

Indiana Association of Realtors

March 2018

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during March by \$254,000 with ending balance of \$2,064,000, due to payment of invoices and payroll for the month.
- Accounts and Notes Receivable increased by \$57,000 due to advance on note receivable to One Forty Three during the month, with an ending balance of \$1,117,000.
- Prepaid expenses and deposits decreased by \$51,000 due to refund received for insurance that was paid to the old vendor in error and rent deposit received from the Chamber Building. Ending balance was \$24,000.
- The amounts Due from One Forty Three LLC increased by \$5,000 with an ending balance of \$5,354,000.
- The amount Due from ISRE decreased by \$18,000 during the month with an ending balance of \$379,000.
- IAR investments increased by \$5,000 during the month with an ending balance of \$1,876,000 and RDF investments also increased by \$5,000 with an ending balance of \$1,573,000.
- Accounts Payable decreased by \$48,000 due to invoices paid for the legislative conference. Ending balance was \$85,000.
- Lines of Credit with ONB increased by \$60,000 during the month due to draw on \$1.3 mil account. Ending balances were \$380,000 and \$700,000.
- Dues payable decreased by \$230,000, from \$2,997,000 to \$2,767,000 due to amortization of dues revenue for March. The balance in this account will be amortized over the remaining months of the year and recognized as income.

Income Statement

- Net income of \$7,000 was recorded for the month, which represents net ordinary loss of \$3,000 and SEI net investment income of \$10,000, and net interest income related to notes receivable/loans payable of less than \$1,000. Budgeted net income for March was \$26,000.
- YTD net income was \$10,000, which represents net ordinary income of \$46,000, SEI net investment loss of (\$36,000), and net interest income related to notes receivable/loans payable of less than \$1,000. Budgeted net income YTD was \$58,000.
- Compared to the prior year, YTD net ordinary income was \$72,000 lower than the prior YTD net income of \$82,000.
- Total income for March was \$392,000, which was above the monthly budget of \$334,000 by \$58,000 or 17%.
- Total income YTD was \$1,057,000 compared to YTD budget of \$1,011,000 – over budget by \$46,000 or 5%.
- Compared to the prior year, total YTD income was \$79,000 (8%) higher than the prior YTD income of \$978,000.
- Total expenses for the month were \$395,000, and were above the monthly budget of \$310,000 by \$85,000 or 27%, mostly due to expenses for the legislative conference that were budgeted in February.
- YTD expenses were \$1,010,000, and were above the YTD budget of \$959,000 by \$52,000 or 2% due to office costs and programmatic costs.
- Compared to the prior year, YTD expenses are \$45,000 higher (5%), mostly due to professional fees, technology & equipment, office and facility costs.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
March 31, 2018

	03/31/2018	02/28/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	2,064,081	2,317,908	(253,827)
Total Checking/Savings	<u>2,064,081</u>	<u>2,317,908</u>	<u>(253,827)</u>
Other Current Assets			
1200 - Accounts Receivable	1,117,068	1,059,626	57,442
1300 - Other Current Assets	23,656	74,235	(50,579)
Total Other Current Assets	<u>1,140,724</u>	<u>1,133,861</u>	<u>6,863</u>
Total Current Assets	<u>3,204,805</u>	<u>3,451,769</u>	<u>(246,964)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	343,497	342,452	1,045
Total Fixed Assets	<u>343,497</u>	<u>342,452</u>	<u>1,045</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,733,196	5,746,040	(12,844)
1500 - Investments	3,595,866	3,563,024	32,842
1700 - Capitalized Loan and Lease Costs	3,934	3,933	0
Total Other Assets	<u>9,332,996</u>	<u>9,312,997</u>	<u>19,998</u>
Total ASSETS	<u>12,881,298</u>	<u>13,107,218</u>	<u>(225,921)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	85,076	132,771	(47,695)
Total Accounts Payable	<u>85,076</u>	<u>132,771</u>	<u>(47,695)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,113,519	1,074,997	38,522
2100 - Payroll Liabilities	383,462	377,346	6,116
2400 - Deferred Dues & Other Revenue	2,767,247	2,996,825	(229,578)
Total Other Current Liabilities	<u>4,264,228</u>	<u>4,449,168</u>	<u>(184,940)</u>
Total Current Liabilities	<u>4,349,304</u>	<u>4,581,939</u>	<u>(232,635)</u>
Total Liabilities	<u>4,349,304</u>	<u>4,581,939</u>	<u>(232,635)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,842,824	6,694,051	148,772
3020 - REALTORS Defense Fund	1,682,456	1,682,456	0
Net Income	6,714	148,772	(142,058)
Total Net Assets	<u>8,531,994</u>	<u>8,525,279</u>	<u>6,714</u>
Total LIABILITIES & NET ASSETS	<u>12,881,298</u>	<u>13,107,218</u>	<u>(225,921)</u>

Indiana Association of Realtors, Inc.
Balance Sheet (Detail)

March 31, 2018

	03/31/2018	02/28/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	2,102,436	2,312,111	(209,676)
1029 - First Merchants Checking	10,409	10,409	1
1032 - IAR Checking-ONB	13,859	17,301	(3,443)
1040 - Transmittal Checking Account	32,019	53,998	(21,978)
1050 - PayPal	0	1,997	(1,997)
1118 - REALTORS Federal Credit Union	86	86	0
1125 - IAR-Prof Standards Escrow	37,150	36,400	750
1199 - Cash Owed (to) by RDF	(131,998)	(114,514)	(17,484)
Total 1000 - Cash Accounts	<u>2,064,081</u>	<u>2,317,908</u>	<u>(253,827)</u>
Total Checking/Savings	2,064,081	2,317,908	(253,827)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	14,696	19,604	(4,908)
1211 - Dues Receivable	6,560	7,595	(1,034)
1220 - Other Receivables	1,650	1,850	(200)
1245 - Accrued Interest Receivable	14,162	10,577	3,584
1270 - Note Receivable	1,080,000	1,020,000	60,000
Total 1200 - Accounts Receivable	<u>1,117,068</u>	<u>1,059,626</u>	<u>57,442</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	23,067	62,682	(39,614)
1340 - Postage Deposits	589	588	0
1350 - Other Deposits	0	10,965	(10,965)
Total 1300 - Other Current Assets	<u>23,656</u>	<u>74,235</u>	<u>(50,579)</u>
Total Other Current Assets	<u>1,140,724</u>	<u>1,133,861</u>	<u>6,863</u>
Total Current Assets	<u>3,204,805</u>	<u>3,451,769</u>	<u>(246,964)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1630 - Furniture, Fixtures & Equipmen	381,110	380,065	1,045
Total 1605 - Land, Buildings & Equipment	<u>381,110</u>	<u>380,065</u>	<u>1,045</u>
1680 - Accum. Depreciation - FF&E	(37,613)	(37,613)	0
Total 1655 - Accumulated Depreciation	<u>(37,613)</u>	<u>(37,613)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>343,497</u>	<u>342,452</u>	<u>1,045</u>
Total Fixed Assets	<u>343,497</u>	<u>342,452</u>	<u>1,045</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	379,344	397,188	(17,844)
1203 - Due From 143 LLC	5,302,469	5,297,469	5,000
1204 - Due From 143 LLC (P-ship)	51,383	51,383	0
Total - 1203 - Intercompany Loans Receivable	<u>5,733,196</u>	<u>5,746,040</u>	<u>(12,844)</u>
1500 - Investments			
1510 - SEI Investments	1,876,456	1,871,528	4,928
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,573,083	1,567,942	5,141
1599 - Cash Owed by (to) IAR	131,998	114,514	17,484

Indiana Association of Realtors, Inc.
Balance Sheet (Detail)

March 31, 2018

	03/31/2018	02/28/2018	Difference
Total 1520 - Realtor's Defense Fund Assets	1,705,081	1,682,456	22,625
1540 - Alerus - 457(b) Investments	273,917	268,628	5,289
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	3,595,866	3,563,024	32,842
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(66)	(67)	0
Total 1700 - Capitalized Loan and Lease Costs	3,934	3,933	0
Total Other Assets	9,332,996	9,312,997	19,998
Total ASSETS	12,881,298	13,107,218	(225,921)
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	85,076	132,771	(47,695)
Total Accounts Payable	85,076	132,771	(47,695)
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	380,000	320,000	60,000
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2080 - RPAC Payable	32,019	53,997	(21,978)
2095 - Prof Stds Escrow Liability	1,500	1,000	500
Total 2025 - Other Current Liabilities	1,113,519	1,074,997	38,522
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	3,247	2,420	827
2120 - Post Retirement Benefit Obliga	106,297	106,298	0
2130 - 401(k) Payable	1	0	0
2150 - 457 Plan Liabilities	273,917	268,628	5,289
Total 2100 - Payroll Liabilities	383,462	377,346	6,116
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	2,767,247	2,996,825	(229,578)
Total 2400 - Deferred Dues & Other Revenue	2,767,247	2,996,825	(229,578)
Total Other Current Liabilities	4,264,228	4,449,168	(184,940)
Total Current Liabilities	4,349,304	4,581,939	(232,635)
Total Liabilities	4,349,304	4,581,939	(232,635)
NET ASSETS			
3010 - Unrestricted Net Assets	6,842,824	6,694,051	148,772
3020 - REALTORS Defense Fund	1,682,456	1,682,456	0
Net Income	6,714	148,772	(142,058)
Total Net Assets	8,531,994	8,525,279	6,714
Total LIABILITIES & NET ASSETS	12,881,298	13,107,218	(225,921)

Indiana Association of Realtors, Inc.
Budget Performance (Summary)

March 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	381,744	324,254	1,024,454	972,754	4,032,000	940,903
4200 - Contract Fees & Event Income	25	42	4,170	10,122	42,000	5,305
4300 - Royalties, Rent & Product Sales	1,705	583	4,219	1,753	7,000	3,461
4900 - Other Income	8,115	8,766	24,315	26,306	105,200	28,436
Total Income	391,589	333,645	1,057,158	1,010,935	4,186,200	978,105
Expense						
5000 - Personnel Costs						
5010 - Compensation	116,471	116,667	344,492	349,997	1,525,000	339,110
5020 - Bonus Pool	29,000	29,000	29,205	29,000	100,000	28,204
5030 - Contract Labor / Temp Help	0	167	0	497	2,000	0
5100 - Benefits & Taxes	31,465	26,751	88,192	80,241	321,000	89,863
Total 5000 - Personnel Costs	176,936	172,585	461,889	459,735	1,948,000	457,177
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	8,623	4,461	16,851	15,851	91,250	16,188
5410 - Leadership Travel	7,467	6,552	11,760	31,632	175,850	19,544
Total 5300 Travel & Entertainment	16,090	11,013	28,611	47,483	267,100	35,732
5600 - Professional Fees	25,100	22,959	81,278	71,369	213,000	62,755
5700 - Technology & Equipment	56,110	49,841	161,577	149,531	648,100	143,718
5900 - Office Costs	14,113	6,430	57,645	19,280	78,150	24,920
6100 - Facility Costs	16,545	22,071	53,535	66,211	264,850	32,063
7100 - Programmatic Costs	90,192	25,167	166,066	145,122	571,750	209,630
Total Expense	395,086	310,066	1,010,601	958,731	3,990,950	965,995
Net Ordinary Income	(3,497)	23,579	46,557	52,204	195,250	12,110
Other Income/Expense						
Other Income						
4800 - Investment Income	13,654	2,083	(25,542)	6,253	25,000	69,555
Total Other Income	13,654	2,083	(25,542)	6,253	25,000	69,555
Other Expense						
8000 - Interest Expense	3,443	0	10,633	0	0	0
8100 - Priority Return-Twain	0	0	432	0	0	0
Total Other Expense	3,443	0	11,065	0	0	0
Net Other Income (Expense)	10,211	2,083	(36,607)	6,253	25,000	69,555
Net Income (Loss)	6,714	25,662	9,950	58,457	220,250	81,665

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

March 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Income					
4000 - Membership Income					
4002 - Membership Dues	284,135	267,221	821,179	801,657	3,333,792
4020 - Shared Fees, Local Boards	8,009	8,000	23,838	24,000	96,000
4021 - State Application Fee (even years)	57,941	20,000	89,040	60,000	240,000
4030 - RDF Dues	31,659	29,033	90,397	87,097	362,208
Total 4000 - Membership Income	<u>381,744</u>	<u>324,254</u>	<u>1,024,454</u>	<u>972,754</u>	<u>4,032,000</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	5,000	10,000
4201 - Registration Income	25	42	4,170	5,122	32,000
Total 4200 - Contract Fees & Event Income	<u>25</u>	<u>42</u>	<u>4,170</u>	<u>10,122</u>	<u>42,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	1,705	583	4,219	1,753	7,000
Total 4300 - Royalties, Rent & Product Sales	<u>1,705</u>	<u>583</u>	<u>4,219</u>	<u>1,753</u>	<u>7,000</u>
4900 - Other Income					
4900 - Other Income	765	0	765	0	0
4901 - Grant Income-Temp Restricted	0	833	0	2,503	10,000
4910 - RECP Income	7,100	7,100	21,300	21,300	85,200
4920 - Professional Standards Income	250	833	2,250	2,503	10,000
Total 4900 - Other Income	<u>8,115</u>	<u>8,766</u>	<u>24,315</u>	<u>26,306</u>	<u>105,200</u>
Total Income	391,589	333,645	1,057,158	1,010,935	4,186,200
Expense					
5000 - Personnel Costs					
5010 - Compensation	116,471	116,667	344,492	349,997	1,525,000
5020 - Bonus Pool	29,000	29,000	29,205	29,000	100,000
5030 - Contract Labor / Temp Help	0	167	0	497	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	7,600	8,417	23,321	25,247	101,000
5115 - Wellness Benefit	202	417	756	1,247	5,000
5120 - Dental Insurance	636	583	1,910	1,753	7,000
5125 - Disability Insurance	371	500	1,132	1,500	6,000
5130 - Retirement Benefits	5,006	5,542	15,499	16,622	66,500
5140 - Post-Employment Benefits	1,862	1,875	5,584	5,625	22,500
5150 - Workers Compensation Insuranc	630	750	1,891	2,250	9,000
5160 - Payroll Taxes	11,231	6,667	32,448	19,997	80,000
5170 - Professional Development	0	417	0	1,247	5,000
5180 - Dues & Subscriptions	3,927	1,583	5,651	4,753	19,000

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

March 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	31,465	26,751	88,192	80,241	321,000
Total 5000 - Personnel Costs	176,936	172,585	461,889	459,735	1,948,000
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	2,989	667	4,501	2,497	17,500
5320 - Staff Lodging	3,596	979	4,037	4,439	30,750
5330 - Staff Mileage	609	709	2,414	2,119	9,250
5340 - Staff Meals	1,399	1,439	4,565	4,799	20,750
5350 - Staff Hospitality	30	83	1,224	253	2,500
5360 - Conference Registration Fees	0	584	110	1,744	10,500
Total 5310 - Staff Travel Costs	8,623	4,461	16,851	15,851	91,250
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	61	709	945	3,119	23,500
5420 - Board / Volunteer Lodging	2,208	2,541	3,596	11,631	77,500
5430 - Board / Volunteer Mileage	464	980	1,336	3,930	14,250
5440 - Board / Volunteer Meals	4,734	1,654	5,225	9,964	41,850
5450 - Board / Volunteer Hospitality	0	585	658	2,735	11,000
5460 - Conference Registration Fees	0	83	0	253	7,750
Total 5410 - Leadership Travel	7,467	6,552	11,760	31,632	175,850
Total 5300 Travel & Entertainment	16,090	11,013	28,611	47,483	267,100
5600 - Professional Fees					
5610 - Legal Services	8,446	2,917	11,066	8,747	35,000
5620 - Audit & Tax Services	5,890	7,500	29,066	25,000	27,500
5630 - Accounting Services	9,264	10,417	36,646	31,247	125,000
5640 - Other Consulting Services	0	625	0	1,875	7,500
5650 - President's Stipend	1,500	1,500	4,500	4,500	18,000
Total 5600 - Professional Fees	25,100	22,959	81,278	71,369	213,000
5700 - Technology & Equipment					
5710 - Technology Consulting Service	54,574	46,834	153,476	140,494	612,000
5720 - Equipment Repairs & Maintenance	0	83	756	253	1,000
5730 - Small Equipment Purchases	0	625	1,326	1,875	7,500
5740 - Equipment > \$1000	0	83	2,005	253	1,000
5750 - Equipment Lease Payments	700	833	2,455	2,503	10,000
5760 - Software & Licensing Fees	836	1,383	1,559	4,153	16,600
Total 5700 - Technology & Equipment	56,110	49,841	161,577	149,531	648,100
5900 - Office Costs					
5910 - Telephone	2,964	1,708	12,000	5,128	20,500
5920 - Postage	24	129	24	389	1,550

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

March 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	8	0	28	100
5930 - Office Supplies	671	334	2,616	994	4,000
5932 - Kitchen Supplies	470	333	885	1,003	4,000
5940 - Printing	0	625	7,982	1,875	7,500
5950 - Liability Insurance	11,547	1,042	13,017	3,122	12,500
5960 - Licenses and Fees	0	125	0	375	1,500
5970 - Bank & Credit Card Fees	932	1,667	14,399	4,997	20,000
5980 - Miscellaneous	(2,495)	459	6,722	1,369	6,500
Total 5900 - Office Costs	14,113	6,430	57,645	19,280	78,150
6100 - Facility Costs					
6110 - Office Rent & Parking	16,545	22,071	53,535	66,211	264,850
Total 6100 - Facility Costs	16,545	22,071	53,535	66,211	264,850
7100 - Programmatic Costs					
7110 - Facility Rental	0	250	3,500	750	3,000
7120 - Catering	58,773	6,959	62,080	35,869	148,500
7130 - Honorarium/Speaker Fees	461	1,749	611	7,759	28,500
7140 - Speaker Travel	2,000	375	2,000	2,125	6,500
7150 - Plaques & Awards	0	438	2,811	1,308	6,000
7160 - Event Sponsorships	246	542	7,221	1,622	6,500
7170 - Curriculum	0	125	0	375	1,500
7210 - Website Development / Hosting	2,874	2,500	8,623	7,500	30,000
7220 - Internet Communications	4,811	2,458	15,408	7,378	29,500
7225 - Publications	505	625	4,135	13,375	19,000
7240 - Video Production & Editing	600	126	600	366	1,500
7250 - Media / Public Relations Proj	0	42	0	122	500
7310 - Other Program Costs	12,422	3,646	13,192	13,436	78,250
7320 - Grants	7,500	2,791	7,500	8,381	33,500
7330 - Electronic Forms	0	0	38,385	37,125	148,500
7410 - Marketing Research	0	541	0	1,631	6,500
7420 - Outreach	0	459	0	1,369	5,500
7440 - Issue Research	0	708	0	2,128	8,500
7450 - Legislative Advocacy	0	833	0	2,503	10,000
Total 7100 - Programmatic Costs	90,192	25,167	166,066	145,122	571,750
Total Expense	395,086	310,066	1,010,601	958,731	3,990,950
Net Ordinary Income	(3,497)	23,579	46,557	52,204	195,250
Other Income/Expense					
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	2,982	2,083	8,956	6,253	25,000

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

March 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
4811 - Interest Income (notes payable)	3,584	0	10,662	0	0
4815 - Unrealized Gains/Losses	7,088	0	(41,130)	0	0
4820 - Realized Gains/Losses	0	0	300	0	0
4830 - Investment Management Fees	0	0	(4,330)	0	0
Total 4800 - Investment Income	<u>13,654</u>	<u>2,083</u>	<u>(25,542)</u>	<u>6,253</u>	<u>25,000</u>
Total Other Income	13,654	2,083	(25,542)	6,253	25,000
Other Expense					
8000 - Interest Expense	3,443	0	10,633	0	0
8100 - Priority Return-Twain	0	0	432	0	0
Total Other Expense	<u>3,443</u>	<u>0</u>	<u>11,065</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>10,211</u>	<u>2,083</u>	<u>(36,607)</u>	<u>6,253</u>	<u>25,000</u>
Net Income (Loss)	<u>6,714</u>	<u>25,662</u>	<u>9,950</u>	<u>58,457</u>	<u>220,250</u>

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the three months ended March 31, 2018 and year ending December 31, 2018

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

Historical

- The financial statements omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America.
- Certain accruals and adjustments are made on an annual basis in preparation for the organization's annual audit.
- The Budget Performance reports do not report changes in net assets among unrestricted, temporarily restricted and permanently restricted in accordance with GAAP.

Forecast/Budget

- The forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The forecasted financial information omits the summary of significant accounting policies.

The effects of these departures have not been determined.

Additional Information

- The Balance Sheet includes a comparison with the period ended February 28, 2018 for additional meaningful data for management and the board.

Summary of Significant Assumptions

These financial forecasts present, to the best of management's knowledge and belief, the Association's expected results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of November 9, 2017, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Statement of Operations Assumptions

- Revenue from members is expected to remain in line with the prior year, with no significant increase expected
- The Association will continue its current monthly lease of \$19,071 per month for office space
- Salaries, benefits, and taxes are expected to remain in line with the prior year, with no significant increase expected
- Facility costs are expected to increase by 200% due to the move to the new office space
- All other expenses are expected to decrease by 6%