



2017 Fall Board & Committee Meetings

November 2-4, 2017

The Henderson– Destin, FL

Board of Directors Meeting

Saturday, November 4, 2017

Room: The Dunavant Room

9:00 am – 11:30 am



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ANTITRUST GUIDELINES

The Antitrust laws prohibit agreements or understandings between two or more individuals or businesses to regulate prices or quantities of goods or services, to allocate customers or territories, to hinder or limit a competitor or potential competitor's operations, or otherwise unreasonably to restrain business activity. Discriminatory pricing or servicing is also prohibited.

Ignoring these laws can be costly and dangerous. Violation of the Sherman Act is a felony; convicted individuals can be and have been imprisoned for up to three years; corporations are subject to heavy fines. Violators may also have substantial judgments for money damages entered against them. Every individual should, therefore, follow these rules:

- ❖ DO NOT discuss your prices or competitors' prices with a competitor (except when buying from or selling to that competitor) or anything which might affect prices such as costs, discounts, and terms of sale or profit margins.
- ❖ DO NOT agree with competitors to uniform terms of sale, warranties or contract provisions.
- ❖ DO NOT agree with competitors to divide customers or territories.
- ❖ DO NOT act jointly with one or more competitors to put another competitor at a disadvantage.
- ❖ DO NOT try to prevent your supplier from selling to your competitor.
- ❖ DO NOT discuss your future pricing, marketing or policy plans with competitors.
- ❖ DO NOT discuss your customers with your competitors.

WITH RESPECT TO ASSOCIATION ACTIVITIES

- ❖ DO NOT make any statements regarding prices or matters affecting prices at Association meetings.
- ❖ DO NOT make statements about your future plans regarding pricing, expansion or other policies with competitive overtones. Do not participate in discussion where other members do.
- ❖ DO NOT propose or agree to any standardization which will injure your competitor.
- ❖ DO leave any meeting where any of the foregoing topics are being discussed - and state why you are leaving.
- ❖ DO NOT assume you are protected by informal advice from a government official.
- ❖ DO consult with the Association's legal counsel before speaking for the Association.
- ❖ DO alert Association staff and legal counsel to anything inaccurate or improper. This includes a position the Association has taken or intends to take or a meeting or activity of which you have learned.
- ❖ DO consult your own legal counsel or the Association's legal counsel before raising any matter which you feel might be sensitive.
- ❖ DO send copies to an Association staff member of any communications or documents sent, received or developed by you when acting for the Association.
- ❖ DO NOT do anything before or after Association meetings, or at social events which would be improper at a formal Association meeting.
- ❖ DO alert every employee in your Company who deals with the Association of these guidelines.
- ❖ DO be conservative. If you feel an activity might be improper, do not do it.



Board of Directors Meeting
Saturday, November 4, 2017
9:00 am – 11:30 am
The Henderson, Destin, FL

Roster: All Board Members, Associate Advisors and Staff

AGENDA

1. Call to Order

John Burke, President

- Welcoming Remarks
- Approval of April Minutes

2. Review of Committee Reports and Action Requests

- Associate Advisors
- Membership & Advocacy
- Education and Services
- Strategic Planning

Adam Duberstein
David Ebrahimzadeh
Rob Justen
Dave Swartz

3. Finance Report

Rob Justen

- Financial Update as of September 30, 2017
- Board Review of Proposed 2018 Budget

4. Other Business

5. Adjournment



Board of Directors Meeting
Friday, April 27, 2017
Pointe Hilton Squaw Peak

Participating (*positions as of April 27, 2017*):

John Burke, President
Sean Steinmann, Immediate Past President
David Swartz, Vice President
Karen Hoffinan-Kahl, Past President
Adam Duberstein, Associate Advisor
Paul Justen, Past President

Rob Justen, Treasurer
William Weaver, Director [N/A]
David Ebrahimzadeh, Incoming Director
Scott Wojcik, Associate Advisor
Barb Dunlavey, Executive Director
Jessica Forte, Conference Director

MINUTES

1. President Sean Steinmann called the meeting to order at 9:45 a.m. and welcomed all to this transitional Board of Directors meeting.
 - a. A review of the Fall 2016 Board meeting minutes fielded questions regarding bank fees, and timeliness of Financial Reports. Once addressed, John **moved to approve the minutes**; Dave seconded and the **motion was approved**.
2. Treasurer Dave Swartz Finance Report
 - a. Financial update as of March, 2017 and preliminary data as of April 20, 2017 highlights included: Distributor dues are below budget as a result of continuing mergers and acquisitions. Associate Dues are above budget by \$5,810. Only notable expenses are 2017 Ben Silver speaker, but remain on budget.
 - b. Our CPA recommend moving management of our CD funds from Philadelphia to the N. Carolina offices. Same company, same management – just consolidating all our accounts into one office. Dave **moved to approve management transfer**; Rob Justen seconded; **motion approved**. A question was posed as to whether we were invested for some income; it was noted that our current investments are very conservative affording us little income. Barb agreed to work with CPA and draft a recommendation for investments that could yield some additional income.
 - c. A draft 2018 Budget Timeline will be provided in advance of the November 1-3 Board meeting.
3. Review of Committee Reports and Action Requests
 - a. Adam Duberstein reported for the Associate Advisory Committee (his report attached). His treatise on Millennials was reviewed as it was considered important. Adam presented a plaque to Reid Wilson in recognition of his dedicated service to the Association with Associate members.
 - b. David Ebrahimzadeh reported for the Membership and Advocacy Committee. Of concern and a good deal of discussion of the perceived imbalance of Associate Members to Distributor members. How do we cap Associate members: via number of One-On-One time slots? via number of Suites? or via the simple number of memberships. Barb will work with Membership Director, Amy Luckado, to provide a comparison of actual Associate memberships (vs. memberships for another suite); Barb will concurrently provide a draft of potential Bylaws statement noting our goal of having no more than a two-to-one ratio of Associates to Distributors.

- c. Rob Justen reported for William Weaver on the Education and Services Committee. Issues raised and discussed included:
 - A. Pointe Hilton renovations [to be part of 2019 contract]
 - B. Include larger suites, perhaps for more money
 - C. Board reviewing of venue RFP's
 - D. Receptions on Tuesday and Thursday; Open night on Wednesday
 - E. Proofing of the Summit Guide and Membership Directory
 - F. Include Tennis for all for the coming meetings
 - G. Require Associate membership by February 28th
 - H. Develop a broader List of high level speakers
 - I. Promote Ben Silver session to Associates
 - J. Whova App improved functionality
- d. Dave Swartz Strategic Planning had no formal report, but it was noted that items forthcoming were:
 - 1. Potential website revamping our website and considerations for partnerships with bilt.com,
 - 2. Strategic Planning review and
 - 3. Hours.
- 4. A review of 2017 Summit would be redundant with Rob's report above. It was agreed to host a full Review of the current Summit would be conducted at the Joint Board and Committee meeting Breakfast in any year.
- 5. Call for New or Other Business brought a vote for a third Associate Advisor. Member candidates were discussed, with consideration given to Committee tenure, professional level within industry, and responsiveness. It was moved and approved to elect Jamie Lyn J. Callahan to the third Associate Advisor position. It was further moved and approved to invite Bob Stetson and Fred Hunt to participate on a Committee.
- 6. A transfer of Presidential Gavel from Sean Steinman to John Burke concluded the meeting.
- 7. The meeting was formally adjourned at 11:40 a.m.

Submitted by:

Barb Dunlavey, Executive Director

SHDA BOARD OF DIRECTORS: ASSOCIATE ADVISORS

THE ADVISORS' GOAL is to move the manufacturer-distributor relationship beyond demand fulfillment toward a customer centric mindset around demand creation.

The information the Associate Advisors submit to the SHDA Board is intended to be used for insight into what may be ahead and to help the members be proactive rather than reactionary.

Construction Forecast:

	%Δ Forecast	
	2017	2018
Nonresidential Total	5.6%	4.9%
Commercial Total	8.3%	4.4%
Office	10.6%	4.6%
Retail & Other Commercial	6.8%	5.3%
Hotel	7.2%	1.8%
Industrial Total	0.4%	3.3%
Institutional Total	5.7%	5.8%
Health	4.9%	4.9%
Education	6.3%	6.7%
Religious	-1.9%	0.6%
Public Safety	-0.7%	4.0%
Amusement & Recreation	7.7%	4.3%

CONSENSUS CONSTRUCTION FORECAST, DECEMBER 2016

Multi-Family Trends

- Increase urbanization from millennials and retirees
- Rents increase at a slower pace, slowing new construction

Residential Trends

- Mortgage rates remain historically low
- SFR inventory is down approximately 8% vs 2015
- SFR prices +5.1%, reflecting a tight supply and high demand

K12 Trends

- K12 school bond issuance rising
- Increase state and local tax revenues to fund K12

Trends

RESIDENTIAL KEYS:

- Trend of patented security keys, high security and mechatronic solutions in consolidated markets (i.e. master key systems growth in residential and commercial applications) growing which will impact aftermarket-key replacement potential
- No relevant changes in technology (e.g. raw material) for standard mechanical key blanks
- Electronic solutions are slowly entering the residential housing sectors, slightly reducing demand for standard keys
- Increase use of keyless entry systems affects North American market for key blanks

AUTOMOTIVE CHANNEL:

- Customers entering the automotive market invest in cloning as the first step (easy, lower investment).
- The more mature the customer becomes, then there is a natural shift from cloning into programming.
- Technology advances will result in a move from cloning to programming (cloning won't be sustainable).
- Advances in vehicle security technology (longer time, more investments, higher skillsets)
- Technology integration means that key programming requires additional services (i.e. component matching).
- Vehicle security becoming more secure & passive
- Low cost consumables available across all regions.
- Overall volumes in traditional car keys (no transponder) is quickly decreasing, in favor of keys with transponders
- Growing demand of car Remote Keyless Entry and key cloning solutions
- More awareness of OEM to aftermarket key programming tools available, with a higher level of security in cars
- Increased prevalence of NFC in smart devices which may turn your Smartphone into your car key

eCOMMERCE: (Source: Cleveland Research Ecommerce Council)

- \$40 billion of retail sales are moving online each year and it is forecasted that online sales will increase from 8% of total retail sales to 23% of total sales in the next five years.
- Amazon has changed the consumer's expectations that free shipping should be a standard offering rather than the exception.
- > 50% of orders from 30 of the largest e-tailers were shipped free of charge compared to 33% in 2015 .

OTHER TOPICS

Educational Portal/Marketing Site/Training Links for SHDA.org. We need to better understand where we are in the development.

- Technology integration rate into products
 - Technology Clearinghouse
 - What members need to be aware of and the direction of technological advancements
- Role of Consultative Selling
 - Spending more time with customers to better understand their priorities, needs, and challenges. Armed with this knowledge, Sales Consultants attempt to recommend solutions that will address the customer's issues. It's different from a traditional sales approach in that it involves suggesting solutions to a problem rather than just focusing on selling a specific product. Gives advantage over catalog or non-brick and mortar competitors.
- Industry consolidation
 - Dorma + Kaba + Stanley
 - H.L. Flake + McDonald Dash
- Recurring Revenue
 - Solar and the elimination of batteries (negative impact on recurring revenue streams)
 - Recurring revenue streams created by cloud based models and electronics.

DISRUPTORS

- Robotics and 3D Printing
 - Impacts in material handling, distribution, inventory management, lead times, and product cycles.
- Home Automation
 - Smart home device ownership has steadily increased to nearly 20% of U.S. broadband households
 - Young households are more likely than older households to own or intend to acquire a smart home device
 - Broadband providers hold between 20-25% share of all professional monitoring customers
 - ADT, AT&T Digital Life, and Comcast Xfinity are the top 3 home security providers respectively, highlighting the power of recent broadband provider entries.
 - Online purchases account for 20-33% of smart home device purchases
 - Home automation transitioning into light commercial
 - Nest Products, including cameras. Nest is owned by Google.
 - Electronic Locks designed for residential usage (multiple manufacturers)

Millennials in the Workplace

By the year 2020, roughly 46% of the U.S. workforce will be Millennials (defined as being born between 1980-2000).

Millennials tend to be uncomfortable with rigid corporate structures and turned off by information silos. They expect rapid progression, a varied and interesting career, and constant feedback. In other words, millennials want a management style and corporate culture that is unlike anything previously experienced.

Millennials are loyal to their employer, but only as long as it suites them. (Circular life)

Employers must create a sense of belonging to an organization that offers a long-term relationship and a professional development opportunity, and that has a clear conception of itself, of what it wants to be, and of how to achieve it.

Previous Generations	Millennials
Command and Control Management Style	Active, Involved Leadership
Individually focused work	Collaborative, Teamwork
Managed flow of information	Unstructured flow of information
Job Security	Employability
Work = Income	Work = Income and Personal Enrichment
Structure	No Structure, flexibility is highly valued
Inward Looking	Outward Looking
Influence through organization, position	Influence through networks, communities
Linear Life	Circular Life

Balance Sheet

As of September 30, 2017

	<u>Sep 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
1000 · BB&T Bank - Checking	163,475.48
1030 · JMS - Money Market	13,810.03
1032 · CD's & Bonds	410,000.00
1110 · Accrued Interest Receivable	809.60
Total Checking/Savings	<u>588,095.11</u>
Accounts Receivable	
1150 · Due from UID	1,000.00
Total Accounts Receivable	<u>1,000.00</u>
Other Current Assets	
1101 · Accounts Receivable - Other	809.16
1400 · Prepaid Expenses	5,750.00
Total Other Current Assets	<u>6,559.16</u>
Total Current Assets	<u>595,654.27</u>
TOTAL ASSETS	<u><u>595,654.27</u></u>
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 · Accounts Payable	233.71
Total Accounts Payable	<u>233.71</u>
Other Current Liabilities	
2050 · Accrued Expenses	71.90
2520 · Deferred Rev - Associate Dues	5,000.00
Total Other Current Liabilities	<u>5,071.90</u>
Total Current Liabilities	<u>5,305.61</u>
Total Liabilities	<u>5,305.61</u>
Equity	
32000 · Unrestricted Net Assets	497,177.71
Net Income	93,170.95
Total Equity	<u>590,348.66</u>
TOTAL LIABILITIES & EQUITY	<u><u>595,654.27</u></u>

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION

INVESTMENT SCHEDULE

9/30/2017

INT RATE	MATUR DATE	OPENING COST	DIVIDENDS INTEREST	REINVEST DIVIDEND	Chg in Acc.Int	Purch/Tran	DEPOSIT	SALES		9/30/2017 ENDING COST	9/30/2017 ENDING VALUE	REALIZED GAIN/LOSS	UNREALIZED TAX GAIN/LOSS
								COST	PROCEEDS				
1.05%	1/10/18	150,000.00				-				150,000.00	150,000.00	-	-
1.10%	5/11/18	100,000.00				-				100,000.00	100,000.00	-	-
0.50%	8/27/18	35,000.00				-				35,000.00	34,975.50	(24.50)	(24.50)
1.00%	7/13/18	25,000.00				-				25,000.00	24,920.75	(79.25)	(79.25)
1.55%	7/27/18	100,000.00			314.20	-				100,000.00	100,000.00	-	-
		495.40				-				809.60	809.60	-	-
		13,693.69	116.34	116.34	-	-				13,810.03	13,810.03	-	-
		424,189.09	116.34	116.34	314.20	-				424,619.63	424,515.88	-	(103.75)
Previous unrealized gain/loss													(141.55)

424,047.54

Change in Unrealized
Not Booked

37.80

Since intent is to hold CD's until maturity, no unrealized gain/loss recorded.

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION														Unaudited	
STATEMENT OF ACTIVITIES															
ACTUAL VS BUDGET VS PRIOR YEARS															
9/30/2017															
ACCT #	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	YEAR-TO-DATE ACTUAL	BUDGET	VARIANCE	ACTUAL 9/30/2016	2017/2016 VARIANCE			
DUES INCOME:															
4010 DISTRIBUTOR DUES	\$38,850	\$38,355	42,270	39,660	47,685	44,450	46,000	\$46,330	\$46,000	\$330	\$44,450	\$1,880			
4020 ASSOCIATE DUES	73,200	93,720	96,765	95,040	95,040	89,315	90,000	96,810	90,000	6,810	89,315	7,495			
TOTAL INCOME FROM DUES	112,050	132,075	139,035	134,700	142,725	133,765	136,000	143,140	136,000	7,140	133,765	9,375			
OTHER INCOME:															
4510 INTEREST INCOME	357	498	366	301	957	2,171	2,400	2,153	1,800	353	1,589	564			
4514 REALIZED GAIN/LOSS ON INVESTMENTS	-	-	-	1,250	-	-	-	-	-	-	-	-			
4515 UNREALIZED GAIN/LOSS ON INVEST	-	(241)	(2,174)	2,174	-	-	-	-	-	-	-	-			
4530 ADVERTISING REVENUE	7,950	9,500	8,174	12,470	16,960	13,775	12,000	18,250	12,000	6,250	13,775	4,475			
4535 NAW PUBLICATIONS/PROGRAM	-	-	-	60	44	-	0	-	-	-	-	-			
4550 ROYALTIES	2,097	2,164	1,163	1,514	2,611	6,792	6,000	4,758	4,500	258	5,347	(590)			
TOTAL OTHER INCOME	10,404	11,921	7,529	17,768	20,572	22,738	20,400	25,161	18,300	6,861	20,712	4,449			
ANNUAL CONVENTION INCOME:															
4610 DISTRIBUTOR REGISTRATION FEE	41,800	40,703	39,055	41,895	39,975	41,590	39,000	44,160	39,000	5,160	41,590	2,570			
4620 ASSOCIATE REGISTRATION FEE	58,253	57,693	67,940	69,209	70,708	69,492	68,000	78,580	68,000	10,580	69,492	9,088			
4640 SPOUSE/GUEST REGISTRATION FEE	2,475	1,110	1,955	835	1,130	1,405	1,000	825	1,000	(175)	1,405	(580)			
4650 MANUFACTURER SUITE DEPOSIT	56,532	65,855	57,940	73,629	58,487	64,468	60,000	69,537	60,000	9,537	64,468	5,069			
4660 BEN SILVER SEMINAR FEE	4,300	9,770	4,740	6,090	4,110	7,083	6,000	10,335	6,000	4,335	7,083	3,252			
4670 VENDOR REGISTRATION FEE	2,075	1,467	1,580	1,840	1,610	1,610	1,500	820	1,500	(680)	1,610	(790)			
4680 HOTEL COMMISSION	-	8,701	6,455	8,894	6,965	6,568	6,000	8,298	6,000	2,298	6,568	1,730			
4695 GOLF FEES & CLUBS INCOME	5,696	-	3,894	-	4,105	5,821	5,100	8,760	5,100	3,660	5,821	2,939			
TOTAL ANNUAL CONVENTION INCOME	171,131	185,299	183,559	202,392	187,090	198,037	186,600	221,315	186,600	34,715	198,037	23,278			
COMMITTEE INCOME:															
4805 SURVEYS & STATISTICS	-	-	-	-	-	-	0	-	-	-	-	-			
4810 SHDA UNIVERSITY INCOME	-	-	-	-	-	-	0	-	-	-	-	-			
4815 AEA INCOME	197	109	-	-	-	-	0	-	-	-	-	-			
4820 UID INCOME	261	1,355	2,057	1,220	444	3,464	1,700	3,156	1,700	1,456	3,464	(308)			
4830 OTHER EDUCATIONAL INCOME	-	-	-	-	-	-	0	-	-	-	-	-			
4900 OFFSET BOARD EXPENSE/COMMISS	-	5,501	7,010	10,507	11,819	2,934	3,000	-	-	-	-	-			
TOTAL COMMITTEE INCOME	458	6,965	9,068	11,727	12,263	6,398	4,700	3,156	1,700	1,456	3,464	(308)			
TOTAL INCOME	294,043	336,261	339,191	366,588	362,650	360,938	347,700	392,772	342,600	50,172	355,978	36,794			

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION														Unaudited	
STATEMENT OF ACTIVITIES															
ACTUAL VS BUDGET VS PRIOR YEARS															
9/30/2017															
ACCT #	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	2017 ACTUAL	YEAR-TO-DATE BUDGET	YEAR-TO-DATE VARIANCE	ACTUAL 9/30/2016	2017/2016 VARIANCE			
ADMINISTRATIVE EXPENSES:															
5010 MANAGEMENT FEE	83,523	86,029	86,029	86,029	89,470	89,470	93,050	69,788	69,787	0	67,102	2,685			
5025 POSTAGE	321	211	277	261	223	292	360	99	280	(181)	242	(142)			
5030 STAFF TRAVEL	2,771	1,531	1,565	2,207	2,368	1,912	2,700	1,513	2,300	(787)	1,705	(192)			
5035 SUPPLIES	666	646	850	675	635	724	800	642	600	41	514	128			
5045 TELEPHONE & FAX	676	662	911	865	839	843	900	655	675	(20)	631	25			
5050 BANK FEES	93	140	230	88	71	323	120	64	90	(26)	45	19			
5051 CREDIT CARD FEES	8,591	7,158	7,210	6,228	7,060	7,841	9,000	8,690	7,600	1,090	7,238	1,452			
5055 DUES AND SUBSCRIPTIONS	-	-	-	-	-	-	1,405	1,405	1,405	-	-	1,405			
5060 INSURANCE	1,853	1,923	661	2,051	2,156	2,157	2,400	2,030	2,200	(170)	2,157	(127)			
5065 PRINTING	1,366	1,445	1,401	1,346	1,358	1,134	1,600	836	1,200	(364)	832	4			
5070 AUDIT	2,800	2,800	2,535	2,535	2,535	2,535	2,800	2,535	2,800	(265)	2,535	-			
5075 RECORDS STORAGE	757	751	932	1,005	1,004	841	1,000	557	750	(193)	663	(105)			
5085 LEGAL	438	130	-	630	-	80	600	-	400	(400)	80	(80)			
5090 BAD DEBT EXPENSE	-	-	-	-	-	-	0	-	-	-	-	-			
TOTAL ADMINISTRATIVE EXPENSE	103,854	103,427	102,600	103,919	107,719	108,152	116,735	88,814	90,087	(1,273)	83,743	5,071			
NAW EXPENSES:															
5110 NAW DUES	2,000	2,000	2,000	2,000	1,940	2,000	2,000	1,960	2,000	(40)	2,000	(40)			
5120 NAW TRAVEL	1,129	900	500	1,414	486	848	1,400	200	1,000	(800)	848	(648)			
5130 NAW PUBLICATIONS	-	-	-	-	-	-	0	-	-	-	-	-			
TOTAL NAW EXPENSE	3,129	2,900	2,500	3,414	2,426	2,848	3,400	2,160	3,000	(840)	2,848	(688)			
BOARD OF DIRECTORS EXPENSE:															
5210 HOTEL, FOOD & INCIDENTALS	6,611	12,117	17,080	18,640	25,513	15,507	20,000	5,000	6,000	(1,000)	5,000	-			
5220 TRAVEL	1,705	1,553	-	1,172	2,129	1,975	2,500	-	-	-	-	-			
5230 POSTAGE & SHIPPING	485	739	294	1,033	715	149	750	788	600	188	149	639			
5235 TELECONFERENCES	69	26	99	43	28	-	120	-	90	(90)	-	-			
5240 PRINTING/PRODUCTION	271	232	296	217	353	311	360	6	270	(264)	13	(7)			
TOTAL BOARD OF DIRECTORS EXPENSE	9,142	14,667	17,768	21,105	28,737	17,942	23,730	5,794	6,960	(1,166)	5,163	631			
COMMITTEE EXPENSES:															
COMMUNICATIONS:															
5310 NEWSLETTER PRODUCTION	50	-	-	-	-	-	750	57	-	57	-	57			
5320 DIRECTORY AND CONVENTION GUIDE	4,060	6,131	2,250	4,876	4,452	6,143	5,000	6,927	5,000	1,927	6,143	783			
5330 POSTAGE	-	-	-	-	-	-	0	-	-	-	-	-			
TOTAL COMMUNICATIONS EXPENSE	4,110	6,131	2,250	4,876	4,452	6,143	5,750	6,983	5,000	1,983	6,143	840			
MEMBERSHIP DEVELOPMENT:															
5510 POSTAGE	407	130	510	183	197	885	900	1,000	810	190	818	182			
5520 PRINTING AND PRODUCTION	165	348	58	100	252	78	300	168	225	(57)	61	107			
5530 MEMBERSHIP PLAQUES	-	-	-	-	-	-	0	-	-	-	-	-			
TOTAL MEMBERSHIP DEVELOPMENT EXP	572	479	568	283	449	963	1,200	1,168	1,035	133	879	289			

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION													Unaudited
STATEMENT OF ACTIVITIES													
ACTUAL VS BUDGET VS PRIOR YEARS													
9/30/2017													
ACCT #	2011 ACTUAL	2012 ACTUAL	2013 ACTUAL	2014 ACTUAL	2015 ACTUAL	2016 ACTUAL	2017 BUDGET	ACTUAL	BUDGET	YEAR-TO-DATE VARIANCE	ACTUAL 9/30/2016	2017/2016 VARIANCE	
BENEFITS & RESOURCES:													
5610 PRINTING	-	12	0	1	-	43	0	4	-	4	42	(38)	
5620 SHDA UNIV. PROGRAM DEVEL.	-	-	-	-	-	-	0	-	-	-	-	-	
5640 AEA & UID DUES AND EXPENSES	615	615	615	695	695	650	700	1,809	700	1,109	650	1,159	
5650 POSTAGE	-	5	-	-	-	-	0	-	-	-	-	-	
5660 PROFILE WEBSITE	-	-	-	700	-	-	0	-	-	-	-	-	
TOTAL BENEFIT & RESOURCE EXPENSE	615	632	615	1,396	695	693	700	1,813	700	1,113	692	1,121	
WEB & DATA SERVICES:													
5710 WEB & DATA BASE SITE HOSTING	4,228	4,270	4,343	4,200	4,200	4,385	4,800	3,181	3,600	(419)	3,335	(154)	
5720 WEB SITE REVISION	-	-	175	120	161	129	3,000	910	2,250	(1,341)	65	845	
5730 MIS SYSTEMS AND SUPPLIES	2,960	3,164	3,317	3,765	5,133	4,582	5,400	3,756	4,050	(294)	3,405	352	
5740 ELECTRONIC SCHEDULING	10,011	18,738	-	-	-	-	0	-	-	-	-	-	
TOTAL WEB & DATA SERVICES EXPENSE	17,198	26,171	7,834	8,085	9,494	9,096	13,200	7,847	9,900	(2,053)	6,804	1,043	
SURVEYS & STATISTICS:													
5810 PRODUCTION EXPENSE	-	-	-	-	-	-	0	-	-	-	-	-	
5820 POSTAGE	-	-	-	-	-	-	0	0	-	0	-	0	
5830 PRINTING	-	-	-	-	-	-	0	0	-	0	-	0	
TOTAL SURVEYS & STATISTICS EXPENSE	-	-	-	-	-	-	-	0	-	0	-	0	
TOTAL COMMITTEE EXPENSES	22,495	33,413	11,267	14,640	15,091	16,895	20,850	17,812	16,635	1,177	14,518	3,294	
ANNUAL CONVENTION													
7010 POSTAGE/DELIVERY	2,434	2,631	2,702	1,710	2,547	1,089	2,400	1,503	2,400	(897)	1,089	414	
7015 SUPPLIES	872	183	138	-	457	756	600	1,757	600	1,157	756	1,001	
7020 PRINTING & PROMOTION	4,027	2,468	7,379	6,176	5,071	4,961	7,000	4,048	7,000	(2,952)	4,957	(909)	
7025 HOTEL ROOM CREDIT	(3,078)	-	(3,077)	(8,383)	(4,022)	(3,246)	(3,500)	(4,704)	(3,500)	(1,204)	(3,246)	(1,458)	
7030 STAFF AND SITE TRAVEL	3,178	3,572	3,262	5,969	3,888	5,480	5,400	5,632	5,400	232	5,480	152	
7035 ENTERTAINMENT	-	-	-	-	-	-	0	-	-	-	-	-	
7040 SIGNS	-	-	-	110	-	-	700	-	700	(700)	-	-	
7045 PHOTOGRAPHY	-	-	-	-	-	-	0	-	-	-	-	-	
7050 FOOD & BEVERAGE	64,605	74,480	65,688	76,825	89,782	87,062	89,000	94,900	89,000	5,900	87,062	7,839	
7055 SPEAKER FEES	224	-	-	5,168	4,350	7,500	7,500	9,000	7,500	1,500	7,500	1,500	
7056 SPEAKER TRAVEL EXPENSE	-	-	-	645	968	833	1,500	224	1,500	(1,276)	833	(609)	
7060 AWARDS & GIFTS	740	-	682	724	819	124	800	1,071	800	271	124	948	
7065 AUDIO VISUAL/EQUIPT	1,087	6,067	2,051	7,387	4,859	1,823	3,500	3,343	3,500	(157)	1,823	1,520	
7070 EXHIBIT PROGRAM/SUITE EXPENSE	44,748	57,748	51,241	65,427	48,961	42,873	50,000	56,839	50,000	6,839	42,873	13,966	
7075 BEN SILVER EXPENSES	-	(1)	-	3,724	2,242	4,530	4,500	4,428	4,500	(72)	4,530	(102)	
7085 CONTRACT STAFF	-	-	-	-	-	-	0	-	-	-	-	-	
7090 TOUR EXPENSES	-	-	-	-	-	-	0	-	-	-	-	-	
7091 HOTEL ATTRITION	-	-	-	-	-	-	0	-	-	-	-	-	
7095 GOLF	4,883	-	3,746	-	4,755	4,793	4,900	6,624	4,900	1,724	4,793	1,831	
7100 TENNIS	-	-	-	-	-	-	0	355	-	355	-	355	
TOTAL ANNUAL CONVENTION EXPENSE	123,720	147,137	133,812	165,482	164,677	158,579	174,300	185,021	174,300	10,721	158,575	26,446	
TOTAL EXPENDITURES	262,340	301,544	267,947	308,560	318,650	304,416	339,015	299,601	290,982	8,619	264,847	34,754	
INC (DEC) IN NET ASSETS	\$31,703	\$34,717	\$71,243	\$58,028	\$44,000	\$56,522	\$8,685	\$93,171	\$51,618	\$41,553	\$91,131	\$2,039	

Ben Silver
Balance Sheet
As of September 30, 2017

UNAUDITED

	<u>Sep 30, 17</u>
ASSETS	
Current Assets	
Checking/Savings	
1500 · JMS Money Market	29,133.66
1513 · JMS - CD	81,000.00
1520 · Accrued Interest Receivable	355.15
Total Checking/Savings	<u>110,488.81</u>
Total Current Assets	<u>110,488.81</u>
TOTAL ASSETS	<u><u>110,488.81</u></u>
LIABILITIES & EQUITY	
Equity	
32000 · Unrestricted Net Assets	108,266.49
Net Income	2,222.32
Total Equity	<u>110,488.81</u>
TOTAL LIABILITIES & EQUITY	<u><u>110,488.81</u></u>

Ben Silver
Profit & Loss YTD Comparison
September 2017

UNAUDITED

	<u>Sep 17</u>	<u>Jan - Sep 17</u>
Income		
4200 · Investment Income	74.07	567.32
4550 · Ben Silver Contributions	0.00	2,750.00
Total Income	<u>74.07</u>	<u>3,317.32</u>
Expense		
5150 · Scholarship Expense	0.00	1,095.00
Total Expense	<u>0.00</u>	<u>1,095.00</u>
Net Income	<u><u>74.07</u></u>	<u><u>2,222.32</u></u>

9/30/2017

Since CD"s will be held until maturity, no unrealized gain/loss booked

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION												UNAUDITED
2018 BUDGET												
ACCT #	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Projection	2018 Budget	NOTES	
DUES INCOME:												
4010 DISTRIBUTOR DUES	39,350	38,850	38,355	42,270	39,660	47,685	44,450	46,000	46,330	46,000		
4020 ASSOCIATE DUES	70,800	73,200	93,720	96,765	95,040	95,040	89,315	90,000	96,810	92,000		
TOTAL INCOME FROM DUES	110,150	112,050	132,075	139,035	134,700	142,725	133,765	136,000	143,140	138,000		
OTHER INCOME:												
4510 INTEREST INCOME	759	357	498	366	301	957	2,171	2,400	3,413	4,800	Additional money invested	
4514 REALIZED GAIN/LOSS ON SALE OF INVEST					1,250	0	0					
4515 UNREALIZED GAIN/LOSS ON INVESTMENTS				(2,174)	2,174	0	0					
4530 ADVERTISING REVENUE	0	7,950	9,500	8,174	12,470	16,960	13,775	12,000	18,250	15,000	admin annual guide & directory	
4535 NAW PUBLICATIONS/PROGRAM	0	0	0	0	60	44	0	0	0	0		
4550 ROYALTIES	2,096	2,097	2,164	1,163	1,514	2,611	6,792	6,000	6,108	6,000		
TOTAL OTHER INCOME	2,856	10,404	12,162	7,530	17,768	20,572	22,738	20,400	27,771	25,800		
ANNUAL CONVENTION INCOME:												
4610 DISTRIBUTOR REGISTRATION FEE	40,413	41,800	40,703	39,055	41,895	39,975	41,590	39,000	44,160	42,000		
4620 ASSOCIATE REGISTRATION FEE	59,740	58,253	57,693	67,940	69,209	70,708	69,492	68,000	78,580	70,000		
4640 SPOUSE/GUEST REGISTRATION FEE	2,295	2,475	1,110	1,955	835	1,130	1,405	1,000	825	1,000		
4650 MANUFACTURER SUITE DEPOSIT	59,365	56,532	65,855	57,940	73,629	58,487	64,468	60,000	69,537	62,000		
4660 BEN SILVER SEMINAR FEE	3,450	4,300	9,770	4,740	6,090	4,110	7,083	6,000	10,335	7,000		
4670 VENDOR REGISTRATION FEE	2,490	2,075	1,467	1,580	1,840	1,610	1,610	1,500	820	1,000		
4680 HOTEL COMMISSION	0	0	8,701	6,455	8,894	6,965	6,568	6,000	8,298	6,489	725 room nights x \$179 x 5%	
4695 GOLF FEES & CLUBS INCOME	0	5,696	0	3,894	0	4,105	5,821	5,100	8,760	5,500	\$145 x 30 + club rentals	
TOTAL ANNUAL CONVENTION INCOME	167,763	171,131	185,299	183,559	202,392	187,090	198,037	186,600	221,315	194,989		
COMMITTEE INCOME:												
4805 SURVEYS & STATISTICS	0	0	0	0	0	0	0	0	0	0		
4810 SHDA UNIVERSITY INCOME	0	0	0	0	0	0	0	0	0	0		
4815 AEA INCOME	67	197	109	0	0	0	0	0	0	0		
4820 UID INCOME	184	261	1,355	2,057	1,220	444	3,464	1,700	3,156	2,000	Rebate based on 5 yr avg	
4830 OTHER EDUCATIONAL INCOME	0	0	0	0	0	0	0	0	0	0		
4900 OFFSET GUEST F&B	0	0	5,501	7,010	10,507	11,819	2,934	3,000	3,000	3,000		
TOTAL COMMITTEE INCOME	252	458	6,965	9,068	11,727	12,263	6,398	4,700	6,156	5,000		
TOTAL INCOME	281,010	294,043	336,502	339,191	366,587	362,650	360,938	347,700	398,382	363,789		

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION												UNAUDITED
2018 BUDGET												
ACCT #	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Projection	2018 Budget	NOTES	
ADMINISTRATIVE EXPENSES:												
5010 MANAGEMENT FEE	83,523	83,523	86,029	86,029	86,029	89,470	89,470	93,050	93,050	93,050	No Change	
5025 POSTAGE	295	321	211	277	261	223	292	360	179	360		
5030 STAFF TRAVEL	1,013	2,771	1,531	1,565	2,207	2,368	1,912	2,700	2,513	2,700		
5035 SUPPLIES	546	666	646	850	675	635	724	800	841	900		
5045 TELEPHONE & FAX	544	676	662	911	865	839	843	900	880	900		
5050 BANK FEES	(56)	93	140	230	88	71	323	120	94	120		
5051 CREDIT CARD FEES	6,884	8,591	7,158	7,210	6,228	7,060	7,841	9,000	10,090	10,500		
5055 DUES AND SUBSCRIPTIONS	0	0	0	0	0	0	0	1,405	1,405	1,500	2017 dues for NAM	
5060 INSURANCE	3,109	1,853	1,923	661	2,051	2,156	2,157	2,400	2,230	2,400		
5065 PRINTING	612	1,366	1,445	1,401	1,346	1,358	1,134	1,600	1,236	1,600		
5070 AUDIT	2,700	2,800	2,800	2,535	2,535	2,535	2,535	2,800	2,535	2,800		
5075 RECORDS STORAGE	420	757	751	932	1,005	1,004	841	1,000	752	900		
5085 LEGAL	1,705	438	130	0	630	0	80	600	0	600	Contract review, license fees	
5090 BAD DEBT EXPENSE	0	0	0	0	0	0	0	0	0	0		
TOTAL ADMINISTRATIVE EXPENSE	101,294	103,854	103,427	102,600	103,919	107,719	108,152	116,735	115,807	118,330		
NAW EXPENSES:												
5110 NAW DUES	2,000	2,000	2,000	2,000	2,000	1,940	2,000	2,000	1,960	2,000		
5120 NAW TRAVEL	1,072	1,129	900	500	1,414	486	848	1,400	600	1,400		
5130 NAW PUBLICATIONS	0	0	0	0	0	0	0	0	0	0		
TOTAL NAW EXPENSE	3,072	3,129	2,900	2,500	3,414	2,426	2,848	3,400	2,560	3,400		
BOARD OF DIRECTORS EXPENSE:												
5210 HOTEL, FOOD & INCIDENTALS	8,867	6,611	12,117	17,080	18,640	25,513	15,507	20,000	20,000	22,000	cover Board/Committee meals	
5220 STAFF TRAVEL	2,403	1,705	1,553	0	1,172	2,129	1,975	2,500	2,500	3,000		
5230 POSTAGE & SHIPPING	68	485	739	294	1,033	715	149	750	938	900		
5235 TELECONFERENCES	0	69	26	99	43	28	0	120	0	120		
5240 PRINTING/PRODUCTION	433	271	232	296	217	353	311	360	96	360		
TOTAL BOARD OF DIRECTORS EXPENSE	11,772	9,142	14,667	17,768	21,105	28,737	17,942	23,730	23,534	26,380		
COMMITTEE EXPENSES:												
COMMUNICATIONS:												
5310 NEWSLETTER PRODUCTION	0	50	0	0	0	0	0	750	807	900	Qty newsletter, frequency Bulletins	
5320 DIRECTORY AND CONVENTION GUIDE	3,241	4,060	6,131	2,250	4,876	4,452	6,143	5,000	6,927	7,000		
5330 POSTAGE	0	0	0	0	0	0	0	0	0	0		
TOTAL COMMUNICATIONS EXPENSE	3,241	4,110	6,131	2,250	4,876	4,452	6,143	5,750	7,733	7,900		
MEMBERSHIP DEVELOPMENT:												
5510 POSTAGE	407	407	130	510	183	197	885	900	1,090	1,200		
5520 PRINTING AND PRODUCTION	47	165	348	58	100	252	78	300	243	300		
5530 MEMBERSHIP PLAQUES	0	0	0	0	0	0	0	0	0	0		
TOTAL MEMBERSHIP DEVELOPMENT EXP	454	572	479	568	283	449	963	1,200	1,333	1,500		

SECURITY HARDWARE DISTRIBUTORS ASSOCIATION												UNAUDITED
2018 BUDGET												
ACCT #	2010 Actual	2011 Actual	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual	2017 Budget	2017 Projection	2018 Budget	NOTES	
BENEFITS & RESOURCES:												
5610 PRINTING	0	0	12	0	1	0	43	0	4	0		
5620 SHDA UNIV. PROGRAM DEVEL	0	0	0	0	0	0	0	0	0	0		
5640 AEA & UID DUES AND EXPENSES	615	615	615	615	695	695	650	700	1,809	1,800		
5650 POSTAGE	0	0	5	0	0	0	0	0	0	0		
5660 PROFILE WEBSITE	0	0	0	0	700	0	0	0	0	0		
TOTAL BENEFITS & RESOURCES EXPENSE	615	615	632	615	1,396	695	693	700	1,813	1,800		
WEB & DATA SERVICES:												
5710 WEB & DATA BASE SITE HOSTING	4,200	4,228	4,270	4,343	4,200	4,200	4,385	4,800	4,381	4,800		
5720 WEB SITE REVISION	0	0	0	175	120	161	129	3,000	2,510	1,200		2017 includes Websuite 2 Conv
5730 MIS SYSTEMS AND SUPPLIES	2,089	2,960	3,164	3,317	3,765	5,133	4,582	5,400	5,106	5,400		
5740 ELECTRONIC SCHEDULING	0	10,011	18,738	0	0	0	0	0	0	0		
TOTAL WEB & DATA SERVICES EXPENSE	6,289	17,198	26,171	7,834	8,085	9,494	9,096	13,200	11,997	11,400		
SURVEYS & STATISTICS:												
5810 PRODUCTION EXPENSE	0	0	0	0	0	0	0	0	0	0		
5820 POSTAGE	0	0	0	0	0	0	0	0	0	0		
5830 PRINTING	0	0	0	0	0	0	0	0	0	0		
TOTAL SURVEYS & STATISTICS EXPENSE	0	0	0	0	0	0	0	0	0	0		
TOTAL COMMITTEE EXPENSES	10,599	22,495	33,413	11,267	14,640	15,091	16,895	20,850	22,877	22,600		
ANNUAL CONVENTION												
7010 POSTAGE/DELIVERY	2,493	2,434	2,631	2,702	1,710	2,547	1,089	2,400	1,503	2,400		
7015 SUPPLIES	0	872	183	138	0	457	756	600	606	700		
7020 PRINTING & PROMOTION	4,894	4,027	2,468	7,379	6,176	5,071	4,961	7,000	5,199	6,000		all promo except Guide
7025 HOTEL ROOM CREDIT	0	(3,078)	0	(3,077)	(8,383)	(4,022)	(3,246)	(3,500)	(4,704)	(3,043)		17 rooms @ \$179
7030 STAFF AND SITE TRAVEL	1,523	3,178	3,572	3,262	5,969	3,888	5,480	5,400	5,632	6,000		
7035 ENTERTAINMENT	0	0	0	0	0	0	0	0	0	0		
7040 SIGNS	0	0	0	0	110	0	0	700	0	700		new signs w new branding/webs
7045 PHOTOGRAPHY	0	0	0	0	0	0	0	0	0	0		
7050 FOOD & BEVERAGE	73,869	64,605	74,480	65,688	76,825	89,782	87,062	89,000	94,900	92,000		
7055 SPEAKER FEES	0	224	0	0	5,168	4,350	7,500	7,500	9,000	9,000		
7066 SPEAKER TRAVEL EXPENSE	0	0	0	0	645	968	833	1,500	224	1,500		
7060 AWARDS & GIFTS	1,252	740	0	682	724	819	124	800	1,071	1,000		
7065 AUDIO VISUAL/EQUIPT	2,992	1,087	6,057	2,051	7,387	4,859	1,823	3,500	3,343	3,500		
7070 EXHIBIT PROGRAM/SUITE EXPENSE	57,074	44,748	57,748	51,241	65,427	48,961	42,873	50,000	56,839	55,000		
7075 BEN SILVER EXPENSES	0	0	(1)	0	3,724	2,242	4,530	4,500	4,428	4,500		Bkfast & ANV
7085 CONTRACT STAFF	130	0	0	0	0	0	0	0	0	0		
7090 TOUR EXPENSES	0	0	0	0	0	0	0	0	0	0		
7091 HOTEL ATTRITION	10,000	0	0	0	0	0	0	0	0	0		
7095 GOLF	0	4,883	0	3,746	0	4,755	4,793	4,900	6,624	5,500		based on 30 golfers
7100 TENNIS	0	0	0	0	0	0	0	0	355	0		
TOTAL ANNUAL CONVENTION EXPENSE	154,226	123,720	147,137	133,812	165,482	164,677	158,579	174,300	185,021	184,757		
TOTAL EXPENDITURES	280,963	262,340	301,544	267,947	308,560	318,650	304,416	339,015	349,799	355,467		
INC (DEC) IN UNRESTRICTED NET ASSETS	\$47	\$31,703	\$34,958	\$71,244	\$58,028	\$44,000	\$56,522	\$8,685	\$48,583	\$8,322		