



WORLD TRADE CENTERS
ASSOCIATION

INCLUSION ENGAGEMENT OPPORTUNITY

Annual Report 2016







VISION

To become the world's trusted global brand for international business connections and trade through our proprietary network of branded properties and integrated trade services.

MISSION

To expand the reach and increase the quality of our global WTCA network.

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CHAIRMAN'S WELCOME



GHAZI ABU NAHL

Chairman of the Board of Directors

Dear Members,

On behalf of the Board of Directors, let me be the first to welcome you to the 2016 Annual Report of the World Trade Centers Association (WTCA).

In April, 2015, we elected the largest and most diverse class of new Directors in our organization's history, hailing from each of WTCA's five regions, with two-thirds of our Board's Directors serving in their first term. As mentioned in the previous report, we had great hopes for all that this Board would accomplish. I am delighted to report that we were not disappointed.

The year 2016 was a very important year for our Association, and was one of change and transition. In tandem with the laudable and watchful management of our interim Chief Executive Officer (CEO), Rolf Draak, one of the most important decisions we made last year was the appointment of a new, permanent CEO in Scott Ferguson. Mr. Ferguson has been involved with the WTCA for more than 30 years, and came to us with a wealth of experience. We are confident that in filling his position the WTCA has not only taken an important step to solidify our management, but has also added an important voice to our leadership team.

In addition to these changes, our organization continued to devote substantial resources to expanding the registration and protection of our "World Trade Center," "WTC" and Map Design Logo trademarks around the world. Our legal team also worked tirelessly to protect the investments of our Members and maintain the strength of our network. And while not easy or inexpensive, this work, in addition to ongoing efforts to strengthen our trademark registrations and maintain aggressive enforcement actions, continued to enhance the value of our brand for our Members worldwide.

Finally, as we proceed into 2017 we are nearing the end of our last strategic planning cycle, and as a Board we will be working with management to draw up the Board's strategic plans for 2018-2020. As always there will be a tremendous effort put into crafting ways to enhance the services Members receive, create new and important tools to help fuel your businesses and local economies, help develop facilities, and extend the endless opportunities we have to work together to build global trade and economic opportunity. I know we can count on each and every one of you, our Members, as we continue down this path towards a bright future as an Association.

Please accept the best wishes for success and prosperity to every member of our dedicated network, on behalf of your Board of Directors.

Ghazi Abu Nahl
Chairman of the Board of Directors

LETTER FROM THE CEO



SCOTT FERGUSON
Chief Executive Officer

Dear Members,

On the cover of this report you will find three words: Inclusion, Engagement and Opportunity.

These are not just nice words to say—they define our Association both over the course of the last year, and for our future direction. Each one of these ideas captures a unique quality of our organization and its Membership, and helps guide where I believe we are headed through 2017 and beyond.

We are an inclusive organization that spans the globe, with Members who hail from nearly one hundred different nations, comprised of an even greater collection of cultures and backgrounds. Not only is this impressive in itself, but I can say without hesitation that the diversity reflected on our Membership roster is by far our greatest asset.

We are engaged, and determined to become even more so. With new tools of Membership created throughout 2016, including initiatives that have carried over into this year, we remain committed to gaining a deep understanding and appreciation of your most important issues and concerns. This, in turn, will allow us to create the programming, services and tools that will serve you best.

And finally, the opportunity that we have before us is boundless. Given the extraordinary potential of our collective, and that of our individual Members, there is nothing that we cannot accomplish by working in tandem with each other. I am certain that together we can make great strides towards our vision of becoming the world's most recognized brand in international business connections and trade.

These are the values of our Association that get me excited to come to the office each day. I know that you share in that enthusiasm. Our work at Headquarters over the past 12-plus months has focused on four core pillars, structured to leverage our unique character to strengthen our Association: 1) to build a sustainable organization, 2) to know our Members, 3) to know our markets, and 4) to promote and protect our brand. This ongoing focus will reinforce the foundation of our network, both now and in the future, and provide for common prosperity and progress.

We have accomplished a great deal together, but as we all know, there is still a lot of work to be done. I can pledge to you that all of us in New York and in the regions will show up every day to meet our challenges. And what we ask in return is for your continued partnership and involvement. If we take it upon ourselves to persist in building and improving this inclusive, engaged and opportunity-driven network, I am positive that our future will be bright, and that we will all rise together. Thank you for the opportunity to join you in that journey.

Sincerely,

Scott Ferguson
Chief Executive Officer

MEMBERSHIP ROSTER

ASIA PACIFIC

Ahmedabad	Colombo	Islamabad	Melbourne	Seoul	Wenzhou
Amaravati	Daejeon	Jaipur	Mumbai	Shanghai	Wuhan
Amritsar	Dandong	Jakarta	Nanchang	Shenzhen	Wuhan CBD
Anyang	Dhaka	Jiaxing	Nanjing	Surabaya	WuXi
Beijing	Faridabad	Jinzhong	Nanning	Surat	Xiamen
Bengaluru	Fuzhou	Kaohsiung	Nansha	Suwon	Xi'an
Bhopal	GIFT City	Karachi	Navi Mumbai	Suzhou	Xuzhou
Bhubaneswar	Goa	Kochi	New Delhi	Taichung	Yancheng
Chandigarh	Guangzhou	Kolkata	Noida	Taipei	Yongjia
Changsha	Guiyang	Kuala Lumpur	Okinawa	Thiruvananthapuram	Yongkang
Changzhou	Harbin	Kunming	Patna	Tianjin	Zhengzhou
Chengdu	Ho Chi Minh City	Lucknow	Penang	Tokyo	
Chennai	Hong Kong	Luohe	Perth	Ulaanbaatar	
Chittagong	Hunchun	Macau	Pune	Vadodara	
Chongqing	Hyderabad	Manila	Quanzhou		

EUROPE

Almaty	Cordoba	Helsingborg	Madrid	Poitiers	Trieste
Almeda Park	Curacao	Helsinki	Malmö	Futuroscope	Turku
Almere	Cyprus	Helsinki Airport	Malpensa Airport	Poznan	Twente
Amsterdam	Dresden	Istanbul	Marseille Provence	Rennes Bretagne	Utrecht
Antwerp	Dublin	Karlskrona	Metz-Saarbrücken	Rostock	Utrecht- Papendorp Branch
Arnhem Nijmegen	Eindhoven	Kazan	Milan	Rostov-on-Don	Vaxjo
Ballerup	Ekaterinburg	Kiel	Monaco	Rotterdam	Venlo
Barcelona	Frankfurt (Oder)	Krasnodar	Moscow	San Marino	Warsaw
Basilicata	Geneva	Lausanne	Nantes	Schiphol Airport	Zaragoza
Belfast	Genoa	Leeuwarden	Atlantique	Sevilla	Zurich
Belgrade	Ghent (AF)	Lille	Nice/Sophia	Sochi	
Berlin	Gibraltar	Lille-Arras	Antipolis	Sofia	
Bordeaux	Glasgow	Lisbon	Nizhny Novgorod	Sofia (AF)	
Breda	Gothenburg	London	Novosibirsk	St. Petersburg	
Bremen	Gran Canaria	Lugano	Oslo	Stockholm	
Brussels	Grenoble	Lund	Paris	Strasbourg	
Bucharest	Hamburg	Luxembourg	Pescara	Tallinn	
Chelyabinsk	Heerlen Aachen	Lyon	Pilsen	The Hague	

LATIN AMERICA

Aruba	Cancun	Ibague	Monterrey	Rosario	Sao Paulo
Asuncion	Cartagena	Joinville	Montevideo	San Jose, Costa Rica	Tijuana
Barquisimeto	Ciudad del Este	La Paz	Panama	San Luis Potosi	Toluca Valencia, Venezuela
Belo Horizonte	Colonia del Sacramento	Lima	Porlamar	San Pedro Sula	Veracruz
Bogota	Culiacan	Managua	Puerto La Cruz	San Salvador	
Brasilia	Curitiba	Maracaibo	Puerto Ordaz	Santa Cruz de la Sierra	
Bucaramanga	Encarnacion	Medellin	Punta del Este	Santiago	
Buenos Aires	Goiania	Merida	Queretaro	Santo Domingo	
Cali	Guadalajara	Mexico City	Rio de Janeiro		

MIDDLE EAST AND AFRICA

Abu Dhabi	Algiers	Basra	Dakar	Lagos	Qatar
Abuja	Amman	Beirut	Damascus	Luanda	Ramallah
Accra	Antananarivo	Benghazi	Dubai	Muscat	Riyadh
Al Khobar	Baghdad	Cairo	Erbil	Nairobi	Sanaa
Aleppo	Bahrain	Casablanca	Jeddah	Praia	Sharjah
					Tunis

NORTH AMERICA & CARIBBEAN

Anchorage	Delaware	Haiti	Miami	Oxnard	St. Louis
Arkansas	Denver	Harrisburg	Mississippi	Palm Beach	Tacoma
Atlanta	Detroit/Windsor	Havana	Montana	Pittsburgh	Tampa Bay
Atlantic Canada-Halifax	Dulles Airport	Houston	Montreal	Portland	Toronto
Baltimore	Edmonton	Kansas City	New Orleans	Providence	Utah
Boston	El Paso/Juarez	Kentucky	New York	San Antonio	Vancouver
Buffalo Niagara	Fort Lauderdale	Las Vegas	Norfolk	San Diego	Washington, D.C.
Charleston	Greater Philadelphia	Long Beach	Northern California-Sacramento	San Francisco	Winnipeg
Chicago	Greenville-Spartanburg	Los Angeles	Orlando	Savannah	
		McAllen		Seattle	

MEMBERSHIP BY THE NUMBERS

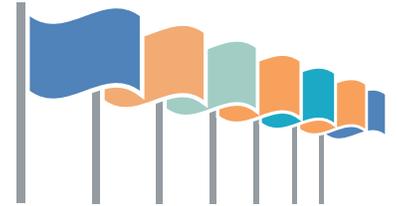
Our entire Association can be justifiably proud of our Membership footprint. In addition to our 300-plus Members located in nearly 100 countries, some additional numbers help further define the expanding edges of our global organization.

73

The number of national capitals with a World Trade Center

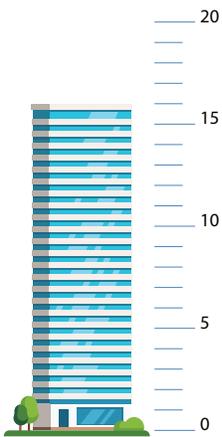


45



The percentage of the World's nations that are represented by at least one Member in the World Trade Centers Association

16



The average years of membership for an active World Trade Centers Association Member



6

The number of continents with at least one World Trade Center

5

The top languages other than English spoken at Member World Trade Centers



SPANISH



MANDARIN



HINDI



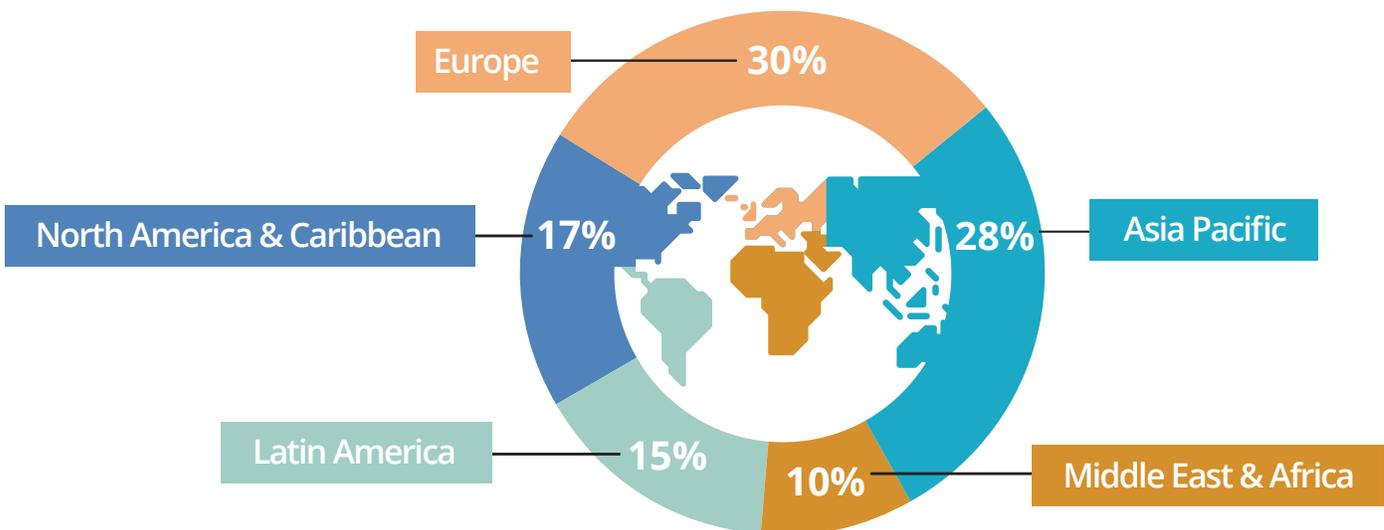
ARABIC



FRENCH

1

We are one global network



BOARD OF DIRECTORS

BOARD OFFICERS

Mr. Ghazi Abu Nahl
Chairman
World Trade Center Qatar

John E. Drew
Vice Chairman & Treasurer
World Trade Center Boston

Antonio Trueba
Vice Chairman & Secretary
World Trade Center Sevilla

BOARD COMMITTEE CHAIRS

Rolf Draak
Chair – Executive Committee
**World Trade Center Nice/Sophia
Antipolis**

Charlotte Gallogly
*Chair – Nomination & Compensation
Committee*
World Trade Center Miami

Mehran Eftekhar
Chair – Audit & Risk Committee
World Trade Center Cyprus

Remy Swaab
Chair – Digital Steering Committee
World Trade Center Panama

ADDITIONAL BOARD MEMBERS

Togbe Afede XIV
World Trade Center Accra

A. Rüstü Argit
World Trade Center Istanbul

Larry Boudreaux
World Trade Center New Orleans

Lew Cramer
World Trade Center Utah

Pierre-Antoine Gailly
World Trade Center Paris

Ousama G. Ghannoum
World Trade Center Beirut

Vijay Kalantri
World Trade Center Mumbai

Catherine Lee
World Trade Center Nanjing

Francis K.H. Liang
(January through November)
World Trade Center Taipei

Balaram Menon
World Trade Center Bengaluru

Luciano Montenegro de Menezes
World Trade Center São Paulo

Mariette Mulaire
World Trade Center Winnipeg

Vladimir Y. Salamatov
(January through April)
World Trade Center Moscow

Emmanuel Thauhier
**World Trade Center Rennes
Bretagne**

Gerard Vaandrager
World Trade Center The Hague

Jiuling Xiong
World Trade Center Beijing

The background of the page is a detailed architectural floor plan in a light blue color. It shows various rooms, corridors, and furniture arrangements. Several rooms are labeled with their area in square meters (M²), including 15M², 24M², 4M², 8M², 18M², 24M², 44M², 10M², and 22M². Dimensions are also indicated with arrows and numbers, such as 1100, 1500, 1800, 2000, 2200, 2400, 2600, 3000, 3200, 3400, 3600, 3800, 4000, 4200, 4400, 4600, 4800, 5000, 5200, 5400, 5600, 5800, 6000, 6200, 6400, 6600, 6800, 7000, 7200, 7400, 7600, 7800, 8000, 8200, 8400, 8600, 8800, 9000, 9200, 9400, 9600, 9800, and 10000. The plan includes various furniture items like chairs, tables, and sofas, as well as architectural details like doors, windows, and walls.

ENGAGEMENT

Leaning in—it sounds deceptively easy. Yet without taking on the difficult work of progress we remain stagnant. Our world evolves when the hearts and minds of active, committed individuals work together to live up to their potential and meet their collective challenges. This is the central promise of engagement.

BOARD OF DIRECTORS REPORT

After a rigorous candidate search and interview process, the Board of Directors selected a new Chief Executive Officer – Scott Ferguson – to lead the Association’s operations. Mr. Ferguson assumed his new role in June, taking over the responsibilities that had been previously overseen by our Interim CEO Rolf Draak, who resumed his role as WTCA Director and Chair of the Executive Committee.

At the same time, the Board and its five Committees met a total of 30 times in 2016 as part of their continued oversight of the Association’s governance practices. Among the key actions taken by your Board and its Committees in 2016 were:

- **Approving a re-alignment of Business Plan initiatives** proposed by the new CEO, consistent with the Board’s previously adopted Strategic Plan
- **Adopting the WTCA’s 2015 Audited Financials**, which were timely completed and presented to the Membership for ratification at the WTCA’s General Assembly in Algiers
- **Authorizing plans for a renewed internal governance review** of the structure and protocols of the Board and its Committees, as a follow-up to the initial review conducted in 2008-2009
- **Adopting a budget for 2017**, which included the first increase in annual dues in 18 years, aimed at expanding WTCA programs and allocating additional funding for protection of WTCA’s brand
- **Supporting the service enhancement activities** of the WTCA’s for-profit subsidiary in Asia, and pursuing strategic plans for activating a similar service model in all other regions served by WTCA and its Members
- **Authorizing the retention of a standards expert** to assist the WTCA in restructuring its Quality Certification Program, with the objective of creating a streamlined, online process that promotes reciprocity, reflects modern global standards, and further increases brand value
- **Authorizing implementation of a document management system** and cloud-based accounting system to digitize WTCA’s records and integrate databases, making Member information more accessible and up-to-date
- **Authorizing the test launch** of the first moderated discussion forum on the WTCA Platform
- **Selecting WTC Leeuwarden as the host** for the 2018 General Assembly and directing Headquarters to create a marketing plan for marking WTCA’s 50th Anniversary as part of the 2020 General Assembly
- **Adopting a Succession Plan and HR Strategic Plan**, and the testing of WTCA’s Disaster Recovery Plan to ensure continuity in Headquarters’ execution of the Association’s strategic objectives
- **Continuing the internal audit review process at Headquarters** – including testing of protocols established for all Headquarters’ departments – to ensure that WTCA’s operating policies and controls are efficient, transparent and proactive
- **Continuing oversight of the WTCA’s risk management processes**, including risk register, risk appetite, risk maturity management, authority matrix, and risk reports
- **Reviewing the performance** of key management at Headquarters; and
- **Endorsing development of a plan** to reactivate the WTCA Foundation, which was established in 2007 to promote social welfare through educating and encouraging organizations and the business community to engage in international business activities that foster peace and stability

2017 BOARD ELECTION

The Board approved the Nomination & Compensation Committee's recommended protocols for the WTCA's biennial Board election for 2017, with 12 Board seats to be filled. Each of WTCA's five regions will have at least one open seat to fill.

STANDING COMMITTEE MEMBERS

During the course of the year, the following Board Directors served on WTCA's Standing Committees:

Executive Committee:

Chair Rolf Draak (*Nice*); Vice-Chair Balaram Menon (*Bengaluru*); John Drew (*Boston*); Mariette Mulaire (*Winnipeg*); Antonio Trueba (*Seville*); Julia Xiong (*Beijing*); and Vladimir Salamatov (*Moscow*)

Audit & Risk Committee:

Chair Mehran Eftekhari (*Cyprus*); Togbe Afede (*Accra*); Lawrence Boudreaux (*New Orleans*); Vijay Kalantri (*Mumbai*); and Francis Liang (*Taipei*)

Nomination & Compensation Committee:

Chair Charlotte Gallogly (*Miami*); Rüştü Argit (*Istanbul*); Lew Cramer (*Utah*); Pierre-Antoine Gailly (*Paris*); and Ousama Ghannoum (*Beirut*)

Digital Steering Committee:

Chair Remy Swaab (*Panama*); Luciano Menezes (*Sao Paulo*); Emmanuel Thauhier (*Rennes-Bretagne*); and Gerard Vaandrager (*The Hague*)

Investment Committee:

Chair John Drew (*Boston*); Rüştü Argit (*Istanbul*); Rolf Draak (*Nice*); Catherine Lee (*Nanjing*); Antonio Trueba (*Seville*)

ROLE OF THE BOARD

In conducting its oversight activities in 2016, the Board was guided by its official mandate to set the Association's strategy in preparation for crafting the three-year rolling business plan, to be executed by WTCA's Executive Leadership. The Board's fundamental objective is to create value for WTCA's Members by directing the Association's business affairs in a manner that fulfills the purposes of the organization as set forth in the Association's Constitution and Bylaws. The Board's stewardship responsibilities are to oversee the conduct of the Association's business affairs, to provide leadership and direction to WTCA's management, and to set the standards of conduct for and policies of the Association and the terms of reference for all Board Committees.

THE 47TH ANNUAL GENERAL ASSEMBLY



Hosted by WTC Algiers from April 16-19, 2016, in Algiers, Algeria

ANNUAL MEMBER SEMINAR 2016



Hosted by WTCA Headquarters from October 16-18, 2016, in New York City, NY, USA

A YEAR OF PROGRESS



Reciprocity Desk

In 2016 we continued to update our technology capabilities to help Members make the most out of their WTCA resources and services, and to facilitate connections and collaboration across the network. Because engagement between Members is a critical component of our collective success, this remains the focus of our digital efforts.



Infoshare Online



Reports

We developed a method to upload business members and tenants to each respective WTC's profile on the Digital Platform. Our goal was to provide visibility for, and to showcase these local members and tenants.



Resource Center



Discussion Forums

Work on our Reciprocity Desk is ongoing, where we continue to see Members using this peer-to-peer tool to connect and make requests with others around the globe. This portal has been an invaluable tool for Members, and holds incredible potential as we continue to nurture cross-network engagement.



Events



My Jobs



Need Help

Finally, a major initiative—in development since early 2016—is the new InfoShare Online form. This will not only allow the Association to gather more information, improving the alignment between services and needs, but will also allow Members to search for colleagues through a self-service portal.



News Feed

These tools will help fuel the interaction among our Membership, and further strengthen our network and brand. We will continue to remain focused on delivering digital capabilities as we complete these projects and others in the pipeline, such as a marketplace to showcase vendors whose specific products may be of interest to individual WTCs.

As always, we will work with the Members of our Board and the Digital Steering Committee to ensure that we stay up-to-date with our technical capabilities and resources. With active Members helping to drive the use of these tools, we look forward to continuing our work on new ways of fueling your businesses.

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OPPORTUNITY

In strength and change there is potential, and a setback is a setup for a comeback. The difference between success and failure often lies in having the courage and fortitude to take a chance when it counts. In these moments, we unlock boundless opportunities for all.

THE FOUR PILLARS OF OUR SUCCESS

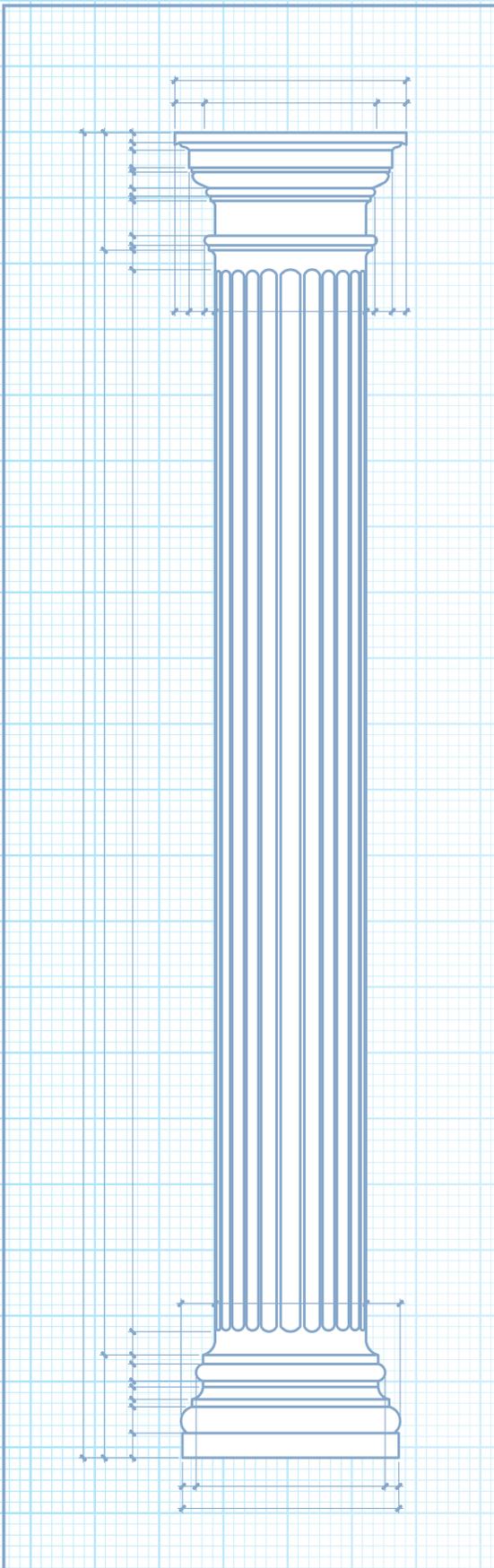
Headquarters organized its plans and activities around four central pillars, which together support a foundation that empowers us to take advantage of our collective opportunities.

PILLAR 1: *Know Our Members*

The services and resources provided by the Association, in tandem with robust Member engagement, are critical to helping us take advantage of our collective potential. And creating the right programming begins with knowing our Members. To accomplish this, we have launched a number of projects to dig into Member issues and concerns through in-depth surveying, to collect and internalize Member data through a new online InfoShare experience, and to actively and regularly meet with Members to hear their ideas firsthand. In short, our works always begins and ends with you.

PILLAR 2: *Know Our Markets*

Just as each Member is unique, so are the markets where your World Trade Centers operate. We absolutely must have a solid



understanding of each of these unique geographic sets of circumstances to manage and expand the network. That is why we have taken multiple steps to gain that kind of perspective, like expanding our team of Regional Directors (RDs). This roster now includes a new RD in Europe, and will soon feature another new team member in India.

*“We are the stewards of a tremendous brand—
instantly recognizable,
and powerful in its meaning.”*

Accountable for developments in each of our regions, these professionals are indispensable as we build up our operations in line with our regional model, and find new ways of working together to chart a course for the future.

PILLAR 3: ***Build a Sustainable Organization***

We are a tremendous network of individual Members, with talent abounding around the globe. However, even the best teams and intentions must have solid financial foundations

to support the efforts that will help each of you—and our Association—to grow and thrive. That is why we have taken important measures, such as filling several key positions at Headquarters and in the regions, strengthening our regional offices, and increasing dues for the first time in more than a decade to expand our financial capabilities. Our Members are worth every ounce of investment, and we are ensuring that those resources are there to support and enrich our Association.

PILLAR 4: ***Protect and Grow the Brand***

We are the stewards of a tremendous brand—instantly recognizable, and powerful in its meaning. Our Members are our most important touchpoints, and the protection of this brand our most serious duty. In tandem with creating effective programs and campaigns to promote our brand around the globe, we pledge to you that we will do everything in our power to ensure that the investments Members have made remain intact and as viable as ever. Our brand is what binds us together, and the bedrock upon which our network was founded, and we will always defend and define this asset.

FINANCIAL OVERVIEW

These consolidated financial statements have been audited by an independent and outside auditor, PKF O'Connor Davies, and present fairly, in all material respects, the consolidated financial position of World Trade Centers Association, Inc. and Subsidiary as of December 31, 2016, and 2015 and the consolidated 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.

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2016	2015
ASSETS		
Cash and cash equivalents	\$ 1,523,092	\$ 1,613,203
Investments		
Unrestricted	11,672,121	13,173,536
Restricted for letters of credit	178,128	196,811
Reserve for top level domain costs	1,008,250	1,005,880
Membership dues and initiation fees receivable, net of allowance for doubtful accounts of \$95,000 and \$332,689, respectively	323,600	414,300
Other assets and deposits	143,995	177,746
Property and equipment, net of accumulated depreciation	44,413	54,747
Platform/software development costs, net of accumulated amortization	369,146	437,064
Trademark costs	2,176,441	1,952,948
Top level domain	<u>226,230</u>	<u>226,230</u>
	<u>\$ 17,665,416</u>	<u>\$ 19,252,465</u>
LIABILITIES AND UNRESTRICTED NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 2,159,637	\$ 783,769
Deferred Membership dues	453,014	385,833
Refundable initiation fees	276,000	401,000
Deferred rent	<u>81,467</u>	<u>-</u>
Total Liabilities	2,970,118	1,570,602
Unrestricted net assets	<u>14,695,298</u>	<u>17,681,863</u>
	<u>\$ 17,665,416</u>	<u>\$ 19,252,465</u>

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN UNRESTRICTED NET ASSETS

	<u>Year Ended December 31</u>	
	<u>2016</u>	<u>2015</u>
OPERATING REVENUES		
Membership dues	\$ 3,235,000	\$ 3,277,500
Initiation fees	1,475,000	2,890,000
Option fees	170,000	195,000
Bad debt recovery	160,002	56,667
Other income	<u>24,117</u>	<u>10,815</u>
Total Operating Revenues	<u>5,064,119</u>	<u>6,429,982</u>
OPERATING EXPENSES		
Program services to Members	2,889,691	3,152,470
Management and general	<u>5,873,433</u>	<u>4,153,194</u>
Total Operating Expenses	<u>8,763,124</u>	<u>7,305,664</u>
(Deficit) of Operating Revenues Over Operating Expenses	(3,699,005)	(875,682)
NON-OPERATING ACTIVITIES		
Investment income, net	<u>712,440</u>	<u>854,135</u>
Change in Unrestricted Net Assets	(2,986,565)	(21,547)
UNRESTRICTED NET ASSETS		
Beginning of year	<u>17,681,863</u>	<u>17,703,410</u>
End of year	<u>\$ 14,695,298</u>	<u>\$ 17,681,863</u>

FINANCIAL OVERVIEW

CONSOLIDATED STATEMENTS OF CASH FLOWS

	<u>Year Ended December 31</u>	
	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in unrestricted net assets	\$ (2,986,565)	\$ (21,547)
Adjustments to reconcile change in unrestricted net assets to net cash (used in) provided by operating activities		
Deferred rent	81,467	-
(Recovery) provision for uncollectible accounts	(32,689)	434,295
Depreciation and amortization	147,852	141,900
Net realized and unrealized gain on investments	(415,951)	(560,882)
Changes in operating assets and liabilities		
Decrease (increase) in Membership dues and initiation fees receivable	123,389	(183,883)
Decrease in other assets and deposits	33,751	25,149
Increase (decrease) in accounts payable and accrued expenses	1,375,868	(38,077)
Increase in deferred Membership dues	67,181	45,801
(Decrease) increase in refundable initiation fees	<u>(125,000)</u>	<u>294,167</u>
Net Cash (Used in) Provided by Operating Activities	<u>(1,730,697)</u>	<u>136,923</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(1,661,602)	(5,415,841)
Proceeds from sales and maturities of investment	3,595,281	6,066,597
Platform/software development costs	(69,600)	(35,051)
Trademark costs	<u>(223,493)</u>	<u>(252,809)</u>
Net Cash Provided by Investing Activities	<u>1,640,586</u>	<u>362,896</u>
Net (Decrease) Increase in Cash and Cash Equivalents	(90,111)	499,819
CASH AND CASH EQUIVALENTS		
Beginning	<u>1,613,203</u>	<u>1,113,384</u>
Ending	<u>\$ 1,523,092</u>	<u>\$ 1,613,203</u>
SUPPLEMENTAL CASH FLOW INFORMATION		
Non-cash Investing Activities		
Additions to trademark costs and property and equipment included in accounts payable and accrued expenses	<u>\$ 42,713</u>	<u>\$ 121,345</u>



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