

**WHITMAN COUNTY ASSOCIATION OF REALTORS
(A NOT-FOR-PROFIT ASSOCIATION)**

Pullman, Washington

FINANCIAL STATEMENTS AND SUPPLEMENTARY INFORMATION

Years Ended December 31, 2016 and 2015

GEHRING & ASSOCIATES, PLLC
Certified Public Accountants
Pullman, Washington

TABLE OF CONTENTS

INDEPENDENT ACCOUNTANT'S REVIEW REPORT	3
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	4
STATEMENTS OF ACTIVITIES	5
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8-9
SUPPLEMENTARY INFORMATION	
SCHEDULE 1 - PRIOR YEAR STATEMENT OF FUNCTIONAL EXPENSES	11



& Associates, PLLC

PO Box 1142 | 520 E Main
Pullman, WA 99163
www.gehringcpa.com

Office: (509) 332-2900
Cell: (509) 432-4542
Fax: (509) 592-4954

Tim E Gehring, CPA
tim@gehringcpa.com

To the Board of Directors
Whitman County Association of Realtors
Pullman, Washington

I have reviewed the accompanying statements of financial position of Whitman County Association of Realtors (a nonprofit association) as of December 31, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. All information included in these financial statements is the representation of the management of Whitman County Association of Realtors.

A review consists principally of inquiries of organization personnel and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, I do not express such an opinion.

Based on my review, I am not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with generally accepted accounting principles.

My review was made for the purpose of expressing limited assurance that there are no material modifications that should be made to the financial statements in order for them to be in conformity with generally accepted accounting principles. The information included in the accompanying schedules is presented only for supplementary analysis purposes. Such information has been subjected to the inquiry and analytical procedures applied in the review of the basic financial statements, and I am not aware of any material modifications that should be made thereto.

I am not independent of Whitman County Association of Realtors.

Gehring & Associates, PLLC

May 24, 2017

WHITMAN COUNTY ASSOCIATION OF REALTORS
 STATEMENTS OF FINANCIAL POSITION
 December 31, 2016 and 2015

ASSETS	<u>2016</u>	<u>2015</u>
Current Assets		
Cash and cash equivalents	\$ 155,689.11	\$ 147,899.05
Receivables (no allowance)	<u>-</u>	<u>-</u>
TOTAL CURRENT ASSETS	\$ 155,689.11	\$ 147,899.05
Property and Equipment		
Furniture, Fixtures, & Equipment	-	-
Less: Accumulated Depreciation	<u>-</u>	<u>-</u>
TOTAL PROPERTY AND EQUIPMENT	\$ -	\$ -
Other Assets		
Investment - PACMLS, LLC	<u>\$ 9,788.00</u>	<u>\$ 7,170.00</u>
TOTAL OTHER ASSETS	\$ 9,788.00	\$ 7,170.00
TOTAL ASSETS	<u>\$ 165,477.11</u>	<u>\$ 155,069.05</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities		
Accrued Revenues	\$ 26,904.71	\$ 23,264.82
Payroll Tax Liabilities	1,205.05	1,008.98
Sales Tax Payable	64.75	2,304.29
Unrelated Business Income Tax Payable	<u>1,878.00</u>	<u>466.00</u>
TOTAL CURRENT LIABILITIES	\$ 30,052.51	\$ 27,044.09
Net Assets		
Unrestricted - General Fund	\$ 88,077.78	\$ 83,216.22
Unrestricted - MLS Fund	<u>47,346.82</u>	<u>44,808.74</u>
TOTAL NET ASSETS	\$ 135,424.60	\$ 128,024.96
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 165,477.11</u>	<u>\$ 155,069.05</u>

See accompanying notes and accountant's review report.

WHITMAN COUNTY ASSOCIATION OF REALTORS
STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2016 with Comparative Totals for the Year Ended December 31, 2015

Changes in Unrestricted Net Assets:	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Prior Year's Total
Revenues and Gains:					
Program Service Revenue	\$ 97,482.92			\$ 97,482.92	\$ 110,510.44
Recognized Gains from Investments	\$ 2,618.00			\$ 2,618.00	\$ -
Investment Income	188.15			188.15	117.93
Miscellaneous Income	2,868.14			2,868.14	2,685.42
Total Revenues, Gains, Other Support	\$ 103,157.21	\$ -	\$ -	\$ 103,157.21	\$ 113,313.79
Expenses and Losses:					
Program Services	\$ 84,496.94			\$ 84,496.94	\$ 75,306.43
General Administration	11,260.63			11,260.63	10,669.82
Recognized Losses from Investments	-			-	4,187.00
Total Expenses and Losses	\$ 95,757.57			\$ 95,757.57	\$ 90,163.25
Increase in Net Assets	\$ 7,399.64	\$ -	\$ -	\$ 7,399.64	\$ 23,150.54
Net Assets at Beginning of Year	128,024.96	-	-	128,024.96	104,874.42
Net Assets at End of Year	\$ 135,424.60	\$ -	\$ -	\$ 135,424.60	\$ 128,024.96

See accompanying notes and accountant's review report.

**WHITMAN COUNTY ASSOCIATION OF REALTORS
STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2016 with Comparative Totals for the Year Ended December 31, 2015

	Program Services	General Administration	Other Gains or Losses	Total Expenses	Prior Year's Total Expenses
Wages and Salaries	\$ 17,520.31			\$ 17,520.31	\$ 17,932.50
Payroll Taxes	1,616.34			1,616.34	1,627.43
Total Personnel Costs	\$ 19,136.65	\$ -	\$ -	\$ 19,136.65	\$ 19,559.93
Professional Fees		3,077.76		3,077.76	2,353.25
Supplies		1,008.38		1,008.38	1,198.57
Telephone and Internet		1,178.30		1,178.30	1,227.77
Postage		214.71		214.71	242.89
Liability Insurance		425.53		425.53	425.53
Repairs and Maintenance		111.78		111.78	-
Office Rent		4,720.00		4,720.00	4,518.00
Dues and Licenses		135.00		135.00	385.00
Bank Charges		389.17		389.17	318.81
Total Administrative Costs	-	11,260.63	-	11,260.63	10,669.82
Committee Expenses	6,895.66			6,895.66	8,400.94
Lockbox Lease Fees	-			-	1,251.25
MLS Database	16,458.75			16,458.75	8,806.35
Professional Standards Agreement	472.00			472.00	440.00
Dues	21,610.94			21,610.94	20,056.84
Lunch Expenses	3,697.53			3,697.53	3,643.28
Conferences and Meetings	12,303.59			12,303.59	11,350.63
Federal Unrelated Business Income Tax (UBIT)	1,878.00			1,878.00	466.00
Miscellaneous Expenses	2,043.82			2,043.82	1,331.21
Total Program Service Expenses	\$ 65,360.29	\$ -	\$ -	\$ 65,360.29	\$ 55,746.50
Total before Non-Cash Bearing Expenses					
Depreciation Expense	-	-		-	-
Recognized Loss - PACMLS K-1	-			-	4,187.00
Total Expenses	\$ 84,496.94	\$ 11,260.63	\$ -	\$ 95,757.57	\$ 90,163.25

See accompanying notes and accountant's review report.

WHITMAN COUNTY ASSOCIATION OF REALTORS
STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2016 and 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 7,399.64	\$ 23,150.54
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	\$ -	-
(Increase) decrease in operating assets:		
Accounts Receivable	-	686.75
Prepaid Expenses	-	-
Increase (decrease) in operating liabilities:		
Accrued Revenues	3,639.89	3,946.62
Payroll Tax Liabilities	196.07	(17.63)
Sales Tax Payable	(2,239.54)	2,275.33
Unrelated Business Income Tax Payable	1,412.00	466.00
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 10,408.06</u>	<u>\$ 30,507.61</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Investment in PACMLS, LLC	\$ (2,618.00)	\$ 4,187.00
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>\$ (2,618.00)</u>	<u>\$ 4,187.00</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
NET CASH PROVIDED BY FINANCING ACTIVITIES	\$ -	\$ -
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	\$ 7,790.06	\$ 34,694.61
BEGINNING CASH AND CASH EQUIVALENTS	<u>\$ 147,899.05</u>	<u>\$ 113,204.44</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 155,689.11</u></u>	<u><u>\$ 147,899.05</u></u>

See accompanying notes and accountant's review report.

WHITMAN COUNTY ASSOCIATION OF REALTORS
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016 and 2015

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

A) Reporting Entity --

The Whitman County Association of Realtors (WCAR) was organized in August 1994 for the exempt purpose of providing tools and resources for local realtors to better serve their clients and the overall community. It's membership has expanded and includes realtors, lenders, appraisers, title and escrow companies, developers, inspectors, insurance firms, newspapers, and research institutions.

B) Use of Estimates --

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C) Cash and Cash Equivalents --

For the purpose of the statement of cash flows, the WCAR considers currency on hand and demand deposits with financial institutions to be cash. The WCAR considers all highly liquid investments with an original maturity date of three months or less to be cash equivalents. Undeposited funds on hand as of December 31, 2016 and 2015 were treated as cash.

D) Receivables --

For accounts receivable, the allowance for doubtful accounts is based on management's assessment of the collectability of specific customer's accounts and the aging of the account receivable. Trade receivables are recorded at net realizable value. Interest is not accrued on past due balances. The company uses the direct write-off method to account for uncollectible accounts that are not recoverable. Using the direct write-off method, trade receivable balances are written off to bad debt expense when an account is deemed to be uncollectible.

E) Investments --

Under SFAS No. 124, *Accounting for Certain Investments Held by Not-for-Profit Organizations*, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets. Investment income and gains restricted by a donor are reported as increases in unrestricted net assets if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

F) Financial Statement Presentation --

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

G) Accounting Changes and/or Discrepancies --

Due to changes in categorization, some revenue and expenses were recorded under different account headings. There is no net difference to the overall financial statements, however, it could cause someone reviewing the statements to question the amount of change from one year to the next. Adjustments to correct the prior year have been made to present a more comparative set of financial statements.

NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H) Property and Equipment --

The organization capitalizes all property and equipment with a cost of \$2,500 if purchased, and a fair value of \$2,500 at date of donation if received by contribution. Donations of property and equipment are recorded as support at their estimated fair value. Such donations would be reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

I) Capital Assets --

Capital assets are reported at historical cost. Depreciation is computed over the estimated useful lives using the straight-line method. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts, and any resulting gain or loss is recognized in income for the period. Expenditures for maintenance, repairs, renewals and betterments that do not extend the useful lives of the assets are expensed as incurred. Beginning in 2014, the tangible asset IRS safe harbor limit of \$2,500 was used as a base when determining whether an asset was capitalized or expensed. As of 2015, there were no capitalized assets remaining. Therefore, the depreciation was \$0.

SUBSEQUENT EVENTS:

- J) The WCAR noted no transactions that would provide evidence about material conditions that did not exist at the balance sheet date but arose subsequently, through the date these financial statements were available to be issued, May 15, 2017.

SUPPLEMENTARY INFORMATION

**WHITMAN COUNTY ASSOCIATION OF REALTORS
STATEMENT OF FUNCTIONAL EXPENSES**

For the Year Ended December 31, 2015 with Comparative Totals for the Year Ended December 31, 2014

	Program Services	General Administration	Other Gains or Losses	Total Expenses	Prior Year's Total Expenses
Wages and Salaries	\$ 17,932.50			\$ 17,932.50	\$ 17,046.59
Payroll Taxes	1,627.43			1,627.43	1,583.62
Total Personnel Costs	\$ 19,559.93	\$ -	\$ -	\$ 19,559.93	\$ 18,630.21
Professional Fees		2,353.25		2,353.25	6,170.00
Supplies		1,198.57		1,198.57	811.72
Telephone and Internet		1,227.77		1,227.77	1,343.00
Postage		242.89		242.89	313.26
Liability Insurance		425.53		425.53	425.53
Repairs and Maintenance		-		-	462.07
Office Rent		4,518.00		4,518.00	4,320.00
Dues and Licenses		385.00		385.00	135.00
Bank Charges		318.81		318.81	241.10
Total Administrative Costs	-	10,669.82	-	10,669.82	14,221.68
Committee Expenses	8,400.94			8,400.94	5,661.23
Lockbox Lease Fees	1,251.25			1,251.25	3,766.89
MLS Database	8,806.35			8,806.35	10,145.00
Professional Standards Agreement	440.00			440.00	432.00
Dues	20,056.84			20,056.84	16,712.33
Lunch Expenses	3,643.28			3,643.28	3,112.46
Conferences and Meetings	11,350.63			11,350.63	9,275.90
Federal Unrelated Business Income Tax (UBIT)	466.00			466.00	1,777.00
Miscellaneous Expenses	1,331.21			1,331.21	2,132.36
Total Program Service Expenses	\$ 55,746.50	\$ -	\$ -	\$ 55,746.50	\$ 53,015.17
Total before Non-Cash Bearing Expenses					
Depreciation Expense	-	-		-	254.11
Recognized Loss - PACMLS K-1	-		4,187.00	4,187.00	14,643.00
Total Expenses	\$ 75,306.43	\$ 10,669.82	\$ 4,187.00	\$ 90,163.25	\$ 100,764.17

See accompanying notes and accountant's review report.