favorable year-to-date budget variance of \$1.157M.

Income Variance

The year-to-date positive revenue variance of \$1.031M (see Consolidated Statement of Operations – YTD Variance column) is from above budget revenue in all revenue categories.

Expense Variance

The year-to-date positive expense variance of \$126K is comprised of under budget expenses in most all expense categories except Even, Building & Marina and Depreciation Expense.

Accounts Receivable

	Building	Marina	AR Parking	AGCEF	Other AR	Total
September	11,095	71,163	35,496	22,586	39,324	179,665
October	1,181	57,496	29,951	22,627	35,966	147,222

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 October 31, 2017, AGC's 2017 annual forecast net operating income equals \$1.221M versus an annual budget net operating income of \$54K. \$537K (44%) of the total positive variance is attributed to AGC's sponsorship fee for AGC Retro Program.

AGC Building:

Occupancy rate for office space is **97.5%** as of October 31, 2017.

Occupancy rate for retail space is **9%** as of October 31, 2017.

**AGC of Washington
2017 Cash Activity Forecast**

	2017 Total Actual / Forecast	2017 Total Budget	Variance *	
Retro Plan Income	2,475,976	1,742,760	733,216	
Retro Exp Gross	(1,713,746)	(1,517,760)	(195,986)	P
Net Retro Income	762,230	225,000	537,230	P
REVENUES				
Membership Dues	1,968,008	1,725,000	243,008	P
Program Revenue / Grant Revenue	199,237	179,930	19,307	P
Event Revenue	284,416	281,800	2,616	P
Building / Retail Rent (Seattle, Marina, Fife)	3,261,460	3,106,408	155,052	P
Other Rent Revenue (Parking, Moorage)	1,039,561	1,010,000	29,561	P
Other Revenue / CAM	116,923	85,800	31,123	P
Misc Income	17,490	16,155	1,335	P
Operating Revenue	6,887,094	6,405,093	482,001	7.5%
TOTAL REVENUE	7,649,324	6,630,093	1,019,231	
EXPENSES				
Salaries	2,356,488	2,390,453	33,965	T
Payroll Burden Taxes & Benefits	653,609	685,752	32,143	P
Auto Expense / Corporate Travel	35,215	40,348	5,133	T
Miscellaneous Meetings	102,773	117,760	14,987	T
Consultant Fees	67,735	69,035	1,300	T
Office Expense	69,072	83,410	14,338	T
Membership Dues/Donations	193,675	227,095	33,420	T
Rent	65,301	66,634	1,333	P
Technology Expense	74,735	84,420	9,685	P
Phone Exp.	30,058	35,690	5,632	P
Program / Grant Expense	94,120	132,110	37,990	T
Membership Promotion	217,543	229,700	12,157	T
Event Exp	392,789	342,553	(50,236)	P
Insurance / Tax / Training	73,163	79,950	6,787	T
Building / Marina Expense	1,331,675	1,327,135	(4,540)	T
Leasing Comm. Amortization	64,092	64,092	0	P
Depreciation	606,228	600,370	(5,858)	P
TOTAL EXPENSES	6,428,272	6,576,507	148,235	-2.3%
OPERATING INCOME (LOSS)	1,221,052	53,586	1,167,466	
NET OPERATING INCOME (LOSS) - FORECAST VS. BUDGET	1,221,052	53,586	1,167,466	
Non-Operating Investment Income (Loss)	261,369	12,000	249,369	P
NET INCOME (LOSS)	1,482,421	65,586	1,416,835	
Gain/Loss on Disposal of Asset	0	0	0	
TOTAL INCOME	1,482,421	65,586	1,416,835	
Working Capital				
Net Operating Income	1,221,052	53,586	1,167,466	
Amortization	64,092	64,092	0	
Depreciation	606,228	600,370	5,858	
Available Cash (Working Capital)	1,891,371	718,048	1,173,323	
Less:				
Capital Expenditures - Association	72,877	104,500	31,623	
Capital Expenditures - Seattle Building	548,017	220,500	(327,517)	
Capital Expenditures - Marina	200,000	210,000	10,000	
Tenant Improvements - Building	165,551	110,000	(55,551)	
Lease Commissions	59,663	60,000	338	
Total Deductions	1,104,908	705,000	(399,908)	
Cash (Working Capital) Variance Favorable (Unfavorable)	786,463	13,048	773,415	

Associated General Contractors of Washington
Statement of Financial Position
For the Period Ending 10/31/2017

[INTERNAL REPORT]

	Oct Unaudited	Dec Audited
ASSETS		
Current Assets		
Cash	3,082,733	3,430,157
Building Savings	803,193	601,943
Short-Term Investments	178,448	210,965
Accounts Receivable	143,406	173,379
Prepaid Expenses	133,290	138,626
Total Current Assets	<u>4,341,070</u>	<u>4,555,071</u>
Group Retrospective Rating Plan Assets	23,474,929	21,105,073
Prepaid Lease Commissions	103,188	101,552
Long Term Investments	3,005,839	2,712,952
Property and Equipment		
Land and Land Improvements	2,393,339	2,393,339
Buildings	13,950,653	13,753,048
Leasehold Improvements	1,387,456	1,381,905
Furniture and Equipment	1,307,757	985,879
Automobiles	43,774	43,774
Marina	1,550,564	1,550,564
Total Property Plant and Equipment	<u>20,633,543</u>	<u>20,108,509</u>
Less: Accumulated Depreciation	<u>(11,854,073)</u>	<u>(11,339,086)</u>
Net Property Plant and Equipment	<u>8,779,471</u>	<u>8,769,424</u>
TOTAL ASSETS	<u>39,704,496</u>	<u>37,244,071</u>
LIABILITIES & NET ASSETS		
Current Liabilities		
Accounts Payable	273,857	698,907
Accrued Expenses	59,504	60,977
Deferred Income	16,300	1,447,832
Current Portion - LT Debt	-	1,112
	<u>349,661</u>	<u>2,208,828</u>
Group Retrospective Rating Plan Liability	23,565,595	21,105,073
Long Term Debt, Less Current Portion	-	0
Tenant Deposits	213,975	217,753
Total Liabilities	<u>24,129,231</u>	<u>23,531,653</u>
Net Assets		
Unrestricted	11,675,264	10,212,418
Board Designated	3,900,000	3,500,000
TOTAL UNRESTRICTED NET ASSETS	<u>15,575,264</u>	<u>13,712,418</u>
TOTAL LIABILITIES AND NET ASSETS	<u>39,704,496</u>	<u>37,244,071</u>

Associated General Contractors of Washington
Cash Flow Statement
For the 10 Month(s) ending 10/31/2017

	Unaudited
Changes in Net Assets	1,862,846
Adjustments to Changes in Net Assets to Cash Provided by Operating Activities	
Depreciation	514,987
(Gain) Loss on Disposal of Property	-
(Gain) Loss on Sales of Investments	(43,441)
(Gain) Loss on Investments @ Market	(232,238)
(Increase) / Decrease in accounts:	
Accounts Receivable	29,973
Prepaid Expenses and Other Assets	3,700
Increase / (Decrease) in accounts:	
Accounts Payable	(334,384)
Accrued Expenses	(1,473)
Tenant Deposits	(3,777)
Deferred Income	(1,431,532)
Net Cash Provided / (Used) by Operating Activities	364,662
Cash Flow From Investing Activities:	
Purchase of Long Term Investment	(17,207)
Leasehold Improvements - Seattle Bldg	(5,551)
Capital Improvements on Seattle Bldg	(163,805)
Capital Improvements on Marina	(33,800)
Purchase of property, equipment and automobile	(321,877)
Net Cash Provided / (Used) by Investing Activities	(542,241)
Cash Flow from Financing Activities:	
Current Long Term Debt	(1,112)
Long Term Debt / Loan Payments	-
Net Cash Provided / (Used) by Financing Activities	(1,112)
Net Increase (Decrease) in Cash	(178,691)
Cash, Beginning of Year	4,032,100
Cash Equivalents Beginning of Year	210,965
Total Cash and Cash Equivalents, Beginning of Year	4,243,065
Cash, End of Period	3,885,926
Cash Equivalents, End of Period	178,448
Total Cash and Cash Equivalents, End of Period	4,064,374

Associated General Contractors of Washington

(INTERNAL REPORT)

10/31/2017

Schedule of Reserve Funds

	Balance		Reserve Accounts
Operations	900,000	Long Term Invst	3,005,839
Plant & Equipment	2,900,000	Short Term Invst	178,448
Special Projects	100,000	Building Savings	803,193
	<u>3,900,000</u>		<u>3,987,480</u>

**** Statement of Capital Expenditures**

(** Designed for Budget Monitoring Purposes)

		2017	Balance	
	10/31/2017	Approved Budget	Remaining	
Office Equipment	1509-10-000	13,080	-	(13,080)
Computer Hardware/Software	1513-10-000	21,627	54,500	32,873
Member Services Database	1514-10-036	6,250	50,000	43,750
SEA Bldg - Tenant Improvements	1550-50-000	5,551	110,000	104,449
SEA Bldg - Capital Improvements	1551-50-000	163,805	220,500	56,695
SEA Bldg - Lease Commissions	1402-50-050	5,663	60,000	54,338
Seattle Marina	1575-75-000	-	210,000	210,000
		<u>249,776</u>	<u>705,000</u>	<u>455,224</u>

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	10/31/2017 Budget	Variance
Seattle District Office	6950-12-000	785	-	(785)
Southern District Office	6950-14-000	609	609	0
Technology	6950-17-000	16,502	23,465	6,963
Administration	6950-18-000	15,889	13,505	(2,384)
Accounting	6950-19-000	1,649	761	(888)
State Government	6950-30-000	13,846	12,337	(1,509)
Labor Relations	6950-34-000	772	-	(772)
Membership	6950-36-000	17,240	16,783	(457)
Safety	6950-42-000	9,251	7,296	(1,955)
Northern District	6950-46-000	1,417	641	(776)
Central District	6950-48-000	903	342	(561)
Seattle Building	6950-50-000	340,528	339,118	(1,410)
Seattle Marina	6950-75-000	54,649	54,305	(344)
Fife Building	6950-85-000	31,147	31,147	(0)
		<u>505,187</u>	<u>500,308</u>	<u>(4,879)</u>

Board Contingency Expenses:

	YTD 10/31/2017	2017 Approved Board Contingency	Balance Remaining Board Contingency
5120-13-054			
CTE Showcase of Skills - Gold Level Sponsorship		7,500	
Forefront		2,500	
PLA Challenge		702	
	<u>50,000</u>	<u>10,702</u>	<u>39,298</u>

Associated General Contractors of Washington
Unaudited Statement of Activities by Cost Center
For the 10 Month(s) ending 10/31/2017

YTD

	REVENUE			EXPENSES			REVENUE OVER EXPENSES		
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR
I. Building & Properties:									
a) Seattle Building	3,056,750	2,851,777	204,973	1,503,611	1,493,938	9,673	1,553,139	1,357,840	195,299
b) Seattle Marina	622,920	616,957	5,964	447,102	446,475	627	175,818	170,482	5,337
c) Fife Building	46,894	46,887	7	90,473	92,466	(1,993)	(43,578)	(45,579)	2,001
Total Building & Properties	3,726,564	3,515,621	210,943	2,041,185	2,032,879	8,306	1,685,379	1,482,742	202,637
II. Association:									
1. Financial Assets	0	0	0	0	0	0	0	0	0
2. Admin. & Management									
a) Board of Trustees	0	0	0	65,771	88,395	(22,624)	(65,771)	(88,395)	22,624
b) Technology	0	0	0	105,755	121,662	(15,907)	(105,755)	(121,662)	15,907
c) Administration	39,787	32,540	7,247	329,486	348,468	(18,982)	(289,699)	(315,928)	26,229
d) Accounting	9,135	9,135	0	191,098	207,803	(16,706)	(181,963)	(198,668)	16,706
	48,922	41,675	7,247	692,110	766,328	(74,218)	(643,188)	(724,653)	81,465
3. Member Services									
a) Communications	22,650	18,000	4,650	146,681	155,376	(8,694)	(124,031)	(137,376)	13,344
b) Meetings & Events	0	0	0	60,279	74,600	(14,321)	(60,279)	(74,600)	14,321
c) Special Events	140,420	140,000	420	219,712	184,036	35,676	(79,292)	(44,036)	(35,256)
d) Member Service	1,972,843	1,731,000	241,843	145,804	151,335	(5,531)	1,827,040	1,579,666	247,374
e) Future Leadership Forum	12,960	10,000	2,960	96,515	102,350	(5,835)	(83,555)	(92,350)	8,795
	2,148,873	1,899,000	249,873	668,991	667,697	1,294	1,479,882	1,231,303	248,579
4. Education & Training Service									
a) Workforce Development	0	0	0	176,291	201,320	(25,029)	(176,291)	(201,320)	25,029
b) Safety	80,552	70,380	10,172	382,617	392,015	(9,397)	(302,066)	(321,635)	19,569
c) Group Retro	2,237,630	1,489,800	747,830	1,475,400	1,264,800	210,600	762,230	225,000	537,230
	2,318,182	1,560,180	758,002	2,034,308	1,858,134	176,174	283,874	(297,954)	581,828
5. Government Relations									
a) Government Affairs Council	33,867	26,500	7,367	378,720	397,848	(19,128)	(344,852)	(371,348)	26,496
b) Build-Pac	0	0	0	18,553	20,114	(1,560)	(18,553)	(20,114)	1,560
c) AGC - Federal Facilities	(3)	0	(3)	8,119	4,113	4,006	(8,122)	(4,113)	(4,010)
	33,864	26,500	7,364	405,392	422,075	(16,682)	(371,528)	(395,575)	24,046
6. Industry Relations									
a) Labor	380	180	200	249,808	257,305	(7,497)	(249,428)	(257,125)	7,697
b) Open Shop	0	0	0	14,883	15,655	(772)	(14,883)	(15,655)	772
	380	180	200	264,690	272,960	(8,270)	(264,310)	(272,780)	8,470
7. Districts									
a) Seattle District	68,984	62,200	6,784	227,345	237,755	(10,410)	(158,361)	(175,555)	17,194
b) Southern District	60,734	62,450	(1,716)	253,122	251,275	1,847	(192,389)	(188,825)	(3,564)
c) Northern District	660	0	660	108,353	104,136	4,218	(107,693)	(104,136)	(3,558)
d) Central WA District	22,326	19,650	2,676	131,516	128,885	2,632	(109,190)	(109,235)	44
	152,704	144,300	8,404	720,337	722,050	(1,713)	(567,633)	(577,750)	10,117
Total Association	4,702,926	3,671,835	1,031,091	4,785,828	4,709,244	76,584	(82,902)	(1,037,409)	954,506
Total of Assoc. & Prop	8,429,490	7,187,456	1,242,034	6,827,013	6,742,122	84,891	1,602,477	445,334	1,157,143
Non-Operating Income (Loss)	275,679	20,000	255,679	15,310	9,000	6,310	260,369	11,000	249,369
Grand Total	8,705,170	7,207,456	1,497,713	6,842,323	6,751,122	91,201	1,862,846	456,334	1,406,513

Associated General Contractors of Washington
Unaudited Statement of Activities by Cost Center
For the Month ending 10/31/2017

MTD

	REVENUE			EXPENSES			REVENUE OVER EXPENSE		
	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR	ACTUAL	BUDGET	VAR
I. Building & Properties:									
a) Seattle Building	316,770	281,241	35,529	279,421	270,472	8,949	37,349	10,769	26,581
b) Seattle Marina	62,805	61,696	1,109	81,972	77,130	4,843	(19,168)	(15,434)	(3,734)
c) Fife Building	4,408	4,407	1	6,138	7,130	(992)	(1,731)	(2,723)	992
Total Building & Properties	383,982	347,343	36,639	367,531	354,732	12,800	16,451	(7,388)	23,839
II. Association:									
1. Financial Assets	0	0	0	0	0	0	0	0	0
2. Admin. & Management									
a) Board of Trustees	0	0	0	16,260	3,119	13,140	(16,260)	(3,119)	(13,140)
b) Technology	0	0	0	10,220	9,364	856	(10,220)	(9,364)	(856)
c) Administration	1,556	2,500	(944)	30,832	31,971	(1,139)	(29,276)	(29,471)	195
d) Accounting	0	0	0	15,266	18,843	(3,577)	(15,266)	(18,843)	3,577
	1,556	2,500	(944)	72,578	63,297	9,281	(71,022)	(60,797)	(10,225)
3. Member Services									
a) Communications	0	1,800	(1,800)	12,464	13,663	(1,199)	(12,464)	(11,863)	(601)
b) Meetings & Events	0	0	0	9,284	20,450	(11,166)	(9,284)	(20,450)	11,166
c) Special Events	0	0	0	3,780	3,205	575	(3,780)	(3,205)	(575)
d) Member Service	4,605	0	4,605	14,003	14,782	(778)	(9,398)	(14,782)	5,383
e) Future Leadership Forum	20	0	20	9,604	10,167	(563)	(9,584)	(10,167)	583
	4,625	1,800	2,825	49,136	62,266	(13,130)	(44,511)	(60,466)	15,955
4. Education & Training Service									
a) Workforce Development	0	0	0	20,171	16,273	3,898	(20,171)	(16,273)	(3,898)
b) Safety	4,019	3,250	769	31,805	33,479	(1,675)	(27,785)	(30,229)	2,444
c) Group Retro	141,094	126,480	14,614	141,094	126,480	14,614	0	(0)	0
	145,113	129,730	15,383	193,069	176,232	16,837	(47,956)	(46,502)	(1,454)
5. Government Relations									
a) Government Affairs Council	0	0	0	35,405	33,803	1,602	(35,405)	(33,803)	(1,602)
b) Build-Pac	0	0	0	1,373	1,532	(159)	(1,373)	(1,532)	159
c) AGC - Federal Facilities	(3)	0	(3)	2,899	354	2,545	(2,902)	(354)	(2,548)
	(3)	0	(3)	39,677	35,689	3,988	(39,680)	(35,689)	(3,991)
6. Industry Relations									
a) Labor	0	0	0	24,818	24,987	(169)	(24,818)	(24,987)	169
b) Open Shop	0	0	0	1,190	1,596	(405)	(1,190)	(1,596)	405
	0	0	0	26,008	26,582	(574)	(26,008)	(26,582)	574
7. Districts									
a) Seattle District	(11,452)	1,200	(12,652)	13,141	17,937	(4,796)	(24,593)	(16,737)	(7,856)
b) Southern District	(9,134)	3,000	(12,134)	22,398	24,096	(1,698)	(31,532)	(21,096)	(10,436)
c) Northern District	660	0	660	10,492	10,023	469	(9,832)	(10,023)	191
d) Central WA District	0	350	(350)	12,800	11,322	1,478	(12,800)	(10,972)	(1,828)
	(19,926)	4,550	(24,476)	58,831	63,378	(4,546)	(78,757)	(58,828)	(19,930)
Total Association	131,365	138,580	(7,215)	439,299	427,444	11,855	(307,934)	(288,864)	(19,070)
Total of Assoc. & Prop	515,347	485,923	29,424	806,830	782,175	24,654	(291,483)	(296,252)	4,769
Non-Operating Income (Loss)	13,148	2,000	11,148	3,979	0	3,979	9,169	2,000	7,169
Grand Total	528,495	487,923	40,572	810,809	782,175	28,633	(282,314)	(294,252)	11,939

Associated General Contractors of Washington
Statement of Operations
CONSOLIDATED
For the 10 Month(s) ending 10/31/2017

	OCT ACTUAL	OCT BUDGET	YTD ACTUAL	YTD BUDGET	YTD Variance	Annual BUDGET	Budget Remaining
Retro Plan Income	141,094	126,480	2,237,630	1,489,800	747,830	1,742,760	(494,870)
Retro Exp Gross	(141,094)	(126,480)	(1,475,400)	(1,264,800)	(210,600)	(1,517,760)	(42,360)
Net Retro Income	0	(0)	762,230	225,000	537,230	225,000	(537,230)
Membership Dues	4,605	0	1,965,809	1,725,000	240,809	1,725,000	(240,809)
Program / Grant Revenue	9,523	12,050	189,587	159,180	30,407	179,930	(9,657)
Event Revenue	(23,871)	0	292,585	281,800	10,785	281,800	(10,785)
Building / Retail Rent	288,692	260,193	2,748,005	2,592,954	155,051	3,106,408	358,403
Other Rent Revenue	85,958	80,000	879,561	851,167	28,394	1,010,000	130,439
Other Revenue / CAM	9,332	7,150	98,923	71,500	27,423	85,800	(13,123)
Misc Income	14	50	17,389	16,055	1,334	16,155	(1,234)
Total Revenue	374,253	359,443	6,954,090	5,922,656	1,031,434	6,630,093	(323,997)
Salaries	172,213	174,042	1,842,336	1,857,502	(15,166)	2,390,454	548,118
Payroll Burden Taxes and Benefits	52,051	56,872	541,898	572,009	(30,111)	685,752	143,854
Auto Expense / Corporate Travel	1,836	3,299	29,642	34,775	(5,133)	40,348	10,706
Miscellaneous Meetings	13,710	22,065	93,367	108,328	(14,961)	117,760	24,393
Consultant Fees	10,956	2,805	63,027	64,327	(1,300)	69,035	6,009
Office Expense	7,096	6,535	51,195	65,532	(14,337)	83,410	32,215
Membership Dues/Donations	24,629	13,262	155,753	188,852	(33,099)	227,095	71,342
Rent	5,243	5,621	54,301	55,634	(1,333)	66,634	12,333
Technology Expense	6,330	4,717	66,529	74,737	(8,208)	84,420	17,891
Phone Expense	2,261	2,980	24,118	29,750	(5,632)	35,690	11,572
Program/Grant Expense	14,744	6,697	74,377	112,367	(37,990)	132,110	57,733
Membership Promotion	7,564	15,475	143,844	156,000	(12,156)	229,700	85,856
Event Expense	8,708	5,625	381,539	331,303	50,236	342,553	(38,986)
Insurance/Tax/Training	2,724	5,600	65,614	71,750	(6,137)	79,950	14,337
Building / Marina Expense	279,811	274,730	1,205,477	1,200,740	4,737	1,327,135	121,658
Leasing Comm. Amort.	5,341	5,341	53,410	53,410	0	64,092	10,682
Depreciation	50,519	50,031	505,187	500,308	4,879	600,370	95,183
Total Expenses	665,736	655,695	5,351,613	5,477,322	(125,709)	6,576,508	1,224,895
Net Operating Income (Loss)	(291,483)	(296,252)	1,602,477	445,334	1,157,143	53,585	(1,548,892)
LT Inv - Dividends/Interest	4,720	2,000	35,255	20,000	15,255	24,000	(11,255)
LT Inv - Net Gain (Loss)	8,428	0	240,424	0	240,424	0	(240,424)
Investment Consultant Fee	(3,979)	0	(15,310)	(9,000)	(6,310)	(12,000)	3,310
Non-Operating Income (Loss)	9,169	2,000	260,369	11,000	249,369	12,000	(248,369)
Gain / Loss on Disposal of Asset	0	0	0	0	0	0	0
Grand Total	(282,314)	(294,252)	1,862,846	456,334	1,406,513	65,585	(1,797,261)