

BKR INTERNATIONAL
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

Years Ended June 30, 2018 and 2017

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INDEPENDENT AUDITORS' REPORT

Board of Directors
BKR International
New York, NY

We have audited the accompanying financial statements of BKR International (the "Association") (a nonprofit organization), which comprise the statements of financial position as of June 30, 2018 and 2017, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BKR International as of June 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Hauppauge, New York
October 4, 2018

BKR INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
 June 30, 2018 and 2017

	2018	2017
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 1,468,749	\$ 1,163,376
Certificates of deposit	134,083	515,728
Accounts receivable	129,048	100,793
Prepaid expenses and other	114,215	151,002
Non-qualified plan assets	51,200	-0-
Total Current Assets	1,897,295	1,930,899
Fixed Assets	5,350	-0-
Other Assets		
Security deposit	12,024	12,024
	\$ 1,914,669	\$ 1,942,923
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	\$ 48,364	\$ 111,868
Deferred revenues	172,045	69,236
Deferred compensation - non-qualified plan	51,200	-0-
Total Current Liabilities	271,609	181,104
Long-Term Liabilities		
Deferred rent payable	25,220	23,479
	296,829	204,583
Commitment and Contingency		
Net Assets		
Unrestricted:		
Undesignated	1,617,840	1,738,340
	\$ 1,914,669	\$ 1,942,923

See notes to financial statements.

BKR INTERNATIONAL
STATEMENTS OF ACTIVITIES
Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Revenues		
Members' dues	\$ 2,175,184	\$ 2,099,999
Initiation fees	24,600	21,180
Interest income	5,832	5,964
Other income	13,515	11,500
	<u>2,219,131</u>	<u>2,138,643</u>
Total Revenues		
Expenses		
Executive office	1,470,724	1,276,916
Board	405,021	319,910
Group activities	463,886	424,790
	<u>2,339,631</u>	<u>2,021,616</u>
Total Expenses		
Increase (Decrease) in Net Assets	(120,500)	117,027
Net Assets at Beginning of Year	<u>1,738,340</u>	<u>1,621,313</u>
Net Assets at End of Year	<u>\$ 1,617,840</u>	<u>\$ 1,738,340</u>

See notes to financial statements.

BKR INTERNATIONAL
STATEMENTS OF CASH FLOWS
Years Ended June 30, 2018 and 2017

	2018	2017
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (120,500)	\$ 117,027
Adjustments to reconcile increase (decrease) in net assets to cash used by operating activities:		
Bad debts	24,238	1,490
Depreciation and amortization	-0-	4,657
(Increase) decrease in:		
Accounts receivable	(52,493)	(9,230)
Prepaid expenses and other	36,787	(120,376)
Increase (decrease) in:		
Accounts payable and accrued expenses	(63,504)	(49,570)
Deferred revenues	102,809	(51,504)
Deferred rent payable	1,741	3,714
Net Cash Used by Operating Activities	(70,922)	(103,792)
Cash Flows From Investing Activities		
Proceeds from maturity of certificates of deposit	381,645	24,000
Purchases of certificates of deposit	-0-	(250,083)
Acquisitions of fixed assets	(5,350)	-0-
Net Cash Provided (Used) by Investing Activities	376,295	(226,083)
Net Increase (Decrease) in Cash and Cash Equivalents	305,373	(329,875)
Cash and Cash Equivalents at Beginning of Year	1,163,376	1,493,251
Cash and Cash Equivalents at End of Year	\$ 1,468,749	\$ 1,163,376

See notes to financial statements.

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 1 - Nature of Activities

BKR International ("the Association") is a not-for-profit association of independent accounting firms located in principal cities throughout the world. The Association's objective is to provide a forum through which the independent member firms may associate for the purpose of assisting each other in the countries, states, or provinces in which they practice; to provide an international service to their clients; and to promote and help maintain the highest professional standards. The Association is comprised of the Americas, Europe Middle East Africa (EMEA), and Asia Pacific regions. There is a Worldwide Board whose activities benefit the regions. In addition, the separate regions collect dues to pay for activities which benefit their own regions.

Note 2 - Summary of Significant Accounting Policies

Presentation

The financial statements include the combined activities of the Americas Region, Europe Middle East Africa ("EMEA") Region, Asia Pacific Region, and the Worldwide Board. All intercompany balances and transactions have been eliminated.

Cash and Cash Equivalents

The Association considers all cash investments with an original maturity of three months or less to be cash equivalents. Cash equivalents consist solely of money market funds.

Certificates of Deposit

Certificates of deposit totaling approximately \$134,000 and \$516,000 were held by the Association at June 30, 2018 and 2017, respectively. The certificates of deposit are recorded at cost, which approximates fair value, and have various maturities from September 2018 through November 2020, with interest rates ranging from 2.04% to 2.29%. Certificates of deposit are classified as current assets based on their liquidity.

Accounts Receivable

Accounts receivable are presented net of allowances for doubtful accounts. The allowances are based on prior experience and management's evaluation of collectability of the related accounts. The Association writes off accounts receivable when they become uncollectible. The allowance for doubtful accounts at June 30, 2018 and 2017 was approximately \$5,600 and \$1,500, respectively.

Fixed Assets

Office equipment is stated at cost, net of accumulated depreciation. Depreciation is computed using the straight-line method over the useful lives which range from three to five years.

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Fixed Assets (continued)

Leasehold improvements are recorded at cost net of accumulated amortization and are amortized over the term of the lease or the estimated life, whichever is shorter, on a straight-line basis. Expenses for maintenance and repairs which do not add to the economic life of the asset are expensed as incurred.

Impairment of Long-Lived Assets

The Association reviews the carrying values of long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Any long-lived assets held for disposal are reported at the lower of their carrying amounts or fair value less cost to sell. Management has determined that there have been no impairments of long-lived assets through June 30, 2018.

Deferred Revenues

Income from membership dues is deferred and recognized over the periods to which the dues relate.

Designation of Unrestricted Net Assets

It is the policy of the Board of Directors of the Association to review its plan for future special projects from time to time and to designate appropriate sums of unrestricted net assets to assure adequate financing of such projects.

Tax Status

BKR International qualifies as a tax-exempt organization under Section 501 (c)(6) of the Internal Revenue Code, and is therefore generally exempt from federal, state and local taxes. Accordingly, no provision for income taxes is included in the financial statements.

Income Taxes

The Association accounts for the effect of any uncertain tax positions based on a "more likely than not" threshold to the recognition of the tax positions being sustained based on the technical merits of the position under scrutiny by the applicable taxing authority. If a tax position or positions are deemed to result in uncertainties of those positions, the unrecognized tax benefit is estimated based on a "cumulative probability assessment" that aggregates the estimated tax liability for all uncertain tax positions. Interest and penalties assessed, if any, are accrued as income tax expense. The Association has identified its tax status as a tax-exempt entity as a tax position; however, the Association has determined that such tax position does not result in an uncertainty requiring recognition. The Association is not currently under examination by any tax jurisdiction. Federal tax returns are generally open for examination for three years.

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make estimates and assumptions that affect the reported amounts of 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.

Financial Statement Presentation

The Association has presented its financial statements in accordance with generally accepted accounting principles in the United States of America for not-for-profit organizations. Under this guidance, the Association 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. In addition, the Association is required to present a statement of cash flows. As of and for the years ended June 30, 2018 and 2017, all of the Association's activities and net assets were unrestricted.

Foreign Currency Translation

The Association includes the combined activities of the Europe Middle East Africa Region and the Asia Pacific Region. The functional currencies of these foreign operations are the local currencies. The financial statements of the Association's foreign regions have been translated into U.S. dollars. All statements of financial position accounts have been translated using the exchange rate in effect at the statement of financial position dates. All statements of activities amounts have been translated using the average exchange rate for the year. Foreign currency transaction/translation gains (losses) are included in revenues and expenses currently and totaled \$(1,061) and \$1,923 for the years ended June 30, 2018 and 2017, respectively.

Reclassifications

Reclassifications are made to the prior year's financial statements whenever necessary to conform to current year's presentation. Such reclassifications have had no effect on income as previously reported.

Subsequent Events

Management has evaluated subsequent events through the date of the report, which is the date the financial statements were available to be issued.

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 2 - Summary of Significant Accounting Policies (continued)

Recent Accounting Pronouncements

In May 2014, the FASB issued Update 2014-09, Revenue from Contracts with Customers, which replaced the existing accounting standards for revenue recognition. This guidance requires an entity to recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration it expects to be entitled to receive in exchange for those goods or services. The Update is effective for all nonpublic entities for annual reporting periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019 (early adoption is permitted with certain restrictions) and may be adopted by restating all years presented in the entity's financial statements or by recording the impact of the adoption as an adjustment to net assets at the beginning of the year the Update is adopted.

In February 2016, the FASB issued Update 2016-02, "Leases," which replaced the existing accounting standards for accounting for operating leases. This Update requires an entity to recognize lease assets and lease liabilities on the statement of financial position and disclose key information about leasing arrangements. The Update is effective for all nonpublic entities for annual reporting periods beginning after December 15, 2019, and interim periods within fiscal years beginning after December 15, 2020 with early adoption permitted.

In August 2016, the FASB issued ASU 2016-14, "Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities." The new guidance is intended to improve and simplify the current net asset classification requirements and information presented in financial statements and notes that is useful in assessing a not-for-profit's liquidity, financial performance and cash flows. ASU 2016-14 is effective for fiscal years beginning after December 15, 2018, with early adoption permitted. ASU 2016-14 is to be applied retroactively with transition provisions.

Management is currently assessing the potential impact of the above pronouncements on the Association's financial statements.

Note 3 – Fixed Assets

Fixed assets at June 30, consist of the following:

	<u>2018</u>	<u>2017</u>
Office equipment	\$ 164,352	\$ 159,002
Leasehold improvements	<u>6,232</u>	<u>6,232</u>
	170,584	165,234
Less: Accumulated depreciation and amortization	<u>165,234</u>	<u>165,234</u>
	<u>\$ 5,350</u>	<u>\$ -0-</u>

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 3 – Fixed Assets (continued)

Depreciation expense for the years ended June 30, 2018 and 2017 totaled \$-0- and \$4,657, respectively.

Note 4 - Commitment and Contingency

In October 2013, the Association entered into a lease agreement for general office space located in New York City. The term of this lease is for ten years based on the rent commencement date of October 1, 2013, with escalating rent of approximately 3% each year. The Association is also responsible for certain other operating expenses.

For financial statement purposes, rent expense is recognized on a straight-line basis from the effective date of the lease, October 1, 2013, resulting in annual rental expense of approximately \$75,000 through September 2023. Deferred rent payable amounted to \$25,220 and \$23,479 at June 30, 2018 and 2017, respectively.

Future minimum commitments under the aforementioned lease agreement are approximately as follows:

Years ending June 30, 2019	\$ 75,000
2020	77,000
2021	79,000
2022	82,000
2023	84,000
Thereafter	<u>21,000</u>
	<u>\$ 418,000</u>

Minimum lease payments in this schedule exclude contingent rentals and rentals under renewal options, which, as of June 30, 2018, are not reasonably assured of being exercised.

Cash Concentration

The Association maintains cash and certificates of deposit balances at various financial institutions which may, at times, exceed insured limits. The Association has not experienced any loss to date as a result of this policy.

BKR INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS

Note 5 - Retirement Plans

Defined Contribution Plan

The Association has a defined contribution plan covering all Americas Region employees who have met certain age and length of service requirements. Contributions, if any, are made at the discretion of the Americas Region's Board of Directors on an annual basis up to 3% of the employee's eligible compensation. The contributions charged to expense for the each of the years ended June 30, 2018 and 2017 was approximately \$14,400 and \$14,800, respectively.

Non-Qualified Plan

The Association established a Rabbi Trust (a nonqualified deferred compensation plan) with a start date of January 1, 2018, for a key employee. The Plan segregates the annual deferred compensation for this employee into an account which is being funded and segregated from the Associations other assets. The Plan will pay the key employee at a future date from these funds generally upon retirement, death, or termination of employment without cause. This Plan is subject to creditor risk only if the Association declares bankruptcy or becomes insolvent. The assets and liability under the Plan are approximately \$51,000 at June 30, 2018. The total compensation expense under this Plan amounted to approximately \$51,000 and \$-0- at June 30, 2018 and 2017 respectively.

SUPPLEMENTARY INFORMATION

INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

To the Board of Directors
of BKR International
New York, NY

We have audited the financial statements of BKR International as of and for the years ended June 30, 2018 and 2017, and have issued our report thereon dated October 4, 2018, which expressed an unmodified opinion on those financial statements. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information on pages 13 through 18, which is the responsibility of management, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information, except for the portion marked "unaudited", was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. That information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, that information is fairly stated in all material respects in relation to the financial statements as a whole. The information marked "unaudited", which is the responsibility of management, has not been subjected to the auditing procedures applied in the audit of the financial statements. Accordingly, we do not express an opinion or provide any assurance on it.

Hauppauge, New York
October 4, 2018

BKR INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION - BY REGION
 June 30, 2018 and 2017

	2018					2017	
	WORLDWIDE	AMERICAS REGION	EMEA REGION	ASIA PACIFIC REGION	ELIMINATIONS	TOTAL	TOTAL
ASSETS							
Current Assets							
Cash and cash equivalents	\$ 511,203	\$ 549,134	\$ 313,297	\$ 95,115		\$ 1,468,749	\$ 1,163,376
Certificates of deposit		134,083				134,083	515,728
Accounts receivable	54,837	9,557	34,079	30,575		129,048	100,793
Prepaid expenses and other	46,026	53,474	9,193	5,522		114,215	151,002
Interfund balance		11,040	23,719	4,743	\$ (39,502)	-0-	-0-
Non-qualified plan assets	51,200					51,200	-0-
Total Current Assets	663,266	757,288	380,288	135,955	(39,502)	1,897,295	1,930,899
Fixed Assets		5,350				5,350	-0-
Other Assets							
Security deposit		12,024				12,024	12,024
	<u>\$ 663,266</u>	<u>\$ 774,662</u>	<u>\$ 380,288</u>	<u>\$ 135,955</u>	<u>\$ (39,502)</u>	<u>\$ 1,914,669</u>	<u>\$ 1,942,923</u>
LIABILITIES AND NET ASSETS							
Current Liabilities							
Accounts payable and accrued expenses	\$ 11,222	\$ 37,142				\$ 48,364	\$ 111,868
Deferred revenue	4,811	162,825	\$ 4,409			172,045	69,236
Deferred compensation - non-qualified plan	51,200					51,200	-0-
Interfund balance	39,212			\$ 290	\$ (39,502)	-0-	-0-
Total Current Liabilities	106,445	199,967	4,409	290	(39,502)	271,609	181,104
Long-Term Liabilities							
Deferred rent payable		25,220				25,220	23,479
	106,445	225,187	4,409	290	(39,502)	296,829	204,583
Net Assets							
Unrestricted:							
Undesignated	556,821	549,475	375,879	135,665		1,617,840	1,738,340
	<u>\$ 663,266</u>	<u>\$ 774,662</u>	<u>\$ 380,288</u>	<u>\$ 135,955</u>	<u>\$ (39,502)</u>	<u>\$ 1,914,669</u>	<u>\$ 1,942,923</u>

BKR INTERNATIONAL
STATEMENTS OF ACTIVITIES - BY REGION
Years Ended June 30, 2018 and 2017

	2018				2017	
	WORLDWIDE	AMERICAS REGION	EMEA REGION	ASIA PACIFIC REGION	TOTAL	TOTAL
Revenues						
Members' dues	\$ 957,443	\$ 783,651	\$ 295,102	\$ 138,988	\$ 2,175,184	\$ 2,099,999
Initiation fees	8,000	9,000	7,600		24,600	21,180
Interest income	2,043	1,781	891	1,117	5,832	5,964
Other income		13,515			13,515	11,500
Total Revenues	<u>967,486</u>	<u>807,947</u>	<u>303,593</u>	<u>140,105</u>	<u>2,219,131</u>	<u>2,138,643</u>
Expenses						
Executive office						
Administrative fees	393,500	(393,500)			-0-	-0-
Payroll costs, benefits, and administrative costs		759,143	154,918	101,000	1,015,061	935,914
Facilities		75,803		5,000	80,803	83,372
Public relations expense			17,864		17,864	34,237
Group development		45,350	14,049	30,377	89,776	91,092
WW reimbursement for block grant	120,000	(53,832)	(44,820)	(21,348)	-0-	-0-
Recruiting expense		31,011			31,011	-0-
Special recruiting allocation	25,000	(25,000)			-0-	-0-
Travel and related costs	29,647	13,215	22,328	6,616	71,806	22,664
Bad debts	8,365		5,812	10,061	24,238	1,490
Office expense and supplies	22,471	6,345	29,996	1,612	60,424	54,612
Telephone	528	5,149		4,045	9,722	8,820
Special firm allocation for meeting attendance	750				750	1,500
Other operating expenses	47,987	8,867	2,888	8,466	68,208	45,138
Foreign currency transaction/translation (gain) loss			(1,053)	2,114	1,061	(1,923)
	<u>648,248</u>	<u>472,551</u>	<u>201,982</u>	<u>147,943</u>	<u>1,470,724</u>	<u>1,276,916</u>
Board						
Board expenses	166,254	60,055	78,055	55,977	360,341	313,230
WW reimbursement for chairman's travel	28,665	(10,000)			18,665	-0-
Special committees	26,015				26,015	6,680
	<u>220,934</u>	<u>50,055</u>	<u>78,055</u>	<u>55,977</u>	<u>405,021</u>	<u>319,910</u>
Group activities	<u>197,788</u>	<u>259,858</u>	<u>6,240</u>	<u>-0-</u>	<u>463,886</u>	<u>424,790</u>
Total Expenses	<u>1,066,970</u>	<u>782,464</u>	<u>286,277</u>	<u>203,920</u>	<u>2,339,631</u>	<u>2,021,616</u>
Increase (Decrease) in Net Assets	(99,484)	25,483	17,316	(63,815)	(120,500)	117,027
Net Assets at Beginning of Year	<u>656,305</u>	<u>523,992</u>	<u>358,563</u>	<u>199,480</u>	<u>1,738,340</u>	<u>1,621,313</u>
Net Assets at End of Year	<u>\$ 556,821</u>	<u>\$ 549,475</u>	<u>\$ 375,879</u>	<u>\$ 135,665</u>	<u>\$ 1,617,840</u>	<u>\$ 1,738,340</u>

BKR INTERNATIONAL
SCHEDULES OF ACTUAL AND BUDGETED REVENUES AND EXPENSES
WORLDWIDE
Years Ended June 30, 2018 and 2017

	2018		2017	
	ACTUAL	BUDGET (Unaudited)	ACTUAL	BUDGET (Unaudited)
Revenues				
Members' dues	\$ 957,443	\$ 950,000	\$ 913,070	\$ 925,000
Initiation fees	8,000	10,000	5,000	6,000
Other income	2,043	700	1,166	300
Total Revenues	<u>967,486</u>	<u>960,700</u>	<u>919,236</u>	<u>931,300</u>
Expenses				
Executive office				
Administrative fees	393,500	393,500	308,500	308,500
Audit fees	22,947	22,000	21,699	21,000
Legal fees	25,040	5,000	4,980	5,000
Chief executive officer travel expense	29,647	-0-	-0-	-0-
Postage, printing, and office	17,931	16,000	13,917	20,000
Worldwide bulletin	1,016	2,000	992	2,000
Telephone	528	600	794	600
WW reimbursement for block grant	120,000	120,000	120,000	120,000
Special recruiting allocation	25,000	25,000	25,000	25,000
Bad debts	8,365	5,000	1,490	10,000
Special firm allocation for meeting attendance	750	3,000	1,500	5,000
International accounting bulletin	3,524	3,000	2,911	3,000
	<u>648,248</u>	<u>595,100</u>	<u>501,783</u>	<u>520,100</u>
Board				
Board meetings	166,254	150,000	131,067	150,000
WW reimbursement for chairman's travel	28,665	30,000	18,766	30,000
Special committees	26,015	10,000	6,680	11,000
	<u>220,934</u>	<u>190,000</u>	<u>156,513</u>	<u>191,000</u>
Group activities				
Annual meeting	151,109	160,000	133,556	150,000
Website development and maintenance	7,055	5,000	2,791	10,000
First Research database	5,442	5,000	5,442	5,000
Scholarship fund	12,068	14,000	12,068	14,000
EGIAN membership	9,364	6,000	5,539	6,000
Marketing brochures	12,750	10,000	22,488	30,000
	<u>197,788</u>	<u>200,000</u>	<u>181,884</u>	<u>215,000</u>
Total Expenses	<u>1,066,970</u>	<u>985,100</u>	<u>840,180</u>	<u>926,100</u>
Increase (Decrease) in Net Assets	<u>\$ (99,484)</u>	<u>\$ (24,400)</u>	<u>\$ 79,056</u>	<u>\$ 5,200</u>

BKR INTERNATIONAL
SCHEDULES OF ACTUAL AND BUDGETED REVENUES AND EXPENSES
AMERICAS REGION
Years Ended June 30, 2018 and 2017

	2018		2017	
	ACTUAL	BUDGET (Unaudited)	ACTUAL	BUDGET (Unaudited)
Revenues				
Members' dues	\$ 783,651	\$ 815,000	\$ 778,517	\$ 810,000
Initiation fees	9,000	4,000	4,000	5,000
Interest income	1,781	3,000	2,867	3,000
Other income	13,515	11,000	11,500	13,000
Total Revenues	<u>807,947</u>	<u>833,000</u>	<u>796,884</u>	<u>831,000</u>
Expenses				
Executive office				
Administrative fees	(393,500)	(308,500)	(308,500)	(248,500)
Payroll costs and benefits	759,143	684,000	682,324	664,000
Facilities expense	75,803	77,000	75,872	78,000
Recruiting expense	31,011	40,000	-0-	-0-
Special recruiting allocation	(25,000)	(25,000)	-0-	-0-
Group development	45,350	54,000	54,608	54,000
Reimbursement from Worldwide Board	(53,832)	(53,832)	(53,832)	(45,000)
Travel and related costs	13,215	11,500	9,934	11,000
Bad debts	-0-	1,000	-0-	1,000
Postage, printing, and office	6,345	5,300	5,315	6,300
Telephone	5,149	5,000	4,526	5,000
Other operating expenses	8,867	8,600	7,547	12,600
	<u>472,551</u>	<u>499,068</u>	<u>477,794</u>	<u>538,400</u>
Board				
Chairman	29,054	35,000	21,057	25,000
Members	22,948	18,000	16,397	18,000
Meeting costs	8,053	9,000	8,507	9,000
Reimbursement from Worldwide Board	(10,000)	(10,000)	(7,458)	(10,000)
	<u>50,055</u>	<u>52,000</u>	<u>38,503</u>	<u>42,000</u>
Group activities				
Annual meeting	88,836	75,000	63,023	75,000
Practice group expense	45,084	50,400	40,724	50,900
First Research database	16,327	16,500	16,327	15,000
ProfitCents	30,621	32,000	25,631	27,500
Americas Board - discretionary fund	3,111	500	-0-	500
Professional development	1,595	2,000	1,595	1,000
Tax planning brochure	35,833	35,000	31,399	40,000
Statistical analysis	11,200	18,000	21,596	18,000
Strategic leadership institute	-0-	-0-	18,312	-0-
Staff training	16,483	-0-	2,785	-0-
Peer review	325	325	325	325
Client newsletter	10,179	11,500	12,357	11,500
Member awards	264	500	2,226	2,000
	<u>259,858</u>	<u>241,725</u>	<u>236,300</u>	<u>241,725</u>
Total Expenses	<u>782,464</u>	<u>792,793</u>	<u>752,597</u>	<u>822,125</u>
Increase in Net Assets	<u>\$ 25,483</u>	<u>\$ 40,207</u>	<u>\$ 44,287</u>	<u>\$ 8,875</u>

BKR INTERNATIONAL
SCHEDULES OF ACTUAL AND BUDGETED REVENUES AND EXPENSES
EMEA REGION
Years Ended June 30, 2018 and 2017

	2018		2017	
	ACTUAL	BUDGET (Unaudited)	ACTUAL	BUDGET (Unaudited)
Revenues				
Members' dues	\$ 295,102	\$ 254,300	\$ 274,600	\$ 286,945
Initiation fees	7,600	4,060	8,180	5,626
Interest income	891	-0-	296	-0-
Total Revenues	<u>303,593</u>	<u>258,360</u>	<u>283,076</u>	<u>292,571</u>
Expenses				
Executive office				
Administrative costs	<u>154,918</u>	<u>130,000</u>	<u>152,590</u>	<u>155,288</u>
Group development				
New member recruiting cost	14,049	16,500	15,533	16,879
Public relations expense	17,864	-0-	34,237	31,508
Reimbursement from Worldwide Board	<u>(44,820)</u>	<u>(41,000)</u>	<u>(44,820)</u>	<u>(41,298)</u>
	<u>(12,907)</u>	<u>(24,500)</u>	<u>4,950</u>	<u>7,089</u>
Other operating expenses				
Legal and professional	-0-	5,000	-0-	-0-
Bank charges	2,135	2,000	3,003	2,251
Office expense and supplies	29,996	27,000	28,131	33,196
Website redevelopment	<u>753</u>	<u>1,000</u>	<u>6,678</u>	<u>7,314</u>
	<u>32,884</u>	<u>35,000</u>	<u>37,812</u>	<u>42,761</u>
Travel and related costs				
Executive Director's travel	<u>22,328</u>	<u>14,000</u>	<u>12,730</u>	<u>15,754</u>
Bad debts				
	<u>5,812</u>	<u>2,500</u>	<u>-0-</u>	<u>2,813</u>
Foreign currency transaction/translation (gain) loss				
	<u>(1,053)</u>	<u>(1,000)</u>	<u>(3,208)</u>	<u>3,376</u>
EMEA Region Board expense				
Chairman	3,170	4,000	4,395	4,501
Board	9,538	15,000	5,687	-0-
Meeting costs	65,347	35,762	15,314	18,777
Conferences reimbursement- Asia Pacific	-0-	44,238	44,238	44,238
Reimbursement from Worldwide Board	<u>-0-</u>	<u>-0-</u>	<u>(3,930)</u>	<u>-0-</u>
	<u>78,055</u>	<u>99,000</u>	<u>65,704</u>	<u>67,516</u>
Group activities				
Tax and audit training	<u>6,240</u>	<u>5,500</u>	<u>6,606</u>	<u>4,501</u>
Total Expenses	<u>286,277</u>	<u>260,500</u>	<u>277,184</u>	<u>299,098</u>
Increase (Decrease) in Net Assets	<u>\$ 17,316</u>	<u>\$ (2,140)</u>	<u>\$ 5,892</u>	<u>\$ (6,527)</u>

BKR INTERNATIONAL
SCHEDULES OF ACTUAL AND BUDGETED REVENUES AND EXPENSES
ASIA PACIFIC REGION
Years Ended June 30, 2018 and 2017

	2018		2017	
	ACTUAL	BUDGET (Unaudited)	ACTUAL	BUDGET (Unaudited)
Revenues				
Members' dues	\$ 138,988	\$ 140,000	\$ 133,812	\$ 140,000
Initiation fees	-0-	8,000	4,000	8,000
Interest income	1,117	1,800	1,635	1,800
Total Revenues	<u>140,105</u>	<u>149,800</u>	<u>139,447</u>	<u>149,800</u>
Expenses				
Executive office				
Executive director fees	90,000	60,000	90,000	60,000
Administrative assistance	11,000	11,000	11,000	11,000
Professional fees	7,579	-0-	-0-	-0-
	<u>108,579</u>	<u>71,000</u>	<u>101,000</u>	<u>71,000</u>
Group development				
Recruitment travel	14,386	19,000	17,131	27,000
Chairman's travel	6,616	-0-	-0-	-0-
Recruiting	-0-	21,000	-0-	-0-
Reimbursement from Worldwide Board	(21,348)	(21,000)	(21,348)	(6,000)
Special recruiting allocation	-0-	-0-	(25,000)	-0-
Quality control reviews	-0-	2,000	-0-	2,000
Member subsidy	3,000	-0-	-0-	-0-
Advertising	12,991	15,000	3,820	9,000
	<u>15,645</u>	<u>36,000</u>	<u>(25,397)</u>	<u>32,000</u>
Other operating expenses				
Bank charges	(86)	2,500	1,231	1,500
Dues and subscriptions	973	-0-	-0-	-0-
Rent	5,000	5,000	7,500	5,000
Telephone	4,045	3,500	3,500	3,500
Website maintenance	1,612	4,000	3,346	2,200
Bad debt expense	10,061	-0-	-0-	-0-
	<u>21,605</u>	<u>15,000</u>	<u>15,577</u>	<u>12,200</u>
Foreign currency transaction/translation (gain) loss	<u>2,114</u>	<u>-0-</u>	<u>1,285</u>	<u>-0-</u>
Asia Region Board expenses				
Board attendance fees	7,696	8,500	6,421	8,500
CEO travel expenses	3,730	-0-	-0-	-0-
Regional conferences	44,551	17,000	104,385	23,800
Conferences reimbursement - EMEA	-0-	-0-	(44,238)	-0-
Reimbursement from Worldwide Board	-0-	-0-	(7,378)	-0-
	<u>55,977</u>	<u>25,500</u>	<u>59,190</u>	<u>32,300</u>
Group activities				
Regional tax committee	<u>-0-</u>	<u>2,000</u>	<u>-0-</u>	<u>2,000</u>
Total Expenses	<u>203,920</u>	<u>149,500</u>	<u>151,655</u>	<u>149,500</u>
Increase (Decrease) in Net Assets	<u>\$ (63,815)</u>	<u>\$ 300</u>	<u>\$ (12,208)</u>	<u>\$ 300</u>