

Indiana Association of Realtors

June 2017

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during June by \$685,000 with ending balance of \$2,201,000 mostly due to transfers made to 143 LLC for construction costs and invoices paid to RJE Business Interiors for office furniture for the Realtor Building.
- Accounts Receivable has an ending balance of \$111,000 and includes \$99,000 grant due from NAR for the issues mobilization costs charged to RDF programming (this grant was received in early July).
- Prepaid expenses decreased by \$6,000 with an ending balance of \$52,000.
- The amounts Due from One Forty Three LLC increased by \$352,000 during the month due to transfers from IAR to cover renovation costs. Balance at month end is \$5,057,000.
- The amount Due from ISRE decreased by \$11,000 during the month with an ending balance of \$317,000. There was a payment of \$96,000 from ISRE to IAR during the month.
- IAR investments decreased by \$12,000 during the month with an ending balance of \$1,834,000 and RDF investments also decreased by \$12,000 with an ending balance of \$1,604,000. (Note-June investment statements were not yet available so estimate was made based on website balance at month end. Any differences will be run through the next month.)
- Accounts payable decreased by \$71,000 due to payment of Core Logic invoice and American Express bill along with the fact that the May invoice from Core Logic has not yet been received and is included in Accrued Payables. Accounts payable had an ending balance of \$15,000.
- Accrued Payables increased by \$30,000 with an ending balance of \$75,000 and included two months of Core Logic invoices not yet received (May and June).
- Dues payable for 2017 decreased by \$269,000, from \$2,002,000 to \$1,733,000 due to amortization of dues payments for June. This balance will be amortized monthly over the remainder of the year and recognized as income.

Income Statement

- Net loss of (\$88,000) was recorded for the month, which represents net loss from operations of (\$61,000) and investment losses (net of interest expense) of (\$27,000).
- YTD net income was \$69,000 compared to budgeted net loss of (\$203,000).
- Compared to the prior year, net income YTD was \$307,000 lower (82%) than the prior YTD net income of \$377,000.
- Membership income for the current month was \$339,000, which was above the monthly budget of \$300,000 by \$39,000 or 13%.
- Membership income YTD was \$1,970,000 and was above the YTD budget of \$1,800,000 by \$170,000 or 9%.
- Compared to the prior year, membership income YTD was \$125,000 (7%) higher than the prior YTD amount of \$1,845,000.
- Total expenses for the month were \$410,000, and were above the monthly budget of \$373,000 by \$37,000 or 10% mostly due to travel and facility costs – facility costs includes \$121,000 for new office furniture for the Realtor Building which will be reclassified as fixed assets at year end.
- Total expenses YTD were \$2,190,000 and were over the YTD budget of \$2,083,000 by \$108,000 or 5%, mostly due to issues mobilization expenses charged to RDF programming and included in programmatic costs.
- Compared to the prior year, expenses YTD are \$475,000 (28%) higher mostly due to facility costs and issues mobilization expenses included in programmatic costs.

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

June 30, 2017

	06/30/2017	05/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	2,200,697	2,885,753	(685,057)
Total Checking/Savings	<u>2,200,697</u>	<u>2,885,753</u>	<u>(685,057)</u>
Other Current Assets			
1200 - Accounts Receivable	110,987	113,436	(2,448)
1300 - Other Current Assets	63,125	69,504	(6,379)
Total Other Current Assets	<u>174,112</u>	<u>182,940</u>	<u>(8,827)</u>
Total Current Assets	<u>2,374,809</u>	<u>3,068,693</u>	<u>(693,884)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	38,240	38,241	0
Total Fixed Assets	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,373,388	5,033,082	340,305
1500 - Investments	3,552,330	3,560,767	(8,437)
Total Other Assets	<u>8,925,718</u>	<u>8,593,849</u>	<u>331,868</u>
Total ASSETS	<u>11,338,767</u>	<u>11,700,783</u>	<u>(362,016)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	14,555	85,448	(70,893)
Total Accounts Payable	<u>14,555</u>	<u>85,448</u>	<u>(70,893)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,173,595	1,108,002	65,593
2100 - Payroll Liabilities	338,349	338,350	0
2400 - Deferred Dues & Other Revenue	1,732,544	2,001,720	(269,177)
Total Other Current Liabilities	<u>3,244,488</u>	<u>3,448,072</u>	<u>(203,584)</u>
Total Current Liabilities	<u>3,259,043</u>	<u>3,533,520</u>	<u>(274,477)</u>
Total Liabilities	<u>3,259,043</u>	<u>3,533,520</u>	<u>(274,477)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,560,913	6,567,495	(6,582)
3020 - REALTORS Defense Fund	1,606,350	1,602,721	3,629
Net Income	(87,539)	(2,953)	(84,586)
Total Net Assets	<u>8,079,724</u>	<u>8,167,263</u>	<u>(87,539)</u>
Total LIABILITIES & NET ASSETS	<u>11,338,767</u>	<u>11,700,783</u>	<u>(362,016)</u>

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

June 30, 2017

	06/30/2017	05/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	513,344	996,977	(483,633)
1029 - First Merchants Checking	1,269,048	1,268,864	184
1032 - IAR Checking-ONB	22,070	247,084	(225,014)
1040 - Transmittal Checking Account	96,904	61,611	35,293
1050 - PayPal	2,547	0	2,547
1118 - REALTORS Federal Credit Union	270,383	270,073	309
1125 - IAR-Prof Standards Escrow	28,750	28,000	750
1199 - Cash Owed (to) by RDF	(2,469)	13,024	(15,493)
Total 1000 - Cash Accounts	<u>2,200,697</u>	<u>2,885,753</u>	<u>(685,057)</u>
Total Checking/Savings	2,200,697	2,885,753	(685,057)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	110,451	109,276	1,176
1211 - Dues Receivable	536	4,160	(3,624)
Total 1200 - Accounts Receivable	<u>110,987</u>	<u>113,436</u>	<u>(2,448)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	51,572	57,951	(6,379)
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>63,125</u>	<u>69,504</u>	<u>(6,379)</u>
Total Other Current Assets	<u>174,112</u>	<u>182,940</u>	<u>(8,827)</u>
Total Current Assets	<u>2,374,809</u>	<u>3,068,693</u>	<u>(693,884)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1630 - Furniture, Fixtures & Equipmen	251,928	251,928	0
Total 1605 - Land, Buildings & Equipment	<u>251,928</u>	<u>251,928</u>	<u>0</u>
1655 - Accumulated Depreciation			
1680 - Accum. Depreciation - FF&E	(213,688)	(213,687)	0
Total 1655 - Accumulated Depreciation	<u>(213,688)</u>	<u>(213,687)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Total Fixed Assets	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1203 - Due From 143 LLC	5,056,819	4,705,257	351,561
1260 - Due from ISRE	316,569	327,825	(11,256)
Total - 1203 - Intercompany Loans Receivable	<u>5,373,388</u>	<u>5,033,082</u>	<u>340,305</u>
1500 - Investments			
1510 - SEI Investments	1,833,809	1,845,875	(12,066)
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,603,882	1,615,746	(11,864)
1599 - Cash Owed by (to) IAR	2,469	(13,024)	15,493
Total 1520 - Realtor's Defense Fund Assets	<u>1,606,351</u>	<u>1,602,722</u>	<u>3,629</u>
1530 - Cambridge Ventures L.P.	101,941	101,941	0
1540 - Alerus - 457(b) Investments	224,189	224,189	0

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

June 30, 2017

	06/30/2017	05/31/2017	Difference
1810 - Investment in ISRE	(213,960)	(213,960)	0
Total 1500 - Investments	3,552,330	3,560,767	(8,437)
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	0	0	0
Total Other Assets	8,925,718	8,593,849	331,868
Total ASSETS	11,338,767	11,700,783	(362,016)
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	14,555	85,448	(70,893)
Total Accounts Payable	14,555	85,448	(70,893)
Other Current Liabilities			
2025 - Other Current Liabilities			
2035 - Line of Credit-ONB	1,000,000	1,000,000	0
2040 - Accrued Payables	75,190	45,390	29,800
2080 - RPAC Payable	96,905	61,612	35,293
2095 - Prof Stds Escrow Liability	1,500	1,000	500
Total 2025 - Other Current Liabilities	1,173,595	1,108,002	65,593
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	114,160	114,161	0
2150 - 457 Plan Liabilities	224,189	224,189	0
Total 2100 - Payroll Liabilities	338,349	338,350	0
2400 - Deferred Dues & Other Revenue			
2415 - Dues Payable, Odd Year	1,732,544	2,001,720	(269,177)
Total 2400 - Deferred Dues & Other Revenue	1,732,544	2,001,720	(269,177)
Total Other Current Liabilities	3,244,488	3,448,072	(203,584)
Total Current Liabilities	3,259,043	3,533,520	(274,477)
Total Liabilities	3,259,043	3,533,520	(274,477)
NET ASSETS			
3010 - Unrestricted Net Assets	6,560,913	6,567,495	(6,582)
3020 - REALTORS Defense Fund	1,606,350	1,602,721	3,629
Net Income	(87,539)	(2,953)	(84,586)
Total Net Assets	8,079,724	8,167,263	(87,539)
Total LIABILITIES & NET ASSETS	11,338,767	11,700,783	(362,016)

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	338,819	300,000	1,969,979	1,800,000	3,600,000	1,845,138
4200 - Contract Fees & Event Income	2,635	42	7,940	13,752	70,500	7,039
4300 - Royalties, Rent & Product Sales	190	417	6,296	2,502	5,000	6,059
4900 - Other Income	7,350	8,475	194,234	50,850	101,700	54,293
Total Income	348,994	308,934	2,178,449	1,867,104	3,777,200	1,912,529
Expense						
5000 - Personnel Costs						
5010 - Compensation	113,841	127,719	680,655	766,314	1,532,622	606,269
5020 - Bonus Pool	17	0	28,278	28,000	80,000	24,000
5030 - Contract Labor / Temp Help	0	1,450	1,200	8,700	17,400	6,787
5100 - Benefits & Taxes	24,706	27,128	166,413	162,768	325,524	155,315
Total 5000 - Personnel Costs	138,564	156,297	876,546	965,782	1,955,546	792,371
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	12,788	4,355	41,564	47,130	99,450	45,542
5410 - Leadership Travel	30,701	4,753	71,243	69,518	135,250	97,026
Total 5300 Travel & Entertainment	43,489	9,108	112,807	116,648	234,700	142,568
5600 - Professional Fees	12,331	21,333	111,922	155,498	283,500	116,083
5700 - Technology & Equipment	60,674	47,041	309,938	282,246	564,500	257,911
5900 - Office Costs	4,306	8,827	41,484	53,962	106,950	52,535
6100 - Facility Costs	131,967	110,742	186,217	250,452	428,910	66,473
7100 - Programmatic Costs	18,776	19,695	551,425	258,045	513,350	287,272
Total Expense	410,107	373,043	2,190,339	2,082,633	4,087,456	1,715,213
Net Ordinary Income	(61,113)	(64,109)	(11,890)	(215,529)	(310,256)	197,316
Other Income/Expense						
Other Income						
4800 - Investment Income	(23,412)	2,083	87,229	12,498	25,000	179,577
Total Other Income	(23,412)	2,083	87,229	12,498	25,000	179,577
Other Expense						
8000 - Interest Expense	3,014	0	5,931	0	0	0
Total Other Expense	3,014	0	5,931	0	0	0
Net Other Income (Expense)	(26,426)	2,083	81,298	12,498	25,000	179,577
Net Income (Loss)	(87,539)	(62,026)	69,408	(203,031)	(285,256)	376,893

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Income					
4000 - Membership Income					
4002 - Membership Dues	272,517	245,344	1,550,871	1,472,064	2,944,128
4020 - Shared Fees, Local Boards	7,746	8,000	45,592	48,000	96,000
4023 - State Application Fee (odd years)	28,887	20,000	203,727	120,000	240,000
4030 - RDF Dues	29,669	26,656	169,789	159,936	319,872
Total 4000 - Membership Income	338,819	300,000	1,969,979	1,800,000	3,600,000
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	10,000	30,000
4201 - Registration Income	2,635	42	7,940	3,752	40,500
Total 4200 - Contract Fees & Event Income	2,635	42	7,940	13,752	70,500
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	190	417	6,296	2,502	5,000
Total 4300 - Royalties, Rent & Product Sales	190	417	6,296	2,502	5,000
4900 - Other Income					
4900 - Other Income	0	833	(745)	4,998	10,000
4901 - Grant Income-Temp Restricted	0	0	142,129	0	0
4910 - RECP Income	7,100	7,100	42,600	42,600	85,200
4920 - Professional Standards Income	250	542	10,250	3,252	6,500
Total 4900 - Other Income	7,350	8,475	194,234	50,850	101,700
Total Income	348,994	308,934	2,178,449	1,867,104	3,777,200
Expense					
5000 - Personnel Costs					
5010 - Compensation	113,841	127,719	680,655	766,314	1,532,622
5020 - Bonus Pool	17	0	28,278	28,000	80,000
5030 - Contract Labor / Temp Help	0	1,450	1,200	8,700	17,400
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	8,049	8,605	47,626	51,630	103,262
5115 - Wellness Benefit	120	167	1,092	1,002	2,000
5120 - Dental Insurance	682	667	4,049	4,002	8,000
5125 - Disability Insurance	925	1,042	5,504	6,252	12,500
5130 - Retirement Benefits	4,524	5,417	29,575	32,502	65,000
5140 - Post-Employment Benefits	1,820	1,250	11,119	7,500	15,000
5150 - Workers Compensation Insuranc	733	583	6,298	3,498	7,000
5160 - Payroll Taxes	7,078	7,772	54,369	46,632	93,262
5170 - Professional Development	295	416	995	2,496	5,000
5180 - Dues & Subscriptions	480	1,209	5,786	7,254	14,500

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	24,706	27,128	166,413	162,768	325,524
Total 5000 - Personnel Costs	138,564	156,297	876,546	965,782	1,955,546
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	2,298	730	11,261	9,880	15,750
5320 - Staff Lodging	6,748	855	11,961	14,630	31,750
5330 - Staff Mileage	0	655	2,998	4,430	9,100
5340 - Staff Meals	2,121	1,585	8,799	12,510	27,500
5350 - Staff Hospitality	46	271	920	4,126	6,750
5360 - Conference Registration Fees	1,575	259	5,625	1,554	8,600
Total 5310 - Staff Travel Costs	12,788	4,355	41,564	47,130	99,450
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	6,291	584	12,094	12,504	19,500
5420 - Board / Volunteer Lodging	19,169	1,979	33,000	31,874	59,250
5430 - Board / Volunteer Mileage	749	483	3,410	5,398	10,300
5440 - Board / Volunteer Meals	2,973	1,184	17,027	13,104	27,200
5450 - Board / Volunteer Hospitality	1,069	439	1,377	6,134	13,750
5460 - Conference Registration Fees	450	84	4,335	504	5,250
Total 5410 - Leadership Travel	30,701	4,753	71,243	69,518	135,250
Total 5300 Travel & Entertainment	43,489	9,108	112,807	116,648	234,700
5600 - Professional Fees					
5610 - Legal Services	6,080	2,750	24,723	16,500	33,000
5620 - Audit & Tax Services	2,750	0	23,375	27,500	27,500
5630 - Accounting Services	2,001	10,417	54,824	62,502	125,000
5640 - Other Consulting Services	0	6,666	0	39,996	80,000
5650 - President's Stipend	1,500	1,500	9,000	9,000	18,000
Total 5600 - Professional Fees	12,331	21,333	111,922	155,498	283,500
5700 - Technology & Equipment					
5710 - Technology Consulting Service	59,361	44,625	301,129	267,750	535,500
5720 - Equipment Repairs & Maintenance	0	83	414	498	1,000
5730 - Small Equipment Purchases	0	250	26	1,500	3,000
5740 - Equipment > \$1000	0	833	0	4,998	10,000
5750 - Equipment Lease Payments	537	417	2,797	2,502	5,000
5760 - Software & Licensing Fees	776	833	5,572	4,998	10,000
Total 5700 - Technology & Equipment	60,674	47,041	309,938	282,246	564,500
5900 - Office Costs					
5910 - Telephone	1,797	4,374	9,120	26,244	52,500
5920 - Postage	2	116	452	696	1,400

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	8	28	48	100
5930 - Office Supplies	240	300	1,765	1,800	3,600
5932 - Kitchen Supplies	373	333	2,067	1,998	4,000
5934 - Bathroom Supplies	0	83	0	498	1,000
5940 - Printing	0	562	4,172	3,372	6,750
5950 - Liability Insurance	896	1,042	6,177	6,252	12,500
5960 - Licenses and Fees	0	125	22	750	1,500
5970 - Bank & Credit Card Fees	1,006	1,667	14,198	10,002	20,000
5980 - Miscellaneous	(8)	217	3,483	2,302	3,600
Total 5900 - Office Costs	4,306	8,827	41,484	53,962	106,950
6100 - Facility Costs					
6110 - Office Rent & Parking	10,699	20,742	64,161	124,452	248,910
6115 - Other temp office costs	121,268	90,000	121,267	126,000	180,000
6180 - Property Taxes	0	0	789	0	0
Total 6100 - Facility Costs	131,967	110,742	186,217	250,452	428,910
7100 - Programmatic Costs					
7110 - Facility Rental	282	292	282	1,877	3,000
7120 - Catering	120	2,917	80,868	77,752	146,000
7130 - Honorarium/Speaker Fees	0	1,334	2,000	10,504	23,500
7140 - Speaker Travel	0	332	3,534	2,992	6,000
7150 - Plaques & Awards	8	308	2,303	2,098	4,700
7160 - Event Sponsorships	0	521	5,750	3,126	6,250
7210 - Website Development / Hosting	2,874	1,700	19,046	10,200	20,400
7215 - Clipping Service	0	417	0	2,502	5,000
7220 - Internet Communications	2,882	250	16,380	1,500	3,000
7225 - Publications	477	687	4,493	4,122	8,250
7240 - Video Production & Editing	0	84	99	504	1,000
7250 - Media / Public Relations Proj	0	42	0	252	500
7310 - Other Program Costs	12,133	3,103	337,532	22,368	49,250
7320 - Grants	0	2,791	3,750	16,746	33,500
7330 - Electronic Forms	0	0	73,388	72,000	144,000
7410 - Marketing Research	0	2,542	0	15,252	30,500
7420 - Outreach	0	501	500	3,006	6,000
7440 - Issue Research	0	833	1,500	4,998	10,000
7450 - Legislative Advocacy	0	1,041	0	6,246	12,500
Total 7100 - Programmatic Costs	18,776	19,695	551,425	258,045	513,350
Total Expense	410,107	373,043	2,190,339	2,082,633	4,087,456
Net Ordinary Income	(61,113)	(64,109)	(11,890)	(215,529)	(310,256)

Other Income/Expense

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

June 30, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	518	2,083	18,443	12,498	25,000
4815 - Unrealized Gains/Losses	(23,930)	0	72,709	0	0
4820 - Realized Gains/Losses	0	0	4,791	0	0
4830 - Investment Management Fees	0	0	(8,714)	0	0
Total 4800 - Investment Income	<u>(23,412)</u>	<u>2,083</u>	<u>87,229</u>	<u>12,498</u>	<u>25,000</u>
Total Other Income	<u>(23,412)</u>	<u>2,083</u>	<u>87,229</u>	<u>12,498</u>	<u>25,000</u>
Other Expense					
8000 - Interest Expense	3,014	0	5,931	0	0
Total Other Expense	<u>3,014</u>	<u>0</u>	<u>5,931</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>(26,426)</u>	<u>2,083</u>	<u>81,298</u>	<u>12,498</u>	<u>25,000</u>
Net Income (Loss)	<u>(87,539)</u>	<u>(62,026)</u>	<u>69,408</u>	<u>(203,031)</u>	<u>(285,256)</u>

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the Six Months Ended June 30, 2017 and Year Ending December 31, 2017

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 May 31, 2017 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 July 14, 2016, 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 is expected to grow at a rate of 5% based on membership count of 16,303
- The Association will continue its current monthly lease of \$15,556 (rent and parking) thru September 2017 at which time it is expected the Association will move to its new location at the Realtor Building, which is owned by an affiliate of the Association, One Forty Three LLC. A new lease which is yet to be finalized is expected to have monthly lease payments of approximately \$20,000.
- Salaries, benefits, and taxes are expected to increase by 20%
- Facility costs are expected to increase by 200% due to the move to the new location as mentioned above
- All other expenses are expected to increase by 1.4%