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## EXECUTIVE COMMITTEE MEETING

March 19, 2018 ~ 2:00 pm

Renaissance Phoenix Glendale Hotel & Spa – Glendale, Arizona

### AGENDA

- A. **CALL TO ORDER** – President Lori Doerfler, ABR, CIPS, rCRMS, CRS, GRI, PMN
- B. **ROLL CALL** (reimbursement slips)
- C. **PRESIDENT’S REPORT** – President Lori Doerfler, ABR, CIPS, rCRMS, CRS, GRI, PMN
  - 1. Approval of Meeting Minutes for January 10, 2018 as delivered (**attachment 01**)
- D. **TREASURER’S REPORT** – Treasurer Jan Leighton, CRS, GRI, e-PRO
  - 1. 2017 Audit Report (**attachment 02**)
  - 2. Allocation of 2017 Accumulated Operating Surplus – **MOTION** (**attachment 03**)
  - 3. 2018 Year-to-Date Financials (**attachment 04**)
  - 4. 2018 Capital Budget Update (**attachment 05**)
  - 5. Investment Accounts Review – Ryan Moore, Senior VP, UBS Financial Services
- E. **CHIEF EXECUTIVE OFFICER’S REPORT** – Michelle Lind, CEO (**attachment 06**)
  - 1. CEO Update – Michelle Lind, CEO
  - 2. Legal Update – Scott Drucker, General Counsel
- F. **PRIMARY COMMITTEE REPORTS**
  - 1. Professional & Business Development (**PBD**) – Susan Slattery, GRI (**attachment 07**)
  - 2. Business Services & Technology (**BST**) – Carlos Ramos (**attachment 08**)
  - 3. Risk Management (**RM**) – Beth Adams, rCRMS (**attachment 09**)
    - a. Adoption of Hearing Panel Decisions (Executive Session/Motions) – **Separate ShareFile Folder**
    - b. On-site Wastewater Treatment Facility Addendum Revision – **MOTION** (**attachment 10**)
  - 4. Legislative & Political Affairs (**LPA**) – Kent Simpson (**attachment 11**)
    - a. RAPAC/RIMC Activity Report (**attachment 12**)
    - b. RAPAC Thank You Gifts – **MOTION** (**attachment 13**)
    - c. RIMC Policy Revision – **MOTION** (**attachment 14**)
    - d. RIMC Fund Allocation – **MOTION** (**attachment 15**)
    - e. RAPAC Bylaws Revision – **MOTION** (**attachment 16**)

**G. REGION VICE PRESIDENTS' REPORTS**

1. Region 1 – Dale Kelley
2. Region 2 – Christopher Paris, CRS, GRI
3. Region 3 – Dani Lawrence
4. Region 4 – Pamela Frestedt, GRI, PMN, AHWD, e-PRO
5. Region 5 – Eric Gibbs
6. AE Representative – Rebecca Grossman, RCE, GREEN

**H. UNFINISHED BUSINESS**

**I. NEW BUSINESS**

1. 2019 Elections
2. Leadership Appointment Vacancies – **MOTION (attachment 17)**
3. AAR Bylaws Revisions - NAR Model Bylaws Compliance – **MOTION (attachment 18)**
4. Region XI Nominating Committee - Arizona Appointments – **MOTION (attachment 19)**
5. **Next Meeting:** Wednesday, June 6, 2018 / 1:00 pm @ AAR

**J. ADJOURN**

**ARIZONA ASSOCIATION OF REALTORS®**

**EXECUTIVE COMMITTEE MEETING**

**January 10, 2018  
AAR ~ Phoenix, AZ**

**DRAFT MINUTES**

**CALL TO ORDER**

The meeting was called to order at 1:05 p.m. by President Doerfler. A quorum was present.

**Present**

|                 |                  |                  |
|-----------------|------------------|------------------|
| Lori Doerfler   | D. Patrick Lewis | Mary Roberts     |
| Jan Leighton    | Dale Kelley      | Dani Lawrence    |
| Eric Gibbs      | Kent Simpson     | Beth Adams       |
| Carlos Ramos    | Susan Slattery   | Rebecca Grossman |
| Paula Monthofer |                  |                  |

**Absent**

|                   |              |
|-------------------|--------------|
| Christopher Paris | Dee Schippel |
|-------------------|--------------|

**Staff**

|                 |                   |                |
|-----------------|-------------------|----------------|
| Michelle Lind   | Christina Smalls  | Monica Schulik |
| Barb Freestone  | Scott Drucker     | Nick Catanesi  |
| Nicole LaSlavic | Michelle Sinclair |                |

**PRESIDENT'S REPORT – President Doerfler**

**Approval of Meeting Minutes** – The minutes from the August 25, 2017 and October 11, 2017 meetings were approved as delivered.

**Executive Committee Reference Materials** – President Doerfler gave an overview the Reference Materials for the year.

**Operating Reserve Legal Assistance Request Procedures** – CEO Michelle Lind gave an overview of the Legal Assistance Request Procedure.

**Online Voting** – CEO Michelle Lind discussed the email voting protocol with the committee.

**MOTION:** It was moved, seconded and carried to continue online voting as it has been conducted in the past.

**Role of ExCom in Professional Standards** – General Counsel Scott Drucker gave the committee a review of their role in rendering decisions on Professional Standards cases.

**TREASURER'S REPORT – Treasurer Leighton**

**2018 Operating Budget** – Treasurer Leighton gave an overview of the 2018 budget.

**Financial Update Process** – Treasurer Leighton gave an overview of the process of updating financials.

**Financial Report** – Treasurer Leighton gave an update on the 2017 year-to-date financials.

**2017 and 2018 Capital Budget Updates** – Treasurer Leighton gave an update on the 2017 and 2018 capital budgets.

**CHIEF EXECUTIVE OFFICER’S REPORT – CEO Michelle Lind**

**CEO/Operations Update** – CEO Michelle Lind gave an update on the Operations and Strategic Initiatives area.

**MOTION:** It was moved, seconded and carried to approve the CEO job description as delivered.

**MOTION:** It was moved, seconded and carried to approve the Board of Directors position description as delivered.

**Arizona REALTORS® Disaster Assistance Foundation (ARDAF) Update** – CEO Michelle Lind gave an update on the Foundation.

**Arizona REALTORS® Foundation for Housing and Community Outreach (ARFHCO) Update** – Director of Association Relations, Monica Schulik, gave an update to the committee.

**Arizona REALTORS® Scholarships** – Director of Association Relations, Monica Schulik, gave an update to the committee.

**Legal Update** – General Counsel Scott Drucker gave an update on current legal issues being monitored by the Arizona Association of REALTORS®.

**PRIMARY COMMITTEE REPORTS**

**Professional and Business Development (PBD)** – Chair Susan Slattery gave an update on the PBD area’s activities year-to-date.

**Business Services and Technology (BS&T)** – Chair Carlos Ramos gave an update on the progress of the BS&T area’s year-to-date activities.

**Risk Management –**

**In Executive session:** Five (5) hearing panel decisions were adopted.

Chair Beth Adams gave an update on the Risk Management Committee’s activities year-to-date.

**MOTION:** It was moved, seconded and carried to approve for release on or about February 1, 2018 a revised Additional Clause Addendum adding the following language to end of line 30: “Unless otherwise prohibited by federal law.”

**MOTION:** It was moved, seconded and carried to approve for release on or about February 1, 2018 a revised Residential Lease Owner’s Property Disclosure Statement removing lines 112 through 114.

**MOTION:** It was moved, seconded and carried to approve the following revisions to the Arizona Association of REALTORS® Professional Standards Policies and Procedures Adaptations to the NAR Code of Ethics and Arbitration Manual:

- A. Section 19(B)(4) of AAR’s Policies and Procedures Adaptations be deleted and replaced with the language set forth in Section 19(B)(4) of NAR’s Code of Ethics and Arbitration Manual;
- B. Section 20(e) of AAR’s Policies and Procedures Adaptations be deleted and replaced with the language set forth in Section 20(e) of NAR’s Code of Ethics and Arbitration Manual;
- C. The verbatim restatement of AAR Bylaws Articles II, X and XIII as contained in AAR’s Policies and Procedures Adaptations be deleted and replaced with a reference to said Articles; and
- D. AAR’s Administrative Time Frames – Ethics Proceedings, Internal Policy G, be deleted and replaced with the following language: “If held in abeyance, return case to GVC to consider after 3 years.”

**MOTION:** It was moved, seconded and carried to approve changes to AAR’s waiver of right to hearing form to state, “Your response to question one will be verified by AAR’s Professional Standards Administrator.”

**Legislative and Political Affairs** – Chair Kent Simpson gave an update on the year-to-date activities of the LPA area.

### **REGION VICE PRESIDENTS’ REPORTS**

**Region 1** – Vice President Dale Kelley gave an update on the region activities.

**Region 2** – Vice President Christopher Paris was absent. There was no report for Region 2.

**Region 3** – Vice President Dani Lawrence gave a brief update on the region activities.

**Region 4** – Vice President Dee Schippel was absent. There was no report for Region 4.

**Region 5** – Vice President Eric Gibbs gave a brief update on region activities.

**AE Representative** – Association Executive Representative Rebecca Grossman gave an update on issues of concern to the local association executives.

### **UNFINISHED BUSINESS**

There was no unfinished business.

### **NEW BUSINESS**

**2019 Planning and Budget Timeline** – President Doerfler gave an overview of the deadlines for submitting 2019 budgets.

**2019 Committee Leadership Appointments** – President-elect Lewis and First Vice President Roberts presented their leadership appointment for 2019.

**MOTION:** It was moved, seconded and carried to recommend approval of the following leadership appointments for Primary Committees and Local Association Executive for 2019 to the Board of Directors.

- Legislative and Political Affairs:  
**Eric Gibbs**, Chair  
**Pam Frestedt**, Vice Chair
- Business Services and Technology  
**Aaron Pfeifer**, Chair  
**Steve Redmond**, Vice Chair
- Risk Management  
**Brad Ryan**, Chair  
**Jim Durham**, Vice Chair
- Professional and Business Development  
**Sindy Ready**, Chair  
**Marci Slater**, Vice Chair
- Local Association Executive appointment to Executive Committee  
**Janet Kane**, Southeast Valley Regional Association of REALTORS®

**AAR Bylaws, Policies and Official Statements Revisions –**

**MOTION:** It was moved, seconded and carried to approve the following revisions to the AAR Bylaws, Policies and Official Statements: (i) Article II, Section 4d to create an additional way of ensuring accountability of terminated or resigned respondents with an ethics complaint; (ii) Amend Policy G.11 to set forth procedures upon receiving a harassment complaint; (iii) Add Policy A.16 to formalize the process for selecting AE Representatives on the AAR Board of Directors.

**Next Meeting** – The next meeting will be held at 2:00 p.m. on Monday, March 19<sup>th</sup> at the Glendale Renaissance Hotel in Glendale, Arizona.

**ADJOURN**

There being no further business, the meeting was adjourned at 3:11 p.m.

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**K. Michelle Lind, Recording Secretary**



## ***2017 AAR AUDIT DASHBOARD***

The Executive Committee has reviewed the 2017 audit conducted by the accounting firm of Walker & Armstrong.

### **Financial Highlights:**

The total assets for all funds (General Operating, Fixed Assets, Operating Reserve, Capital Reserve, Strategic Initiative Reserve and Issues Mobilization) are \$27,585,240 with total net assets of \$24,610,205. This represents an increase of \$1,756,487 in total net assets from 2016 audited figures due mainly to increases in membership dues revenue and investment income.

2017 activity closed with \$1,756,487 in income in excess of expenses. Depreciation for year 2017 was \$300,912. As a reminder, our Bylaws require that we recognize an amount annually in the Operating Budget for depreciation payable to the Capital Reserve. The Board of Directors set depreciation funding in the Capital Reserve at \$305,866 for 2017.

### **Net Assets and Accumulated Operating Surplus:**

At the end of 2017 there is an accumulated operating surplus of \$1,998,225. The surplus is comprised of (a) current assets *[after excluding cash equivalents and investments that are committed as designated or restricted funds]* (b) less current liabilities.

The Capital Reserve balance as of December 31, 2016 is \$3,739,365.

The Special Operating Reserve balance as of December 31, 2016 is \$7,463,458.

The Strategic Initiative Reserve balance as of December 31, 2016 is \$2,099,142.

The Arizona Homeownership Alliance as of December 31, 2016 is \$100,051.

Issues Mobilization Fund's balance, as of December 31, 2016 is \$6,670,391 of which \$324,717 is reserved for local association local issues requests.

### **Auditor Recommendations:**

The audit firm of Walker and Armstrong had no recommendations with respect to the Association's financial process.

There are no irregularities reported. Copies of the 2017 AAR Audit are available at the check-in desk.



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## Communication with Those Charged with Governance

February 27, 2018

To the Board of Directors  
Arizona Association of Realtors®, Inc.  
Phoenix, Arizona

**Tucson**  
1730 East River Road  
Suite 110  
Tucson, Arizona 85718  
520.229.8674  
[www.wa-cpas.com](http://www.wa-cpas.com)

We have audited the financial statements of Arizona Association of Realtors®, Inc. (the Association) for the year ended December 31, 2017, and have issued our report thereon dated February 27, 2018. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 23, 2018. Professional standards also require that we communicate to you the following information related to our audit.

### Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by Arizona Association of Realtors®, Inc. are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during 2017. We noted no transactions entered into by the Association during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no sensitive accounting estimates affecting the financial statements of the Association.

The financial statement disclosures are neutral, consistent, and clear.

### Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

### Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. There were no identified misstatements noted as part of our audit.



## **Disagreements with Management**

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

## **Management Representations**

We have requested certain representations from management that are shown in the attached *Exhibit 1*.

## **Management Consultations with Other Independent Accountants**

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Association's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

## **Other Audit Findings or Issues**

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Association's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

## **Other Matters**

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with U.S. generally accepted accounting principles, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the board of directors and management of Arizona Association of Realtors®, Inc. and is not intended to be, and should not be, used by anyone other than these specified parties.

*Walker & Armstrong, LLP*

Attachment

## **RECOMMENDATION TO EXECUTIVE COMMITTEE**

### **FROM:**

Arizona REALTORS® Officers and CEO

### **RECOMMENDATION:**

Allocation of 2017 Accumulated Operating Surplus

### **BACKGROUND:**

At the recommendation of the Arizona REALTORS® accounting firm and to preserve the Association's 501(c)(6) IRS exemption, any accumulated operating surplus beyond the amount required for cash flow purposes or projected needs has been allocated to the Arizona REALTORS® Reserve Accounts. Historically, \$100,000 - \$200,000 of the accumulated operating surplus is left for cash flow purposes and for immediate access if extra funds are required during the current operating year. Pursuant to the auditors, the accumulated operating surplus in 2017 was \$1,998,225. This surplus is due to a variety of positive factors, such as higher than anticipated dues income, investment returns, and decreased operations expenses.

The Arizona REALTORS® Issues Mobilization Fund is a reserve fund to support or oppose federal, state and local issues that impact real property and real property owners and, pursuant to the Bylaws, has a ten million dollar cap and a five million dollar floor. The Issues Mobilization Fund is anticipated to be near the five million dollar floor by year end. The Operating Reserve account allows the Association to sustain financial operations in the event of significant unbudgeted increases in operating expenses, legal expenses, or reductions of operating revenues. The Capital Reserve allows for major repairs/improvements, furniture, fixtures, and equipment expenditures.

### **BUDGET IMPACT:**

**None to 2018 Operating**

### **MOTION:**

**TO RECOMMEND APPROVAL ALLOCATING THE ACCUMULATED OPERATING SURPLUS OF \$1,998,225 AS FOLLOWS:**

- 1. \$1,200,000 ALLOCATED TO THE ISSUES MOBILIZATION FUND**
- 2. \$500,000 ALLOCATED TO THE OPERATING RESERVE;**
- 3. \$200,000 ALLOCATED TO CAPITAL RESERVE;**

**WHICH LEAVES \$98,225 IN UNALLOCATED STATUS FOR CASH FLOW PURPOSES.**

### **FOR MORE INFORMATION CONTACT:**

Jan Leighton, Treasurer – [janleightonaz@gmail.com](mailto:janleightonaz@gmail.com)

**OR** Michelle Lind, CEO – [michellelind@aaronline.com](mailto:michellelind@aaronline.com).

# *Together*

**WE INSPIRE**

**JANUARY 2018 FINANCIALS**

**Lori Doerfler, President  
K. Michelle Lind, CEO**



# ARIZONA ASSOCIATION OF REALTORS®

## MONTHLY FINANCIAL PACKAGE

January 2018

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*Together*  
**WE INSPIRE**

**FINANCIAL SUMMARY**



**MONTHLY FINANCIAL NOTES – January 2018**  
**Income/Expense Summary (Operating Budget vs. Actual)**

|                   | <u>2017 Y/T/D Actual</u> | <u>Budget</u> | <u>Variance</u> |
|-------------------|--------------------------|---------------|-----------------|
| <b>Income</b>     |                          |               |                 |
| Dues              | \$ 7,335,085             | \$ 6,499,900  | \$ 835,185      |
| Other             | \$ 65,958                | \$ 87,980     | \$ (22,022)     |
| Total Income      | \$ 7,401,043             | \$ 6,587,880  | \$ 813,163      |
| <b>Expenses</b>   | \$ 704,206               | \$ 941,981    | \$ (237,774)    |
| Net Income (Loss) | \$ 6,696,836             | \$ 5,645,899  | \$ 1,050,937    |

Year-to-date income exceeds expense by \$6,696,836. This amount compares favorably with projected net income of \$5,645,899 for the reporting period, therefore, we have a positive year-to-date variance of \$1,050,937.

**RESERVE FUNDS**

**Operating Reserve (Bylaw Article IV, Section 1; Policy B.6)** - The balance as of January 1, 2018 was \$7,463,456 inclusive of UBS RMA and Private Bank Accounts. The current balance is \$7,464,167. There were no deposits and no withdrawals this period. The Fund has seen a change in value of \$711.

**REALTORS® Issues Mobilization Fund (Bylaw Article IV, Section 3; Policy B.6 & RIMC Policies)** - The balance as of January 1, 2018 was \$4,918,435 inclusive of the UBS RMA and Private Bank Accounts. The current balance is \$4,917,234. The amount of \$1,400,000 was invested in the UBS Portfolio Management long term account in 2015-2017 (*see balance sheet and below*) and investment performance is reported quarterly. There were no deposits and no withdrawals this period. The UBS RMA and Private Bank Accounts have seen a change in value of (\$1,201).

**Capital Reserve (Bylaw Article IV, Section 2; Policy B.6)** - The balance as of January 1, 2018 was \$3,284,757 inclusive of the UBS RMA and Private Bank Accounts. The current balance is \$3,266,701. The amount of \$350,000 was invested in the UBS Portfolio Management long term account in 2015 (*see balance sheet and below*) and investment performance is reported quarterly. There were no deposits and \$18,672 in withdrawals this period for executive committee tablets, office furniture and meeting center plaques. The UBS RMA and Private Bank Accounts have seen a change in value of (\$18,055).

**Strategic Initiatives Reserve (Bylaw Article IV, Section 4; Policy B.6)** - The balance as of January 1, 2018 was \$1,774,533 inclusive of the Credit Union, MidFirst, and UBS RMA Accounts. The current balance is \$1,775,250. The amount of \$250,000 was invested in the UBS Portfolio Management long term account in 2015 (*see balance sheet and below*) and investment performance is reported quarterly. There were no disbursements or deposits this period. The fund has seen a change in value of \$717.

**UBS Portfolio Management Long Term Accounts (Policy P.22)** - The balance as of January 1, 2018 was \$2,531,174 inclusive of the Strategic Initiatives, Capital Reserve and Issues Mobilization accounts.

## PRIMARY COMMITTEE AREAS

### Page 25: LEGISLATIVE AND POLITICAL AFFAIRS

Expenses are under budget in some areas and over budget in other areas as follows: 1501 - Government Area Support is under expense as a result of not incurring costs for the legislative committee meetings; 1510 - Legislative Advocacy is under expense as a result of chamber invoices and ATRA invoices being delivered later in the year; 1545 - Local Lobbying Support is under as a result of a reduction in demand of support; 1550 - Legislative Policy Development is under expense as a result of a reduction in the attendance for REALTOR® Day at the Capitol; 1560 - Fundraising Support is over expense due to costs associated with the spring RAPAC auction items, which will be reduced by a RPAC Fundraising Grant from NAR; 1575 - Federal Liaison Support is under budget due to travel for Mid-Year yet to be secured; 1580 - Election Year Activities is on budget; 1585 - Governmental Communication is under budget as we have not needed to reprint RAPAC brochures, and we still have a large quantity available before needing to reorder; 1596 - Political Research is under budget due to minimal research conducted. **Overall the Legislative & Political Affairs Area has a positive net variance of \$149,806 YTD.**

Adjustments/Recommendations: None.

### Page 34: RISK MANAGEMENT

Expenses are under budget primarily due to: 1602 - Legal Support contract fees are less than budgeted as it has not yet been necessary for us to spend money on outside legal counsel and subscriptions/references is under budget as County/State Bar Dues were paid in December, not January; 1605 - PS Enforcement income has exceeded projections due to more retained fines than anticipated; 1610 - PS Training catering/hotel and speaker fees are under budget because expenses for the Black Canyon Conference Center and for the February PS Workshop speaker will not be paid until February; 1625 - Risk Management Publications promotion is under budget because it has not yet been necessary for us to send out any ASAP text alerts; 1650 - Forms Development professional/contract fees are under budget as we released only one new form in October for which we have not yet paid to secure a copyright and the new and revised forms released in February did not necessitate a large payment to zipForm. **Overall, the Risk Management Area has a positive net variance of \$31,687 YTD.**

Adjustments/Recommendations: None

### Page 43: BUSINESS SERVICES AND TECHNOLOGY

Expenses are **under** budget primarily due to: 1710 - Software Development timing of fees related to contracted programming, and 1780 - Communications timing of video production. **Overall, the Business Services and Technology Area has a positive net variance of \$35,537 YTD.** Adjustments/Recommendations: None.

### Page 50: PROFESSIONAL AND BUSINESS DEVELOPMENT

Income is under budget (\$24,969) due primarily to less than budgeted Spring Conference income. Overall expenses are under budget primarily due to 1801 - Professional Development Support copy expenses less than anticipated, contract fees card charges reflect actual expenses to date; 1815 - REALTOR® Institute supplies due to delayed billing, promotion due to Facebook ad timing, and contract fees based on timing of needed online platform and website updates; 1820 - rCRMS contract fees delayed January class revenue shares; 1825 - CRPM contract fees delayed January class revenue shares and supplies due to invoice timing for CRPM table banner; 1840 - Leadership Training/Conference speaker fees reflect actual costs; 1855 - MRES Society supplies and promotion invoice timing; 1860 - Spring Convention speaker expense reflect actual expenses incurred to date for speaker deposits, contract fees over budgeted amount due to timing of expenses; 1870 - Education Outreach transportation over budget due to due to larger than anticipated class size; 1871 - Education Development contract fees unbudgeted expense will be rebated in February; 1872 - Instructor Development catering due to delayed receipt of invoice. **Overall the Professional & Business Development Area has a negative net variance of (\$8,069).** Adjustments/Recommendations: None

### Page 63: OPERATIONS AND STRATEGIC INITIATIVES

**Income is over** budget primarily due to higher than budgeted dues. There were **38,556 fully paid members** for the reporting period. During the same period in 2017 there were **37,950** paid members. This represents a 1.5% increase in paid members for the same period in 2017. (Note: The 2018 budget was prepared anticipating an overall annual paid member increase of 4% from the 2017 budget projection.) **Expenses were under budget overall** primarily due to: 1000 - General Overhead less than budgeted credit card fees; 1901 - Operations Support expenses were slightly less than budgeted; 1903 - Association Relations were slightly less than budgeted; 1905 - National Meetings slightly less than budgeted travel expenses; 1920 - ExCom & Director Support slightly less than budgeted catering and travel expense; 1955 - Public Relations less than budgeted due to timing of expenses; 1990 - Personnel and 6000 - Building expenses are both slightly less than budgeted for this period. **Overall, the Operations & Strategic Initiatives Area has a positive net variance of \$859,495 YTD.** Adjustments/Recommendations: None.



**Arizona Association of REALTORS®**  
**Summary Balance Sheet**  
**January 2018**

|                                       | <u>1/31/2018</u>            |
|---------------------------------------|-----------------------------|
| <b>ASSETS</b>                         |                             |
| <b>Current Assets</b>                 |                             |
| Checking/Savings                      | 28,907,225.32               |
| Accounts Receivable                   | 7,131.72                    |
| Other Current Assets                  | <u>64,100.15</u>            |
| <b>Total Current Assets</b>           | 28,978,457.19               |
| Fixed Assets                          | 2,558,074.76                |
| Other Assets                          | <u>0.00</u>                 |
| <b>TOTAL ASSETS</b>                   | <u><u>31,536,531.95</u></u> |
| <b>LIABILITIES &amp; EQUITY</b>       |                             |
| <b>Liabilities</b>                    |                             |
| <b>Current Liabilities</b>            |                             |
| Accounts Payable                      | 40,250.01                   |
| Credit Cards                          | 39,857.43                   |
| Other Current Liabilities             | <u>45,628.84</u>            |
| <b>Total Current Liabilities</b>      | 125,736.28                  |
| Long Term Liabilities                 | <u>6,473.25</u>             |
| <b>Total Liabilities</b>              | 132,209.53                  |
| Equity                                | <u>31,404,322.42</u>        |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <u><u>31,536,531.95</u></u> |

**Arizona Association of REALTORS®  
Grouped Balance Sheet  
January 2018**

January 31, 2018

**ASSETS**

**Current Assets**

Checking/Savings

**AAR General Accounts**

|                                       |            |                     |              |
|---------------------------------------|------------|---------------------|--------------|
| Operating Account - MIDFIRST Checking | 379,974.07 |                     |              |
| AFLAC 125 Claims Reimb. MIDFIRST      | 9,357.23   |                     |              |
| Operating Account - CHASE Checking    | 12,773.42  | 402,104.72          |              |
| AAR UBS RMA Money Market              |            | <u>8,308,565.99</u> |              |
| <b>Combined AAR General Accounts</b>  |            |                     | 8,710,670.71 |

**Capital Accounts**

|   |  |                     |              |
|---|--|---------------------|--------------|
| Capital Purchase - UBS - Private Bank   |  | 1,535,390.63        |              |
| Capital Purchase - UBS Portfolio Mgmt.  |  | 474,605.74          |              |
| Capital Reserve Fund - UBS Checking RMA |  | <u>1,731,311.23</u> |              |
| <b>Combined Capital Accounts</b>        |  |                     | 3,741,307.60 |

**Operating Accounts**

|  |  |                     |              |
|--|--|---------------------|--------------|
| Operating Reserve - UBS Checking RMA   |  | 3,369,443.75        |              |
| Operating Reserve - UBS - Private Bank |  | <u>4,094,723.41</u> |              |
| <b>Combined Operating Accounts</b>     |  |                     | 7,464,167.16 |

**Strategic Initiative**

|   |  |              |              |
|---|--|--------------|--------------|
| Strategic Initiative - UBS Portfolio Mgmt.    |  | 338,833.96   |              |
| Strategic Initiative - UBS RMA                |  | 1,484,835.84 |              |
| Strategic Init. Savings - NWCUC               |  | 201,965.62   |              |
| Strategic Initiative Checking - MIDFIRST      |  | 88,449.45    |              |
| <b>Combined Strategic Initiative Accounts</b> |  |              | 2,114,084.87 |

**Issues Mobilization Accounts**

|                                     |  |                     |              |
|-------------------------------------|--|---------------------|--------------|
| Issues Mob - UBS RMA                |  | 650,031.12          |              |
| Issues Mob - Portfolio Management   |  | 1,829,640.76        |              |
| Issues Mob - UBS Private Bank       |  | <u>4,267,203.15</u> |              |
| <b>Combined Issues Mob Accounts</b> |  |                     | 6,746,875.03 |

**Arizona Homeownership Alliance - UBS RMA**

|  |                   |            |
|--|-------------------|------------|
|  | <u>100,075.75</u> | 100,075.75 |
|--|-------------------|------------|

**Political Survival Fund**

|  |                  |           |
|--|------------------|-----------|
|  | <u>16,844.53</u> | 16,844.53 |
|--|------------------|-----------|

**Property Management**

|   |  |                  |           |
|---|--|------------------|-----------|
| Cash-AZ Bank & Trust - Preserve Property Management |  | <u>13,199.67</u> | 13,199.67 |
|---|--|------------------|-----------|

|                               |  |                             |
|-------------------------------|--|-----------------------------|
| <b>Total Checking/Savings</b> |  | <u><u>28,907,225.32</u></u> |
|-------------------------------|--|-----------------------------|

**Accounts Receivable**

**Arizona Association of REALTORS®  
Grouped Balance Sheet  
January 2018**

|  | <u>January 31, 2018</u> |                                    |
|--|-------------------------|------------------------------------|
| A/R - Trade                                |                         | <u>7,131.72</u>                    |
| A/R - Regonline                            | 23,626.72               |                                    |
| Due From PSF Fund to IM                    | <u>16,840.00</u>        |                                    |
| <b>Total Accounts Receivable</b>           |                         | <b>40,466.72</b>                   |
| <b>Other Current Assets</b>                |                         |                                    |
| Prepaid Expenses and Deposits              | 128.75                  |                                    |
| Monthly Prepays                            | <u>23,504.68</u>        |                                    |
| <b>Total Prepaid Expenses and Deposits</b> |                         | <u>23,633.43</u>                   |
| <b>Total Other Current Assets</b>          |                         | <b>64,100.15</b>                   |
| <b>Total Current Assets</b>                |                         | <u><b>28,978,457.19</b></u>        |
| <b>Fixed Assets</b>                        |                         |                                    |
| <b>Property and Equipment</b>              |                         |                                    |
| 151 · A/D - Furn & Equipment               | -173,899.26             |                                    |
| 157 · A/D - Computer                       | -670,006.99             |                                    |
| 161 · A/D - Leashold Imprvments            | -794,892.13             |                                    |
| 165 · A/D - Building Osborn                | -941,535.36             |                                    |
| 167 · A/D - Tenant Improvements            | <u>-72,903.91</u>       |                                    |
| <b>Total Accumulated Depreciation</b>      |                         | <b>-2,653,237.65</b>               |
| 150 · Furniture & Equipment                | 221,975.62              |                                    |
| 156 · Computer                             | 869,257.66              |                                    |
| 160 · Leasehold Improvements               | 1,426,242.12            |                                    |
| 163 · Land - Osborn                        | 617,737.40              |                                    |
| 164 · Building - Osborn                    | 1,995,153.78            |                                    |
| 166 · Tenant Improvements                  | <u>80,945.83</u>        |                                    |
| <b>Total Property and Equipment</b>        |                         | <u><b>5,211,312.41</b></u>         |
| <b>Total Fixed Assets</b>                  |                         | <b>2,558,074.76</b>                |
| <b>Other Assets</b>                        |                         |                                    |
| Loan Cost / Leasing Commissions            |                         |                                    |
| Note Receivable                            | <u>0.00</u>             |                                    |
| <b>Total Other Assets</b>                  |                         | <b>0.00</b>                        |
| <b>TOTAL ASSETS</b>                        |                         | <u><u><b>31,536,531.95</b></u></u> |

**Arizona Association of REALTORS®**  
**Grouped Balance Sheet**  
**January 2018**

January 31, 2018

**LIABILITIES & EQUITY**

**Liabilities**

**Current Liabilities**

**Accounts Payable**

Accounts Payable

40,250.01

Total Accounts Payable

40,250.01

**Credit Cards**

MidFirst Business Visa

39,857.43

Total Credit Cards

39,857.43

**Other Current Liabilities**

Due to NAR

155.00

Sales Tax Payable

0.00

Combined Current Liabilities

155.00

Accrued Salaries & P/R Taxes

12,621.11

Total Accrued Salaries & P/R Taxes

12,621.11

Security Deposits Payable - Osborn

15,668.10

Deferred Dues Income

0.00

Deferred Income - Other

75.00

Stale Dated Checks/Escheat

1,641.81

Arbitration Case Pending

833.08

Current portion of LTD

14,634.74

32,852.73

Total Other Current Liabilities

45,628.84

Total Current Liabilities

125,736.28

**Long Term Liabilities**

Capital Lease Payable

6,473.25

Total Long Term Liabilities

6,473.25

**TOTAL LIABILITIES**

132,209.53

**Equity**

**Temporarily restricted**

304 · Fund Balance - Issues Mobilization

323,706.00

Total Temporarily restricted

323,706.00

**Unrestricted/Designated**

302 · Fund Balance - Operating Reserve

6,774,031.00

303 · Fund Balance - Capital

3,178,045.00

305 · Fund Balance - Issues Mobilization

5,911,282.00

307 · Fund Balance - Strategic Initiative

1,962,674.00

308 Fund Balance - AZ Homeownership

100,002.00

Total Unrestricted/Designated

17,926,034.00

3900 · Unrestricted/Undesignated

6,342,739.41

Net Income

6,811,843.01

Total Equity

31,404,322.42

**TOTAL LIABILITIES & EQUITY**

**31,536,531.95**

*Together*  
**WE INSPIRE**

**FINANCIAL DETAILS**

## Balance Sheet

As of January 31, 2018

02/26/18

Accrual Basis

Jan 31, 18

## ASSETS

## Current Assets

## Checking/Savings

## 1000 · Combined Operating Cash Account

100.3 · Operating Acc. - MidFirst 2997

379,974.07

100.4 · AFLAC 125 Claims - MidFirst

9,357.23

101.3 · Operating Account - CHASE 1442

12,773.42

101.5 · UBS - AAR Main RMA

8,308,565.99

## Total 1000 · Combined Operating Cash Account

8,710,670.71

## 1007 · Portfolio Management - UBS

1007.1 · Strat Initiative Portfolio Mgmt

338,833.96

1007.2 · Capital Reserve Portfolio Mgmt

474,605.74

1007.3 · Issues Mob. Portfolio Mgmt

1,829,640.76

## Total 1007 · Portfolio Management - UBS

2,643,080.46

## 1008 · Investment Accounts - UBS

108.1 · Capital Purch UBS Private Bank

1,535,390.63

108.2 · Op. Reserve UBS Private Bank

4,094,723.41

108.3 · Issues Mob UBS Private Bank

4,267,203.15

## Total 1008 · Investment Accounts - UBS

9,897,317.19

## 101.40 · Combined Strategic Initiative

101.41 · Strategic Init. Savings - NWCUI

201,965.62

101.43 · Strategic Initiative - UBS

1,484,835.84

101.44 · Strategic Init Check - MidFirst

88,449.45

## Total 101.40 · Combined Strategic Initiative

1,775,250.91

## 101.66 · Operating Reserve Net

102 · Cash in Op Reserve - UBS

3,369,443.75

## Total 101.66 · Operating Reserve Net

3,369,443.75

## 103 · Capital Reserve Checking RMA

1,731,311.23

## 104 · Issues Mob Accounts - UBS

104.4 · Issues Mob Fund - UBS RMA

650,031.12

## Total 104 · Issues Mob Accounts - UBS

650,031.12

## 105 · Cash-AZ Bank &amp; Trust/Prop Mgmt

13,199.67

## 106.. · AZ Homeownership Alliance RMA

100,075.75

## 111. · PSF

111 · Political Survival Fund

16,844.53

## Total 111. · PSF

16,844.53

## Total Checking/Savings

28,907,225.32

## Accounts Receivable

112 · A/R

7,131.72

## Total Accounts Receivable

7,131.72

## Other Current Assets

## Prepaid Expenses and Deposits

## 123 · Monthly Prepays

123.008 · February Pre-Pays

19,240.18

123.009 · March Pre-Pays

545.00

123.011 · May Pre-Pays

3,719.50

## Total 123 · Monthly Prepays

23,504.68

## 124 · Prepaid Expenses

124.2 · Prepaid Postage-Pitney Bowes

128.75

## Total 124 · Prepaid Expenses

128.75

## Total Prepaid Expenses and Deposits

23,633.43

## 112.110 · A/R Misc.

113.10 · A/R - Regonline

23,626.72

## Balance Sheet

As of January 31, 2018

|  | Jan 31, 18           |
|--|----------------------|
| 113.4 · Due From PSF Fund to IM            | 16,840.00            |
| Total 112.110 · A/R Misc.                  | 40,466.72            |
| Total Other Current Assets                 | 64,100.15            |
| Total Current Assets                       | 28,978,457.19        |
| <b>Fixed Assets</b>                        |                      |
| Property and Equipment                     |                      |
| Total Accumulated Depreciation             |                      |
| 151 · A/D - Furn & Equipment               | -173,899.26          |
| 157 · A/D - Computer                       | -670,006.99          |
| 161 · A/D - Leasehold Imprvments           | -794,892.13          |
| 165 · A/D - Building Osborn                | -941,535.36          |
| 167 · A/D - Tenant Improvements            | -72,903.91           |
| Total Total Accumulated Depreciation       | -2,653,237.65        |
| 150 · Furniture & Equipment                | 221,975.62           |
| 156 · Computer                             | 869,257.66           |
| 160 · Leasehold Improvements               | 1,426,242.12         |
| 163 · Land - Osborn                        | 617,737.40           |
| 164 · Building - Osborn                    | 1,995,153.78         |
| 166 · Tenant Improvements                  | 80,945.83            |
| Total Property and Equipment               | 2,558,074.76         |
| Total Fixed Assets                         | 2,558,074.76         |
| <b>TOTAL ASSETS</b>                        | <b>31,536,531.95</b> |
| <b>LIABILITIES &amp; EQUITY</b>            |                      |
| Liabilities                                |                      |
| Current Liabilities                        |                      |
| Accounts Payable                           |                      |
| 200 · Accounts Payable                     | 40,250.01            |
| Total Accounts Payable                     | 40,250.01            |
| Credit Cards                               |                      |
| 203.1 · MidFirst Business Credit Card      | 39,857.43            |
| Total Credit Cards                         | 39,857.43            |
| Other Current Liabilities                  |                      |
| 202 · Due to NAR                           | 155.00               |
| 214 · Accrued Salaries & P/R Taxes         |                      |
| 2100 · Payroll Liabilities                 | 7,762.95             |
| 214 · Accrued Salaries & P/R Taxes - Other | 4,858.16             |
| Total 214 · Accrued Salaries & P/R Taxes   | 12,621.11            |
| 215 · Security Deposits Payable - Osb      | 15,668.10            |
| 228 · Deferred Income                      |                      |
| 232 · Deferred Income Other                | 75.00                |
| Total 228 · Deferred Income                | 75.00                |
| 240 · Stale Dated Checks/Escheat           | 1,641.81             |
| 275 · Arbitration Case Pending             | 833.08               |
| 295 · Current portion of LTD               | 14,634.74            |
| Total Other Current Liabilities            | 45,628.84            |
| Total Current Liabilities                  | 125,736.28           |
| Long Term Liabilities                      |                      |
| 285 · Capital Lease Payable                | 6,473.25             |
| Total Long Term Liabilities                | 6,473.25             |
| Total Liabilities                          | 132,209.53           |
| <b>Equity</b>                              |                      |
| Temporarily restricted                     |                      |

**Balance Sheet**

As of January 31, 2018

|                                       | Jan 31, 18           |
|---------------------------------------|----------------------|
| 304 · Fund Bal - Issues Mobilization  | 323,706.00           |
| <b>Total Temporarily restricted</b>   | <b>323,706.00</b>    |
| <b>Unrestricted/Designated</b>        |                      |
| 302 · Fund Bal - Operating Reserve    | 6,774,031.00         |
| 303 · Fund Bal - Capital              | 3,178,045.00         |
| 305 · Fund Bal - Issues Mobilization  | 5,911,282.00         |
| 307 · Fund Bal - Strategic Initiative | 1,962,674.00         |
| 308 · Fund Bal - AZ Homeownership     | 100,002.00           |
| <b>Total Unrestricted/Designated</b>  | <b>17,926,034.00</b> |
| 3900 · Unrestricted/Undesignated      | 6,342,739.41         |
| Net Income                            | 6,811,843.01         |
| <b>Total Equity</b>                   | <b>31,404,322.42</b> |
| <b>TOTAL LIABILITIES &amp; EQUITY</b> | <b>31,536,531.95</b> |



## 2018 Funds Analysis Operating Reserve

| ACCOUNT  | Acct. #          | Balance Forward | Jan.          | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | NET                          |
|--|------------------|-----------------|---------------|------|------|------|-----|------|------|------|------|------|------|------|------------------------------|
| AAR Operating Reserve - RMA                      | UX663383         | \$ 3,367,047.80 |               |      |      |      |     |      |      |      |      |      |      |      | \$ 3,367,047.80              |
| Dividend and Interest Income (including accrued) |                  |                 | \$2,395.94    |      |      |      |     |      |      |      |      |      |      |      | \$2,395.94                   |
| Deposits   |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | \$0.00                       |
| Withdrawals                                      |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | \$0.00                       |
| Change in Market Value                           |                  |                 | \$0.01        |      |      |      |     |      |      |      |      |      |      |      | \$0.01                       |
| Total  |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 3,369,443.75</u>       |
|  |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      |                              |
| AAR - Operating Reserve - Private Bank           | Portfolio 705809 | \$4,096,408.95  |               |      |      |      |     |      |      |      |      |      |      |      | \$4,096,408.95               |
| Interest/Dividends                               |                  |                 | \$17,505.04   |      |      |      |     |      |      |      |      |      |      |      | \$17,505.04                  |
| Deposits   |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | \$0.00                       |
| Withdrawals                                      |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | \$0.00                       |
| Prior Period Accruals                            |                  |                 | (\$26,202.00) |      |      |      |     |      |      |      |      |      |      |      | (\$26,202.00)                |
| Current Period Accruals                          |                  |                 | \$21,459.27   |      |      |      |     |      |      |      |      |      |      |      | \$21,459.27                  |
| Investment Appreciation/Depreciation             |                  |                 | (\$10,352.70) |      |      |      |     |      |      |      |      |      |      |      | (\$10,352.70)                |
| Fees   |                  |                 | (\$4,095.15)  |      |      |      |     |      |      |      |      |      |      |      | (\$4,095.15)                 |
| TOTAL  |                  |                 |               |      |      |      |     |      |      |      |      |      |      |      | <u><u>\$7,464,167.16</u></u> |

## 2018 Funds Analysis Issues Mobilization

| ACCOUNT  | Acct. #          | Balance Forward | Jan | Feb         | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | NET                    |
|--|------------------|-----------------|-----|-------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|------------------------|
| Realtors Issues Mob. - RMA                       | UX68861          | \$ 649,528.21   |     | \$502.91    |     |     |     |     |     |     |     |     |     |     | \$ 649,528.21          |
| Dividend and Interest Income (including accrued) |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$502.91               |
| Deposits   |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Withdrawals                                      |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Change in Market Value                           |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Fees   |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Total  |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
|  |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | <u>\$ 650,031.12</u>   |
| AAR - Issues Mob - Private Bank                  | Portfolio 382618 | \$4,268,906.89  |     | \$20,472.97 |     |     |     |     |     |     |     |     |     |     | \$4,268,906.89         |
| Interest/Dividends                               |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$20,472.97            |
| Deposits   |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Withdrawals                                      |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$0.00                 |
| Prior Period Accruals                            |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | (\$28,004.00)          |
| Current Period Accruals                          |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | \$20,751.74            |
| Investment Appreciation/Depreciation             |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | (\$10,656.79)          |
| Fees   |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | (\$4,267.66)           |
| Total  |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | <u>\$4,267,203.15</u>  |
|  |                  |                 |     |             |     |     |     |     |     |     |     |     |     |     | <u>\$ 4,917,234.27</u> |

## 2018 Funds Analysis Capital Reserve

| ACCOUNT   | Acct. #          | Balance Forward               | Jan            | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | NET                           |
|---|------------------|-------------------------------|----------------|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-------------------------------|
| Capital Purchase - RMA                            | UX68672          | <u>\$ 1,748,758.38</u>        |                |     |     |     |     |     |     |     |     |     |     |     | \$ 1,748,758.38               |
| Dividend and Interest Income (including accruals) |                  |                               | \$ 1,225.16    |     |     |     |     |     |     |     |     |     |     |     | \$ 1,225.16                   |
| Deposits  |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     | \$ 0.00                       |
| Withdrawals                                       |                  |                               | (\$ 18,672.31) |     |     |     |     |     |     |     |     |     |     |     | (\$ 18,672.31)                |
| Change in Market Value                            |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     | \$ 0.00                       |
| Fees  |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     | \$ 0.00                       |
| Total   |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     | <u>\$ 1,731,311.23</u>        |
|   |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     |                               |
| AAR Capital Reserve - Private Bank                | Portfolio 382582 | <u>\$ 1,535,998.71</u>        |                |     |     |     |     |     |     |     |     |     |     |     | \$ 1,535,998.71               |
| Net Contributions                                 |                  |                               |                |     |     |     |     |     |     |     |     |     |     |     | \$ 0.00                       |
| Interest/Dividends                                |                  |                               | \$ 6,538.38    |     |     |     |     |     |     |     |     |     |     |     | \$ 6,538.38                   |
| Prior Period Accruals                             |                  |                               | (\$ 9,800.00)  |     |     |     |     |     |     |     |     |     |     |     | (\$ 9,800.00)                 |
| Current Period Accruals                           |                  |                               | \$ 8,002.73    |     |     |     |     |     |     |     |     |     |     |     | \$ 8,002.73                   |
| Investment Appreciation/Depreciation              |                  |                               | (\$ 3,813.68)  |     |     |     |     |     |     |     |     |     |     |     | (\$ 3,813.68)                 |
| Fees  |                  |                               | (\$ 1,535.51)  |     |     |     |     |     |     |     |     |     |     |     | (\$ 1,535.51)                 |
| TOTAL   |                  | <u><u>\$ 3,284,757.09</u></u> |                |     |     |     |     |     |     |     |     |     |     |     | <u><u>\$ 3,266,701.86</u></u> |

## 2018 Funds Analysis Strategic Initiative

| ACCOUNT  | Acct. # | Balance Forward        | Jan      | Feb    | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    | NET                    |
|--|---------|------------------------|----------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|------------------------|
| AAR Strategic Initiative MIDFIRST Checking       | xx-3020 | \$ 88,449.45           | \$0.00   | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$0.00 | \$ 88,449.45           |
| Deposits   |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Withdrawals                                      |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Transfers  |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Total  |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | <u>\$ 88,449.45</u>    |
| Strategic Initiative - NWCU                      | 5679    | \$ 201,922.74          | \$42.88  |        |        |        |        |        |        |        |        |        |        |        | \$ 201,922.74          |
| Dividend and Interest Income (including accrued) |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$42.88                |
| Deposits   |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Withdrawals                                      |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Transfers  |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$0.00                 |
| Total  |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | <u>\$ 201,965.62</u>   |
| Strategic Initiative - UBS                       | UX27692 | \$ 1,484,161.24        | \$674.59 |        |        |        |        |        |        |        |        |        |        |        | \$ 1,484,161.24        |
| Dividend and Interest Income (including accrued) |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | \$674.59               |
| Deposits   |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | 0.00                   |
| Withdrawals                                      |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | 0.00                   |
| Change in Market Value                           |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | 0.01                   |
| Fees   |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | 0.00                   |
| Total  |         |                        |          |        |        |        |        |        |        |        |        |        |        |        | <u>\$ 1,484,835.84</u> |
| TOTAL  |         | <u>\$ 1,774,533.43</u> |          |        |        |        |        |        |        |        |        |        |        |        | <u>\$ 1,775,250.91</u> |

# 2018 Funds Analysis AAR and RAPAC

| ACCOUNT  | Acct. #     | Balance Forward | Jan. | Feb. | Mar. | Apr. | May | Jun. | Jul. | Aug. | Sep. | Oct. | Nov. | Dec. | NET                    |
|--|-------------|-----------------|------|------|------|------|-----|------|------|------|------|------|------|------|------------------------|
| <b>AAR General Checking - CHASE</b>              |             |                 |      |      |      |      |     |      |      |      |      |      |      |      |                        |
|  | xx-1442     | \$ 12,795.66    |      |      |      |      |     |      |      |      |      |      |      |      | \$ 12,795.66           |
|  | Deposits    |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
|  | Withdrawals |                 |      |      |      |      |     |      |      |      |      |      |      |      | (\$22.24)              |
|  | Transfers   |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Total  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 12,773.42</u>    |
| <b>AAR General Checking - MIDFIRST</b>           |             |                 |      |      |      |      |     |      |      |      |      |      |      |      |                        |
|  | xx-2997     | \$ 222,123.44   |      |      |      |      |     |      |      |      |      |      |      |      | \$ 222,123.44          |
|  | Deposits    |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$4,405,673.07         |
|  | Withdrawals |                 |      |      |      |      |     |      |      |      |      |      |      |      | (\$587,822.44)         |
|  | Transfers   |                 |      |      |      |      |     |      |      |      |      |      |      |      | (\$3,660,000.00)       |
| Total  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 379,974.07</u>   |
| <b>AAR Main RMA</b>                              |             |                 |      |      |      |      |     |      |      |      |      |      |      |      |                        |
|  | UX66361     | \$ 4,646,398.39 |      |      |      |      |     |      |      |      |      |      |      |      | \$ 4,646,398.39        |
| Dividend and Interest Income (including accrued) |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$2,167.59             |
| Transfers  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$3,660,000.00         |
| Withdrawals                                      |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Change in Market Value                           |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.01                 |
| Total  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 8,308,565.99</u> |
| <b>RAPAC - RMA</b>                               |             |                 |      |      |      |      |     |      |      |      |      |      |      |      |                        |
|  | UX68862     | \$ 263,240.71   |      |      |      |      |     |      |      |      |      |      |      |      | \$ 263,240.71          |
| Dividend and Interest Income (including accrued) |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$356.99               |
| Deposits   |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Transfers  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Withdrawals                                      |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Change in Market Value                           |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | \$0.00                 |
| Total  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 263,597.70</u>   |
| TOTAL  |             |                 |      |      |      |      |     |      |      |      |      |      |      |      | <u>\$ 8,964,911.18</u> |

**Arizona Association of REALTORS®**  
**Operating Budget vs. Actual**  
**January 2018**

|                                       | Jan 18              | Budget              | \$ Over Budget      | % of Budget   |
|---------------------------------------|---------------------|---------------------|---------------------|---------------|
| Ordinary Income/Expense               |                     |                     |                     |               |
| Income                                |                     |                     |                     |               |
| 410 · Interest Income                 | 2,167.59            | 2,000.00            | 167.59              | 108.4%        |
| 415 · Rental Income                   | 11,297.37           | 11,325.00           | -27.63              | 99.8%         |
| 417 · Gain on Investments             | 0.01                |                     |                     |               |
| 430 · Dues Income                     | 7,335,085.00        | 6,499,900.00        | 835,185.00          | 112.8%        |
| 433 · Forms Licensing                 | 2,000.00            | 2,000.00            | 0.00                | 100.0%        |
| 435 · Law Book                        | 1,032.56            | 300.00              | 732.56              | 344.2%        |
| 440 · Other Program Income            | 900.00              |                     |                     |               |
| 440.10 · Ethics Citation Fee          | 250.00              | 100.00              | 150.00              | 250.0%        |
| 440.11 · Registration Fees            | 0.00                | 900.00              | -900.00             | 0.0%          |
| 440.3 · Arbitration Deposits Retained | 500.00              | 290.00              | 210.00              | 172.4%        |
| 440.4 · Appeal Fees Retained          | 0.00                | 85.00               | -85.00              | 0.0%          |
| 440.5 · Ethics Admin Fees             | 600.00              | 350.00              | 250.00              | 171.4%        |
| 440.6 · Retained Fine                 | 2,300.00            | 750.00              | 1,550.00            | 306.7%        |
| 461 · Education Development           | 25.08               | 0.00                | 25.08               | 100.0%        |
| 462 · Education Outreach              | 5,655.00            | 2,175.00            | 3,480.00            | 260.0%        |
| 463 · Instructor Development          | 1,617.00            | 585.00              | 1,032.00            | 276.4%        |
| 464 · Leadership Training             | 495.00              | 0.00                | 495.00              | 100.0%        |
| 465 · MRE Society                     | 350.00              | 250.00              | 100.00              | 140.0%        |
| 467 · REALTOR Institute               | 1,891.00            | 675.00              | 1,216.00            | 280.1%        |
| 468 · rCRMS                           | 4,384.00            | 2,655.00            | 1,729.00            | 165.1%        |
| 469 · Spring Convention               | 25,141.70           | 58,050.00           | -32,908.30          | 43.3%         |
| 472 · CRPM                            | 5,352.00            | 5,490.00            | -138.00             | 97.5%         |
| <b>Total Income</b>                   | <b>7,401,043.31</b> | <b>6,587,880.00</b> | <b>813,163.31</b>   | <b>112.3%</b> |
| <b>Gross Profit</b>                   | <b>7,401,043.31</b> | <b>6,587,880.00</b> | <b>813,163.31</b>   | <b>112.3%</b> |
| Expense                               |                     |                     |                     |               |
| 500 · Salaries/Benefits               | 224,971.46          | 227,000.00          | -2,028.54           | 99.1%         |
| 540 · Staff Development               | 941.00              | 3,500.00            | -2,559.00           | 26.9%         |
| 551 · Auto Expense Reimbursement      | 105.51              | 125.00              | -19.49              | 84.4%         |
| 605 · Awards/Gifts                    | 2,808.86            | 14,120.00           | -11,311.14          | 19.9%         |
| 620 · Building Expense                | 23,860.58           | 25,000.00           | -1,139.42           | 95.4%         |
| 630 · Catering/Hotel                  | 83,645.14           | 102,854.00          | -19,208.86          | 81.3%         |
| 631 · Computer Service and Expense    | 2,276.55            | 3,000.00            | -723.45             | 75.9%         |
| 632 · Copying                         | 605.50              | 1,800.00            | -1,194.50           | 33.6%         |
| 639 · Dues & Commitments.             | 10,650.92           | 23,115.00           | -12,464.08          | 46.1%         |
| 640 · Equipment Maintenance/Rental    | 1,531.78            | 2,000.00            | -468.22             | 76.6%         |
| 690 · Credit Card & EFT Fees/Misc.    | 89,243.12           | 105,000.00          | -15,756.88          | 85.0%         |
| 770 · Supplies                        | 4,346.47            | 7,215.00            | -2,868.53           | 60.2%         |
| 780 · Postage                         | 450.97              | 550.00              | -99.03              | 82.0%         |
| 781 · Printing                        | 352.46              | 6,458.33            | -6,105.87           | 5.5%          |
| 786 · Promotion                       | 8,043.74            | 10,163.34           | -2,119.60           | 79.1%         |
| 787 · Speaker Fees                    | 19,415.25           | 27,275.00           | -7,859.75           | 71.2%         |
| 788 · Staff Expense                   | 3,618.52            | 10,816.49           | -7,197.97           | 33.5%         |
| 790 · Subscriptions and Reference     | 3,342.35            | 6,592.12            | -3,249.77           | 50.7%         |
| 810 · Contract Fees                   | 211,606.04          | 350,701.72          | -139,095.68         | 60.3%         |
| 850 · Telephone                       | 3,513.88            | 4,000.00            | -486.12             | 87.8%         |
| 855 · Transportation                  | 156.74              | 60.00               | 96.74               | 261.2%        |
| 867 · Travel                          | 8,720.00            | 10,635.00           | -1,915.00           | 82.0%         |
| <b>Total Expense</b>                  | <b>704,206.84</b>   | <b>941,981.00</b>   | <b>-237,774.16</b>  | <b>74.8%</b>  |
| <b>Net Ordinary Income</b>            | <b>6,696,836.47</b> | <b>5,645,899.00</b> | <b>1,050,937.47</b> | <b>118.6%</b> |
| <b>Net Income</b>                     | <b>6,696,836.47</b> | <b>5,645,899.00</b> | <b>1,050,937.47</b> | <b>118.6%</b> |

**Arizona Association of REALTORS®**  
**All Funds Budget vs. Actual**  
January 2018

|                                       | <u>Jan 18</u>       |
|---------------------------------------|---------------------|
| <b>Ordinary Income/Expense</b>        |                     |
| <b>Income</b>                         |                     |
| 410 · Interest Income                 | 10,586.68           |
| 415 · Rental Income                   | 11,297.37           |
| 417 · Gain on Investments             | 116,750.24          |
| 430 · Dues Income                     | 7,335,085.00        |
| 433 · Forms Licensing                 | 2,000.00            |
| 435 · Law Book                        | 1,032.56            |
| 440 · Other Program Income            | 900.00              |
| 440.10 · Ethics Citation Fee          | 250.00              |
| 440.11 · Registration Fees            | 0.00                |
| 440.3 · Arbitration Deposits Retained | 500.00              |
| 440.4 · Appeal Fees Retained          | 0.00                |
| 440.5 · Ethics Admin Fees             | 600.00              |
| 440.6 · Retained Fine                 | 2,300.00            |
| 461 · Education Development           | 25.08               |
| 462 · Education Outreach              | 5,655.00            |
| 463 · Instructor Development          | 1,617.00            |
| 464 · Leadership Training             | 495.00              |
| 465 · MRE Society                     | 350.00              |
| 466 · Member Communications           | 0.00                |
| 467 · REALTOR Institute               | 1,891.00            |
| 468 · rCRMS                           | 4,384.00            |
| 469 · Spring Convention               | 25,141.70           |
| 472 · CRPM                            | 5,352.00            |
| 491 · IM Contributions                | 16,840.00           |
| <b>Total Income</b>                   | <u>7,543,052.63</u> |
| <b>Gross Profit</b>                   | 7,543,052.63        |
| <b>Expense</b>                        |                     |
| 500 · Salaries/Benefits               | 224,971.46          |
| 540 · Staff Development               | 941.00              |
| 551 · Auto Expense Reimbursement      | 105.51              |
| 605 · Awards/Gifts                    | 2,808.86            |
| 620 · Building Expense                | 23,860.58           |
| 630 · Catering/Hotel                  | 83,645.14           |
| 631 · Computer Service and Expense    | 6,393.00            |
| 632 · Copying                         | 605.50              |
| 633 · Furniture/Equipment Expense     | 298.79              |
| 639 · Dues & Commitments.             | 10,650.92           |
| 640 · Equipment Maintenance/Rental    | 1,531.78            |
| 690 · Credit Card & EFT Fees/Misc.    | 89,243.12           |
| 693 · Investment Banking Fees         | 12,394.82           |
| 770 · Supplies                        | 4,464.96            |
| 780 · Postage                         | 450.97              |

Arizona Association of REALTORS®  
All Funds Budget vs. Actual  
January 2018

|                                   | <u>Jan 18</u>              |
|-----------------------------------|----------------------------|
| 781 · Printing                    | 352.46                     |
| 786 · Promotion                   | 8,043.74                   |
| 787 · Speaker Fees                | 19,415.25                  |
| 788 · Staff Expense               | 3,618.52                   |
| 790 · Subscriptions and Reference | 3,408.48                   |
| 810 · Contract Fees               | 221,614.14                 |
| 850 · Telephone                   | 3,513.88                   |
| 855 · Transportation              | 156.74                     |
| 867 · Travel                      | 8,720.00                   |
| <b>Total Expense</b>              | <u>731,209.62</u>          |
| <b>Net Ordinary Income</b>        | <u>6,811,843.01</u>        |
| <b>Net Income</b>                 | <u><u>6,811,843.01</u></u> |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | Total 1500 Legislative & Pol. Affairs |             |                |             |
|-----------------------------------|---------------------------------------|-------------|----------------|-------------|
|                                   | Jan 18                                | Budget      | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |                                       |             |                |             |
| Expense                           |                                       |             |                |             |
| 605 · Awards/Gifts                | 2,616.66                              | 13,770.00   | -11,153.34     | 19.0%       |
| 630 · Catering/Hotel              | 77,578.42                             | 80,315.00   | -2,736.58      | 96.6%       |
| 639 · Dues & Commitments.         | 10,250.00                             | 22,315.00   | -12,065.00     | 45.9%       |
| 781 · Printing                    | 61.69                                 | 6,000.00    | -5,938.31      | 1.0%        |
| 786 · Promotion                   | 5,339.79                              | 4,563.34    | 776.45         | 117.0%      |
| 787 · Speaker Fees                | 2,600.00                              | 0.00        | 2,600.00       | 100.0%      |
| 788 · Staff Expense               | 994.38                                | 6,879.49    | -5,885.11      | 14.5%       |
| 790 · Subscriptions and Reference | 722.89                                | 1,127.12    | -404.23        | 64.1%       |
| 810 · Contract Fees               | 10,633.00                             | 125,633.33  | -115,000.33    | 8.5%        |
| Total Expense                     | 110,796.83                            | 260,603.28  | -149,806.45    | 42.5%       |
| Net Ordinary Income               | -110,796.83                           | -260,603.28 | 149,806.45     | 42.5%       |
| Net Income                        | -110,796.83                           | -260,603.28 | 149,806.45     | 42.5%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                   | 1501 Government Area Support<br>(1500 Legislative & Pol. Affairs) |                         |                        |                     |
|-----------------------------------|---|-------------------------|------------------------|---------------------|
|                                   | Jan 18  | Budget                  | \$ Over Budget         | % of Budget         |
| Ordinary Income/Expense           |   |                         |                        |                     |
| Expense                           |   |                         |                        |                     |
| 605 · Awards/Gifts                | 0.00  |                         |                        |                     |
| 630 · Catering/Hotel              | 0.00  | 315.00                  | -315.00                | 0.0%                |
| 639 · Dues & Commitments.         | 0.00  |                         |                        |                     |
| 781 · Printing                    | 61.69   | 2,000.00                | -1,938.31              | 3.1%                |
| 786 · Promotion                   | 0.00  |                         |                        |                     |
| 787 · Speaker Fees                | 0.00  |                         |                        |                     |
| 788 · Staff Expense               | 994.38  | 1,069.49                | -75.11                 | 93.0%               |
| 790 · Subscriptions and Reference | 0.00  |                         |                        |                     |
| 810 · Contract Fees               | 0.00  |                         |                        |                     |
| <b>Total Expense</b>              | <u>1,056.07</u>   | <u>3,384.49</u>         | <u>-2,328.42</u>       | <u>31.2%</u>        |
| <b>Net Ordinary Income</b>        | <u>-1,056.07</u>  | <u>-3,384.49</u>        | <u>2,328.42</u>        | <u>31.2%</u>        |
| <b>Net Income</b>                 | <u><u>-1,056.07</u></u>   | <u><u>-3,384.49</u></u> | <u><u>2,328.42</u></u> | <u><u>31.2%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | 1510 Legislative Advocacy<br>(1500 Legislative & Pol. Affairs) |                          |                         |                     |
|-----------------------------------|--|--------------------------|-------------------------|---------------------|
|                                   | Jan 18   | Budget                   | \$ Over Budget          | % of Budget         |
| Ordinary Income/Expense           |  |                          |                         |                     |
| Expense                           |  |                          |                         |                     |
| 605 · Awards/Gifts                | 0.00   |                          |                         |                     |
| 630 · Catering/Hotel              | 0.00   |                          |                         |                     |
| 639 · Dues & Commitments.         | 250.00   | 12,065.00                | -11,815.00              | 2.1%                |
| 781 · Printing                    | 0.00   |                          |                         |                     |
| 786 · Promotion                   | 348.19   | 1,043.34                 | -695.15                 | 33.4%               |
| 787 · Speaker Fees                | 0.00   |                          |                         |                     |
| 788 · Staff Expense               | 0.00   | 1,160.00                 | -1,160.00               | 0.0%                |
| 790 · Subscriptions and Reference | 722.89   | 1,127.12                 | -404.23                 | 64.1%               |
| 810 · Contract Fees               | 10,633.00  | 14,733.33                | -4,100.33               | 72.2%               |
| Total Expense                     | <u>11,954.08</u>   | <u>30,128.79</u>         | <u>-18,174.71</u>       | <u>39.7%</u>        |
| Net Ordinary Income               | <u>-11,954.08</u>  | <u>-30,128.79</u>        | <u>18,174.71</u>        | <u>39.7%</u>        |
| Net Income                        | <u><u>-11,954.08</u></u>                                       | <u><u>-30,128.79</u></u> | <u><u>18,174.71</u></u> | <u><u>39.7%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | 1545 Local Lobbying Support<br>(1500 Legislative & Pol. Affairs) |         |                |             |
|-----------------------------------|--|---------|----------------|-------------|
|                                   | Jan 18   | Budget  | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |  |         |                |             |
| Expense                           |  |         |                |             |
| 605 · Awards/Gifts                | 0.00   |         |                |             |
| 630 · Catering/Hotel              | 0.00   |         |                |             |
| 639 · Dues & Commitments.         | 0.00   |         |                |             |
| 781 · Printing                    | 0.00   |         |                |             |
| 786 · Promotion                   | 0.00   |         |                |             |
| 787 · Speaker Fees                | 0.00   |         |                |             |
| 788 · Staff Expense               | 0.00   | 250.00  | -250.00        | 0.0%        |
| 790 · Subscriptions and Reference | 0.00   |         |                |             |
| 810 · Contract Fees               | 0.00   |         |                |             |
| Total Expense                     | 0.00   | 250.00  | -250.00        | 0.0%        |
| Net Ordinary Income               | 0.00   | -250.00 | 250.00         | 0.0%        |
| Net Income                        | 0.00   | -250.00 | 250.00         | 0.0%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                   | 1550 Legislative Policy Dev.<br>(1500 Legislative & Pol. Affairs) |            |                |             |
|-----------------------------------|---|------------|----------------|-------------|
|                                   | Jan 18  | Budget     | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |   |            |                |             |
| Expense                           |   |            |                |             |
| 605 · Awards/Gifts                | 0.00  |            |                |             |
| 630 · Catering/Hotel              | 75,762.25   | 80,000.00  | -4,237.75      | 94.7%       |
| 639 · Dues & Commitments.         | 0.00  |            |                |             |
| 781 · Printing                    | 0.00  |            |                |             |
| 786 · Promotion                   | 0.00  |            |                |             |
| 787 · Speaker Fees                | 2,600.00  | 0.00       | 2,600.00       | 100.0%      |
| 788 · Staff Expense               | 0.00  |            |                |             |
| 790 · Subscriptions and Reference | 0.00  |            |                |             |
| 810 · Contract Fees               | 0.00  |            |                |             |
| Total Expense                     | 78,362.25   | 80,000.00  | -1,637.75      | 98.0%       |
| Net Ordinary Income               | -78,362.25  | -80,000.00 | 1,637.75       | 98.0%       |
| Net Income                        | -78,362.25  | -80,000.00 | 1,637.75       | 98.0%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                   | 1560 Fundraising Support<br>(1500 Legislative & Pol. Affairs) |                           |                          |                     |
|-----------------------------------|---|---------------------------|--------------------------|---------------------|
|                                   | Jan 18  | Budget                    | \$ Over Budget           | % of Budget         |
| Ordinary Income/Expense           |   |                           |                          |                     |
| Expense                           |   |                           |                          |                     |
| 605 · Awards/Gifts                | 2,616.66  | 13,770.00                 | -11,153.34               | 19.0%               |
| 630 · Catering/Hotel              | 1,816.17  | 0.00                      | 1,816.17                 | 100.0%              |
| 639 · Dues & Commitments.         | 10,000.00   | 10,250.00                 | -250.00                  | 97.6%               |
| 781 · Printing                    | 0.00  |                           |                          |                     |
| 786 · Promotion                   | 4,991.60  | 1,020.00                  | 3,971.60                 | 489.4%              |
| 787 · Speaker Fees                | 0.00  |                           |                          |                     |
| 788 · Staff Expense               | 0.00  |                           |                          |                     |
| 790 · Subscriptions and Reference | 0.00  |                           |                          |                     |
| 810 · Contract Fees               | 0.00  | 104,100.00                | -104,100.00              | 0.0%                |
| Total Expense                     | <u>19,424.43</u>  | <u>129,140.00</u>         | <u>-109,715.57</u>       | <u>15.0%</u>        |
| Net Ordinary Income               | <u>-19,424.43</u>   | <u>-129,140.00</u>        | <u>109,715.57</u>        | <u>15.0%</u>        |
| Net Income                        | <u><u>-19,424.43</u></u>                                      | <u><u>-129,140.00</u></u> | <u><u>109,715.57</u></u> | <u><u>15.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | 1575 Federal Liaison Support<br>(1500 Legislative & Pol. Affairs) |           |                |             |
|-----------------------------------|---|-----------|----------------|-------------|
|                                   | Jan 18  | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |   |           |                |             |
| Expense                           |   |           |                |             |
| 605 · Awards/Gifts                | 0.00  |           |                |             |
| 630 · Catering/Hotel              | 0.00  |           |                |             |
| 639 · Dues & Commitments.         | 0.00  |           |                |             |
| 781 · Printing                    | 0.00  |           |                |             |
| 786 · Promotion                   | 0.00  |           |                |             |
| 787 · Speaker Fees                | 0.00  |           |                |             |
| 788 · Staff Expense               | 0.00  | 4,400.00  | -4,400.00      | 0.0%        |
| 790 · Subscriptions and Reference | 0.00  |           |                |             |
| 810 · Contract Fees               | 0.00  |           |                |             |
| Total Expense                     | 0.00  | 4,400.00  | -4,400.00      | 0.0%        |
| Net Ordinary Income               | 0.00  | -4,400.00 | 4,400.00       | 0.0%        |
| Net Income                        | 0.00  | -4,400.00 | 4,400.00       | 0.0%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | 1580 - Election Year Activities<br>(1500 Legislative & Pol. Affairs) |        |                |             |
|-----------------------------------|--|--------|----------------|-------------|
|                                   | Jan 18   | Budget | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |  |        |                |             |
| Expense                           |  |        |                |             |
| 605 · Awards/Gifts                | 0.00   |        |                |             |
| 630 · Catering/Hotel              | 0.00   |        |                |             |
| 639 · Dues & Commitments.         | 0.00   |        |                |             |
| 781 · Printing                    | 0.00   |        |                |             |
| 786 · Promotion                   | 0.00   |        |                |             |
| 787 · Speaker Fees                | 0.00   |        |                |             |
| 788 · Staff Expense               | 0.00   | 0.00   | 0.00           | 0.0%        |
| 790 · Subscriptions and Reference | 0.00   |        |                |             |
| 810 · Contract Fees               | 0.00   |        |                |             |
| Total Expense                     | 0.00   | 0.00   | 0.00           | 0.0%        |
| Net Ordinary Income               | 0.00   | 0.00   | 0.00           | 0.0%        |
| Net Income                        | 0.00   | 0.00   | 0.00           | 0.0%        |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                   | 1585 Governmental Communication<br>(1500 Legislative & Pol. Affairs) |           |                |             |
|-----------------------------------|--|-----------|----------------|-------------|
|                                   | Jan 18   | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |  |           |                |             |
| Expense                           |  |           |                |             |
| 605 · Awards/Gifts                | 0.00   |           |                |             |
| 630 · Catering/Hotel              | 0.00   |           |                |             |
| 639 · Dues & Commitments.         | 0.00   |           |                |             |
| 781 · Printing                    | 0.00   | 4,000.00  | -4,000.00      | 0.0%        |
| 786 · Promotion                   | 0.00   | 2,500.00  | -2,500.00      | 0.0%        |
| 787 · Speaker Fees                | 0.00   |           |                |             |
| 788 · Staff Expense               | 0.00   |           |                |             |
| 790 · Subscriptions and Reference | 0.00   |           |                |             |
| 810 · Contract Fees               | 0.00   | 1,800.00  | -1,800.00      | 0.0%        |
| Total Expense                     | 0.00   | 8,300.00  | -8,300.00      | 0.0%        |
| Net Ordinary Income               | 0.00   | -8,300.00 | 8,300.00       | 0.0%        |
| Net Income                        | 0.00   | -8,300.00 | 8,300.00       | 0.0%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                   | 1596 Political Research<br>(1500 Legislative & Pol. Affairs) |           |                |             |
|-----------------------------------|--|-----------|----------------|-------------|
|                                   | Jan 18   | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense           |  |           |                |             |
| Expense                           |  |           |                |             |
| 605 · Awards/Gifts                | 0.00   |           |                |             |
| 630 · Catering/Hotel              | 0.00   |           |                |             |
| 639 · Dues & Commitments.         | 0.00   |           |                |             |
| 781 · Printing                    | 0.00   |           |                |             |
| 786 · Promotion                   | 0.00   |           |                |             |
| 787 · Speaker Fees                | 0.00   |           |                |             |
| 788 · Staff Expense               | 0.00   |           |                |             |
| 790 · Subscriptions and Reference | 0.00   |           |                |             |
| 810 · Contract Fees               | 0.00   | 5,000.00  | -5,000.00      | 0.0%        |
| Total Expense                     | 0.00   | 5,000.00  | -5,000.00      | 0.0%        |
| Net Ordinary Income               | 0.00   | -5,000.00 | 5,000.00       | 0.0%        |
| Net Income                        | 0.00   | -5,000.00 | 5,000.00       | 0.0%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | Total 1600 Risk Management |            |                |             |
|---------------------------------------|----------------------------|------------|----------------|-------------|
|                                       | Jan 18                     | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>        |                            |            |                |             |
| <b>Income</b>                         |                            |            |                |             |
| 440 · Other Program Income            | 900.00                     |            |                |             |
| 440.10 · Ethics Citation Fee          | 250.00                     | 100.00     | 150.00         | 250.0%      |
| 440.11 · Registration Fees            | 0.00                       | 900.00     | -900.00        | 0.0%        |
| 440.3 · Arbitration Deposits Retained | 500.00                     | 290.00     | 210.00         | 172.4%      |
| 440.4 · Appeal Fees Retained          | 0.00                       | 85.00      | -85.00         | 0.0%        |
| 440.5 · Ethics Admin Fees             | 600.00                     | 350.00     | 250.00         | 171.4%      |
| 440.6 · Retained Fine                 | 2,300.00                   | 750.00     | 1,550.00       | 306.7%      |
| <b>Total Income</b>                   | 4,550.00                   | 2,475.00   | 2,075.00       | 183.8%      |
| <b>Gross Profit</b>                   | 4,550.00                   | 2,475.00   | 2,075.00       | 183.8%      |
| <b>Expense</b>                        |                            |            |                |             |
| 605 · Awards/Gifts                    | 0.00                       | 100.00     | -100.00        | 0.0%        |
| 630 · Catering/Hotel                  | 489.08                     | 15,159.00  | -14,669.92     | 3.2%        |
| 632 · Copying                         | 0.00                       | 700.00     | -700.00        | 0.0%        |
| 770 · Supplies                        | 10.00                      | 1,250.00   | -1,240.00      | 0.8%        |
| 781 · Printing                        | 0.00                       | 100.00     | -100.00        | 0.0%        |
| 786 · Promotion                       | 0.00                       | 2,500.00   | -2,500.00      | 0.0%        |
| 787 · Speaker Fees                    | 0.00                       | 2,000.00   | -2,000.00      | 0.0%        |
| 788 · Staff Expense                   | 1,541.00                   | 2,100.00   | -559.00        | 73.4%       |
| 790 · Subscriptions and Reference     | 2,619.46                   | 5,265.00   | -2,645.54      | 49.8%       |
| 810 · Contract Fees                   | 15,104.06                  | 19,875.00  | -4,770.94      | 76.0%       |
| 867 · Travel                          | 307.71                     | 635.00     | -327.29        | 48.5%       |
| <b>Total Expense</b>                  | 20,071.31                  | 49,684.00  | -29,612.69     | 40.4%       |
| <b>Net Ordinary Income</b>            | -15,521.31                 | -47,209.00 | 31,687.69      | 32.9%       |
| <b>Net Income</b>                     | -15,521.31                 | -47,209.00 | 31,687.69      | 32.9%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | 1601 Risk Management Support<br>(1600 Risk Management) |                         |                        |                     |
|---------------------------------------|--|-------------------------|------------------------|---------------------|
|                                       | Jan 18   | Budget                  | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b>        |  |                         |                        |                     |
| <b>Income</b>                         |  |                         |                        |                     |
| 440 · Other Program Income            | 0.00   |                         |                        |                     |
| 440.10 · Ethics Citation Fee          | 0.00   |                         |                        |                     |
| 440.11 · Registration Fees            | 0.00   |                         |                        |                     |
| 440.3 · Arbitration Deposits Retained | 0.00   |                         |                        |                     |
| 440.4 · Appeal Fees Retained          | 0.00   |                         |                        |                     |
| 440.5 · Ethics Admin Fees             | 0.00   |                         |                        |                     |
| 440.6 · Retained Fine                 | 0.00   |                         |                        |                     |
| <b>Total Income</b>                   | <u>0.00</u>  |                         |                        |                     |
| <b>Gross Profit</b>                   | 0.00   |                         |                        |                     |
| <b>Expense</b>                        |  |                         |                        |                     |
| 605 · Awards/Gifts                    | 0.00   |                         |                        |                     |
| 630 · Catering/Hotel                  | 360.29   | 350.00                  | 10.29                  | 102.9%              |
| 632 · Copying                         | 0.00   |                         |                        |                     |
| 770 · Supplies                        | 10.00  | 750.00                  | -740.00                | 1.3%                |
| 781 · Printing                        | 0.00   |                         |                        |                     |
| 786 · Promotion                       | 0.00   | 250.00                  | -250.00                | 0.0%                |
| 787 · Speaker Fees                    | 0.00   |                         |                        |                     |
| 788 · Staff Expense                   | 1,424.98   | 1,600.00                | -175.02                | 89.1%               |
| 790 · Subscriptions and Reference     | 0.00   |                         |                        |                     |
| 810 · Contract Fees                   | 0.00   |                         |                        |                     |
| 867 · Travel                          | 0.00   |                         |                        |                     |
| <b>Total Expense</b>                  | <u>1,795.27</u>  | <u>2,950.00</u>         | <u>-1,154.73</u>       | <u>60.9%</u>        |
| <b>Net Ordinary Income</b>            | <u>-1,795.27</u>                                       | <u>-2,950.00</u>        | <u>1,154.73</u>        | <u>60.9%</u>        |
| <b>Net Income</b>                     | <u><u>-1,795.27</u></u>                                | <u><u>-2,950.00</u></u> | <u><u>1,154.73</u></u> | <u><u>60.9%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | 1602 Legal Support<br>(1600 Risk Management) |                 |                  |             |
|---------------------------------------|--|-----------------|------------------|-------------|
|                                       | Jan 18                                       | Budget          | \$ Over Budget   | % of Budget |
| Ordinary Income/Expense               |  |                 |                  |             |
| Income                                |  |                 |                  |             |
| 440 · Other Program Income            | 0.00   |                 |                  |             |
| 440.10 · Ethics Citation Fee          | 0.00   |                 |                  |             |
| 440.11 · Registration Fees            | 0.00   |                 |                  |             |
| 440.3 · Arbitration Deposits Retained | 0.00   |                 |                  |             |
| 440.4 · Appeal Fees Retained          | 0.00   |                 |                  |             |
| 440.5 · Ethics Admin Fees             | 0.00   |                 |                  |             |
| 440.6 · Retained Fine                 | 0.00   |                 |                  |             |
| <b>Total Income</b>                   | <b>0.00</b>                                  |                 |                  |             |
| Gross Profit                          | 0.00   |                 |                  |             |
| Expense                               |  |                 |                  |             |
| 605 · Awards/Gifts                    | 0.00   |                 |                  |             |
| 630 · Catering/Hotel                  | 0.00   |                 |                  |             |
| 632 · Copying                         | 0.00   |                 |                  |             |
| 770 · Supplies                        | 0.00   |                 |                  |             |
| 781 · Printing                        | 0.00   |                 |                  |             |
| 786 · Promotion                       | 0.00   |                 |                  |             |
| 787 · Speaker Fees                    | 0.00   |                 |                  |             |
| 788 · Staff Expense                   | 0.00   |                 |                  |             |
| 790 · Subscriptions and Reference     | 375.98                                       | 1,600.00        | -1,224.02        | 23.5%       |
| 810 · Contract Fees                   | 0.00   | 2,500.00        | -2,500.00        | 0.0%        |
| 867 · Travel                          | 0.00   | 0.00            | 0.00             | 0.0%        |
| <b>Total Expense</b>                  | <b>375.98</b>                                | <b>4,100.00</b> | <b>-3,724.02</b> | <b>9.2%</b> |
| Net Ordinary Income                   | -375.98                                      | -4,100.00       | 3,724.02         | 9.2%        |
| Net Income                            | -375.98                                      | -4,100.00       | 3,724.02         | 9.2%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | 1605 PS Enforcement<br>(1600 Risk Management) |                  |                  |               |
|---------------------------------------|---|------------------|------------------|---------------|
|                                       | Jan 18  | Budget           | \$ Over Budget   | % of Budget   |
| <b>Ordinary Income/Expense</b>        |   |                  |                  |               |
| <b>Income</b>                         |   |                  |                  |               |
| 440 · Other Program Income            | 0.00  |                  |                  |               |
| 440.10 · Ethics Citation Fee          | 250.00  | 100.00           | 150.00           | 250.0%        |
| 440.11 · Registration Fees            | 0.00  |                  |                  |               |
| 440.3 · Arbitration Deposits Retained | 500.00  | 290.00           | 210.00           | 172.4%        |
| 440.4 · Appeal Fees Retained          | 0.00  | 85.00            | -85.00           | 0.0%          |
| 440.5 · Ethics Admin Fees             | 600.00  | 350.00           | 250.00           | 171.4%        |
| 440.6 · Retained Fine                 | 2,300.00                                      | 750.00           | 1,550.00         | 306.7%        |
| <b>Total Income</b>                   | <u>3,650.00</u>                               | <u>1,575.00</u>  | <u>2,075.00</u>  | <u>231.7%</u> |
| <b>Gross Profit</b>                   | 3,650.00                                      | 1,575.00         | 2,075.00         | 231.7%        |
| <b>Expense</b>                        |   |                  |                  |               |
| 605 · Awards/Gifts                    | 0.00  | 100.00           | -100.00          | 0.0%          |
| 630 · Catering/Hotel                  | 128.79  | 154.00           | -25.21           | 83.6%         |
| 632 · Copying                         | 0.00  | 700.00           | -700.00          | 0.0%          |
| 770 · Supplies                        | 0.00  | 250.00           | -250.00          | 0.0%          |
| 781 · Printing                        | 0.00  |                  |                  |               |
| 786 · Promotion                       | 0.00  |                  |                  |               |
| 787 · Speaker Fees                    | 0.00  |                  |                  |               |
| 788 · Staff Expense                   | 116.02  | 500.00           | -383.98          | 23.2%         |
| 790 · Subscriptions and Reference     | 2,243.48                                      | 2,440.00         | -196.52          | 91.9%         |
| 810 · Contract Fees                   | 300.00  |                  |                  |               |
| 867 · Travel                          | 307.71  | 385.00           | -77.29           | 79.9%         |
| <b>Total Expense</b>                  | <u>3,096.00</u>                               | <u>4,529.00</u>  | <u>-1,433.00</u> | <u>68.4%</u>  |
| <b>Net Ordinary Income</b>            | <u>554.00</u>                                 | <u>-2,954.00</u> | <u>3,508.00</u>  | <u>-18.8%</u> |
| <b>Net Income</b>                     | <u>554.00</u>                                 | <u>-2,954.00</u> | <u>3,508.00</u>  | <u>-18.8%</u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                       | 1610 PS Training<br>(1600 Risk Management) |                   |                   |               |
|---------------------------------------|--|-------------------|-------------------|---------------|
|                                       | Jan 18                                     | Budget            | \$ Over Budget    | % of Budget   |
| <b>Ordinary Income/Expense</b>        |  |                   |                   |               |
| <b>Income</b>                         |  |                   |                   |               |
| 440 · Other Program Income            | 900.00                                     |                   |                   |               |
| 440.10 · Ethics Citation Fee          | 0.00                                       |                   |                   |               |
| 440.11 · Registration Fees            | 0.00                                       | 900.00            | -900.00           | 0.0%          |
| 440.3 · Arbitration Deposits Retained | 0.00                                       |                   |                   |               |
| 440.4 · Appeal Fees Retained          | 0.00                                       |                   |                   |               |
| 440.5 · Ethics Admin Fees             | 0.00                                       |                   |                   |               |
| 440.6 · Retained Fine                 | 0.00                                       |                   |                   |               |
| <b>Total Income</b>                   | <u>900.00</u>                              | <u>900.00</u>     | <u>0.00</u>       | <u>100.0%</u> |
| <b>Gross Profit</b>                   | 900.00                                     | 900.00            | 0.00              | 100.0%        |
| <b>Expense</b>                        |  |                   |                   |               |
| 605 · Awards/Gifts                    | 0.00                                       |                   |                   |               |
| 630 · Catering/Hotel                  | 0.00                                       | 14,550.00         | -14,550.00        | 0.0%          |
| 632 · Copying                         | 0.00                                       |                   |                   |               |
| 770 · Supplies                        | 0.00                                       | 250.00            | -250.00           | 0.0%          |
| 781 · Printing                        | 0.00                                       |                   |                   |               |
| 786 · Promotion                       | 0.00                                       |                   |                   |               |
| 787 · Speaker Fees                    | 0.00                                       | 2,000.00          | -2,000.00         | 0.0%          |
| 788 · Staff Expense                   | 0.00                                       |                   |                   |               |
| 790 · Subscriptions and Reference     | 0.00                                       | 1,225.00          | -1,225.00         | 0.0%          |
| 810 · Contract Fees                   | 0.00                                       | 0.00              | 0.00              | 0.0%          |
| 867 · Travel                          | 0.00                                       |                   |                   |               |
| <b>Total Expense</b>                  | <u>0.00</u>                                | <u>18,025.00</u>  | <u>-18,025.00</u> | <u>0.0%</u>   |
| <b>Net Ordinary Income</b>            | <u>900.00</u>                              | <u>-17,125.00</u> | <u>18,025.00</u>  | <u>-5.3%</u>  |
| <b>Net Income</b>                     | <u>900.00</u>                              | <u>-17,125.00</u> | <u>18,025.00</u>  | <u>-5.3%</u>  |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | 1615 Alt. Dispute Resolution<br>(1600 Risk Management) |                |                |             |
|---------------------------------------|--|----------------|----------------|-------------|
|                                       | Jan 18   | Budget         | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>        |  |                |                |             |
| <b>Income</b>                         |  |                |                |             |
| 440 · Other Program Income            | 0.00   |                |                |             |
| 440.10 · Ethics Citation Fee          | 0.00   |                |                |             |
| 440.11 · Registration Fees            | 0.00   |                |                |             |
| 440.3 · Arbitration Deposits Retained | 0.00   |                |                |             |
| 440.4 · Appeal Fees Retained          | 0.00   |                |                |             |
| 440.5 · Ethics Admin Fees             | 0.00   |                |                |             |
| 440.6 · Retained Fine                 | 0.00   |                |                |             |
| <b>Total Income</b>                   | <u>0.00</u>  |                |                |             |
| <b>Gross Profit</b>                   | 0.00   |                |                |             |
| <b>Expense</b>                        |  |                |                |             |
| 605 · Awards/Gifts                    | 0.00   |                |                |             |
| 630 · Catering/Hotel                  | 0.00   | 0.00           | 0.00           | 0.0%        |
| 632 · Copying                         | 0.00   |                |                |             |
| 770 · Supplies                        | 0.00   |                |                |             |
| 781 · Printing                        | 0.00   |                |                |             |
| 786 · Promotion                       | 0.00   |                |                |             |
| 787 · Speaker Fees                    | 0.00   | 0.00           | 0.00           | 0.0%        |
| 788 · Staff Expense                   | 0.00   |                |                |             |
| 790 · Subscriptions and Reference     | 0.00   |                |                |             |
| 810 · Contract Fees                   | 0.00   | 0.00           | 0.00           | 0.0%        |
| 867 · Travel                          | 0.00   | 250.00         | -250.00        | 0.0%        |
| <b>Total Expense</b>                  | <u>0.00</u>  | <u>250.00</u>  | <u>-250.00</u> | <u>0.0%</u> |
| <b>Net Ordinary Income</b>            | <u>0.00</u>  | <u>-250.00</u> | <u>250.00</u>  | <u>0.0%</u> |
| <b>Net Income</b>                     | <u>0.00</u>  | <u>-250.00</u> | <u>250.00</u>  | <u>0.0%</u> |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                       | 1625 Risk Management Publicatns<br>(1600 Risk Management) |           |                |             |
|---------------------------------------|---|-----------|----------------|-------------|
|                                       | Jan 18  | Budget    | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>        |   |           |                |             |
| Income                                |   |           |                |             |
| 440 · Other Program Income            | 0.00  |           |                |             |
| 440.10 · Ethics Citation Fee          | 0.00  |           |                |             |
| 440.11 · Registration Fees            | 0.00  |           |                |             |
| 440.3 · Arbitration Deposits Retained | 0.00  |           |                |             |
| 440.4 · Appeal Fees Retained          | 0.00  |           |                |             |
| 440.5 · Ethics Admin Fees             | 0.00  |           |                |             |
| 440.6 · Retained Fine                 | 0.00  |           |                |             |
| Total Income                          | 0.00  |           |                |             |
| <b>Gross Profit</b>                   | 0.00  |           |                |             |
| Expense                               |   |           |                |             |
| 605 · Awards/Gifts                    | 0.00  |           |                |             |
| 630 · Catering/Hotel                  | 0.00  |           |                |             |
| 632 · Copying                         | 0.00  |           |                |             |
| 770 · Supplies                        | 0.00  |           |                |             |
| 781 · Printing                        | 0.00  |           |                |             |
| 786 · Promotion                       | 0.00  | 2,250.00  | -2,250.00      | 0.0%        |
| 787 · Speaker Fees                    | 0.00  |           |                |             |
| 788 · Staff Expense                   | 0.00  |           |                |             |
| 790 · Subscriptions and Reference     | 0.00  |           |                |             |
| 810 · Contract Fees                   | 0.00  |           |                |             |
| 867 · Travel                          | 0.00  |           |                |             |
| Total Expense                         | 0.00  | 2,250.00  | -2,250.00      | 0.0%        |
| <b>Net Ordinary Income</b>            | 0.00  | -2,250.00 | 2,250.00       | 0.0%        |
| <b>Net Income</b>                     | 0.00  | -2,250.00 | 2,250.00       | 0.0%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                       | Total 1650 Forms Development and Sale<br>(1600 Risk Management) |                  |                  |             |
|---------------------------------------|---|------------------|------------------|-------------|
|                                       | Jan 18  | Budget           | \$ Over Budget   | % of Budget |
| <b>Ordinary Income/Expense</b>        |   |                  |                  |             |
| <b>Income</b>                         |   |                  |                  |             |
| 440 · Other Program Income            | 0.00  |                  |                  |             |
| 440.10 · Ethics Citation Fee          | 0.00  |                  |                  |             |
| 440.11 · Registration Fees            | 0.00  |                  |                  |             |
| 440.3 · Arbitration Deposits Retained | 0.00  |                  |                  |             |
| 440.4 · Appeal Fees Retained          | 0.00  |                  |                  |             |
| 440.5 · Ethics Admin Fees             | 0.00  |                  |                  |             |
| 440.6 · Retained Fine                 | 0.00  |                  |                  |             |
| <b>Total Income</b>                   | <u>0.00</u>   |                  |                  |             |
| <b>Gross Profit</b>                   | 0.00  |                  |                  |             |
| <b>Expense</b>                        |   |                  |                  |             |
| 605 · Awards/Gifts                    | 0.00  |                  |                  |             |
| 630 · Catering/Hotel                  | 0.00  | 105.00           | -105.00          | 0.0%        |
| 632 · Copying                         | 0.00  |                  |                  |             |
| 770 · Supplies                        | 0.00  |                  |                  |             |
| 781 · Printing                        | 0.00  |                  |                  |             |
| 786 · Promotion                       | 0.00  |                  |                  |             |
| 787 · Speaker Fees                    | 0.00  |                  |                  |             |
| 788 · Staff Expense                   | 0.00  |                  |                  |             |
| 790 · Subscriptions and Reference     | 0.00  |                  |                  |             |
| 810 · Contract Fees                   | 0.00  | 1,875.00         | -1,875.00        | 0.0%        |
| 867 · Travel                          | 0.00  |                  |                  |             |
| <b>Total Expense</b>                  | <u>0.00</u>   | <u>1,980.00</u>  | <u>-1,980.00</u> | <u>0.0%</u> |
| <b>Net Ordinary Income</b>            | <u>0.00</u>   | <u>-1,980.00</u> | <u>1,980.00</u>  | <u>0.0%</u> |
| <b>Net Income</b>                     | <u>0.00</u>   | <u>-1,980.00</u> | <u>1,980.00</u>  | <u>0.0%</u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                       | 1665 Legal Hotline<br>(1600 Risk Management) |            |                |             |
|---------------------------------------|--|------------|----------------|-------------|
|                                       | Jan 18                                       | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>        |  |            |                |             |
| Income                                |  |            |                |             |
| 440 · Other Program Income            | 0.00   |            |                |             |
| 440.10 · Ethics Citation Fee          | 0.00   |            |                |             |
| 440.11 · Registration Fees            | 0.00   |            |                |             |
| 440.3 · Arbitration Deposits Retained | 0.00   |            |                |             |
| 440.4 · Appeal Fees Retained          | 0.00   |            |                |             |
| 440.5 · Ethics Admin Fees             | 0.00   |            |                |             |
| 440.6 · Retained Fine                 | 0.00   |            |                |             |
| Total Income                          | 0.00   |            |                |             |
| <b>Gross Profit</b>                   | 0.00   |            |                |             |
| Expense                               |  |            |                |             |
| 605 · Awards/Gifts                    | 0.00   |            |                |             |
| 630 · Catering/Hotel                  | 0.00   |            |                |             |
| 632 · Copying                         | 0.00   |            |                |             |
| 770 · Supplies                        | 0.00   |            |                |             |
| 781 · Printing                        | 0.00   | 100.00     | -100.00        | 0.0%        |
| 786 · Promotion                       | 0.00   |            |                |             |
| 787 · Speaker Fees                    | 0.00   |            |                |             |
| 788 · Staff Expense                   | 0.00   |            |                |             |
| 790 · Subscriptions and Reference     | 0.00   |            |                |             |
| 810 · Contract Fees                   | 14,804.06                                    | 15,500.00  | -695.94        | 95.5%       |
| 867 · Travel                          | 0.00   |            |                |             |
| Total Expense                         | 14,804.06                                    | 15,600.00  | -795.94        | 94.9%       |
| <b>Net Ordinary Income</b>            | -14,804.06                                   | -15,600.00 | 795.94         | 94.9%       |
| <b>Net Income</b>                     | -14,804.06                                   | -15,600.00 | 795.94         | 94.9%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                    | Total 1700 Business Services & Tech. |                           |                         |                     |
|------------------------------------|--------------------------------------|---------------------------|-------------------------|---------------------|
|                                    | Jan 18                               | Budget                    | \$ Over Budget          | % of Budget         |
| <b>Ordinary Income/Expense</b>     |                                      |                           |                         |                     |
| <b>Income</b>                      |                                      |                           |                         |                     |
| 433 · Forms Licensing              | 2,000.00                             | 2,000.00                  | 0.00                    | 100.0%              |
| 466 · Member Communications        | 0.00                                 | 600.00                    | -600.00                 | 0.0%                |
| <b>Total Income</b>                | <u>2,000.00</u>                      | <u>2,600.00</u>           | <u>-600.00</u>          | <u>76.9%</u>        |
| <b>Gross Profit</b>                | 2,000.00                             | 2,600.00                  | -600.00                 | 76.9%               |
| <b>Expense</b>                     |                                      |                           |                         |                     |
| 540 · Staff Development            | 0.00                                 | 2,500.00                  | -2,500.00               | 0.0%                |
| 630 · Catering/Hotel               | 237.48                               | 300.00                    | -62.52                  | 79.2%               |
| 631 · Computer Service and Expense | 2,276.55                             | 3,000.00                  | -723.45                 | 75.9%               |
| 770 · Supplies                     | 212.00                               | 708.33                    | -496.33                 | 29.9%               |
| 780 · Postage                      | 0.00                                 | 50.00                     | -50.00                  | 0.0%                |
| 781 · Printing                     | 155.79                               | 8,875.00                  | -8,719.21               | 1.8%                |
| 788 · Staff Expense                | -17.70                               | 616.67                    | -634.37                 | -2.9%               |
| 790 · Subscriptions and Reference  | 66.13                                | 250.00                    | -183.87                 | 26.5%               |
| 810 · Contract Fees                | 189,558.23                           | 212,325.72                | -22,767.49              | 89.3%               |
| <b>Total Expense</b>               | <u>192,488.48</u>                    | <u>228,625.72</u>         | <u>-36,137.24</u>       | <u>84.2%</u>        |
| <b>Net Ordinary Income</b>         | <u>-190,488.48</u>                   | <u>-226,025.72</u>        | <u>35,537.24</u>        | <u>84.3%</u>        |
| <b>Net Income</b>                  | <u><u>-190,488.48</u></u>            | <u><u>-226,025.72</u></u> | <u><u>35,537.24</u></u> | <u><u>84.3%</u></u> |

## Arizona Association of REALTORS®

## Profit &amp; Loss Budget vs. Actual

January 2018

|                                    | 1701 Bus Services & Tech Suppt<br>(1700 Business Services & Tech.) |           |                |             |
|------------------------------------|--|-----------|----------------|-------------|
|                                    | Jan 18   | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |  |           |                |             |
| Income                             |  |           |                |             |
| 433 · Forms Licensing              | 0.00   |           |                |             |
| 466 · Member Communications        | 0.00   |           |                |             |
| Total Income                       | 0.00   |           |                |             |
| Gross Profit                       | 0.00   |           |                |             |
| Expense                            |  |           |                |             |
| 540 · Staff Development            | 0.00   | 2,500.00  | -2,500.00      | 0.0%        |
| 630 · Catering/Hotel               | 0.00   |           |                |             |
| 631 · Computer Service and Expense | 0.00   |           |                |             |
| 770 · Supplies                     | 105.52   | 500.00    | -394.48        | 21.1%       |
| 780 · Postage                      | 0.00   | 50.00     | -50.00         | 0.0%        |
| 781 · Printing                     | 155.79   | 208.33    | -52.54         | 74.8%       |
| 788 · Staff Expense                | -109.15  | 450.00    | -559.15        | -24.3%      |
| 790 · Subscriptions and Reference  | 0.00   | 200.00    | -200.00        | 0.0%        |
| 810 · Contract Fees                | 0.00   |           |                |             |
| Total Expense                      | 152.16   | 3,908.33  | -3,756.17      | 3.9%        |
| Net Ordinary Income                | -152.16  | -3,908.33 | 3,756.17       | 3.9%        |
| Net Income                         | -152.16  | -3,908.33 | 3,756.17       | 3.9%        |

## Arizona Association of REALTORS®

## Profit &amp; Loss Budget vs. Actual

January 2018

|                                    | 1710 Software Development<br>(1700 Business Services & Tech.) |            |                |             |
|------------------------------------|---|------------|----------------|-------------|
|                                    | Jan 18  | Budget     | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |   |            |                |             |
| Income                             |   |            |                |             |
| 433 · Forms Licensing              | 0.00  |            |                |             |
| 466 · Member Communications        | 0.00  |            |                |             |
| Total Income                       | 0.00  |            |                |             |
| Gross Profit                       | 0.00  |            |                |             |
| Expense                            |   |            |                |             |
| 540 · Staff Development            | 0.00  |            |                |             |
| 630 · Catering/Hotel               | 0.00  |            |                |             |
| 631 · Computer Service and Expense | 0.00  | 0.00       | 0.00           | 0.0%        |
| 770 · Supplies                     | 0.00  |            |                |             |
| 780 · Postage                      | 0.00  |            |                |             |
| 781 · Printing                     | 0.00  |            |                |             |
| 788 · Staff Expense                | 0.00  |            |                |             |
| 790 · Subscriptions and Reference  | 0.00  |            |                |             |
| 810 · Contract Fees                | 512.52  | 10,916.66  | -10,404.14     | 4.7%        |
| Total Expense                      | 512.52  | 10,916.66  | -10,404.14     | 4.7%        |
| Net Ordinary Income                | -512.52   | -10,916.66 | 10,404.14      | 4.7%        |
| Net Income                         | -512.52   | -10,916.66 | 10,404.14      | 4.7%        |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1730 IT Resource/Security Mgmt.<br>(1700 Business Services & Tech.) |                          |                        |                     |
|------------------------------------|---|--------------------------|------------------------|---------------------|
|                                    | Jan 18  | Budget                   | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b>     |   |                          |                        |                     |
| <b>Income</b>                      |   |                          |                        |                     |
| 433 · Forms Licensing              | 0.00  |                          |                        |                     |
| 466 · Member Communications        | 0.00  |                          |                        |                     |
| <b>Total Income</b>                | <u>0.00</u>   |                          |                        |                     |
| <b>Gross Profit</b>                | 0.00  |                          |                        |                     |
| <b>Expense</b>                     |   |                          |                        |                     |
| 540 · Staff Development            | 0.00  |                          |                        |                     |
| 630 · Catering/Hotel               | 0.00  |                          |                        |                     |
| 631 · Computer Service and Expense | 2,276.55  | 3,000.00                 | -723.45                | 75.9%               |
| 770 · Supplies                     | 0.00  |                          |                        |                     |
| 780 · Postage                      | 0.00  |                          |                        |                     |
| 781 · Printing                     | 0.00  |                          |                        |                     |
| 788 · Staff Expense                | 0.00  |                          |                        |                     |
| 790 · Subscriptions and Reference  | 0.00  |                          |                        |                     |
| 810 · Contract Fees                | 25,043.56   | 27,620.83                | -2,577.27              | 90.7%               |
| <b>Total Expense</b>               | <u>27,320.11</u>  | <u>30,620.83</u>         | <u>-3,300.72</u>       | <u>89.2%</u>        |
| <b>Net Ordinary Income</b>         | <u>-27,320.11</u>   | <u>-30,620.83</u>        | <u>3,300.72</u>        | <u>89.2%</u>        |
| <b>Net Income</b>                  | <u><u>-27,320.11</u></u>  | <u><u>-30,620.83</u></u> | <u><u>3,300.72</u></u> | <u><u>89.2%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                    | 1770 Business Services Dept.<br>(1700 Business Services & Tech.) |                           |                      |                     |
|------------------------------------|--|---------------------------|----------------------|---------------------|
|                                    | Jan 18   | Budget                    | \$ Over Budget       | % of Budget         |
| <b>Ordinary Income/Expense</b>     |  |                           |                      |                     |
| <b>Income</b>                      |  |                           |                      |                     |
| 433 · Forms Licensing              | 2,000.00   | 2,000.00                  | 0.00                 | 100.0%              |
| 466 · Member Communications        | 0.00   |                           |                      |                     |
| <b>Total Income</b>                | <u>2,000.00</u>  | <u>2,000.00</u>           | <u>0.00</u>          | <u>100.0%</u>       |
| <b>Gross Profit</b>                | 2,000.00   | 2,000.00                  | 0.00                 | 100.0%              |
| <b>Expense</b>                     |  |                           |                      |                     |
| 540 · Staff Development            | 0.00   |                           |                      |                     |
| 630 · Catering/Hotel               | 237.48   | 300.00                    | -62.52               | 79.2%               |
| 631 · Computer Service and Expense | 0.00   |                           |                      |                     |
| 770 · Supplies                     | 0.00   |                           |                      |                     |
| 780 · Postage                      | 0.00   |                           |                      |                     |
| 781 · Printing                     | 0.00   |                           |                      |                     |
| 788 · Staff Expense                | 91.45  |                           |                      |                     |
| 790 · Subscriptions and Reference  | 0.00   |                           |                      |                     |
| 810 · Contract Fees                | 153,994.05   | 154,579.90                | -585.85              | 99.6%               |
| <b>Total Expense</b>               | <u>154,322.98</u>  | <u>154,879.90</u>         | <u>-556.92</u>       | <u>99.6%</u>        |
| <b>Net Ordinary Income</b>         | <u>-152,322.98</u>   | <u>-152,879.90</u>        | <u>556.92</u>        | <u>99.6%</u>        |
| <b>Net Income</b>                  | <u><u>-152,322.98</u></u>  | <u><u>-152,879.90</u></u> | <u><u>556.92</u></u> | <u><u>99.6%</u></u> |



## Arizona Association of REALTORS®

## Profit &amp; Loss Budget vs. Actual

January 2018

|                                    | 1780 Communications<br>(1700 Business Services & Tech.) |            |                |             |
|------------------------------------|---|------------|----------------|-------------|
|                                    | Jan 18  | Budget     | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>     |   |            |                |             |
| <b>Income</b>                      |   |            |                |             |
| 433 · Forms Licensing              | 0.00  |            |                |             |
| 466 · Member Communications        | 0.00  | 600.00     | -600.00        | 0.0%        |
| <b>Total Income</b>                | 0.00  | 600.00     | -600.00        | 0.0%        |
| <b>Gross Profit</b>                | 0.00  | 600.00     | -600.00        | 0.0%        |
| <b>Expense</b>                     |   |            |                |             |
| 540 · Staff Development            | 0.00  | 0.00       | 0.00           | 0.0%        |
| 630 · Catering/Hotel               | 0.00  |            |                |             |
| 631 · Computer Service and Expense | 0.00  |            |                |             |
| 770 · Supplies                     | 106.48  | 208.33     | -101.85        | 51.1%       |
| 780 · Postage                      | 0.00  |            |                |             |
| 781 · Printing                     | 0.00  | 8,666.67   | -8,666.67      | 0.0%        |
| 788 · Staff Expense                | 0.00  | 166.67     | -166.67        | 0.0%        |
| 790 · Subscriptions and Reference  | 66.13   | 50.00      | 16.13          | 132.3%      |
| 810 · Contract Fees                | 10,008.10   | 19,208.33  | -9,200.23      | 52.1%       |
| <b>Total Expense</b>               | 10,180.71   | 28,300.00  | -18,119.29     | 36.0%       |
| <b>Net Ordinary Income</b>         | -10,180.71  | -27,700.00 | 17,519.29      | 36.8%       |
| <b>Net Income</b>                  | -10,180.71  | -27,700.00 | 17,519.29      | 36.8%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | Total 1800 Professional & Bus.Develop |                         |                         |                     |
|--------------------------------|---------------------------------------|-------------------------|-------------------------|---------------------|
|                                | Jan 18                                | Budget                  | \$ Over Budget          | % of Budget         |
| <b>Ordinary Income/Expense</b> |                                       |                         |                         |                     |
| <b>Income</b>                  |                                       |                         |                         |                     |
| 461 · Education Development    | 25.08                                 | 0.00                    | 25.08                   | 100.0%              |
| 462 · Education Outreach       | 5,655.00                              | 2,175.00                | 3,480.00                | 260.0%              |
| 463 · Instructor Development   | 1,617.00                              | 585.00                  | 1,032.00                | 276.4%              |
| 464 · Leadership Training      | 495.00                                | 0.00                    | 495.00                  | 100.0%              |
| 465 · MRE Society              | 350.00                                | 250.00                  | 100.00                  | 140.0%              |
| 467 · REALTOR Institute        | 1,891.00                              | 675.00                  | 1,216.00                | 280.1%              |
| 468 · rCRMS                    | 4,384.00                              | 2,655.00                | 1,729.00                | 165.1%              |
| 469 · Spring Convention        | 25,141.70                             | 58,050.00               | -32,908.30              | 43.3%               |
| 472 · CRPM                     | 5,352.00                              | 5,490.00                | -138.00                 | 97.5%               |
| <b>Total Income</b>            | <u>44,910.78</u>                      | <u>69,880.00</u>        | <u>-24,969.22</u>       | <u>64.3%</u>        |
| <b>Gross Profit</b>            | 44,910.78                             | 69,880.00               | -24,969.22              | 64.3%               |
| <b>Expense</b>                 |                                       |                         |                         |                     |
| 630 · Catering/Hotel           | 55.84                                 | 1,080.00                | -1,024.16               | 5.2%                |
| 632 · Copying                  | 576.67                                | 1,000.00                | -423.33                 | 57.7%               |
| 639 · Dues & Commitments.      | 1.92                                  | 300.00                  | -298.08                 | 0.6%                |
| 770 · Supplies                 | 2,262.84                              | 3,215.00                | -952.16                 | 70.4%               |
| 786 · Promotion                | 390.59                                | 600.00                  | -209.41                 | 65.1%               |
| 787 · Speaker Fees             | 16,815.25                             | 25,275.00               | -8,459.75               | 66.5%               |
| 788 · Staff Expense            | 540.84                                | 637.00                  | -96.16                  | 84.9%               |
| 810 · Contract Fees            | 2,163.06                              | 7,696.00                | -5,532.94               | 28.1%               |
| 855 · Transportation           | 156.74                                | 60.00                   | 96.74                   | 261.2%              |
| <b>Total Expense</b>           | <u>22,963.75</u>                      | <u>39,863.00</u>        | <u>-16,899.25</u>       | <u>57.6%</u>        |
| <b>Net Ordinary Income</b>     | <u>21,947.03</u>                      | <u>30,017.00</u>        | <u>-8,069.97</u>        | <u>73.1%</u>        |
| <b>Net Income</b>              | <u><u>21,947.03</u></u>               | <u><u>30,017.00</u></u> | <u><u>-8,069.97</u></u> | <u><u>73.1%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                | 1801 Prof Dev Support<br>(1800 Professional & Bus.Develop) |                  |                  |              |
|--------------------------------|--|------------------|------------------|--------------|
|                                | Jan 18   | Budget           | \$ Over Budget   | % of Budget  |
| <b>Ordinary Income/Expense</b> |  |                  |                  |              |
| Income                         |  |                  |                  |              |
| 461 · Education Development    | 0.00   |                  |                  |              |
| 462 · Education Outreach       | 0.00   |                  |                  |              |
| 463 · Instructor Development   | 0.00   |                  |                  |              |
| 464 · Leadership Training      | 0.00   |                  |                  |              |
| 465 · MRE Society              | 0.00   |                  |                  |              |
| 467 · REALTOR Institute        | 0.00   |                  |                  |              |
| 468 · rCRMS                    | 0.00   |                  |                  |              |
| 469 · Spring Convention        | 0.00   |                  |                  |              |
| 472 · CRPM                     | 0.00   |                  |                  |              |
| <b>Total Income</b>            | <b>0.00</b>  |                  |                  |              |
| <b>Gross Profit</b>            | <b>0.00</b>  |                  |                  |              |
| Expense                        |  |                  |                  |              |
| 630 · Catering/Hotel           | 0.00   | 800.00           | -800.00          | 0.0%         |
| 632 · Copying                  | 576.67   | 1,000.00         | -423.33          | 57.7%        |
| 639 · Dues & Commitments.      | 0.00   | 295.00           | -295.00          | 0.0%         |
| 770 · Supplies                 | 0.00   | 0.00             | 0.00             | 0.0%         |
| 786 · Promotion                | 0.00   | 0.00             | 0.00             | 0.0%         |
| 787 · Speaker Fees             | 0.00   |                  |                  |              |
| 788 · Staff Expense            | 49.70  | 0.00             | 49.70            | 100.0%       |
| 810 · Contract Fees            | 1,257.58   | 1,784.00         | -526.42          | 70.5%        |
| 855 · Transportation           | 0.00   |                  |                  |              |
| <b>Total Expense</b>           | <b>1,883.95</b>  | <b>3,879.00</b>  | <b>-1,995.05</b> | <b>48.6%</b> |
| <b>Net Ordinary Income</b>     | <b>-1,883.95</b>   | <b>-3,879.00</b> | <b>1,995.05</b>  | <b>48.6%</b> |
| <b>Net Income</b>              | <b>-1,883.95</b>   | <b>-3,879.00</b> | <b>1,995.05</b>  | <b>48.6%</b> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1815 REALTOR Institute<br>(1800 Professional & Bus.Develop) |                         |                        |                     |
|--------------------------------|---|-------------------------|------------------------|---------------------|
|                                | Jan 18  | Budget                  | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b> |   |                         |                        |                     |
| <b>Income</b>                  |   |                         |                        |                     |
| 461 · Education Development    | 0.00  |                         |                        |                     |
| 462 · Education Outreach       | 0.00  |                         |                        |                     |
| 463 · Instructor Development   | 0.00  |                         |                        |                     |
| 464 · Leadership Training      | 0.00  |                         |                        |                     |
| 465 · MRE Society              | 0.00  |                         |                        |                     |
| 467 · REALTOR Institute        | 1,891.00  | 675.00                  | 1,216.00               | 280.1%              |
| 468 · rCRMS                    | 0.00  |                         |                        |                     |
| 469 · Spring Convention        | 0.00  |                         |                        |                     |
| 472 · CRPM                     | 0.00  |                         |                        |                     |
| <b>Total Income</b>            | <u>1,891.00</u>   | <u>675.00</u>           | <u>1,216.00</u>        | <u>280.1%</u>       |
| <b>Gross Profit</b>            | 1,891.00  | 675.00                  | 1,216.00               | 280.1%              |
| <b>Expense</b>                 |   |                         |                        |                     |
| 630 · Catering/Hotel           | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| 632 · Copying                  | 0.00  |                         |                        |                     |
| 639 · Dues & Commitments.      | 0.00  |                         |                        |                     |
| 770 · Supplies                 | 1,610.59  | 2,275.00                | -664.41                | 70.8%               |
| 786 · Promotion                | 119.00  | 350.00                  | -231.00                | 34.0%               |
| 787 · Speaker Fees             | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| 788 · Staff Expense            | 0.00  | 110.00                  | -110.00                | 0.0%                |
| 810 · Contract Fees            | 0.00  | 3,570.00                | -3,570.00              | 0.0%                |
| 855 · Transportation           | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| <b>Total Expense</b>           | <u>1,729.59</u>   | <u>6,305.00</u>         | <u>-4,575.41</u>       | <u>27.4%</u>        |
| <b>Net Ordinary Income</b>     | <u>161.41</u>   | <u>-5,630.00</u>        | <u>5,791.41</u>        | <u>-2.9%</u>        |
| <b>Net Income</b>              | <u><u>161.41</u></u>  | <u><u>-5,630.00</u></u> | <u><u>5,791.41</u></u> | <u><u>-2.9%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1820 rCRMS<br>(1800 Professional & Bus.Develop) |                      |                        |                      |
|--------------------------------|---|----------------------|------------------------|----------------------|
|                                | Jan 18  | Budget               | \$ Over Budget         | % of Budget          |
| <b>Ordinary Income/Expense</b> |   |                      |                        |                      |
| <b>Income</b>                  |   |                      |                        |                      |
| 461 · Education Development    | 0.00  |                      |                        |                      |
| 462 · Education Outreach       | 0.00  |                      |                        |                      |
| 463 · Instructor Development   | 0.00  |                      |                        |                      |
| 464 · Leadership Training      | 0.00  |                      |                        |                      |
| 465 · MRE Society              | 0.00  |                      |                        |                      |
| 467 · REALTOR Institute        | 0.00  |                      |                        |                      |
| 468 · rCRMS                    | 4,384.00  | 2,655.00             | 1,729.00               | 165.1%               |
| 469 · Spring Convention        | 0.00  |                      |                        |                      |
| 472 · CRPM                     | 0.00  |                      |                        |                      |
| <b>Total Income</b>            | <u>4,384.00</u>                                 | <u>2,655.00</u>      | <u>1,729.00</u>        | <u>165.1%</u>        |
| <b>Gross Profit</b>            | 4,384.00  | 2,655.00             | 1,729.00               | 165.1%               |
| <b>Expense</b>                 |   |                      |                        |                      |
| 630 · Catering/Hotel           | 0.00  | 0.00                 | 0.00                   | 0.0%                 |
| 632 · Copying                  | 0.00  |                      |                        |                      |
| 639 · Dues & Commitments.      | 0.00  |                      |                        |                      |
| 770 · Supplies                 | 0.00  |                      |                        |                      |
| 786 · Promotion                | 101.19  | 100.00               | 1.19                   | 101.2%               |
| 787 · Speaker Fees             | 1,950.00  | 1,800.00             | 150.00                 | 108.3%               |
| 788 · Staff Expense            | 0.00  | 9.00                 | -9.00                  | 0.0%                 |
| 810 · Contract Fees            | 0.00  | 423.00               | -423.00                | 0.0%                 |
| 855 · Transportation           | 0.00  | 0.00                 | 0.00                   | 0.0%                 |
| <b>Total Expense</b>           | <u>2,051.19</u>                                 | <u>2,332.00</u>      | <u>-280.81</u>         | <u>88.0%</u>         |
| <b>Net Ordinary Income</b>     | <u>2,332.81</u>                                 | <u>323.00</u>        | <u>2,009.81</u>        | <u>722.2%</u>        |
| <b>Net Income</b>              | <u><u>2,332.81</u></u>                          | <u><u>323.00</u></u> | <u><u>2,009.81</u></u> | <u><u>722.2%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1825 Cert. Res. Prop. Manager<br>(1800 Professional & Bus.Develop) |                        |                        |                      |
|--------------------------------|--|------------------------|------------------------|----------------------|
|                                | Jan 18   | Budget                 | \$ Over Budget         | % of Budget          |
| <b>Ordinary Income/Expense</b> |  |                        |                        |                      |
| <b>Income</b>                  |  |                        |                        |                      |
| 461 · Education Development    | 0.00   |                        |                        |                      |
| 462 · Education Outreach       | 0.00   |                        |                        |                      |
| 463 · Instructor Development   | 0.00   |                        |                        |                      |
| 464 · Leadership Training      | 0.00   |                        |                        |                      |
| 465 · MRE Society              | 0.00   |                        |                        |                      |
| 467 · REALTOR Institute        | 0.00   |                        |                        |                      |
| 468 · rCRMS                    | 0.00   |                        |                        |                      |
| 469 · Spring Convention        | 0.00   |                        |                        |                      |
| 472 · CRPM                     | 5,352.00   | 5,490.00               | -138.00                | 97.5%                |
| <b>Total Income</b>            | <u>5,352.00</u>  | <u>5,490.00</u>        | <u>-138.00</u>         | <u>97.5%</u>         |
| <b>Gross Profit</b>            | 5,352.00   | 5,490.00               | -138.00                | 97.5%                |
| <b>Expense</b>                 |  |                        |                        |                      |
| 630 · Catering/Hotel           | 0.00   | 15.00                  | -15.00                 | 0.0%                 |
| 632 · Copying                  | 0.00   |                        |                        |                      |
| 639 · Dues & Commitments.      | 0.00   | 0.00                   | 0.00                   | 0.0%                 |
| 770 · Supplies                 | 100.00   | 300.00                 | -200.00                | 33.3%                |
| 786 · Promotion                | 170.40   | 50.00                  | 120.40                 | 340.8%               |
| 787 · Speaker Fees             | 2,700.00   | 2,175.00               | 525.00                 | 124.1%               |
| 788 · Staff Expense            | 0.00   | 10.00                  | -10.00                 | 0.0%                 |
| 810 · Contract Fees            | 0.00   | 1,844.00               | -1,844.00              | 0.0%                 |
| 855 · Transportation           | 0.00   | 30.00                  | -30.00                 | 0.0%                 |
| <b>Total Expense</b>           | <u>2,970.40</u>  | <u>4,424.00</u>        | <u>-1,453.60</u>       | <u>67.1%</u>         |
| <b>Net Ordinary Income</b>     | <u>2,381.60</u>  | <u>1,066.00</u>        | <u>1,315.60</u>        | <u>223.4%</u>        |
| <b>Net Income</b>              | <u><u>2,381.60</u></u>   | <u><u>1,066.00</u></u> | <u><u>1,315.60</u></u> | <u><u>223.4%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1840 Leadership Training/Conf.<br>(1800 Professional & Bus.Develop) |                         |                        |                     |
|--------------------------------|---|-------------------------|------------------------|---------------------|
|                                | Jan 18  | Budget                  | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b> |   |                         |                        |                     |
| <b>Income</b>                  |   |                         |                        |                     |
| 461 · Education Development    | 0.00  |                         |                        |                     |
| 462 · Education Outreach       | 0.00  |                         |                        |                     |
| 463 · Instructor Development   | 0.00  |                         |                        |                     |
| 464 · Leadership Training      | 495.00  | 0.00                    | 495.00                 | 100.0%              |
| 465 · MRE Society              | 0.00  |                         |                        |                     |
| 467 · REALTOR Institute        | 0.00  |                         |                        |                     |
| 468 · rCRMS                    | 0.00  |                         |                        |                     |
| 469 · Spring Convention        | 0.00  |                         |                        |                     |
| 472 · CRPM                     | 0.00  |                         |                        |                     |
| <b>Total Income</b>            | <u>495.00</u>   | <u>0.00</u>             | <u>495.00</u>          | <u>100.0%</u>       |
| <b>Gross Profit</b>            | 495.00  | 0.00                    | 495.00                 | 100.0%              |
| <b>Expense</b>                 |   |                         |                        |                     |
| 630 · Catering/Hotel           | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| 632 · Copying                  | 0.00  |                         |                        |                     |
| 639 · Dues & Commitments.      | 0.00  |                         |                        |                     |
| 770 · Supplies                 | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| 786 · Promotion                | 0.00  |                         |                        |                     |
| 787 · Speaker Fees             | 2,325.00  | 3,000.00                | -675.00                | 77.5%               |
| 788 · Staff Expense            | 0.00  |                         |                        |                     |
| 810 · Contract Fees            | 0.00  | 0.00                    | 0.00                   | 0.0%                |
| 855 · Transportation           | 0.00  |                         |                        |                     |
| <b>Total Expense</b>           | <u>2,325.00</u>   | <u>3,000.00</u>         | <u>-675.00</u>         | <u>77.5%</u>        |
| <b>Net Ordinary Income</b>     | <u>-1,830.00</u>  | <u>-3,000.00</u>        | <u>1,170.00</u>        | <u>61.0%</u>        |
| <b>Net Income</b>              | <u><u>-1,830.00</u></u>   | <u><u>-3,000.00</u></u> | <u><u>1,170.00</u></u> | <u><u>61.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1850 Partners Conference<br>(1800 Professional & Bus.Develop) |                    |                    |                    |
|--------------------------------|---|--------------------|--------------------|--------------------|
|                                | Jan 18  | Budget             | \$ Over Budget     | % of Budget        |
| <b>Ordinary Income/Expense</b> |   |                    |                    |                    |
| <b>Income</b>                  |   |                    |                    |                    |
| 461 · Education Development    | 0.00  |                    |                    |                    |
| 462 · Education Outreach       | 0.00  |                    |                    |                    |
| 463 · Instructor Development   | 0.00  |                    |                    |                    |
| 464 · Leadership Training      | 0.00  |                    |                    |                    |
| 465 · MRE Society              | 0.00  |                    |                    |                    |
| 467 · REALTOR Institute        | 0.00  |                    |                    |                    |
| 468 · rCRMS                    | 0.00  |                    |                    |                    |
| 469 · Spring Convention        | 0.00  |                    |                    |                    |
| 472 · CRPM                     | 0.00  |                    |                    |                    |
| <b>Total Income</b>            | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Gross Profit</b>            | 0.00  | 0.00               | 0.00               | 0.0%               |
| <b>Expense</b>                 |   |                    |                    |                    |
| 630 · Catering/Hotel           | 0.00  | 0.00               | 0.00               | 0.0%               |
| 632 · Copying                  | 0.00  |                    |                    |                    |
| 639 · Dues & Commitments.      | 0.00  |                    |                    |                    |
| 770 · Supplies                 | 0.00  |                    |                    |                    |
| 786 · Promotion                | 0.00  | 0.00               | 0.00               | 0.0%               |
| 787 · Speaker Fees             | 0.00  |                    |                    |                    |
| 788 · Staff Expense            | 0.00  |                    |                    |                    |
| 810 · Contract Fees            | 0.00  | 0.00               | 0.00               | 0.0%               |
| 855 · Transportation           | 0.00  |                    |                    |                    |
| <b>Total Expense</b>           | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Net Ordinary Income</b>     | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Net Income</b>              | <u><u>0.00</u></u>  | <u><u>0.00</u></u> | <u><u>0.00</u></u> | <u><u>0.0%</u></u> |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | Total 1855 MRE Society<br>(1800 Professional & Bus.Develop) |                       |                      |                     |
|--------------------------------|---|-----------------------|----------------------|---------------------|
|                                | Jan 18  | Budget                | \$ Over Budget       | % of Budget         |
| <b>Ordinary Income/Expense</b> |   |                       |                      |                     |
| <b>Income</b>                  |   |                       |                      |                     |
| 461 · Education Development    | 0.00  |                       |                      |                     |
| 462 · Education Outreach       | 0.00  |                       |                      |                     |
| 463 · Instructor Development   | 0.00  |                       |                      |                     |
| 464 · Leadership Training      | 0.00  |                       |                      |                     |
| 465 · MRE Society              | 350.00  | 250.00                | 100.00               | 140.0%              |
| 467 · REALTOR Institute        | 0.00  |                       |                      |                     |
| 468 · rCRMS                    | 0.00  |                       |                      |                     |
| 469 · Spring Convention        | 0.00  |                       |                      |                     |
| 472 · CRPM                     | 0.00  |                       |                      |                     |
| <b>Total Income</b>            | <u>350.00</u>   | <u>250.00</u>         | <u>100.00</u>        | <u>140.0%</u>       |
| <b>Gross Profit</b>            | 350.00  | 250.00                | 100.00               | 140.0%              |
| <b>Expense</b>                 |   |                       |                      |                     |
| 630 · Catering/Hotel           | 0.00  |                       |                      |                     |
| 632 · Copying                  | 0.00  |                       |                      |                     |
| 639 · Dues & Commitments.      | 0.00  |                       |                      |                     |
| 770 · Supplies                 | 400.00  | 400.00                | 0.00                 | 100.0%              |
| 786 · Promotion                | 0.00  | 100.00                | -100.00              | 0.0%                |
| 787 · Speaker Fees             | 0.00  | 0.00                  | 0.00                 | 0.0%                |
| 788 · Staff Expense            | 0.00  |                       |                      |                     |
| 810 · Contract Fees            | 0.00  | 0.00                  | 0.00                 | 0.0%                |
| 855 · Transportation           | 0.00  |                       |                      |                     |
| <b>Total Expense</b>           | <u>400.00</u>   | <u>500.00</u>         | <u>-100.00</u>       | <u>80.0%</u>        |
| <b>Net Ordinary Income</b>     | <u>-50.00</u>   | <u>-250.00</u>        | <u>200.00</u>        | <u>20.0%</u>        |
| <b>Net Income</b>              | <u><u>-50.00</u></u>  | <u><u>-250.00</u></u> | <u><u>200.00</u></u> | <u><u>20.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1860 Spring Convention<br>(1800 Professional & Bus.Develop) |                         |                          |                     |
|--------------------------------|---|-------------------------|--------------------------|---------------------|
|                                | Jan 18  | Budget                  | \$ Over Budget           | % of Budget         |
| <b>Ordinary Income/Expense</b> |   |                         |                          |                     |
| <b>Income</b>                  |   |                         |                          |                     |
| 461 · Education Development    | 0.00  |                         |                          |                     |
| 462 · Education Outreach       | 0.00  |                         |                          |                     |
| 463 · Instructor Development   | 0.00  |                         |                          |                     |
| 464 · Leadership Training      | 0.00  |                         |                          |                     |
| 465 · MRE Society              | 0.00  |                         |                          |                     |
| 467 · REALTOR Institute        | 0.00  |                         |                          |                     |
| 468 · rCRMS                    | 0.00  |                         |                          |                     |
| 469 · Spring Convention        | 25,141.70   | 58,050.00               | -32,908.30               | 43.3%               |
| 472 · CRPM                     | 0.00  |                         |                          |                     |
| <b>Total Income</b>            | <u>25,141.70</u>  | <u>58,050.00</u>        | <u>-32,908.30</u>        | <u>43.3%</u>        |
| <b>Gross Profit</b>            | 25,141.70   | 58,050.00               | -32,908.30               | 43.3%               |
| <b>Expense</b>                 |   |                         |                          |                     |
| 630 · Catering/Hotel           | 0.00  | 0.00                    | 0.00                     | 0.0%                |
| 632 · Copying                  | 0.00  |                         |                          |                     |
| 639 · Dues & Commitments.      | 0.00  |                         |                          |                     |
| 770 · Supplies                 | 0.00  | 0.00                    | 0.00                     | 0.0%                |
| 786 · Promotion                | 0.00  | 0.00                    | 0.00                     | 0.0%                |
| 787 · Speaker Fees             | 8,612.50  | 17,000.00               | -8,387.50                | 50.7%               |
| 788 · Staff Expense            | 0.00  | 0.00                    | 0.00                     | 0.0%                |
| 810 · Contract Fees            | 517.50  | 0.00                    | 517.50                   | 100.0%              |
| 855 · Transportation           | 0.00  |                         |                          |                     |
| <b>Total Expense</b>           | <u>9,130.00</u>   | <u>17,000.00</u>        | <u>-7,870.00</u>         | <u>53.7%</u>        |
| <b>Net Ordinary Income</b>     | <u>16,011.70</u>  | <u>41,050.00</u>        | <u>-25,038.30</u>        | <u>39.0%</u>        |
| <b>Net Income</b>              | <u><u>16,011.70</u></u>                                     | <u><u>41,050.00</u></u> | <u><u>-25,038.30</u></u> | <u><u>39.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1870 Education Outreach<br>(1800 Professional & Bus.Develop) |                      |                        |                      |
|--------------------------------|--|----------------------|------------------------|----------------------|
|                                | Jan 18   | Budget               | \$ Over Budget         | % of Budget          |
| <b>Ordinary Income/Expense</b> |  |                      |                        |                      |
| <b>Income</b>                  |  |                      |                        |                      |
| 461 · Education Development    | 0.00   |                      |                        |                      |
| 462 · Education Outreach       | 5,655.00   | 2,175.00             | 3,480.00               | 260.0%               |
| 463 · Instructor Development   | 0.00   |                      |                        |                      |
| 464 · Leadership Training      | 0.00   |                      |                        |                      |
| 465 · MRE Society              | 0.00   |                      |                        |                      |
| 467 · REALTOR Institute        | 0.00   |                      |                        |                      |
| 468 · rCRMS                    | 0.00   |                      |                        |                      |
| 469 · Spring Convention        | 0.00   |                      |                        |                      |
| 472 · CRPM                     | 0.00   |                      |                        |                      |
| <b>Total Income</b>            | <u>5,655.00</u>  | <u>2,175.00</u>      | <u>3,480.00</u>        | <u>260.0%</u>        |
| <b>Gross Profit</b>            | 5,655.00   | 2,175.00             | 3,480.00               | 260.0%               |
| <b>Expense</b>                 |  |                      |                        |                      |
| 630 · Catering/Hotel           | 16.77  | 15.00                | 1.77                   | 111.8%               |
| 632 · Copying                  | 0.00   |                      |                        |                      |
| 639 · Dues & Commitments.      | 0.00   |                      |                        |                      |
| 770 · Supplies                 | 152.25   | 240.00               | -87.75                 | 63.4%                |
| 786 · Promotion                | 0.00   |                      |                        |                      |
| 787 · Speaker Fees             | 1,227.75   | 1,300.00             | -72.25                 | 94.4%                |
| 788 · Staff Expense            | 0.00   | 0.00                 | 0.00                   | 0.0%                 |
| 810 · Contract Fees            | 0.00   | 75.00                | -75.00                 | 0.0%                 |
| 855 · Transportation           | 156.74   | 30.00                | 126.74                 | 522.5%               |
| <b>Total Expense</b>           | <u>1,553.51</u>  | <u>1,660.00</u>      | <u>-106.49</u>         | <u>93.6%</u>         |
| <b>Net Ordinary Income</b>     | <u>4,101.49</u>  | <u>515.00</u>        | <u>3,586.49</u>        | <u>796.4%</u>        |
| <b>Net Income</b>              | <u><u>4,101.49</u></u>                                       | <u><u>515.00</u></u> | <u><u>3,586.49</u></u> | <u><u>796.4%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                | 1871 Education Development<br>(1800 Professional & Bus.Develop) |                     |                       |                        |
|--------------------------------|---|---------------------|-----------------------|------------------------|
|                                | Jan 18  | Budget              | \$ Over Budget        | % of Budget            |
| <b>Ordinary Income/Expense</b> |   |                     |                       |                        |
| <b>Income</b>                  |   |                     |                       |                        |
| 461 · Education Development    | 25.08   | 0.00                | 25.08                 | 100.0%                 |
| 462 · Education Outreach       | 0.00  |                     |                       |                        |
| 463 · Instructor Development   | 0.00  |                     |                       |                        |
| 464 · Leadership Training      | 0.00  |                     |                       |                        |
| 465 · MRE Society              | 0.00  |                     |                       |                        |
| 467 · REALTOR Institute        | 0.00  |                     |                       |                        |
| 468 · rCRMS                    | 0.00  |                     |                       |                        |
| 469 · Spring Convention        | 0.00  |                     |                       |                        |
| 472 · CRPM                     | 0.00  |                     |                       |                        |
| <b>Total Income</b>            | <u>25.08</u>  | <u>0.00</u>         | <u>25.08</u>          | <u>100.0%</u>          |
| <b>Gross Profit</b>            | 25.08   | 0.00                | 25.08                 | 100.0%                 |
| <b>Expense</b>                 |   |                     |                       |                        |
| 630 · Catering/Hotel           | 0.00  |                     |                       |                        |
| 632 · Copying                  | 0.00  |                     |                       |                        |
| 639 · Dues & Commitments.      | 1.92  | 5.00                | -3.08                 | 38.4%                  |
| 770 · Supplies                 | 0.00  | 0.00                | 0.00                  | 0.0%                   |
| 786 · Promotion                | 0.00  |                     |                       |                        |
| 787 · Speaker Fees             | 0.00  |                     |                       |                        |
| 788 · Staff Expense            | 0.00  |                     |                       |                        |
| 810 · Contract Fees            | 387.98  | 0.00                | 387.98                | 100.0%                 |
| 855 · Transportation           | 0.00  |                     |                       |                        |
| <b>Total Expense</b>           | <u>389.90</u>   | <u>5.00</u>         | <u>384.90</u>         | <u>7,798.0%</u>        |
| <b>Net Ordinary Income</b>     | <u>-364.82</u>  | <u>-5.00</u>        | <u>-359.82</u>        | <u>7,296.4%</u>        |
| <b>Net Income</b>              | <u><u>-364.82</u></u>   | <u><u>-5.00</u></u> | <u><u>-359.82</u></u> | <u><u>7,296.4%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                | 1872 Instructor Development<br>(1800 Professional & Bus.Develop) |                       |                        |                       |
|--------------------------------|--|-----------------------|------------------------|-----------------------|
|                                | Jan 18   | Budget                | \$ Over Budget         | % of Budget           |
| <b>Ordinary Income/Expense</b> |  |                       |                        |                       |
| <b>Income</b>                  |  |                       |                        |                       |
| 461 · Education Development    | 0.00   |                       |                        |                       |
| 462 · Education Outreach       | 0.00   |                       |                        |                       |
| 463 · Instructor Development   | 1,617.00   | 585.00                | 1,032.00               | 276.4%                |
| 464 · Leadership Training      | 0.00   |                       |                        |                       |
| 465 · MRE Society              | 0.00   |                       |                        |                       |
| 467 · REALTOR Institute        | 0.00   |                       |                        |                       |
| 468 · rCRMS                    | 0.00   |                       |                        |                       |
| 469 · Spring Convention        | 0.00   |                       |                        |                       |
| 472 · CRPM                     | 0.00   |                       |                        |                       |
| <b>Total Income</b>            | <u>1,617.00</u>  | <u>585.00</u>         | <u>1,032.00</u>        | <u>276.4%</u>         |
| <b>Gross Profit</b>            | 1,617.00   | 585.00                | 1,032.00               | 276.4%                |
| <b>Expense</b>                 |  |                       |                        |                       |
| 630 · Catering/Hotel           | 39.07  | 250.00                | -210.93                | 15.6%                 |
| 632 · Copying                  | 0.00   |                       |                        |                       |
| 639 · Dues & Commitments.      | 0.00   | 0.00                  | 0.00                   | 0.0%                  |
| 770 · Supplies                 | 0.00   | 0.00                  | 0.00                   | 0.0%                  |
| 786 · Promotion                | 0.00   |                       |                        |                       |
| 787 · Speaker Fees             | 0.00   | 0.00                  | 0.00                   | 0.0%                  |
| 788 · Staff Expense            | 491.14   | 508.00                | -16.86                 | 96.7%                 |
| 810 · Contract Fees            | 0.00   | 0.00                  | 0.00                   | 0.0%                  |
| 855 · Transportation           | 0.00   |                       |                        |                       |
| <b>Total Expense</b>           | <u>530.21</u>  | <u>758.00</u>         | <u>-227.79</u>         | <u>69.9%</u>          |
| <b>Net Ordinary Income</b>     | <u>1,086.79</u>  | <u>-173.00</u>        | <u>1,259.79</u>        | <u>-628.2%</u>        |
| <b>Net Income</b>              | <u><u>1,086.79</u></u>   | <u><u>-173.00</u></u> | <u><u>1,259.79</u></u> | <u><u>-628.2%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                | 1875 Broker University<br>(1800 Professional & Bus.Develop) |                    |                    |                    |
|--------------------------------|---|--------------------|--------------------|--------------------|
|                                | Jan 18  | Budget             | \$ Over Budget     | % of Budget        |
| <b>Ordinary Income/Expense</b> |   |                    |                    |                    |
| <b>Income</b>                  |   |                    |                    |                    |
| 461 · Education Development    | 0.00  |                    |                    |                    |
| 462 · Education Outreach       | 0.00  |                    |                    |                    |
| 463 · Instructor Development   | 0.00  |                    |                    |                    |
| 464 · Leadership Training      | 0.00  |                    |                    |                    |
| 465 · MRE Society              | 0.00  |                    |                    |                    |
| 467 · REALTOR Institute        | 0.00  |                    |                    |                    |
| 468 · rCRMS                    | 0.00  |                    |                    |                    |
| 469 · Spring Convention        | 0.00  |                    |                    |                    |
| 472 · CRPM                     | 0.00  |                    |                    |                    |
| <b>Total Income</b>            | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Gross Profit</b>            | 0.00  | 0.00               | 0.00               | 0.0%               |
| <b>Expense</b>                 |   |                    |                    |                    |
| 630 · Catering/Hotel           | 0.00  | 0.00               | 0.00               | 0.0%               |
| 632 · Copying                  | 0.00  |                    |                    |                    |
| 639 · Dues & Commitments.      | 0.00  |                    |                    |                    |
| 770 · Supplies                 | 0.00  | 0.00               | 0.00               | 0.0%               |
| 786 · Promotion                | 0.00  |                    |                    |                    |
| 787 · Speaker Fees             | 0.00  | 0.00               | 0.00               | 0.0%               |
| 788 · Staff Expense            | 0.00  | 0.00               | 0.00               | 0.0%               |
| 810 · Contract Fees            | 0.00  | 0.00               | 0.00               | 0.0%               |
| 855 · Transportation           | 0.00  | 0.00               | 0.00               | 0.0%               |
| <b>Total Expense</b>           | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Net Ordinary Income</b>     | <u>0.00</u>   | <u>0.00</u>        | <u>0.00</u>        | <u>0.0%</u>        |
| <b>Net Income</b>              | <u><u>0.00</u></u>  | <u><u>0.00</u></u> | <u><u>0.00</u></u> | <u><u>0.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | Total 1900 Operations      |                            |                          |                      |
|------------------------------------|----------------------------|----------------------------|--------------------------|----------------------|
|                                    | Jan 18                     | Budget                     | \$ Over Budget           | % of Budget          |
| <b>Ordinary Income/Expense</b>     |                            |                            |                          |                      |
| <b>Income</b>                      |                            |                            |                          |                      |
| 410 · Interest Income              | 2,167.59                   | 2,000.00                   | 167.59                   | 108.4%               |
| 415 · Rental Income                | 11,297.37                  | 11,325.00                  | -27.63                   | 99.8%                |
| 417 · Gain on Investments          | 0.01                       |                            |                          |                      |
| 430 · Dues Income                  | 7,335,085.00               | 6,499,900.00               | 835,185.00               | 112.8%               |
| 435 · Law Book                     | 1,032.56                   | 300.00                     | 732.56                   | 344.2%               |
| <b>Total Income</b>                | <u>7,349,582.53</u>        | <u>6,513,525.00</u>        | <u>836,057.53</u>        | <u>112.8%</u>        |
| <b>Gross Profit</b>                | 7,349,582.53               | 6,513,525.00               | 836,057.53               | 112.8%               |
| <b>Expense</b>                     |                            |                            |                          |                      |
| 500 · Salaries/Benefits            | 224,971.46                 | 227,000.00                 | -2,028.54                | 99.1%                |
| 540 · Staff Development            | 941.00                     | 1,000.00                   | -59.00                   | 94.1%                |
| 551 · Auto Expense Reimbursement   | 105.51                     | 125.00                     | -19.49                   | 84.4%                |
| 605 · Awards/Gifts                 | 192.20                     | 250.00                     | -57.80                   | 76.9%                |
| 620 · Building Expense             | 23,860.58                  | 25,000.00                  | -1,139.42                | 95.4%                |
| 630 · Catering/Hotel               | 5,284.32                   | 6,000.00                   | -715.68                  | 88.1%                |
| 632 · Copying                      | 28.83                      | 100.00                     | -71.17                   | 28.8%                |
| 639 · Dues & Commitments.          | 399.00                     | 500.00                     | -101.00                  | 79.8%                |
| 640 · Equipment Maintenance/Rental | 1,531.78                   | 2,000.00                   | -468.22                  | 76.6%                |
| 690 · Credit Card & EFT Fees/Misc. | 89,243.12                  | 105,000.00                 | -15,756.88               | 85.0%                |
| 770 · Supplies                     | 1,968.11                   | 2,250.00                   | -281.89                  | 87.5%                |
| 780 · Postage                      | 450.97                     | 500.00                     | -49.03                   | 90.2%                |
| 781 · Printing                     | 134.98                     | 150.00                     | -15.02                   | 90.0%                |
| 786 · Promotion                    | 2,313.36                   | 2,500.00                   | -186.64                  | 92.5%                |
| 788 · Staff Expense                | 560.00                     | 750.00                     | -190.00                  | 74.7%                |
| 810 · Contract Fees                | 4,155.79                   | 4,380.00                   | -224.21                  | 94.9%                |
| 850 · Telephone                    | 3,513.88                   | 4,000.00                   | -486.12                  | 87.8%                |
| 867 · Travel                       | 8,412.29                   | 10,000.00                  | -1,587.71                | 84.1%                |
| <b>Total Expense</b>               | <u>368,067.18</u>          | <u>391,505.00</u>          | <u>-23,437.82</u>        | <u>94.0%</u>         |
| <b>Net Ordinary Income</b>         | <u>6,981,515.35</u>        | <u>6,122,020.00</u>        | <u>859,495.35</u>        | <u>114.0%</u>        |
| <b>Net Income</b>                  | <u><u>6,981,515.35</u></u> | <u><u>6,122,020.00</u></u> | <u><u>859,495.35</u></u> | <u><u>114.0%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1000 General Overhead<br>(1900 Operations) |                           |                         |                     |
|------------------------------------|--|---------------------------|-------------------------|---------------------|
|                                    | Jan 18                                     | Budget                    | \$ Over Budget          | % of Budget         |
| <b>Ordinary Income/Expense</b>     |  |                           |                         |                     |
| <b>Income</b>                      |  |                           |                         |                     |
| 410 · Interest Income              | 2,167.59                                   | 2,000.00                  | 167.59                  | 108.4%              |
| 415 · Rental Income                | 0.00                                       |                           |                         |                     |
| 417 · Gain on Investments          | 0.01                                       |                           |                         |                     |
| 430 · Dues Income                  | 0.00                                       |                           |                         |                     |
| 435 · Law Book                     | 1,032.56                                   | 300.00                    | 732.56                  | 344.2%              |
| <b>Total Income</b>                | <u>3,200.16</u>                            | <u>2,300.00</u>           | <u>900.16</u>           | <u>139.1%</u>       |
| <b>Gross Profit</b>                | 3,200.16                                   | 2,300.00                  | 900.16                  | 139.1%              |
| <b>Expense</b>                     |  |                           |                         |                     |
| 500 · Salaries/Benefits            | 0.00                                       |                           |                         |                     |
| 540 · Staff Development            | 941.00                                     | 1,000.00                  | -59.00                  | 94.1%               |
| 551 · Auto Expense Reimbursement   | 105.51                                     | 125.00                    | -19.49                  | 84.4%               |
| 605 · Awards/Gifts                 | 192.20                                     | 250.00                    | -57.80                  | 76.9%               |
| 620 · Building Expense             | 0.00                                       |                           |                         |                     |
| 630 · Catering/Hotel               | 0.00                                       |                           |                         |                     |
| 632 · Copying                      | 0.00                                       |                           |                         |                     |
| 639 · Dues & Commitments.          | 399.00                                     | 500.00                    | -101.00                 | 79.8%               |
| 640 · Equipment Maintenance/Rental | 1,531.78                                   | 2,000.00                  | -468.22                 | 76.6%               |
| 690 · Credit Card & EFT Fees/Misc. | 89,243.12                                  | 105,000.00                | -15,756.88              | 85.0%               |
| 770 · Supplies                     | 1,951.98                                   | 2,000.00                  | -48.02                  | 97.6%               |
| 780 · Postage                      | 0.00                                       |                           |                         |                     |
| 781 · Printing                     | 134.98                                     | 150.00                    | -15.02                  | 90.0%               |
| 786 · Promotion                    | 0.00                                       |                           |                         |                     |
| 788 · Staff Expense                | 0.00                                       |                           |                         |                     |
| 810 · Contract Fees                | 1,275.79                                   | 1,500.00                  | -224.21                 | 85.1%               |
| 850 · Telephone                    | 3,513.88                                   | 4,000.00                  | -486.12                 | 87.8%               |
| 867 · Travel                       | 0.00                                       |                           |                         |                     |
| <b>Total Expense</b>               | <u>99,289.24</u>                           | <u>116,525.00</u>         | <u>-17,235.76</u>       | <u>85.2%</u>        |
| <b>Net Ordinary Income</b>         | <u>-96,089.08</u>                          | <u>-114,225.00</u>        | <u>18,135.92</u>        | <u>84.1%</u>        |
| <b>Net Income</b>                  | <u><u>-96,089.08</u></u>                   | <u><u>-114,225.00</u></u> | <u><u>18,135.92</u></u> | <u><u>84.1%</u></u> |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                    | 1402 Individual Dues<br>(1400 Dues) |        |                |             |
|------------------------------------|-------------------------------------|--------|----------------|-------------|
|                                    | Jan 18                              | Budget | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>     |                                     |        |                |             |
| <b>Income</b>                      |                                     |        |                |             |
| 410 · Interest Income              | 0.00                                |        |                |             |
| 415 · Rental Income                | 0.00                                |        |                |             |
| 417 · Gain on Investments          | 0.00                                |        |                |             |
| 430 · Dues Income                  | 16,720.00                           |        |                |             |
| 435 · Law Book                     | 0.00                                |        |                |             |
| <b>Total Income</b>                | <u>16,720.00</u>                    |        |                |             |
| <b>Gross Profit</b>                | 16,720.00                           |        |                |             |
| <b>Expense</b>                     |                                     |        |                |             |
| 500 · Salaries/Benefits            | 0.00                                |        |                |             |
| 540 · Staff Development            | 0.00                                |        |                |             |
| 551 · Auto Expense Reimbursement   | 0.00                                |        |                |             |
| 605 · Awards/Gifts                 | 0.00                                |        |                |             |
| 620 · Building Expense             | 0.00                                |        |                |             |
| 630 · Catering/Hotel               | 0.00                                |        |                |             |
| 632 · Copying                      | 0.00                                |        |                |             |
| 639 · Dues & Commitments.          | 0.00                                |        |                |             |
| 640 · Equipment Maintenance/Rental | 0.00                                |        |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                                |        |                |             |
| 770 · Supplies                     | 0.00                                |        |                |             |
| 780 · Postage                      | 0.00                                |        |                |             |
| 781 · Printing                     | 0.00                                |        |                |             |
| 786 · Promotion                    | 0.00                                |        |                |             |
| 788 · Staff Expense                | 0.00                                |        |                |             |
| 810 · Contract Fees                | 0.00                                |        |                |             |
| 850 · Telephone                    | 0.00                                |        |                |             |
| 867 · Travel                       | 0.00                                |        |                |             |
| <b>Total Expense</b>               | <u>0.00</u>                         |        |                |             |
| <b>Net Ordinary Income</b>         | <u>16,720.00</u>                    |        |                |             |
| <b>Net Income</b>                  | <u><u>16,720.00</u></u>             |        |                |             |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1404 NAR Institute Affiliates<br>(1400 Dues) |        |                |             |
|------------------------------------|--|--------|----------------|-------------|
|                                    | Jan 18                                       | Budget | \$ Over Budget | % of Budget |
| <b>Ordinary Income/Expense</b>     |  |        |                |             |
| Income                             |  |        |                |             |
| 410 · Interest Income              | 0.00   |        |                |             |
| 415 · Rental Income                | 0.00   |        |                |             |
| 417 · Gain on Investments          | 0.00   |        |                |             |
| 430 · Dues Income                  | 5,670.00                                     |        |                |             |
| 435 · Law Book                     | 0.00   |        |                |             |
| <b>Total Income</b>                | 5,670.00                                     |        |                |             |
| <b>Gross Profit</b>                | 5,670.00                                     |        |                |             |
| Expense                            |  |        |                |             |
| 500 · Salaries/Benefits            | 0.00   |        |                |             |
| 540 · Staff Development            | 0.00   |        |                |             |
| 551 · Auto Expense Reimbursement   | 0.00   |        |                |             |
| 605 · Awards/Gifts                 | 0.00   |        |                |             |
| 620 · Building Expense             | 0.00   |        |                |             |
| 630 · Catering/Hotel               | 0.00   |        |                |             |
| 632 · Copying                      | 0.00   |        |                |             |
| 639 · Dues & Commitments.          | 0.00   |        |                |             |
| 640 · Equipment Maintenance/Rental | 0.00   |        |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00   |        |                |             |
| 770 · Supplies                     | 0.00   |        |                |             |
| 780 · Postage                      | 0.00   |        |                |             |
| 781 · Printing                     | 0.00   |        |                |             |
| 786 · Promotion                    | 0.00   |        |                |             |
| 788 · Staff Expense                | 0.00   |        |                |             |
| 810 · Contract Fees                | 0.00   |        |                |             |
| 850 · Telephone                    | 0.00   |        |                |             |
| 867 · Travel                       | 0.00   |        |                |             |
| <b>Total Expense</b>               | 0.00   |        |                |             |
| <b>Net Ordinary Income</b>         | 5,670.00                                     |        |                |             |
| <b>Net Income</b>                  | 5,670.00                                     |        |                |             |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1400 Dues - Other<br>(1400 Dues) |                            |                          |                      |
|------------------------------------|----------------------------------|----------------------------|--------------------------|----------------------|
|                                    | Jan 18                           | Budget                     | \$ Over Budget           | % of Budget          |
| <b>Ordinary Income/Expense</b>     |                                  |                            |                          |                      |
| <b>Income</b>                      |                                  |                            |                          |                      |
| 410 · Interest Income              | 0.00                             |                            |                          |                      |
| 415 · Rental Income                | 0.00                             |                            |                          |                      |
| 417 · Gain on Investments          | 0.00                             |                            |                          |                      |
| 430 · Dues Income                  | 7,312,695.00                     | 6,499,900.00               | 812,795.00               | 112.5%               |
| 435 · Law Book                     | 0.00                             |                            |                          |                      |
| <b>Total Income</b>                | <u>7,312,695.00</u>              | <u>6,499,900.00</u>        | <u>812,795.00</u>        | <u>112.5%</u>        |
| <b>Gross Profit</b>                | 7,312,695.00                     | 6,499,900.00               | 812,795.00               | 112.5%               |
| <b>Expense</b>                     |                                  |                            |                          |                      |
| 500 · Salaries/Benefits            | 0.00                             |                            |                          |                      |
| 540 · Staff Development            | 0.00                             |                            |                          |                      |
| 551 · Auto Expense Reimbursement   | 0.00                             |                            |                          |                      |
| 605 · Awards/Gifts                 | 0.00                             |                            |                          |                      |
| 620 · Building Expense             | 0.00                             |                            |                          |                      |
| 630 · Catering/Hotel               | 0.00                             |                            |                          |                      |
| 632 · Copying                      | 0.00                             |                            |                          |                      |
| 639 · Dues & Commitments.          | 0.00                             |                            |                          |                      |
| 640 · Equipment Maintenance/Rental | 0.00                             |                            |                          |                      |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                             |                            |                          |                      |
| 770 · Supplies                     | 0.00                             |                            |                          |                      |
| 780 · Postage                      | 0.00                             |                            |                          |                      |
| 781 · Printing                     | 0.00                             |                            |                          |                      |
| 786 · Promotion                    | 0.00                             |                            |                          |                      |
| 788 · Staff Expense                | 0.00                             |                            |                          |                      |
| 810 · Contract Fees                | 0.00                             |                            |                          |                      |
| 850 · Telephone                    | 0.00                             |                            |                          |                      |
| 867 · Travel                       | 0.00                             |                            |                          |                      |
| <b>Total Expense</b>               | <u>0.00</u>                      |                            |                          |                      |
| <b>Net Ordinary Income</b>         | <u>7,312,695.00</u>              | <u>6,499,900.00</u>        | <u>812,795.00</u>        | <u>112.5%</u>        |
| <b>Net Income</b>                  | <u><u>7,312,695.00</u></u>       | <u><u>6,499,900.00</u></u> | <u><u>812,795.00</u></u> | <u><u>112.5%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | Total 1400 Dues<br>(1900 Operations) |                            |                          |                      |
|------------------------------------|--------------------------------------|----------------------------|--------------------------|----------------------|
|                                    | Jan 18                               | Budget                     | \$ Over Budget           | % of Budget          |
| <b>Ordinary Income/Expense</b>     |                                      |                            |                          |                      |
| <b>Income</b>                      |                                      |                            |                          |                      |
| 410 · Interest Income              | 0.00                                 |                            |                          |                      |
| 415 · Rental Income                | 0.00                                 |                            |                          |                      |
| 417 · Gain on Investments          | 0.00                                 |                            |                          |                      |
| 430 · Dues Income                  | 7,335,085.00                         | 6,499,900.00               | 835,185.00               | 112.8%               |
| 435 · Law Book                     | 0.00                                 |                            |                          |                      |
| <b>Total Income</b>                | <u>7,335,085.00</u>                  | <u>6,499,900.00</u>        | <u>835,185.00</u>        | <u>112.8%</u>        |
| <b>Gross Profit</b>                | 7,335,085.00                         | 6,499,900.00               | 835,185.00               | 112.8%               |
| <b>Expense</b>                     |                                      |                            |                          |                      |
| 500 · Salaries/Benefits            | 0.00                                 |                            |                          |                      |
| 540 · Staff Development            | 0.00                                 |                            |                          |                      |
| 551 · Auto Expense Reimbursement   | 0.00                                 |                            |                          |                      |
| 605 · Awards/Gifts                 | 0.00                                 |                            |                          |                      |
| 620 · Building Expense             | 0.00                                 |                            |                          |                      |
| 630 · Catering/Hotel               | 0.00                                 |                            |                          |                      |
| 632 · Copying                      | 0.00                                 |                            |                          |                      |
| 639 · Dues & Commitments.          | 0.00                                 |                            |                          |                      |
| 640 · Equipment Maintenance/Rental | 0.00                                 |                            |                          |                      |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                                 |                            |                          |                      |
| 770 · Supplies                     | 0.00                                 |                            |                          |                      |
| 780 · Postage                      | 0.00                                 |                            |                          |                      |
| 781 · Printing                     | 0.00                                 |                            |                          |                      |
| 786 · Promotion                    | 0.00                                 |                            |                          |                      |
| 788 · Staff Expense                | 0.00                                 |                            |                          |                      |
| 810 · Contract Fees                | 0.00                                 |                            |                          |                      |
| 850 · Telephone                    | 0.00                                 |                            |                          |                      |
| 867 · Travel                       | 0.00                                 |                            |                          |                      |
| <b>Total Expense</b>               | <u>0.00</u>                          |                            |                          |                      |
| <b>Net Ordinary Income</b>         | <u>7,335,085.00</u>                  | <u>6,499,900.00</u>        | <u>835,185.00</u>        | <u>112.8%</u>        |
| <b>Net Income</b>                  | <u><u>7,335,085.00</u></u>           | <u><u>6,499,900.00</u></u> | <u><u>835,185.00</u></u> | <u><u>112.8%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1901 Operations & Strategic Sup<br>(1900 Operations) |                  |                |              |
|------------------------------------|--|------------------|----------------|--------------|
|                                    | Jan 18   | Budget           | \$ Over Budget | % of Budget  |
| Ordinary Income/Expense            |  |                  |                |              |
| Income                             |  |                  |                |              |
| 410 · Interest Income              | 0.00   |                  |                |              |
| 415 · Rental Income                | 0.00   |                  |                |              |
| 417 · Gain on Investments          | 0.00   |                  |                |              |
| 430 · Dues Income                  | 0.00   |                  |                |              |
| 435 · Law Book                     | 0.00   |                  |                |              |
| <b>Total Income</b>                | <b>0.00</b>  |                  |                |              |
| Gross Profit                       | 0.00   |                  |                |              |
| Expense                            |  |                  |                |              |
| 500 · Salaries/Benefits            | 0.00   |                  |                |              |
| 540 · Staff Development            | 0.00   |                  |                |              |
| 551 · Auto Expense Reimbursement   | 0.00   |                  |                |              |
| 605 · Awards/Gifts                 | 0.00   |                  |                |              |
| 620 · Building Expense             | 0.00   |                  |                |              |
| 630 · Catering/Hotel               | 0.00   |                  |                |              |
| 632 · Copying                      | 28.83  | 100.00           | -71.17         | 28.8%        |
| 639 · Dues & Commitments.          | 0.00   |                  |                |              |
| 640 · Equipment Maintenance/Rental | 0.00   |                  |                |              |
| 690 · Credit Card & EFT Fees/Misc. | 0.00   |                  |                |              |
| 770 · Supplies                     | 0.00   |                  |                |              |
| 780 · Postage                      | 450.97   | 500.00           | -49.03         | 90.2%        |
| 781 · Printing                     | 0.00   |                  |                |              |
| 786 · Promotion                    | 2,313.36   | 2,500.00         | -186.64        | 92.5%        |
| 788 · Staff Expense                | 0.00   |                  |                |              |
| 810 · Contract Fees                | 0.00   |                  |                |              |
| 850 · Telephone                    | 0.00   |                  |                |              |
| 867 · Travel                       | 0.00   |                  |                |              |
| <b>Total Expense</b>               | <b>2,793.16</b>                                      | <b>3,100.00</b>  | <b>-306.84</b> | <b>90.1%</b> |
| Net Ordinary Income                | -2,793.16  | -3,100.00        | 306.84         | 90.1%        |
| Net Income                         | <b>-2,793.16</b>                                     | <b>-3,100.00</b> | <b>306.84</b>  | <b>90.1%</b> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
 January 2018

|                                    | 1903 Association Relations<br>(1900 Operations) |           |                |             |
|------------------------------------|---|-----------|----------------|-------------|
|                                    | Jan 18  | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |   |           |                |             |
| Income                             |   |           |                |             |
| 410 · Interest Income              | 0.00  |           |                |             |
| 415 · Rental Income                | 0.00  |           |                |             |
| 417 · Gain on Investments          | 0.00  |           |                |             |
| 430 · Dues Income                  | 0.00  |           |                |             |
| 435 · Law Book                     | 0.00  |           |                |             |
| Total Income                       | 0.00  |           |                |             |
| Gross Profit                       | 0.00  |           |                |             |
| Expense                            |   |           |                |             |
| 500 · Salaries/Benefits            | 0.00  |           |                |             |
| 540 · Staff Development            | 0.00  |           |                |             |
| 551 · Auto Expense Reimbursement   | 0.00  |           |                |             |
| 605 · Awards/Gifts                 | 0.00  |           |                |             |
| 620 · Building Expense             | 0.00  |           |                |             |
| 630 · Catering/Hotel               | 4,760.76  | 5,000.00  | -239.24        | 95.2%       |
| 632 · Copying                      | 0.00  |           |                |             |
| 639 · Dues & Commitments.          | 0.00  |           |                |             |
| 640 · Equipment Maintenance/Rental | 0.00  |           |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00  |           |                |             |
| 770 · Supplies                     | 0.00  |           |                |             |
| 780 · Postage                      | 0.00  |           |                |             |
| 781 · Printing                     | 0.00  |           |                |             |
| 786 · Promotion                    | 0.00  |           |                |             |
| 788 · Staff Expense                | 0.00  |           |                |             |
| 810 · Contract Fees                | 0.00  |           |                |             |
| 850 · Telephone                    | 0.00  |           |                |             |
| 867 · Travel                       | 0.00  |           |                |             |
| Total Expense                      | 4,760.76  | 5,000.00  | -239.24        | 95.2%       |
| Net Ordinary Income                | -4,760.76                                       | -5,000.00 | 239.24         | 95.2%       |
| Net Income                         | -4,760.76                                       | -5,000.00 | 239.24         | 95.2%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1905 National Meetings<br>(1900 Operations) |           |                |             |
|------------------------------------|---|-----------|----------------|-------------|
|                                    | Jan 18                                      | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |   |           |                |             |
| Income                             |   |           |                |             |
| 410 · Interest Income              | 0.00  |           |                |             |
| 415 · Rental Income                | 0.00  |           |                |             |
| 417 · Gain on Investments          | 0.00  |           |                |             |
| 430 · Dues Income                  | 0.00  |           |                |             |
| 435 · Law Book                     | 0.00  |           |                |             |
| Total Income                       | 0.00  |           |                |             |
| Gross Profit                       | 0.00  |           |                |             |
| Expense                            |   |           |                |             |
| 500 · Salaries/Benefits            | 0.00  |           |                |             |
| 540 · Staff Development            | 0.00  |           |                |             |
| 551 · Auto Expense Reimbursement   | 0.00  |           |                |             |
| 605 · Awards/Gifts                 | 0.00  |           |                |             |
| 620 · Building Expense             | 0.00  |           |                |             |
| 630 · Catering/Hotel               | 0.00  |           |                |             |
| 632 · Copying                      | 0.00  |           |                |             |
| 639 · Dues & Commitments.          | 0.00  |           |                |             |
| 640 · Equipment Maintenance/Rental | 0.00  |           |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00  |           |                |             |
| 770 · Supplies                     | 0.00  |           |                |             |
| 780 · Postage                      | 0.00  |           |                |             |
| 781 · Printing                     | 0.00  |           |                |             |
| 786 · Promotion                    | 0.00  |           |                |             |
| 788 · Staff Expense                | 560.00                                      | 750.00    | -190.00        | 74.7%       |
| 810 · Contract Fees                | 0.00  |           |                |             |
| 850 · Telephone                    | 0.00  |           |                |             |
| 867 · Travel                       | 4,050.17                                    | 5,000.00  | -949.83        | 81.0%       |
| Total Expense                      | 4,610.17                                    | 5,750.00  | -1,139.83      | 80.2%       |
| Net Ordinary Income                | -4,610.17                                   | -5,750.00 | 1,139.83       | 80.2%       |
| Net Income                         | -4,610.17                                   | -5,750.00 | 1,139.83       | 80.2%       |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1920 EXCOM & Director Support<br>(1900 Operations) |           |                |             |
|------------------------------------|--|-----------|----------------|-------------|
|                                    | Jan 18   | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |  |           |                |             |
| Income                             |  |           |                |             |
| 410 · Interest Income              | 0.00   |           |                |             |
| 415 · Rental Income                | 0.00   |           |                |             |
| 417 · Gain on Investments          | 0.00   |           |                |             |
| 430 · Dues Income                  | 0.00   |           |                |             |
| 435 · Law Book                     | 0.00   |           |                |             |
| Total Income                       | 0.00   |           |                |             |
| Gross Profit                       | 0.00   |           |                |             |
| Expense                            |  |           |                |             |
| 500 · Salaries/Benefits            | 0.00   |           |                |             |
| 540 · Staff Development            | 0.00   |           |                |             |
| 551 · Auto Expense Reimbursement   | 0.00   |           |                |             |
| 605 · Awards/Gifts                 | 0.00   |           |                |             |
| 620 · Building Expense             | 0.00   |           |                |             |
| 630 · Catering/Hotel               | 523.56   | 1,000.00  | -476.44        | 52.4%       |
| 632 · Copying                      | 0.00   |           |                |             |
| 639 · Dues & Commitments.          | 0.00   |           |                |             |
| 640 · Equipment Maintenance/Rental | 0.00   |           |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00   |           |                |             |
| 770 · Supplies                     | 16.13  | 250.00    | -233.87        | 6.5%        |
| 780 · Postage                      | 0.00   |           |                |             |
| 781 · Printing                     | 0.00   |           |                |             |
| 786 · Promotion                    | 0.00   |           |                |             |
| 788 · Staff Expense                | 0.00   |           |                |             |
| 810 · Contract Fees                | 0.00   |           |                |             |
| 850 · Telephone                    | 0.00   |           |                |             |
| 867 · Travel                       | 4,362.12   | 5,000.00  | -637.88        | 87.2%       |
| Total Expense                      | 4,901.81   | 6,250.00  | -1,348.19      | 78.4%       |
| Net Ordinary Income                | -4,901.81  | -6,250.00 | 1,348.19       | 78.4%       |
| Net Income                         | -4,901.81  | -6,250.00 | 1,348.19       | 78.4%       |



**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1955 Public Relations<br>(1900 Operations) |           |                |             |
|------------------------------------|--|-----------|----------------|-------------|
|                                    | Jan 18                                     | Budget    | \$ Over Budget | % of Budget |
| Ordinary Income/Expense            |  |           |                |             |
| Income                             |  |           |                |             |
| 410 · Interest Income              | 0.00                                       |           |                |             |
| 415 · Rental Income                | 0.00                                       |           |                |             |
| 417 · Gain on Investments          | 0.00                                       |           |                |             |
| 430 · Dues Income                  | 0.00                                       |           |                |             |
| 435 · Law Book                     | 0.00                                       |           |                |             |
| Total Income                       | 0.00                                       |           |                |             |
| Gross Profit                       | 0.00                                       |           |                |             |
| Expense                            |  |           |                |             |
| 500 · Salaries/Benefits            | 0.00                                       |           |                |             |
| 540 · Staff Development            | 0.00                                       |           |                |             |
| 551 · Auto Expense Reimbursement   | 0.00                                       |           |                |             |
| 605 · Awards/Gifts                 | 0.00                                       |           |                |             |
| 620 · Building Expense             | 0.00                                       |           |                |             |
| 630 · Catering/Hotel               | 0.00                                       |           |                |             |
| 632 · Copying                      | 0.00                                       |           |                |             |
| 639 · Dues & Commitments.          | 0.00                                       |           |                |             |
| 640 · Equipment Maintenance/Rental | 0.00                                       |           |                |             |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                                       |           |                |             |
| 770 · Supplies                     | 0.00                                       |           |                |             |
| 780 · Postage                      | 0.00                                       |           |                |             |
| 781 · Printing                     | 0.00                                       |           |                |             |
| 786 · Promotion                    | 0.00                                       |           |                |             |
| 788 · Staff Expense                | 0.00                                       |           |                |             |
| 810 · Contract Fees                | 2,000.00                                   | 2,000.00  | 0.00           | 100.0%      |
| 850 · Telephone                    | 0.00                                       |           |                |             |
| 867 · Travel                       | 0.00                                       |           |                |             |
| Total Expense                      | 2,000.00                                   | 2,000.00  | 0.00           | 100.0%      |
| Net Ordinary Income                | -2,000.00                                  | -2,000.00 | 0.00           | 100.0%      |
| Net Income                         | -2,000.00                                  | -2,000.00 | 0.00           | 100.0%      |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 1990 Personnel<br>(1900 Operations) |                           |                        |                     |
|------------------------------------|-------------------------------------|---------------------------|------------------------|---------------------|
|                                    | Jan 18                              | Budget                    | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b>     |                                     |                           |                        |                     |
| <b>Income</b>                      |                                     |                           |                        |                     |
| 410 · Interest Income              | 0.00                                |                           |                        |                     |
| 415 · Rental Income                | 0.00                                |                           |                        |                     |
| 417 · Gain on Investments          | 0.00                                |                           |                        |                     |
| 430 · Dues Income                  | 0.00                                |                           |                        |                     |
| 435 · Law Book                     | 0.00                                |                           |                        |                     |
| <b>Total Income</b>                | <u>0.00</u>                         |                           |                        |                     |
| <b>Gross Profit</b>                | 0.00                                |                           |                        |                     |
| <b>Expense</b>                     |                                     |                           |                        |                     |
| 500 · Salaries/Benefits            | 224,971.46                          | 227,000.00                | -2,028.54              | 99.1%               |
| 540 · Staff Development            | 0.00                                |                           |                        |                     |
| 551 · Auto Expense Reimbursement   | 0.00                                |                           |                        |                     |
| 605 · Awards/Gifts                 | 0.00                                |                           |                        |                     |
| 620 · Building Expense             | 0.00                                |                           |                        |                     |
| 630 · Catering/Hotel               | 0.00                                |                           |                        |                     |
| 632 · Copying                      | 0.00                                |                           |                        |                     |
| 639 · Dues & Commitments.          | 0.00                                |                           |                        |                     |
| 640 · Equipment Maintenance/Rental | 0.00                                |                           |                        |                     |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                                |                           |                        |                     |
| 770 · Supplies                     | 0.00                                |                           |                        |                     |
| 780 · Postage                      | 0.00                                |                           |                        |                     |
| 781 · Printing                     | 0.00                                |                           |                        |                     |
| 786 · Promotion                    | 0.00                                |                           |                        |                     |
| 788 · Staff Expense                | 0.00                                |                           |                        |                     |
| 810 · Contract Fees                | 0.00                                |                           |                        |                     |
| 850 · Telephone                    | 0.00                                |                           |                        |                     |
| 867 · Travel                       | 0.00                                |                           |                        |                     |
| <b>Total Expense</b>               | <u>224,971.46</u>                   | <u>227,000.00</u>         | <u>-2,028.54</u>       | <u>99.1%</u>        |
| <b>Net Ordinary Income</b>         | <u>-224,971.46</u>                  | <u>-227,000.00</u>        | <u>2,028.54</u>        | <u>99.1%</u>        |
| <b>Net Income</b>                  | <u><u>-224,971.46</u></u>           | <u><u>-227,000.00</u></u> | <u><u>2,028.54</u></u> | <u><u>99.1%</u></u> |

**Arizona Association of REALTORS®**  
**Profit & Loss Budget vs. Actual**  
**January 2018**

|                                    | 6000 Building<br>(1900 Operations) |                          |                        |                     |
|------------------------------------|------------------------------------|--------------------------|------------------------|---------------------|
|                                    | Jan 18                             | Budget                   | \$ Over Budget         | % of Budget         |
| <b>Ordinary Income/Expense</b>     |                                    |                          |                        |                     |
| <b>Income</b>                      |                                    |                          |                        |                     |
| 410 · Interest Income              | 0.00                               |                          |                        |                     |
| 415 · Rental Income                | 11,297.37                          | 11,325.00                | -27.63                 | 99.8%               |
| 417 · Gain on Investments          | 0.00                               |                          |                        |                     |
| 430 · Dues Income                  | 0.00                               |                          |                        |                     |
| 435 · Law Book                     | 0.00                               |                          |                        |                     |
| <b>Total Income</b>                | <u>11,297.37</u>                   | <u>11,325.00</u>         | <u>-27.63</u>          | <u>99.8%</u>        |
| <b>Gross Profit</b>                | 11,297.37                          | 11,325.00                | -27.63                 | 99.8%               |
| <b>Expense</b>                     |                                    |                          |                        |                     |
| 500 · Salaries/Benefits            | 0.00                               |                          |                        |                     |
| 540 · Staff Development            | 0.00                               |                          |                        |                     |
| 551 · Auto Expense Reimbursement   | 0.00                               |                          |                        |                     |
| 605 · Awards/Gifts                 | 0.00                               |                          |                        |                     |
| 620 · Building Expense             | 23,860.58                          | 25,000.00                | -1,139.42              | 95.4%               |
| 630 · Catering/Hotel               | 0.00                               |                          |                        |                     |
| 632 · Copying                      | 0.00                               |                          |                        |                     |
| 639 · Dues & Commitments.          | 0.00                               |                          |                        |                     |
| 640 · Equipment Maintenance/Rental | 0.00                               |                          |                        |                     |
| 690 · Credit Card & EFT Fees/Misc. | 0.00                               |                          |                        |                     |
| 770 · Supplies                     | 0.00                               |                          |                        |                     |
| 780 · Postage                      | 0.00                               |                          |                        |                     |
| 781 · Printing                     | 0.00                               |                          |                        |                     |
| 786 · Promotion                    | 0.00                               |                          |                        |                     |
| 788 · Staff Expense                | 0.00                               |                          |                        |                     |
| 810 · Contract Fees                | 880.00                             | 880.00                   | 0.00                   | 100.0%              |
| 850 · Telephone                    | 0.00                               |                          |                        |                     |
| 867 · Travel                       | 0.00                               |                          |                        |                     |
| <b>Total Expense</b>               | <u>24,740.58</u>                   | <u>25,880.00</u>         | <u>-1,139.42</u>       | <u>95.6%</u>        |
| <b>Net Ordinary Income</b>         | <u>-13,443.21</u>                  | <u>-14,555.00</u>        | <u>1,111.79</u>        | <u>92.4%</u>        |
| <b>Net Income</b>                  | <u><u>-13,443.21</u></u>           | <u><u>-14,555.00</u></u> | <u><u>1,111.79</u></u> | <u><u>92.4%</u></u> |

**2018 AAR CAPITAL BUDGET**  
(As of 1/31/18)

|   | <u>Budget</u>           | <u>Actual</u>          |
|---|-------------------------|------------------------|
| <b><u>Computer</u></b>                          |                         |                        |
| Network Infrastructure: Replacements & Upgrades | \$25,000                | \$0                    |
| Network Infrastructure: Disaster Recovery       | \$5,000                 | \$0                    |
| Network Infrastructure: Security                | \$45,000                | \$0                    |
| ExCom Tablet Reimbursements                     | \$6,000                 | \$3,586                |
| Website, Software, and Hardware Upgrades        | \$14,650                | \$530                  |
| New and Replacement Workstations/Laptops        | \$32,000                | \$11,423               |
|   | <u>\$127,650</u>        | <u>\$15,539</u>        |
| <b><u>Furniture &amp; Equipment</u></b>         |                         |                        |
| Audio/Video                                     | \$5,000                 | \$0                    |
| Replacement Desk & Office Furniture             | \$5,250                 | \$0                    |
| Miscellaneous                                   | \$2,000                 | \$299                  |
|   | <u>\$12,250</u>         | <u>\$299</u>           |
| <b><u>Building</u></b>                          |                         |                        |
| HVAC  | \$20,780                | \$0                    |
| Meeting Center                                  | \$15,000                | \$0                    |
| Interior Repairs & Improvements                 | \$25,500                | \$0                    |
| Exterior Repairs & Improvements                 | \$60,000                | \$7,080                |
|   | <u>\$121,280</u>        | <u>\$7,080</u>         |
| <b>Total Yr. 2018</b>                           | <u><u>\$256,180</u></u> | <u><u>\$22,918</u></u> |

|  |
|--|
| <b>AAR OPERATIONS AND STRATEGIC INITIATIVES</b><br><b>2018 Business Plan</b> |
|--|

**FROM:** Operations & Strategic Initiatives  
**Chair:** Jan Leighton, Treasurer  
**Staff Liaison:** K. Michelle Lind, Esq., CEO  
**DATE:** March 2018

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The following are programs, products, services and activities (PPSA's) with Operations & Strategic Initiatives oversight.

**CURRENT TOP PRIORITIES**

**RECOMMENDATIONS**

- Leadership Appointment for 2019 Risk Management Chair
- Allocation of 2017 Operating Surplus

**GROUPS FORMED**

- Local Association PAG
- 2019 Planning Session

**BOARD OF DIRECTORS**

AAR is an effective member directed, fiscally responsible, non-profit corporation. AAR offers a value package that enhances members' abilities to conduct their businesses with integrity and competency.

| Measurable Objectives   | Status   |
|---|--|
| Determine real estate firm representatives for 2019 BOD based on 12/31/17 membership numbers.   | <b>Emails and letters sent on January 4<sup>th</sup></b>   |
| Establish recommendations for allocation of surplus from 2017 operating budget for BOD approval.  | <b>Completed - Motion for March meeting</b>  |
| Begin 2019 officer election process. Announce deadline and application submission dates. Submit 2019 candidate statements for BOD vote. | <b>In process.</b><br>Deadline was January 22 <sup>nd</sup> and was announced throughout 2017, with the last posted on November 15, 2017 in The Voice. |
| Operate in compliance with bylaws, policies and applicable laws.  | On-going   |
| Communicate upcoming meeting times and agendas effectively.   | On-going   |
| Evaluate and/or approve funds for innovative programs, products and/or services as submitted.   | On-going   |

|  |  |
|--|--|
| Draft, update and distribute meeting agendas and materials for the Board of Directors meetings in a timely manner. | On-going   |
| Maintain at least 80% attendance by Directors.   | <ul style="list-style-type: none"> <li>• ___ % - March meeting</li> <li>• ___ % - October meeting</li> </ul> |

### **EXECUTIVE COMMITTEE**

AAR is an effective member directed, fiscally responsible, non-profit corporation. AAR offers a value package that enhances members' abilities to conduct their businesses with integrity and competency.

| <b>Measurable Objectives</b>   | <b>Status</b>  |
|--|--|
| Assist leadership engagement with local association leadership to strengthen the strategic partnership.  | On-going   |
| Assist President-elect and First Vice President with selecting primary committee chairs, vice chairs and association executive representative for 2019 to be approved by ExCom in January and BOD at March meeting.  | <b>Approved by ExCom on January 10<sup>th</sup></b><br><b>Motion on the March 22<sup>nd</sup> BOD Agenda for RMC Chair change</b>  |
| Assist President-elect in identifying members, scheduling and organizing planning session for 2019. Coordinate Planning Session outcomes, distribute Strategic Plan to attendees for comment. Distribute Strategic final plan for implementation in business plans and budget. | Session scheduled for April 27 <sup>th</sup> at the Musical Instrument Museum in Scottsdale. Jeff Turner will be the facilitator.  |
| Update AAR officer position description and activity checklists. Distribute job descriptions and budgeted expense and reimbursement expectations to line officers and executive committee members.   | Emailed updated descriptions on 12/1/17<br><b>New Director Position Description approved by ExCom and Motion is on the March 22<sup>nd</sup> BOD Agenda</b>  |
| Operate in compliance with bylaws, policies and applicable laws.   | On-going   |
| Communicate upcoming meeting times and agendas effectively.  | Updated meetings/events calendar included in January ExCom meeting materials.  |
| Evaluate and/or approve funds and agreements for innovative programs, products and/or services as submitted.   | On-going   |
| Draft, update and distribute meeting agendas and materials for Executive Committee meetings in January, March, June, September and October in a timely manner.   | On-going   |
| Maintain at least 80% attendance by committee members.   | <ul style="list-style-type: none"> <li>• <b>86%</b> - January meeting</li> <li>• ___% - March meeting.</li> <li>• ___% - June meeting</li> <li>• ___% - 2019 Budget meeting</li> <li>• ___% - October meeting</li> </ul> |

## ASSOCIATION RELATIONS

AAR partners with and collaborates with local member associations, MLSs and other industry partners to accomplish mutual goals. AAR leadership engages with local association leadership to strengthen the strategic partnership.

| <b>Measurable Objectives</b>   | <b>Status</b>  |
|--|--|
| Complete the NAR Mandatory Core Standards Compliance Form for AAR and submit as required by NAR.   | Completed December 2017  |
| Assist and certify local associations in NAR mandatory core standards compliance.  | <b>18 Certified in December 2017. On-going for 2018.</b>   |
| Plan and conduct annual Arizona AE Workshop.   | <b>Agenda building in process for a July 2018 program</b>  |
| Deliver timely information and updates to AEs on AAR activities.   | <b>Regular updates via AE Basecamp</b>   |
| Coordinate with local associations regarding NAR's Association Executive Institute.  | <b>Save the date sent for a state night out dinner for Sunday, March 25</b>  |
| Figure 2019 director entitlements for local associations using 12/31/17 membership report.   | <b>Entitlements posted on local association Basecamp on January 3, 2018</b>  |
| Determine which Arizona AEs are eligible to serve on 2019 BOD.   |  |
| Partner with local association to provide new REALTOR® orientation resources to include AAR.   | <b>Video in process of being drafted and produced. Anticipated completion in June 2018</b>   |
| Provide tools and be a resource to local associations to help communicate their relevance to members and encourage communication and collaboration between associations and MLSs regarding the member experience.  | <b>A World Without AAR brochures provided to local associations as requested. Information provided via AE Basecamp.</b>  |
| Encourage local associations to collaborate with local community leaders, organizations, the public and REALTOR® members on involvement and reinvestment in the community, with a focus on available grants and programs offered through the REALTOR® Party resources. | <b>Information provided via AE Basecamp</b>  |
| Maintain a collaborative working relationship with the ADRE.   | <b>Staff attendance at all ADRE Advisory Committee meetings and established stakeholder groups.</b><br><br><b>Meetings between CEO and Commissioner as needed.</b> |
| AAR cultivates strategic alliances and partners with MLSs, institutes, societies, councils, and other homeownership entities on endeavors that benefit the membership. (CCIM/IREM, VAREP)  | AAR Sponsorship of January 25 <sup>th</sup> IREM/CCIM Event  |
| Investigate and compile MLS regional consolidation resources for Local Associations.   | <b>NAR Consolidation resources provided.</b>   |
| Influence members to utilize REALTOR® brands (products and services).  | <b>On-going via The Voice, Facebook and the Blog</b>   |

## CONSUMER OUTREACH

AAR will demonstrate engagement in not less than four meaningful consumer engagement activities annually.

| Measurable Objectives   | Status  |
|---|---|
| Respond to media requests for interviews and information.   | <b>4 earned media spots as of 2/1/18</b><br><a href="https://www.aaronline.com/press/">https://www.aaronline.com/press/</a><br><b>President-elect Lewis interviewed by ABC15 on 2/1/18</b><br><b>President Doerfler interviewed by ABC15 on 2/8/18</b><br><b>CEO Lind interviewed by Fox10 on 2/20/18</b> |
| Promote the value proposition of using a REALTOR® and/or engaging in community activities which enhance the image of REALTORS®. | <b>Homeless initiative continued.</b><br><b>Staff participation at Homeless Veterans events.</b>  |
| Promote the value and the “why” of the REALTOR® brand to our members and consumers.   | <b>On-going with PR firm</b>  |
| Promote REALTORS® as professionals.   | <b>On-going with PR firm</b>  |
| Engage the public in legislative/political issues that impact real estate and related issues.                                   |   |
| Organize human resources or fundraising for the benefit of charitable/community organizations.                                  | <b>Donations made to Totes for Hope, Lodestar Day Resource Center and House of Refuge in December 2017.</b><br><b>Promotion Totes for Hope on-going.</b>  |
| Establish AAR as a source of credible information about Arizona real estate issues.   | <b>On-going with PR firm</b>  |

## NATIONAL ASSOCIATION

AAR is regarded as an influential voice and partner to the NATIONAL ASSOCIATION OF REALTORS®.

| Measurable Objectives   | Status   |
|---|--|
| Make recommendations to NAR for committee/officer positions.  | <b>Committee deadline sent via AE &amp; NAR Directors Basecamp</b> |
| Coordinate NAR meeting calendar with line officers and communicate expectations effectively, through preferred methods. | <b>On-going</b>  |
| Coordinate attendance at NAR Legislative meetings   | <b>Officers registered</b>   |
| Coordinate attendance at NAR Expo/Conference  |  |



## REGION 11

AAR, as a member of Region 11, plays a vital role in its influence on NAR policy and decision making. AAR is regarded as an influential voice and partner to the NATIONAL ASSOCIATION OF REALTORS®.

| Measurable Objectives   | Status  |
|---|---|
| Remain active in all NAR Region 11 activities (Caucus, Nominating Committee, and Strategic Planning Committee). | On-going  |
| Assist in coordinating and attend Region 11 Conference.   | Information for 2018 Conference sent to Local AEs<br><b>Officers registered for Region 11 Conference scheduled for April 10-13</b><br><br><b>Arizona State Dinner scheduled for April 12<sup>th</sup></b> |
| Assist Arizona's 2019 RVP   |   |

## DUES/FINANCIAL

AAR is an effective member directed, fiscally responsible, non-profit corporation. Annual dues collected by the Arizona Association of REALTORS® are used to ensure its members are the best prepared real estate professionals with the highest standards.

| Measurable Objectives   | Status  |
|---|---|
| Collect dues from local associations and members-at-large. Conduct monthly dues/membership reconciliations.   | <b>Dues collected from 38,556 members through January 31<sup>st</sup></b>   |
| Evaluate annual budget to ensure that dues are properly allocated to AAR's policies, programs and services.   | On-going  |
| Prepare, analyze and distribute monthly financials to the Executive Committee for review and to ensure the association's financial goals are being met.   | <b>Completed monthly</b>  |
| Continue to proactively research and review options for AAR efficiency.   | On-going  |
| Prepare suggested budget adjustments, if necessary, for ExCom consideration.  |   |
| Monitor: <ul style="list-style-type: none"> <li>• Capital Reserve fund account balances</li> <li>• Operating and Strategic Initiative Reserve accounts</li> <li>• RAPAC and Issues Mobilization accounts</li> </ul> and ensure adherence to bylaws and investment policy. | <b>Completed monthly</b><br><b>Meetings with UBS Financial advisor on February 13<sup>th</sup> and February 20<sup>th</sup>. Communications with advisor as needed.</b> |

|  |   |
|--|---|
| Reconcile all AAR checking accounts monthly (AAR, ARDAF, ARFHCO, PSF, RAPAC, Issues Mob, etc).                   | <b>Completed monthly</b>  |
| Establish recommendations for allocation of surplus from previous year's operating budget for ExCom approval.    | <b>Completed - Motion for March meeting</b>   |
| Assist with the annual audits (AAR, ARDAF, ARFHCO, RAPAC).   | <b>AAR audit began January 23-26 Meeting with Auditors February 20<sup>th</sup></b> |
| Prepare and finalize 2019 Operating and Capital budget with the 2019 Executive Committee and Board of Directors. |   |

### **BUILDING**

AAR's building is an asset and its equity will be vigilantly monitored.

| <b>Measurable Objectives</b>  | <b>Status</b>  |
|---|--|
| Address on-going building maintenance needs and report any critical issues to ExCom.  | <b>Monument sign replacement pending.<br/>Noise reduction efforts underway in meeting center.</b>  |
| Assist property manager in working with tenants to maintain lease agreements.   | Arizona Hispanic Chamber lease expires 8/31/2018<br><br>Southwest Institute lease expires 10/31/18 |
| Conduct thorough review of Arizona REALTORS® building infrastructure and make recommendations for needed improvements in the 2019 Capital Budget. |  |

### **PERSONNEL/OVERHEAD**

In order to accomplish the Strategic Plan, area business plans deliver member value and work as a collaborative partner with national and local member associations. AAR must have knowledgeable staff that can serve as leaders in the industry.

| <b>Measurable Objectives</b>  | <b>Status</b> |
|---|---------------|
| Analyze personnel/overhead needs based on the Association's business plans. | On-going      |
| Retain a well-trained, capable staff.                                       | On-going      |
| Maintain positive staff response to member needs.                           | On-going      |
| Develop a staff succession plan.  | In-process    |

**ARIZONA REALTORS® DISASTER ASSISTANCE FOUNDATION  
(ARDAF)**

The Foundation is a separate 501(c)(3) corporation. The Foundation provides a fund to collect and distribute tax deductible donations from members and the general public to be used to assist those who have suffered from a personal or natural disaster.

| <b>Measurable Objectives</b>   | <b>Status</b>             |
|--|---------------------------|
| Coordinate annual audit.   | <b>Scheduled</b>          |
| Provide in-kind staff time to effectively manage 501(C)(3) per its bylaws. | On-going                  |
| Prepare and distribute local association funds and reports.                | <b>Reported quarterly</b> |

**ARIZONA REALTORS® FOUNDATION FOR HOUSING AND  
COMMUNITY OUTREACH (ARFHCO)**

The Foundation is a separate 501(c)(3) corporation. The Foundation provides education opportunities to AAR members as well as an EAH program to state and local association employees.

| <b>Measurable Objectives</b>   | <b>Status</b>    |
|--|------------------|
| Coordinate annual audit.   | <b>Scheduled</b> |
| Provide in-kind staff time to effectively manage 501(C)(3) per its bylaws. | On-going         |

## 2018 PBD Measureable Objective Update

**From:** Professional and Business Development (PBD) Committee  
**Chair:** Susan Slattery  
**Staff Liaison:** Barb Freestone  
**Date:** 2/15/2017

**REALTOR® - The best prepared real estate professional with the highest standards.**

**The following are programs, products, services and activities (PPSA's) with Professional and Business Development oversight.**

### Current Top Priorities

- Arizona REALTOR Convention
- Implementing CRPM/rCRMS/education outreach classes
- MRES Society 2018-2019 Term Membership Drive

### Recommendations

- None at this time

### Groups Formed

- GRI Oversight Workgroup –
- Broker University Workgroup – Keri Means
- CRPM Advisory Workgroup –
- 2018 Convention Planning – James Adams

### Program, Product, Service or Activity (PPSA):

#### **Broker University**

This program involves:

- *Broker Summit*
- *Broker Management Clinic classes*
- *Mack In A Minute video series*
- *Broker Brief webinars*
- *Branch Manager resources*

| <b>Measurable objectives</b>  |  |
|---|--|
| Design and deliver a broker summit that addresses the needs of the diverse brokerage community. |  |

|   |  |
|---|--|
| Develop, partner and/or provide programs that focus on broker and operational competencies.   |  |
| Communicate educational opportunities to brokers with messages that demonstrate the value of the programs to the broker and their agents.     |  |
| Student feedback is favorable regarding quality and relevance   |  |
| Redesign and deliver engaging and practical-based Broker Management Clinics   | BMC 2 and 3 scheduled during AAR convention  |
| Maintain, and update as needed, a Broker University webpage that compiles professional development resources:                                 | Ongoing  |
| Provide opportunities for brokers/managers to stay abreast of issues, trends and AAR activities delivered through timely webinars and videos. | Broker Brief Webinars which are scheduled for March 15, June 7, and September 27.<br><br>Contract Conversation videos  |
| Explore and engage in opportunities to provide professional development programs or resources to branch managers.                             |  |
| Continue to produce and distribute the Mack In A Minute video series.   | On-going. Mack In a Minute videos are sent out via email to brokers/managers the first Monday of every month. Archived videos are housed on <a href="http://AARonline.com/Increase-Knowledge">AARonline.com/Increase-Knowledge</a> |
| Identify the needs of the diverse brokerages for use in developing professional development programs.   |  |

**Program, Product, Service or Activity (PPSA):**

***rCRMS (Certified Risk Management Specialist)***

This program involves:

- rCRMS Program development, administration, delivery and marketing

|   |   |
|---|---|
| <b>Measurable objectives</b>  |   |
| Members will have access to rCRMS classes offered in partnership and live streamed at a | 24classes (live and live-streamed) scheduled to date in partnership |

|   |   |
|---|---|
| competitive and affordable price  | with local associations<br><br>January Federal Legal Issues – 46 attendees<br>January Essential Skills – 25 attendees   |
| Monitor and update curriculum as needed.  | On-going  |
| Explore opportunities to incorporate or increase engagement activities into the curriculum.                     |   |
| Maintain and monitor a cadre of qualified instructors   | On-going  |
| Provide an easy to find master calendar and path earn the certification on rCRMS webpage                        |   |
| Maintain a dedicated instructor page to house course materials.   | In development  |
| Offer rCRMS certification holders discounted class registration fees.   |   |
| Employ communication strategies to market upcoming courses and program value, including social media and video. | Inventory of instructor invitation videos will be conducted and reviewed by the end of March to identify needed updates |
| Recognize newly certified members on CRMS webpage, AAR Facebook page and announced to local associations.       | Ongoing   |

**Program, Product, Service or Activity (PPSA):**

**Education Outreach**

This program involves:

1. Delivery, admin and resources for live and live-streamed REBAC classes
2. Live-streamed c/e classes
3. Annual Trends Summit
4. Development of micro-learning segments
5. New agent resource

|   |  |
|---|--|
| <b>Measurable objectives</b>  |  |
| AAR will engage instructors who have practitioner experience in the topic area and who adapt to learner-centered teaching with preference given to instructors who assist in marketing effort requests. | On-going<br>Three new instructors added to the live streamed cadre |

|  |   |
|--|---|
| Provide partnership and revenue share opportunities to local associations, brokerages and NARPM who want to offer REBAC and AAR classes. | 12 local associations participating in the AAR live streamed courses<br>3 local associations offering REBAC classes through AAR partnership<br>3 firms offering AAR c/e classes in through AAR  |
| Live Stream one day of c/e classes with local associations each month.   | Courses scheduled, instructors booked<br>January CE class – 150 students  |
| Collaborate with instructors to identify how to incorporate (or increase) engagement/ activities into the curriculum they teach.         | Working on workshop to teach Kahoot platform to instructors   |
| Members will have access to education programs offered through AAR at a competitive and affordable price.                                | Completed<br>3 hour c/e registration fees set at \$20<br>3 hour CRPM registration fee set at \$25<br>6-hour REBAC registration fee set at \$59<br>6 hour CRPM course registration fee set at \$79)<br>6 hour rCRMS course registration fee set at \$59) |
| AAR will provide local associations with an Education Chairman’s manual and Live Streaming Administrative Guide.                         | Completed   |
| Deliver an Annual Trends Summit featuring national speakers for changing trends and business practices in the industry.                  | Target: December  |
| Assist instructors who meet AAR’s criteria, in obtaining approval to teach REBAC classes   | New REBAC instructor Mandy Neat   |
| Grow the cadre of well-trained live streaming instructors.   | New instructors added to the live streaming cadre for 2018 include: Jesi Wolnik, Jimmy V, Patrick Ritchie, Melinda Eslinger   |
| Engage in opportunities to provide new agent resources/training opportunities.   |   |
| Research education needs within the commercial membership segment and identify what AAR’s role should be.                                |   |
| Explore opportunities to take current content and convert into micro-learning training.  |   |

**Program, Product, Service or Activity (PPSA):**

***Education Development***

This program involves:

- *Resources, reference material and training expenses to stay abreast of education trends and technologies*
- *Course development/updates*
- *Contract Conversation videos*

| <b>Measurable objectives</b>  |  |
|---|--|
| Maintain and update learning management platform license.   | GRI online portal update rollout in March  |
| Monitor and enhance live streaming platform to continually provide an effective learning experience and adhere to ADRE regulations. | Upgraded TV monitor for Instructor's view in December  |
| Explore gamification opportunities that can be incorporated into education programs.  |  |
| Staff has access to the necessary curriculum development and delivery resources to develop quality programs                         | On-going<br>Staff attended Training Magazine conference in February  |
| Explore development of a professionalism certification program or research/license available programs when that is more feasible.   |  |
| Produce a minimum of 4 Contract Conversation videos.  |  |
| Research and evaluate how an immersive learning experience can be incorporated into AAR's programs.                                 |  |
| Explore possibility of developing or making available retirement workshops, videos or resources for members.                        | NAR's retirement class, "Building Wealth, Representing Investors, and Becoming One Yourself" will be offered at the Convention |

**Program, Product, Service or Activity (PPSA):**

***Instructor Development***

This program involves:

- *Instructor Development programs and opportunities*
- *Attendance at trainer conference*
- *Research and Resources (training/subscriptions) to share, incorporate and monitor presentation trends*
- *Video production*



- *Uniform Instructor Standards*

| <b>Measurable objectives</b>  |   |
|---|---|
| Provide AAR instructors with opportunities to continually grow their skills and understanding of the needs of the modern learner.             | December 2017 webinar: Look Who's Talking - Classroom Management<br><br>IDW – January 19 with Len Elder (26 attended)                     |
| Provide resources and guidance to new instructors coming into AAR cadre.  | Classroom Management webinar planned for mid-Spring<br><br>Gary Nelson and Mandy Neat completed the Bob Pike Trainer Bootcamp in December |
| Provide training and resources to AAR's instructors who teach AAR's live streaming classes.   |   |
| Develop teaching tip/best practice video snippets for GRI classes.  |   |
| Monitor emerging trends in instructor skills which can aid instructors in enhancing their skills. (share distribute with PBD and instructors) |   |
| Develop and provide materials to instructors to promote professionalism at every education opportunity  |   |
| Utilize Instructor Standards to guide and strengthen instructor quality and performance.  | On-going  |
| Provide one scholarship to the Bob Pike Train the Trainer for one new AAR instructor who could benefit from the program.                      | Completed – Mandy Neat attended program in January  |

**Program, Product, Service or Activity (PPSA):**

***Industry Partners Conference***

This program involves:

- Partnership role in planning, presenting and administering the annual Partners Conference

|   |                    |
|---|--------------------|
| <b>Measurable objectives</b>  |                    |
| Participate as a partner with AMLA and ASEA, to offer a program designed to help members understand each other's role in the real estate transaction. | September 14, 2018 |
| Positive feedback is received to ensure it meets the needs of our members.  |                    |

**Program, Product, Service or Activity (PPSA):**

***Leadership Training & Development***

This program involves:

- Annual Leadership Conference
- LTA program
- The Art of Leadership Webinar series
- Leadership Workshop

|  |  |
|--|--|
| <b>Measurable objectives</b>   |  |
| Offer an annual conference for incoming leadership and members who wish to become leaders.                 |  |
| Program feedback received is favorable regarding quality and relevance.                                    |  |
| Offer a leadership development program (LTA) specifically for incoming local association presidents-elect. | LTA dates: April 18-19; June 7-8; July 10-11, August 20-21   |
| Develop and offer educational events, classes and opportunities to enhance leadership skills.              | Storytelling Workshop – January 22, 2018 with Karel Murray -7 attendees)<br><br>Art of Leadership 5-Part Webinar Series focusing on Influence – January 17, 24, 31, February 7, 14. (Marketing target: brokers/Managers) (22 registered/4-6 average attendees) |

**Program, Product, Service or Activity (PPSA):**

***MRES Society***

This program involves:

- Administration and marketing of MRES program

- New agent training/resources
- Education program for MRES Society members
- Communication efforts emphasizing value of education/learning
- Video production
- Development of learning path resources

| <b>Measurable objectives</b>  |  |
|---|--|
| Recognize members' lifelong learning commitment through a membership-based program connected to educational accomplishments   | MRES Society membership  |
| Distribute MRES Society information through eblasts and social media channels   | Facebook ad scheduled for January<br><br>Eblast sent to membership in October 2017 and December 2017 (average open rate 22%) |
| Increase MRES Society membership by 10%.  | 29 applications received in January  |
| Develop a strategy to create topical learning paths/infographics to assist new agent or members looking to take their career to the next level.   |  |
| Produce a minimum of 4 videos featuring members discussing the impact education courses had on their business success. (minimum of 4)   |  |
| Provide MRES Society membership information to students in the GRI, rCRMS and CRPM classes (show them the path to the MRES Society membership and how the classes they are taking fit in) |  |
| Solicit feedback from MRES members to evaluate membership value   |  |
| Explore and implement, if feasible, a lifetime member Platinum level category.  |  |
| Provide MRES Society members with access to a special education program.  |  |

**Program, Product, Service or Activity (PPSA):**

***Property Management Certification***

This program involves:

- Administration, delivery and marketing of CRPM certification program

- Timely Webinars
- Property Management Summit

| <b>Measurable objectives</b>  |  |
|---|--|
| Members will have access to property management classes and the CRPM certification program at competitive and affordable fees through partnership and live streaming. | 24 classes scheduled to date live/live streamed in partnership with local associations and NARPM<br>January PM Bootcamp – 42 attended<br>January How to Evict Tenant c/e class – 71 attended |
| Maintain a cadre of qualified instructors who meet the AAR adopted Instructor Standards and bring practical experience to the program                                 | On-going   |
| Receive favorable feedback regarding quality and relevance.   | On-going. Favorable feedback received to date  |
| Provide an easy to find master calendar and path earn the certification on CRPM webpage.  | Course calendar on AAR website calendar and on the CRPM webpage  |
| Offer timely webinars focusing on property management issues  |  |
| Offer a summit that addresses property management issues and topics.  |  |
| Communicate upcoming classes to members and target area utilizing eblasts, video and social media.  | A monthly “Upcoming class” eblast is done monthly in addition to targeted eblasts  |
| Announce and maintain a list of members who earned the CRPM certification.  | On-going   |

**Program, Product, Service or Activity (PPSA):**

***REALTOR Institute: GRI Designation***

This program involves:

- Program administration and maintenance
- Curriculum maintenance and enhancements
- Education course for designees
- Dedicated website enhancements and maintenance
- Marketing collateral and strategies
- Scholarship program

| <b>Measurable objectives</b> |  |
|------------------------------|--|
|------------------------------|--|

|  |  |
|--|--|
| The GRI program is available and accessible to members throughout the state through live and live streamed classes.  | Done<br>54 native GRI classes scheduled to date  |
| Partnerships are utilized to deliver GRI Classes   | Partnerships with local associations - 9 local associations are offering GRI classes in 2018 |
| Provide GRI designees with access to a special education program.  | Webinar Summit targeted for mid-summer   |
| Communicate the value of the GRI program through eblasts, video, social media.   | Facebook ads scheduled for April/July/October  |
| Maintain and enhance the GRI website as needed   | On-going   |
| Evaluate the program annually to ensure it is responsive to the changing industry.   |  |
| Student feedback is favorable regarding quality and relevance  | On-going. To date, favorable class/instructor feedback received                              |
| Survey designees who earned the GRI designation to measure how and what they implemented into their business practice as a result of what they learned in the GRI program            |  |
| Maintain, monitor and grow a cadre of qualified instructors who meet the established GRI instructor criteria, AAR Instructor standards and embrace learner-centered teaching styles. | 1 new instructor added to the GRI Instructor Cadre to date.                                  |
| Provide sufficient resources to update and refresh the Online Business Planning course   |  |
| Marketing messages focus on the value/benefits - connection to building a successful career  |  |
| Communication to Brokers emphasizes the value of the program brings to their agents' business success and available scholarships   |  |
| Provide GRI Administrative Guide to course providers.  |  |
| Recognize new designees through social media and announcements and provide resources to help them promote their accomplishment.  | Ongoing<br>9 graduates in January  |
| Provide a financial scholarship program to members.  | \$15,000 approved in the 2018 budget   |
| Monitor national trends in the GRI programs to keep AAR's GRI program growing and evolving.  |  |
| Monitor Student demographics.  |  |

**Program, Product, Service or Activity (PPSA):**

***REALTOR Convention***

This program involves planning, delivery and marketing of annual convention

| <b>Measurable objectives</b>   |   |
|--|---|
| Offer a statewide conference that addresses the trends and challenges of the current market and provides information on best practices to help members learn how to adapt and succeed as well as networking opportunities. | March 20-22, 2018   |
| Feature national speakers to provide a broad scope in national business practices, trends and techniques.  | Sean Carpenter, Jeff Chalmers, Maurice Hampton, Cheryl Knowlton, Gee Dunsten, Bill Lublin, Brian Copeland, Jaime Casup, Mellisa Zimbleman   |
| Provide retirement type session or workshop during convention  | Part of the Building Wealth _____ class   |
| Utilize a variety of marketing efforts to inform members of the convention and its value   | Facebook ad in February, eblasts, video invitations from speakers drip campaign<br>General membership eblast in January and February, targeted eblasts to GRI candidates, new members, past convention attendees and Valley members. Convention flyer sent to local associations encouraging their help in promoting to their members |
| Positive feedback is received.   |   |
| Explore and evaluate areas/locations for convention in 2019  |   |

**Program, Product, Service or Activity (PPSA):**

**Support & Resources**

This program includes support programs including:

- Printing, copying and postage
- Committee, workgroup and task force support
- Reteach.us platform maintenance and enhancements
- Registration platform maintenance and enhancements
- Resources, tools, subscriptions and license fees for programs support activities
- Promotion and marketing efforts
- Video commercial production
- Program registration fee ETF expenses
- Conferences/training events

| <b>Measurable objectives</b>   |   |
|--|---|
| Appropriate groups are formed and kept updated throughout the year.  | On-going  |
| Provide the necessary equipment, supplies, subscriptions, licenses and tools to implement the business plans, host/house online program and registration functions | On-going  |
| Production and editing of video commercials emphasizing the value of lifelong learning.  |   |
| Participate in local association and firm events, where available to promote AAR's educational programs and resources  |   |
| Review program messages and enhance where needed to connect message to business success.   |   |
| Develop easy to follow paths to earn the rCRMS, CRPM and GRI using infographic format.   |   |
| Develop and distribute printed collateral at AAR and/or local events.  |   |
| Work through appropriate committees to influence ADRE to permit C/E Credit for business-skill related topics   |   |
| Promote the use of the Reteach.us site.  | On-going. Information included in class materials and in student communications |
| Employ technologies and resources to create and retain a state of the art learning environment available to members.   |   |
| Staff attends AAR, NAR and-Education-related conferences/forums.   | Training Magazine Conference - February   |

## AAR Business Services & Technology 2018 Business Plan

**From:** Business Services and Technology  
**Chair:** Carlos Ramos  
**Staff Liaison:** Nick Catanesi  
**Meeting Date:** March 19, 2018

**REALTOR® - The best prepared real estate professional with the highest standards.**

The following are programs, products, services and activities (PPSA's) with Business Services and Technology oversight.

### **BUSINESS SERVICES**

AAR provides technology tools other than forms delivery as a member benefit only if AAR is in a unique position to provide the tool, or the tool create value statewide, or if the tool advances the real estate industry and the AAR vision. AAR explores, identifies and recruits members who are technologically adept to enhance the goals of the committee. (Strategic Objectives 5.B and 5.F)

**Brief description of how the PPSA contributes to achieving AAR's vision:** AAR's Business Services provide tangible products members use every day in increasing their professionalism and providing a higher quality of service to consumers.

**Importance of PPSA to the critical-to-serve customer:** Business Services enhances member's professionalism and prepares them to better serve tomorrow's consumers.

#### **Strategic Focus Points:**

| Measurable Objectives   | Status   |
|---|--|
| Negotiate discounts for products and services that benefit members and consistently market those offerings.         | Discounts on products and services in the Tech Marketplace as well as member benefits.                         |
| Market for member awareness and increased use   | Marketing via the Voice at least once/month.   |
| Pursue partnership and collaboration opportunities to the members how to use business technologies.                 | Pending  |
| Research and inform members on how to choose the right technologies for business through channels of communication. | Tech Marketplace provides members the options for the technologies that make sense for their individual needs. |
| Create a mechanism for consistent member generated content regarding technology related issues and practices.       | Pending  |

#### **Tech Helpline®**

AAR provides technology tools, other than forms delivery, as a member benefit only if: AAR is in a unique position to provide the tool; the tool creates value statewide; or the tool advances the real estate industry and the AAR vision. AAR investigates and provides information on member or staff recommended products and services that increase efficiency, profitability and digital security of member business operations. AAR negotiates discounts for products and services that benefit members. (Strategic Objectives 5.B, 5.C and 5.D)

**Brief description of how the PPSA contributes to achieving AAR's vision:** Provides members with a source to minimize computer and device issues with a trusted REALTOR® friendly resource.



**Importance of PPSA to the critical-to-serve customer:** Provides members with an inexpensive resource for computer and device technical assistance as a benefit.

**Strategic Focus Points:**

| Measurable Objectives   | Status  |
|---|---|
| Usage statistics are compiled and shared monthly.   | Statistics are shared monthly with the Communications Workgroup and the BS&T Committee      |
| Market for member awareness and increased use   | Internally promoted by the Voice email and externally through Tech Helpline monthly mailing |
| Pursue partnership and collaboration opportunities to the members how to use business technologies. | Internally promoted by the Voice email and externally through Tech Helpline monthly mailing |
| Maintain positive member responses  | All feedback from membership has been positive  |

**zipForm®**

AAR controls and provides the delivery of AAR’s forms to the members as a member benefit. AAR negotiates discounts for products and services that benefit members. (Strategic Objectives 5.A and 5.D)

**Brief description of how the PPSA contributes to achieving AAR’s vision:** zipForm® controls the delivery of AAR’s forms and provides the delivery of AAR’s forms to the members as a member benefit. zipForm® Plus is provided to members as a benefit from NAR while zipForm® Standard and Mobile are provided as benefits from AAR.

**Importance of PPSA to the critical-to-serve customer:** zipForm® controls risk and enhances member’s professionalism, preparing them to better serve tomorrow’s consumers.

**Strategic Focus Points:**

| Measurable Objectives   | Status   |
|---|--|
| Usage statistics are compiled and shared monthly.   | Statistics are shared monthly with the Communications Workgroup and the BS&T Committee |
| Conduct trainings on a monthly/bi-weekly basis  | Ongoing  |
| Pursue partnership and collaboration opportunities to the members how to use business technologies. | Ongoing  |
| Maintain positive member responses  | Feedback from membership is generally positive   |

**AAR eSign**

AAR provides technology tools, other than forms delivery, as a member benefit only if: AAR is in a unique position to provide the tool; the tool creates value statewide; or the tool advances the real estate industry and the AAR vision. AAR investigates and provides information on member or staff recommended products and services that increase efficiency, profitability and digital security of member business operations. AAR negotiates discounts for products and services that benefit members. (Strategic Objective 5.B, 5.C and 5.D)

**Brief description of how the PPSA contributes to achieving AAR’s vision:** AAR eSign provides members with a technology tool through AAR’s unique position to provide the tool. AAR eSign creates value statewide and advances the real estate industry.

**Importance of PPSA to the critical-to-serve customer:** AAR eSign controls risk and enhances member’s professionalism, preparing them to better serve tomorrow’s consumers.

**Strategic Focus Points:**

| Measurable Objectives   | Status   |
|---|--|
| Usage statistics are compiled and shared monthly.   | Statistics are shared monthly with the Communications Workgroup and the BS&T Committee |
| Conduct trainings on a monthly/bi-weekly basis  | Ongoing  |
| Pursue partnership and collaboration opportunities to the members how to use business technologies. | Ongoing  |
| Maintain positive member responses  | Feedback from membership is generally positive   |

**AAR Single Sign-On**

AAR provides technology tools, other than forms delivery, as a member benefit only if: AAR is in a unique position to provide the tool; the tool creates value statewide; or the tool advances the real estate industry and the AAR vision. AAR investigates and provides information on member or staff recommended products and services that increase efficiency, profitability and digital security of member business operations. AAR negotiates discounts for products and services that benefit members. (Strategic Objectives 5.B, 5.C and 5.D)

**Brief description of how the PPSA contributes to achieving AAR’s vision:** AAR Single Sign-On provides members with a technology tool through AAR’s unique position to provide the tool. AAR eSign creates value statewide and advances the real estate industry.

**Importance of PPSA to the critical-to-serve customer:** AAR Single Sign-On controls risk and enhances member’s professionalism, preparing them to better serve tomorrow’s consumers.

**Strategic Focus Points:**

| Measurable Objectives   | Status  |
|---|---------|
| Usage statistics are compiled and shared monthly.   | Pending |
| Conduct trainings on a monthly/bi-weekly basis  | Pending |
| Pursue partnership and collaboration opportunities to the members how to use business technologies. | Pending |
| Maintain positive member responses  | Pending |

# **SOFTWARE DEVELOPMENT**

AAR will develop and monitor software that will help AAR maintain data to better understand member needs, communicate more effectively with members and maximize adoption of AAR programs and services.

**Brief description of how the PPSA contributes to achieving AAR’s vision:** AAR’s Business Services provide tangible products members use every day in increasing their professionalism and providing a higher quality of service to consumers.

**Importance of PPSA to the critical-to-serve customer:** Applications provided by AAR allow members to work effectively and efficiently.

## **Strategic Focus Points:**

| <b>Measurable Objectives</b>                                   | <b>Status</b>  |
|--|--|
| Develop and maintain data and access to data for AAR purposes. | APIs have been built for AARonline.com and vendors. Further “Search A REALTOR®” functionality is being investigated. |

## **Enhanced Member Profile**

AAR develops and maintains data, beginning with an enhanced member profile, to better understand member needs, communicate more effectively with members and maximize adoption of AAR programs and services (SP: 5.E).

**Brief description of how the PPSA contributes to achieving AAR’s vision:** The Enhanced Member Profile provides the tools to communicate the right message to the right people in methods that reach out, inform and engage the membership.

**Importance of PPSA to the critical-to-serve customer:** The Enhanced Member Profile is a necessary tool to provide information on members to effectively communicate and coordinate information.

## **Strategic Focus Points:**

| <b>Measurable Objectives</b>   | <b>Status</b>   |
|--|---|
| Provide data analytics of AAROnline.com members logged-in.           | Data on members is continually being collected via VOICE and educational emails |
| Develop “Enhanced Member Profile” through RAMCO AMS.                 | Ongoing   |
| Maintain RAMCO as the data warehouse for the Enhanced Member Profile | Enhanced data set has been obtained through TargetSmart data feed.              |

## **IT RESOURCES AND SECURITY MANAGEMENT**

AAR will develop and monitor software that will help members' access to AAR's forms as a member benefit (SP: 5.A) and maintain data to better understand member needs, communicate more effectively with members and maximize adoption of AAR programs and services (SP: 5.E).

**Brief description of how the PPSA contributes to achieving AAR's vision:** This program contains basic support items for the network and communications infrastructure of the association.

**Importance of PPSA to the critical-to-serve customer:** This is an "enabling" program that provides for development and delivery of essential customer benefits.

### **Strategic Focus Points:**

| <b>Measurable Objectives</b>   | <b>Status</b>   |
|--|---|
| Data and voice systems uptime is better than 99%, excluding planned maintenance periods                                | Meeting objectives  |
| Security exploits conducted against AAR receive urgent attention and appropriate measure taken to prevent reoccurrence | Meeting objectives  |
| Build an effective disaster recovery infrastructure to allow immediate phone and email recovery                        | Meeting objectives for email, phone system pending moving of server to colocation |

### **Phone**

AAR's Information Technology resources will ensure that phone communications are secure and reliable, allowing AAR to communicate more effectively with members (SP: 5.E).

**Brief description of how the PPSA contributes to achieving AAR's vision:** The phone system is an integral part necessary to communicate with members. The system is essential to each area of AAR, providing a direct link to/from members, ensuring AAR's ability to fulfilling its vision.

**Importance of PPSA to the critical-to-serve customer:** The phone system is a necessary tool to provide members with a channel to effectively communicate and coordinate information.

### **Strategic Focus Points:**

| <b>Measurable Objectives</b>   | <b>Status</b>                          |
|--|--|
| Enhance disaster recovery infrastructure to maintain phone system in event of local physical failure | Pending moving of server to colocation |
| Maintain a secure and reliable phone system  | Meeting objectives                     |
| Troubleshoot problems in a quick and efficient manner.   | Meeting objectives                     |

### **Network**

AAR's Information Technology resources will ensure that the network infrastructure is secure and reliable, allowing AAR to communicate more effectively with members and each other (SP: 5.E).

**Brief description of how the PPSA contributes to achieving AAR's vision:** Provide resources which support the entire network and infrastructure of the association. A major part of this is securing AAR's networks against unauthorized access, physical damage/failure and providing for restoring the infrastructure in the event of a major disaster. Components of this program include AAR's Internet connections, data backup and restoration, maintenance of Internet firewalls and switches, support for our membership system, and consulting fees for technology and security issues.

**Importance of PPSA to the critical-to-serve customer:** This program provides resources that enable nearly all programs within AAR.

**Strategic Focus Points:**

| <b>Measurable Objectives</b>  | <b>Status</b>  |
|---|--|
| Establish disaster recovery infrastructure in event of local physical failure | Ongoing; moved email and Abacus to cloud successfully. |
| Maintain the network to ensure it remains secure and reliable                 | Meeting objectives                                     |
| Conduct vulnerability study and remediation by June 2018                      | Pending  |

## **BUSINESS SERVICES AND TECHNOLOGY SUPPORT**

AAR's Business Services and Technology area will provide top notch technical and customer support to its members.

**Brief description of how the PPSA contributes to achieving AAR's vision:** This program contains basic support items for other programs within this committee, as well as programs in other areas. Included are things such as copying, postage, subscriptions and supplies. It supports the vision indirectly by providing resources critical to accomplishing the goals of other programs, products, services, and activities. Specialized training/continuing education of staff and travel of staff to meetings and conferences are included in this budget.

**Importance of PPSA to the critical-to-serve customer:** This is an "enabling" program that provides for development and delivery of essential customer benefits.

**Strategic Focus Points:**

| <b>Measurable Objectives</b>   | <b>Status</b>      |
|--|--------------------|
| Staff and committee leadership review use of resources via monthly financials      | Meeting objectives |
| At year-end, income and expense for this committee's overall budget are within 10% | Meeting objectives |

# **MEMBER COMMUNICATIONS**

AAR creates and maintains a consistent, coordinated system of communication management for all areas of the association. Efforts in this area include investigating and implementing communication methods to increase the effectiveness of AAR’s efforts to inform, engage and reach out to the membership.

## **Strategic Focus Points:**

| <b>Measurable Objectives</b>  | <b>Status</b>   |
|---|---|
| Disseminate pertinent, relevant and timely industry and association information, (i.e.; social networks, website, video, newsletters, etc.).  | Meeting objectives through VOICE, Facebook, Youtube, and educational emails   |
| Create and update Communications and Public Relations plans for the organization based on members’ interests and the coordinated efforts with area managers, local associations, and the Executive Committee by January 2019. | Pending   |
| Customize website content for individual users based on user-selected topics and actual use of the site.  | Meeting objectives  |
| Print and digital collateral adheres to the AAR brand and is member centric and speaks to AAR’s value proposition.  | Meeting objectives  |
| Communication statistics are compiled and shared monthly.   | Statistics are shared monthly with the Communications Workgroup and the BS&T Committee                              |
| Organize information on the website for easy search and access by members.  | Ongoing: pending enhanced “Find A REALTOR®” results   |
| Implement a system to determine the preferred communications methods of our members and communicate with our members via segmented content by May 2018.   | Pending: working with ClickDimensions to develop subscription list for member feedback on communication preferences |
| Provide a consistent voice at AAR which will speak to advocacy efforts with a focus on consumer outreach and education to the public and members by making at least two posts to HomeOwnershipMatters.com/Arizona in 2018.    | Pending   |
| Solicit community outreach efforts conducted by REALTOR® members and recognize them through an annual award.  | Pending   |
| Promote the value and the “why” of the REALTOR® brand to our members by conducting a statewide consumer-directed event in 2018.   | Pending   |
| Social media channels are managed and monitored to ensure a steady rise in engagement and alternate sources for members to receive information.   | Meeting objectives  |
| Develop a system to foster discussions with member association for the purpose of delivering timely and relevant content by April 2018.   | Pending   |
| Engage in regular outreach to members to elicit discussions by posing monthly questions on social media.  | Pending   |
| Meet or exceed real estate industry email open and click-through rates with The Voice.  | Meeting objectives  |
| Conduct member and consumer research as needed to provide information to decision makers by fielding at least two email surveys in 2018.  | Pending   |
| Communicate the value and success of REALTOR® associations throughout the state by placing at least ten mentions in print or broadcast media in 2018.   | On track to meeting objectives  |

## AAR Risk Management Committee 2018 Business Plan

**FROM:** Risk Management Committee (RMC)  
**Chairman:** Beth Adams  
**Vice Chairman:** Lisa Paffrath  
**RMC Liaison:** Scott M. Drucker  
**DATE:** March 19, 2018

**REALTOR®... the best prepared real estate professional with the highest standards.**

The following are programs, products, services and activities (PPSA's) with Risk Management Committee oversight.

### **CURRENT TOP PRIORITIES**

- **Continue Grievance Committee and Professional Standards support**
  - Maintain and enhance Ethics hearing and Arbitration hearing process
  - Quarterly Professional Standards Newsletter – 12/29/17
- **Enhance dispute resolution services**
  - Administer the Buyer/Seller Dispute Resolution Program
  - Administer the Mediation and Ombudsman Programs
  - Professional Standards Workshop - 2/7/18
  - Professional Standards Mediator and Ombudsman training - 10/25/17
- **Forms**
  - Revise On-Site Wastewater Treatment Facility Addendum
  - Revise Commercial Real Estate Purchase Contract
- **Legal Hotline Support**
  - Continue promotion efforts
- **Regulatory Issues**
  - Continue to work with ADRE
  - ADRE Advisory Board meetings - met on 1/24/18
  - ADRE TRID Partner's meetings – met on 8/9/17
- **Risk management education and information**
  - AZ REALTOR® Voice articles
  - AAR website articles and blogs
  - Scams & Frauds, Short Sales
  - Arizona Broker/Manager Quarterly – 11/30/17
  - Update Advisories – Revised Buyer Advisory – 2/18

### **RECOMMENDATIONS**

- **Approve for release in June 2018 a revised On-Site Wastewater Treatment Facility Addendum**

### **GROUPS CURRENTLY FORMED**

- **Cyber-Security Taskforce**
- **On-Site Wastewater Treatment Facility Addendum Workgroup**
- **Commercial Real Estate Purchase Contract Workgroup**

## PROFESSIONAL STANDARDS

**Professional Standards Administration** is the processing of ethics complaints and arbitration requests.

This program involves:

- **Grievance Committee (GVC):** Process complaints/monthly meetings
- **Professional Standards Committee (PSC):** Schedule and staff hearings
- **Professional Standards Policy and Training Workgroup:** Reviews policies and implements training
- **Mediation Program**
- **Ombudsman Program**

### Measurable Goals:

| Measurable objectives   | Status   |
|---|--|
| <ul style="list-style-type: none"> <li>• GVC: Prompt review of complaints</li> </ul>                              | <b>4<sup>th</sup> Quarter 2018 Filings</b><br><b>Ethics = 28</b><br><b>Arbitration = 8</b> |
| <ul style="list-style-type: none"> <li>• PSC: Complete ethics cases promptly</li> </ul>                           | <b>4<sup>th</sup> Quarter 2018 Ethics Hearings</b><br><b>Held = 7</b>                      |
| <ul style="list-style-type: none"> <li>• PSC: Complete arbitrations promptly</li> </ul>                           | <b>4<sup>th</sup> Quarter 2018 Arbitrations</b><br><b>Held = 1</b>                         |
| <ul style="list-style-type: none"> <li>• Update PS policy adaptations as necessary</li> </ul>                     | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>• Reinforce, on a continuing basis, AAR PS benefits and results</li> </ul> | <b>On-Going</b>  |

**Mediation Program** This program involves facilitating mediations to resolve ethics complaints and arbitration requests.

### Measurable Goals:

| Measurable objectives   | Status   |
|---|--|
| <ul style="list-style-type: none"> <li>• Facilitate mediation requests on a timely basis</li> </ul>       | <b>4<sup>th</sup> Quarter 2018 Mediations</b><br><b>Requested = 14</b><br><b>Held = 6</b><br><b>Successful = 5</b> |
| <ul style="list-style-type: none"> <li>• Receive positive feedback from mediation evaluations</li> </ul>  | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>• Maintain list of qualified mediators</li> </ul>                  | <b>17 mediators for 4<sup>th</sup> Quarter 2018</b>  |
| <ul style="list-style-type: none"> <li>• Update mediation policies and procedures as necessary</li> </ul> | <b>On-Going</b>  |

**Ombudsman Program** This program involves taking complaint calls/emails and facilitating Ombudsman contact to attempt resolution.

### Measurable Goals:

| Measurable objectives  | Status  |
|--|---|
| <ul style="list-style-type: none"> <li>• Facilitate ombudsman requests on a timely basis</li> </ul>      | <b>4<sup>th</sup> Quarter 2018 Ombudsman</b><br><b>requests</b><br><b>Filed = 15</b><br><b>Out of Scope = 2</b><br><b>Unsuccessful = 5</b><br><b>Successful = 8</b> |
| <ul style="list-style-type: none"> <li>• Receive positive feedback from ombudsman evaluations</li> </ul> | <b>On-Going</b>   |



|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Maintain list of qualified ombudsmen</li> </ul>      | <b>15 Ombudsman for 4<sup>th</sup> Quarter 2018</b> |
| <ul style="list-style-type: none"> <li>Update PS policy adaptations as necessary</li> </ul> | <b>On-Going</b>                                     |

**Professional Standards, Mediation, and Ombudsman Education and Training**

This program includes training for members of Grievance and Professional Standards Committees and AAR Mediators and Ombudsmen.

**Measurable Goals:**

| <b>Measurable objectives</b>  | <b>Status</b>   |
|---|---|
| <ul style="list-style-type: none"> <li>Offer PS Training for GVC and PS Committee</li> </ul>      | <b>Professional Standards Workshop held on February 7, 2018</b> |
| <ul style="list-style-type: none"> <li>PS Policy &amp; Training Workgroup meeting</li> </ul>      | <b>Held when needed</b>   |
| <ul style="list-style-type: none"> <li>Offer Mediator training</li> </ul>                         | <b>October 25, 2017</b>   |
| <ul style="list-style-type: none"> <li>Offer Ombudsman training</li> </ul>                        | <b>October 25, 2017</b>   |
| <ul style="list-style-type: none"> <li>Offer hearing panel chair training</li> </ul>              | <b>To be scheduled</b>  |
| <ul style="list-style-type: none"> <li>Publish PS, Mediation and Ombudsman information</li> </ul> | <b>Quarterly Newsletter sent December 29, 2017</b>              |
| <ul style="list-style-type: none"> <li>PS outreach to members</li> </ul>                          | <b>On-Going</b>   |

**Buyer-Seller Dispute Resolution** This program provides alternative dispute resolution options (mediation or arbitration) for buyers and sellers to resolve disputes or claims arising out of the AAR purchase contract.

**Measurable Goals:**

| <b>Measurable objectives</b>   | <b>Status</b>   |
|--|-----------------|
| <ul style="list-style-type: none"> <li>Offer an effective Buyer-Seller Dispute Resolution program</li> </ul>                         | <b>On-Going</b> |
| <ul style="list-style-type: none"> <li>Recruit effective Buyer-Seller Dispute Resolution providers</li> </ul>                        | <b>On-Going</b> |
| <ul style="list-style-type: none"> <li>Ensure compliance of Buyer-Seller Dispute providers with program’s directives</li> </ul>      | <b>On-Going</b> |
| <ul style="list-style-type: none"> <li>Receive positive feedback from Buyer-Seller Dispute Resolution program evaluations</li> </ul> | <b>On-Going</b> |

**RISK MANAGEMENT**

**Forms Development** This program involves:

**Creation of workgroups**

**Drafting** - Draft new forms as needed and revise current forms

**Education** - Forms information updates on website, emails and other communication vehicles.

**Measurable Goals:**

| <b>Measurable objectives</b>   | <b>Status</b>   |
|--|---|
| <ul style="list-style-type: none"> <li>Workgroups formed as necessary</li> </ul> | <ul style="list-style-type: none"> <li><b>On-Site Waste Water Treatment Facility Addendum Workgroup</b></li> <li><b>Commercial Purchase Contract Workgroup</b></li> <li><b>Cyber Security Task Force</b></li> </ul> |
| <ul style="list-style-type: none"> <li>Protect our forms copyright</li> </ul>    | <b>On-Going</b>   |

|   |   |
|---|---|
| <ul style="list-style-type: none"> <li>Forms drafted or revised for introduction in February and June 2018</li> </ul>   | <ul style="list-style-type: none"> <li><b>Residential Lease Owner's Property Disclosure Statement 2/18</b></li> <li><b>Additional Clause Addendum 2/18</b></li> <li><b>On-Site Wastewater Treatment Facility Addendum 6/18</b></li> </ul> |
| <ul style="list-style-type: none"> <li>Deliver timely forms information/education</li> </ul>  | <ul style="list-style-type: none"> <li><b>Post articles on aaronline.com, AAR Blog and The Voice</b></li> <li><b>Maintain Short Sale webpage</b></li> <li><b>Maintain Scams and Frauds webpage</b></li> </ul>                             |
| <ul style="list-style-type: none"> <li>Promote and update the educational tool kit for teams and brokers on best practices and guidelines for management of teams</li> </ul>  | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>Promote and update a webpage that includes safety education, incident recordation and contemporaneous incident notification via a REALTOR® text alert system (ASAP)</li> </ul> | <b>On-Going</b>   |

**Legal Hotline** This program allows designated brokers/managers to call in to the Hotline attorneys for answers to real estate-related legal questions, and includes:

- Program maintenance and monitoring
- Review of letters of opinion/articles for publication

**Measurable Goals:**

| <b>Measurable objectives</b>   | <b>Status</b>                  |
|--|--------------------------------|
| <ul style="list-style-type: none"> <li>Promote Hotline usage</li> </ul>  | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Hotline to prepare ten Q&amp;As on current issues/current "hot topics" six times per year for the Arizona REALTOR® Voice and AAR website</li> </ul> | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Hotline to maintain statistics on number and types of calls in cooperation with AAR staff</li> </ul>  | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Hotline attorney to attend AAR Risk Management Committee or Workgroup meetings as requested</li> </ul>  | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Hotline attorney to review new or revised AAR forms and notify AAR of any legal concerns or recommendations</li> </ul>                              | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Hotline attorney to consult with AAR General Counsel on legal issues as requested</li> </ul>  | <b>On-Going</b>                |
| <ul style="list-style-type: none"> <li>Evaluate Hotline program by surveying members</li> </ul>  | <b>To be performed in 2018</b> |
| <ul style="list-style-type: none"> <li>Form Hotline Workgroup to evaluate program</li> </ul>   | <b>To be performed in 2018</b> |

**Industry Issues** This program involves addressing current industry issues.

**Measurable Goals:**

| Measurable objectives   | Status   |
|---|--|
| <ul style="list-style-type: none"> <li>Maintain claims statistics to identify liability trends</li> </ul>   | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Foster alliances with defense attorneys and E&amp;O carriers and mediators</li> </ul>  | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>As of 2018, monitor marijuana legal conflicts, solar, marketing service agreements, and comfort animals - Keep members informed as these issues evolve</li> </ul>              | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Educate agents on potential ethical and legal liabilities associated with off-market listings</li> </ul>   | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Share with agents the dangers posed by social media</li> </ul>   | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Increase promotion and education of federal regulatory changes and enforcement; respond to changes and monitor</li> </ul>  | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Monitor cyber-fraud and cyber-security issues and keep members informed of risks, as well as policies and procedures members can implement to mitigate those risks</li> </ul>  | <b>On-Going</b> <ul style="list-style-type: none"> <li>- <b>Cyber Security Task Force formed</b></li> <li>- <b>Wire Fraud Advisory drafted and released</b></li> <li>- <b>Cyber Security Broker Policies and Procedures drafted and released</b></li> <li>- <b>A flyer on steps to take if a victim of wire transfer fraud drafted and released</b></li> </ul> |
| <ul style="list-style-type: none"> <li>Monitor the Americans with Disabilities Act website accessibility issues and keep members informed as the issue evolves</li> </ul>   | <b>On-Going</b>  |
| <ul style="list-style-type: none"> <li>Collaborate with local associations, regional vice presidents and multiple listing services to identify risk management needs for members, associations and regions</li> </ul> | <b>On-Going</b> <ul style="list-style-type: none"> <li>- <b>Events held on March 30, 2017 and July 6, 2017</b></li> <li>- <b>RVPs contacted on February 8, 2018</b></li> </ul>   |

**Legal & Industry Publications** This program includes:

- Risk Management articles for AAR publications, ASREB Journal and other publications
- Articles on emerging legal issues for AAR publications, ASREB Journal and other publications
- *Arizona Real Estate: A Professional's Guide to Law and Practice*
- AZ Broker/Manager Quarterly
- Buyer Advisory
- Short Sale Seller Advisory
- Lease Owner's Advisory
- Tenant Advisory
- Legal information and risk management information on website (Short Sales blog, Scams & Frauds webpage)
- Spanish translations
- Risk Management brochures

**Measurable Goals:**

| <b>Measurable objectives</b>  | <b>Status</b>   |
|---|---|
| <ul style="list-style-type: none"> <li>• Distribution of time sensitive legal and risk management information and articles</li> </ul>   | <b>Articles recently published on:</b> <ul style="list-style-type: none"> <li>- <b>The Use of SWIFT Codes in wire transactions</b></li> <li>- <b>February 1, 2018 Forms Release</b></li> <li>- <b>National Risk Management Issues</b></li> <li>- <b>Fair Housing Anniversary</b></li> </ul> |
| <ul style="list-style-type: none"> <li>• Deliver Arizona Broker/Manager Quarterly</li> </ul>  | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>• Maintain advisories as necessary: Buyer Advisory, Short Sale Seller Advisory, Lease Owners Advisory, Tenant Advisory</li> </ul>  | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>• Maintain and update legal, risk management, fair housing, and international real estate content on AAR’s website and in publications, as necessary</li> </ul>  | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>• Promote and continue to develop resources that assist brokers in operating a brokerage that is of value to the public, agents, and the real estate industry (i.e. risk management, legal hotline, etc.)</li> </ul> | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>• Direct agents to their brokers</li> </ul>  | <b>On-Going</b>   |
| <ul style="list-style-type: none"> <li>• Direct members to AARonline.com for relevant risk management resources</li> </ul>  | <b>On-Going</b>   |

**Legal and Legislative Outreach and Education** This program includes:

- Speaking/teaching at local associations and member firms on legal issues and new legislation.
- Program participant in legal components of Winter Conference, Broker University, Partners Conference, Leadership Conference, educational outreach and other association programs.

**Measurable Goals:**

| <b>Measurable objectives</b>  | <b>Status</b>   |
|---|-----------------|
| <ul style="list-style-type: none"> <li>• Participation in legal and legislative programs</li> </ul> | <b>On-Going</b> |

**Legislative Support** This program includes:

- Provide input on industry issues
- Assist AAR lobbyist in drafting legislation
- Promote laws that reduce member liability
- Testify at the legislature as needed on legislative issues
- Inform members of legislative issues and changes in conjunction with the Legislative and Political Affairs Committee.

**Measurable Goals:**

| <b>Measurable objectives</b>   | <b>Status</b>  |
|--|--|
| <ul style="list-style-type: none"> <li>• Successful outcome in legislation supported and successful defeat of legislation opposed</li> </ul> | <b>Advise on legislation pertaining to:</b> <ul style="list-style-type: none"> <li>- <b>Sign ordinances</b></li> </ul> |

|  |   |
|--|---|
|  | <ul style="list-style-type: none"> <li>- The sale of new mobile/manufactured home by real estate licensees</li> <li>- Sober living facilities</li> <li>- The use of mandatory eviction action forms</li> <li>- HOA licensing and related HOA issues</li> <li>- Awarding attorneys' fees in construction defect cases</li> </ul> |
| <ul style="list-style-type: none"> <li>• Promote laws (legislative and case law), regulations, and standards of practice that reduce member liability</li> </ul> | <b>On-Going</b>   |

**REGULATORY ISSUES** This plan includes:

- Communicate with ADRE and other administrative agencies such as ADEQ, ADWR, DFI, and BTR on regulatory issues
- Review and make recommendations on proposed administrative rules or policy changes
- Serve on ADRE or other state agency committees, when available and appropriate
- Assist AAR CEO and lobbyist in drafting and testifying on proposed rules

**Measurable Goals:**

| Measurable objectives  | Status   |
|--|--|
| <ul style="list-style-type: none"> <li>• Negotiation of reasonable regulatory rules and policies that are acceptable to AAR members and do not hinder their success</li> </ul> | - <b>Request made to assist ADRE in drafting Substantive Policy Statement on Teams</b> |
| <ul style="list-style-type: none"> <li>• Maintain contact with ADRE Advisory Board</li> </ul>  | <b>Met on January 24, 2018</b>   |

**General Programs**

**Support:** This program includes support programs including:

- Continuing education
- State and County Bar dues
- Resource subscriptions
- Staff attendance at legal, legislative and industry meetings
- Copying and postage

**Measurable Goals:**

| Measurable objectives  | Status          |
|--|-----------------|
| <ul style="list-style-type: none"> <li>• All tasks assigned by the Committee are completed, updates and information provided to members after Professional Standards, continuing legal education class or industry meetings. General printing/postage/supply funds provide the tools to accomplish the area's PPSAs</li> </ul> | <b>On-Going</b> |

## Related Activities without Direct Committee Oversight

### Legal Counsel

- Provide guidance to leadership and CEO on association legal concerns
- Review and advise on building/tenant issues and related contracts
- Review and advise on affinity agreements
- Prepare memoranda on legal issues as they arise
- Provide limited advice and guidance to local associations
- Respond to member inquires as appropriate

### **Measurable Goals:**

| <b>Measurable objectives</b>  | <b>Status</b>   |
|---|-----------------|
| <ul style="list-style-type: none"><li>• CEO, state leadership, committees, and local association executives are informed on legal issues and questions satisfactorily answered.</li></ul> | <b>On-Going</b> |

### Litigation Support Related activities without direct committee oversight:

- Draft Amicus Briefs and monitor litigation and potential litigation or disputes in which AAR has an interest
- Legal research and evaluation of claims or issues
- Preparation of pleadings, memos and correspondence relating to claims or issues
- Coordinate with outside counsel in the representation of AAR on any claims or issues

### **Measurable Goals:**

| <b>Measurable objectives</b>   | <b>Status</b>   |
|--|-----------------|
| <ul style="list-style-type: none"><li>• Successful outcome in litigation and dispute resolution.</li></ul> | <b>On-Going</b> |

## **RECOMMENDATION to Executive Committee**

**FROM:**

Risk Management Committee

**RECOMMENDATION:**

Approval of revised On-Site Wastewater Treatment Facility Addendum

**BACKGROUND:**

The On-Site Wastewater Treatment Facility Addendum was last revised in October 2006.

A member submitted a request to the Risk Management Committee to update the form and, as a result, the Committee convened a Workgroup chaired by Jan Leighton.

The Workgroup created a draft, submitted the draft to the Loop, and then made additional revisions based on the feedback received. The additional revisions included changes to ensure that the form can be utilized in Pima County, which maintains different rules and regulations than the rest of the state in regard to the transfer of on-site wastewater systems.

On March 8, 2018, the Risk Management Committee voted to approve the attached revised draft and release it to the members on June 1, 2018.

**BUDGET IMPACT:**

AAR will be required to pay zipForm® a total of \$50 to format the form and upload it to the zipForm® software product for use by AAR members.

**MOTION:**

**TO APPROVE FOR RELEASE ON OR ABOUT JUNE 1, 2018 THE ATTACHED REVISED ON-SITE WASTEWATER TREATMENT FACILITY ADDENDUM.**

**FOR MORE INFORMATION CONTACT:**

Beth Adams – (928) 821-3289 / [adamshomesaz2@gmail.com](mailto:adamshomesaz2@gmail.com)

**OR** Scott Drucker – (602) 248-7787 / [scottdrucker@aaronline.com](mailto:scottdrucker@aaronline.com)





**AAR LEGISLATIVE AND POLITICAL AFFAIRS**  
**2018 Business Plan**

**Committee:** Legislative and Political Affairs  
**Chair:** Kent Simpson  
**Staff Liaison:** Nicole LaSlavic  
**DATE:** 1/22/2018

**REALTOR®... the best prepared real estate professional with the highest standards.**

The following are programs, products, services and activities (PPSA's) with Legislative and Political Affairs oversight.

**CURRENT TOP PRIORITIES**

- Achievement of the 2018 Legislative Policies
- Achievement of the 2018 REALTOR® Party Goals

**RECOMMENDATIONS**

**GROUPS FORMED**

**Federal Liaison Support**

AAR proactively advocates and protects private property rights and real property ownership. AAR advocates and capitalizes on the REALTOR® Party. AAR leverages and maintains influential relationships.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

- 1. AAR is a professional REALTOR® association that functions within a fluid operational structure and responsive governance model to accomplish its purpose and vision.
- 2. AAR is the most powerful and influential political force in Arizona.
- 3. AAR provides members unsurpassed risk management tools.
- 4. AAR sets the standard in quality and meaningful professional development that positions the REALTOR® member to succeed, and delivered to members in their moment of need.
- 5. AAR supports the success of REALTOR® members with business services.
- 6. AAR communicates the right message to the right people at the right time in methods that listen, reach out, inform, connect and engage with the membership and local associations.

| <b>Measurable Objective</b>   | <b>Target Date</b> | <b>Status</b>  |
|---|--------------------|--|
| Communicate quarterly with NAR political staff and FPC's on federal issues and the positions taken by each Arizona Member of Congress to enhance our FPC efforts while at Washington, D.C. meetings and throughout the year | Quarterly          | <b>Weekly communication occurs between VPGA and NAR Arizona Legislative Liaison.</b> |
| Register all FPCs with NAR's REALTOR® Action Center   | 1/18               | <b>Completed in 2017. Will occur again post elections.</b>                           |
| Oversee the FPCs quality contact with their representative or their staff within  | Quarterly          | <b>Ongoing.</b>  |

|   |       |  |
|---|-------|--|
| D.C. or Arizona, ensuring attendance at required meetings, training sessions and fundraisers  |       |  |
| Ensure FPCs attend required Mid-Year meetings   | 5/18  |  |
| Ensure compliance that all FPCs attend required NAR training session on their roles and responsibilities                                      | 2/19  |  |
| Oversee that each FPC team will hold one meeting locally or attend a fundraiser with their congressman/senator or their staff during the year | 12/18 |  |
| Maintain strong communication with Congressional staff through ongoing contacts on issues important to Arizona                                | 12/18 |  |
| Attendance at meetings with Members of Congress during the NAR Mid-Year Hill Visits is by invitation only                                     | 5/18  |  |
| Ensure compliance that FPCs meet any NAR requirements   | 12/18 |  |

**Recommendations:**

- Continue basically as-is**
- Continue with the following modifications**
- Discontinue**

**Fundraising/Grassroots Support**

AAR proactively advocates and protects private property rights and real property ownership. AAR articulates NAR's and/or AAR's legislative/political successes to members with emphasis on how it affects their day-to-day business. AAR advocates and capitalizes on the REALTOR® Party. AAR provides resources to members to help them understand the value of RAPAC and educates and encourages members to share the value of RAPAC. AAR leverages and maintains influential relationships. AAR serves as a resource for local associations to take advantage of REALTOR® Party opportunities. AAR strives to achieve NAR RPAC fundraising goals and Calls for Action participation rates.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

- 1. AAR is a professional REALTOR® association that functions within a fluid operational structure and responsive governance model to accomplish its purpose and vision.
- 2. AAR is the most powerful and influential political force in Arizona.
- 3. AAR provides members unsurpassed risk management tools.
- 4. AAR sets the standard in quality and meaningful professional development that positions the REALTOR® member to succeed, and delivered to members in their moment of need.
- 5. AAR supports the success of REALTOR® members with business services.
- 6. AAR communicates the right message to the right people at the right time in methods that listen, reach out, inform, connect and engage with the membership and local associations.

| Measurable Objective | Target Date | Status |
|----------------------|-------------|--------|
|----------------------|-------------|--------|

|  |         |  |
|--|---------|--|
| Finalize the political activities fundraising plan by December 31st by the previous plan year  | 12/18   | <b>The 2018/2019 plan was finalized in October 2017.</b>   |
| Identify members to participate in the annual REALTOR® Party training  | 6/18    | <b>Date for training set for September 5, 2018.</b>  |
| Provide fundraising tips, tools and promotional materials for local associations   | 9/18    | <b>Ongoing via email and in-person distribution as the AZ REALTOR® Party Director attends local association events.</b>  |
| Distribute REALTOR® Party updates with local associations and the REALTOR® Party Director and provide Statewide RAPAC graphs   | Monthly | <b>Ongoing monthly via email.</b>  |
| Visit, at a minimum of one time annually, with each local association to promote fundraising activities  | 10/18   | <b>Ongoing activity with the AZ REALTOR® Party Director, with Tucson, Yuma, Bullhead City, and Lake Havasu having been visited thus far in 2018.</b>   |
| Utilize the NAR RAPAC Grant stipend for promotion of RAPAC   | 12/18   | <b>Grant submission is in process.</b>   |
| Utilize the Major Investor Program NAR stipend to host an AAR Major Investor Event   | 12/18   | <b>AZ REALTOR® Party Director is planning an AAR Major Investor event tentatively in April.</b>  |
| Achieve percent participation of local associations in Major Investor Events   | 12/18   |  |
| Achieve 100% level of RAPAC participation from state and NAR directors, AEs, Presidents, Presidents-elect, RVPs, RIMC, LPAC, Legislative Committee, RAPAC Trustees, EXCOM, BOD, and local RAPAC Chairs | 12/18   | <b>NAR Directors - 41.37%<br/>AEs - 16.67%<br/>2018 Presidents - 63.15%<br/>RVPs - 40%<br/>RIMC Committee - 63.63%<br/>LPAC - 60%<br/>Legislative Committee - 72.72%<br/>RAPAC Committee - 66.67%<br/>EXCOM - 26.66%<br/>BODs - 60.46%</b> |
| Achieve 100% or NAR Major Investor Goal for 2018. Benchmarks: 50% of goal by April; 75% of goal by June; 100% by September 30.   | 12/18   | <b>2018 Goal - 265 Major Investors<br/>As of 01/15/2018 - 16 MIs and 13 Installment Plans</b>  |
| Recognize Major Investors with gift  | 12/18   | <b>Major Investor Fleece's are being ordered in Men's and Women's sizes.</b>   |
| Recognize President Circle members with gift   | 12/18   | <b>President's Circle Yeti Tumblers are being ordered</b>  |
| Communicate state and federal election law requirements to local associations in order for RAPAC to remain in compliance at the state and federal level  | 12/18   | <b>Ongoing.</b>  |

|   |       |   |
|---|-------|---|
| Host a fundraising event at the Spring Conference/Convention  | 4/18  | <b>Local Associations have been contacted about providing auction items. All previous donors are being contacted.</b>                                   |
| Host a fundraising event at the Leadership Conference   | 10/18 | <b>Sponsors for annual cornhole tournament are being solicited.</b>   |
| Recognize RAPAC Major Investors on aaronline.com  | 12/18 | <b>Updated at the end of 2017 to reflect that year's MIs. 2018 MIs to begin to be recognized starting early February.</b>                               |
| Recognize RAPAC Major Investors with special recognition at Capitol Day   | 1/18  | <b>Special registration, meal lines, and seating are being established for REALTOR® Day. Members will also receive Major Investor badge ribbons.</b>    |
| Recognize RAPAC Major Investors with special recognition at REALTOR® Caucus   | 9/18  |   |
| Maintain Leadership Appreciation Program to connect AAR leaders with Major Investors for recognition of investment                                | 12/18 |   |
| Increase use of Placemaking and Smartgrowth grants by 50% over 2017 utilization by local associations   | 12/18 |   |
| Utilize REALTOR® Party Plus fundraising analytics and predictive models to identify likely and high dollar donors for use in achieving RAPAC goal | 12/18 | <b>Use of RPP data is ongoing and the local associations are encouraged to utilize the data. AAR proactively offers RPP data to local associations.</b> |

**Recommendations:**

- Continue basically as-is  
 Continue with the following modifications  
 Discontinue

- Utilize REALTOR® Party Plus fundraising analytics and predictive models to identify likely and high dollar donors for use in achieving RAPAC goal.

**Governmental Communications**

AAR articulates NAR's and/or AAR's legislative/political successes to members with emphasis on how it affects their day-to-day business. AAR maintains and promotes a mechanism by which members can relay, on a year round basis, legislative comments and proposals. AAR provides resources to members to help them understand the value of RAPAC. AAR educates and encourages members to share the value of RAPAC.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

1. AAR is a professional REALTOR® association that functions within a fluid operational structure and responsive governance model to accomplish its purpose and vision.  
 2. AAR is the most powerful and influential political force in Arizona.  
 3. AAR provides members unsurpassed risk management tools.

\_\_\_ 4. AAR sets the standard in quality and meaningful professional development that positions the REALTOR® member to succeed, and delivered to members in their moment of need.

\_\_\_ 5. AAR supports the success of REALTOR® members with business services.

X 6. AAR communicates the right message to the right people at the right time in methods that listen, reach out, inform, connect and engage with the membership and local associations.

| Measurable Objective  | Target Date | Status  |
|---|-------------|---|
| Provide REALTOR® Party updates and legislative updates to the Communications and Technology Department for use in the REALTOR® Voice, AAR blog and alternative forms of media distribution. | 12/18       | <b>Ongoing updates are provided on a twice-monthly basis as well as needed for specific events such as REALTOR® Day at the Capitol.</b>                             |
| Produce quarterly videos for membership outreach on Legislative and Political Affairs topics to include, but not limited to, the REALTOR® Party.  | Quarterly   |   |
| Provide Calls to Action responses, when necessary, for targeted and effective immediate member communication with Arizona legislators and Members of Congress on critical issues            | As Required |   |
| Establish a system to enroll and automatically respond on members behalf to state and national Calls to Action  | 12/18       |   |
| Work with REALTOR® Party Plus to increase opt-in for text response Calls for Action   | 12/18       |   |
| Utilize digital advertising and technologies to push federal CFAs to members  | 12/18       |   |
| Maintain current information on each governmental program at aaronline.com  | 12/18       |   |
| Communicate with Big Yam for press releases when large successes occur or the consumer needs to be educated on the associations wins  | 12/18       | <b>Big Yam has been contacted about promoting the REALTOR® Day at the Capitol.</b>  |
| Communicate how Issues Mobilization and RAPAC reserves can enhance local association political objectives   | 12/18       | <b>Ongoing. Local Associations along the Colorado River are being encouraged to utilize their reserves to address a water diversion issue before a local board.</b> |
| Communicate the importance of AAR's legislative/political successes to members  | 12/18       | <b>Ongoing via The Voice, emails, and in-person presentations.</b>  |
| Continue to communicate the mechanism by which members can relay, on a year round basis, legislative comments and proposals   | 12/18       | <b>This is placed on the legislative affairs page of the website at the very top for anyone that wishes to submit comments and proposals.</b>                       |

|  |       |  |
|--|-------|--|
| Utilize the broker involvement program/stipend to identify and train local brokers for grassroots education efforts on participation in NAR calls for action | 12/18 |  |
| Work with REALTOR® Party Plus to identify a predictive model to target members for increased activism on legislative issues and advocacy initiatives         | 12/18 |  |
| Explore the use of geofencing, beacon and direct one-to-one digital advertising technologies for concentrated message delivery                               | 12/18 |  |

**Recommendations:**

- Continue basically as-is  
 Continue with the following modifications  
 Discontinue

- Combine REALTOR® Party updates and timely legislative updates to be provided to the Communications and Technology Department for use in the REALTOR® Voice, AAR blog and alternative forms of media distribution.
- Expand the production of quarterly videos for membership outreach on Legislative and Political Affairs topics to also include, but not limited to the REALTOR® Party.
- Work with REALTOR® Party Plus to increase opt-in for text response Calls for Action.
- Utilize digital advertising and technologies to push federal CFAs to members.
- Work with REALTOR® Party Plus to identify a predictive model to target members for increased activism on legislative issues and advocacy initiatives.
- Explore the use of geofencing, beacon and direct one-to-one digital advertising technologies for concentrated message delivery.

**Governmental Area Support**

AAR is the most powerful and influential political force in Arizona. Continue to follow the Legislative Policy Statements. Proactively advance or defeat legislation to benefit private property rights and REALTORS®.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

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| Measurable Objective | Target Date | Status |
|----------------------|-------------|--------|
|----------------------|-------------|--------|

|   |       |  |
|---|-------|--|
| Assign tasks to all governmental area work groups within approved budget parameters | 12/18 |  |
| Implement a “Thank You” for each of the four government affairs committees.         | 12/18 |  |

**Recommendations:**

- Continue basically as-is**
- Continue with the following modifications**
- Discontinue**

**Legislative Advocacy**

AAR is the most powerful and influential political force in Arizona. Continue to follow the Legislative Policy Statements. Proactively advance or defeat legislation to benefit private property rights and REALTORS®. AAR advocates and capitalizes on the REALTOR® Party. AAR leverages and maintains influential relationships.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

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| Measurable Objective  | Target Date | Status   |
|---|-------------|--|
| Activate broad-based AAR membership representation in lobbying activities through legislative committee appointments and related committee activities       | 12/18       |  |
| Encourage application to state boards and commissions   | 12/18       |  |
| Strengthen and maintain relationships with Arizona statewide officeholders and agency department heads  | 12/18       | <b>Vice President of Government Affairs attended legislator fundraisers the first week of January.</b> |
| Strengthen and maintain relationships with housing industry partners through ongoing communications   | 12/18       | <b>Ongoing. Industry Partnership event set for March 7, 2018.</b>                                      |
| Achieve an 85% success rate on AAR legislative policy priorities  | 6/18        |  |
| Conduct daily monitoring of legislation and recommend positions to the Legislative Committee in conjunction with the approved Legislative Policy Statements | 6/18        | <b>Began in November 2017 when prefiled bills were posted.</b>   |

|  |       |  |
|--|-------|--|
| Monitor member involvement in political campaigns  | 12/18 |  |
| Finalize 2019 legislative priority list is finalized by October 2018                           | 10/18 |  |
| Evaluate state-level candidates on AAR legislative policies and voting record to receive funds | 8/18  |  |

**Recommendations:**

- Continue basically as-is**  
 **Continue with the following modifications**  
 **Discontinue**

**Legislative Policy Development**

AAR is the most powerful and influential political force in Arizona. AAR proactively advocates and protects private property rights and real property ownership. AAR advocates and capitalizes on the REALTOR® Party. Maintain and promote a mechanism by which members can relay, on a year round basis, legislative comments and proposals.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

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| Measurable Objective   | Target Date | Status   |
|--|-------------|--|
| Poll members for their opinions through use of formal and informal methods   | 12/18       | <b>Phone polling of members occurred in December 2017 on the potential ballot measure.</b> |
| Continue to involve stakeholders on real estate related issues   | 12/18       |  |
| Encourage proportional regional representation at the REALTOR® Caucus  | 9/18        |  |
| Forward all legislative recommendations to the Legislative and Political Affairs Committee for review and appropriate action | 9/18        |  |
| Host 2018 REALTOR® Day Luncheon  | 1/18        | <b>Completed. Hosted January 9, 2018</b>   |
| Identify for participation in or host a second legislator event  | 12/18       | <b>Industry Partner event will occur. March 7, 2018.</b>                                   |



|  |       |  |
|--|-------|--|
| Achieve attendance of 65% of legislators at legislative events                                 | 6/18  |  |
| Identify attendees for legislator events through political involvement and leadership activity | 12/18 |  |

**Recommendations:**

- Continue basically as-is**
- Continue with the following modifications**
- Discontinue**

**Local Lobbying Support**

AAR is the most powerful and influential political force in Arizona. AAR proactively advocates and protects private property rights and real property ownership.

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| Measurable Objective   | Target Date | Status |
|--|-------------|--------|
| Assist local lobbying efforts as issues arise  | 12/18       |        |
| Encouraged local associations to establish an advocacy program and provide assistance as requested | 12/18       |        |

**Recommendations:**

- Continue basically as-is**
- Continue with the following modifications**
- Discontinue**

**Political Research**

AAR is the most powerful and influential political force in Arizona. AAR proactively advocates and protects private property rights and real property ownership. AAR continues to follow the Legislative Policy Statements.

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6. AAR communicates the right message to the right people at the right time in methods that listen, reach out, inform, connect and engage with the membership and local associations.

| Measurable Objective   | Target Date | Status   |
|--|-------------|--|
| Conduct research as needed   | 12/18       | <b>Research commissioned on the tax breaks and taxes implemented in the last decade.</b> |
| Work with REALTOR® Party Plus to utilize predictive models to obtain comprehensive analysis of membership as well as election data | 12/18       |  |

**Recommendations:**

- Continue basically as-is  
 Continue with the following modifications  
 Discontinue

- Work with REALTOR® Party Plus to utilize predictive models to obtain comprehensive analysis of membership as well as election data.

**Election Year Activities**

AAR is the most powerful and influential political force in Arizona. AAR leverages and maintains influential relationships.

**Strategic Focus Points:** Indicate which focus point is addressed by the PPSA.

1. AAR is a professional REALTOR® association that functions within a fluid operational structure and responsive governance model to accomplish its purpose and vision.  
 2. AAR is the most powerful and influential political force in Arizona.  
 3. AAR provides members unsurpassed risk management tools.  
 4. AAR sets the standard in quality and meaningful professional development that positions the REALTOR® member to succeed, and delivered to members in their moment of need.  
 5. AAR supports the success of REALTOR® members with business services.  
 6. AAR communicates the right message to the right people at the right time in methods that listen, reach out, inform, connect and engage with the membership and local associations.

| Measurable Objective  | Target Date | Status |
|---|-------------|--------|
| Encourage members to register to vote   | 12/18       |        |
| Establish protocol for a “Get Out the Vote” campaign for use in 2018 election cycle | 11/18       |        |

**Recommendations:**

- Continue basically as-is  
 Continue with the following modifications  
 Discontinue

## RAPAC ACTIVITY December 2017 (For 2018)

| BOARD/ASSOCIATION      | 2017<br>RAPAC<br>RESERVES | Funds Rec'd<br>in 2017 for<br>2018 | Funds<br>Rec'd in<br>2018 | 2018 RAPAC<br>TOTAL<br>RECEIVED | 2018 LOCAL<br>SHARE | 2018<br>GOAL  | PERCENT OF<br>GOAL | 2018 LOCAL<br>REQUESTS | 2017+2018<br>LOCAL RESERVES | AVAILABLE<br>LOCAL<br>FUNDS | RAPAC<br>PARTIC |
|------------------------|---------------------------|------------------------------------|---------------------------|---------------------------------|---------------------|---------------|--------------------|------------------------|-----------------------------|-----------------------------|-----------------|
| AAR/INDIVIDUAL         | \$ 12,735.13              | \$ 685.00                          | \$ -                      | \$ 685.00                       | \$ 137.00           | \$ 1,166.00   | 58.75%             | \$ -                   | \$ 12,872.13                | \$ 12,872.13                | 0.00%           |
| BULLHEAD/MOHAVE        | \$ 25,000.00              | \$ 2,340.00                        | \$ -                      | \$ 2,340.00                     | \$ 468.00           | \$ 6,678.00   | 35.04%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| CENTRAL ARIZONA        | \$ 25,000.00              | \$ 1,960.00                        | \$ -                      | \$ 1,960.00                     | \$ 392.00           | \$ 3,773.60   | 51.94%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| DOUGLAS                | \$ 790.75                 | \$ -                               | \$ -                      | \$ -                            | \$ -                | \$ 1,060.00   | 0.00%              | \$ -                   | \$ 790.75                   | \$ 790.75                   | 0.00%           |
| GREEN VALLEY/SAHUARITA | \$ 24,424.40              | \$ 2,175.00                        | \$ -                      | \$ 2,175.00                     | \$ 435.00           | \$ 4,494.40   | 48.39%             | \$ -                   | \$ 24,859.40                | \$ 24,859.40                | 0.00%           |
| KINGMAN/GOLDEN VALLEY  | \$ 8,456.46               | \$ 1,680.00                        | \$ -                      | \$ 1,680.00                     | \$ 336.00           | \$ 4,240.00   | 39.62%             | \$ -                   | \$ 8,792.46                 | \$ 8,792.46                 | 0.00%           |
| LAKE HAVASU            | \$ 25,000.00              | \$ 200.00                          | \$ -                      | \$ 200.00                       | \$ 40.00            | \$ 12,698.80  | 1.57%              | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| NORTHERN ARIZONA       | \$ 18,164.59              | \$ 1,719.00                        | \$ -                      | \$ 1,719.00                     | \$ 343.80           | \$ 10,239.60  | 16.79%             | \$ -                   | \$ 18,508.39                | \$ 18,508.39                | 0.00%           |
| PHOENIX                | \$ 19,900.00              | \$ 23,849.09                       | \$ -                      | \$ 23,849.09                    | \$ 4,769.82         | \$ 173,331.20 | 13.76%             | \$ -                   | \$ 24,669.82                | \$ 24,669.82                | 0.00%           |
| PRESCOTT               | \$ 22,356.69              | \$ 14,237.00                       | \$ -                      | \$ 14,237.00                    | \$ 2,847.40         | \$ 24,083.20  | 59.12%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| SANTA CRUZ             | \$ 8,831.30               | \$ 300.00                          | \$ -                      | \$ 300.00                       | \$ 60.00            | \$ 1,950.40   | 15.38%             | \$ -                   | \$ 8,891.30                 | \$ 8,891.30                 | 0.00%           |
| SCOTTSDALE AREA        | \$ 23,623.86              | \$ 43,958.74                       | \$ -                      | \$ 43,958.74                    | \$ 8,791.75         | \$ 159,424.00 | 27.57%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| SEDONA/VERDE VALLEY    | \$ 25,000.00              | \$ -                               | \$ -                      | \$ -                            | \$ -                | \$ 10,451.60  | 0.00%              | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| SEVRAR                 | \$ 25,000.00              | \$ 26,271.00                       | \$ -                      | \$ 26,271.00                    | \$ 5,254.20         | \$ 225,907.20 | 11.63%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| SOUTHEAST ARIZONA      | \$ 16,940.18              | \$ -                               | \$ -                      | \$ -                            | \$ -                | \$ 4,282.40   | 0.00%              | \$ -                   | \$ 16,940.18                | \$ 16,940.18                | 0.00%           |
| TUCSON                 | \$ 24,000.00              | \$ 12,570.00                       | \$ -                      | \$ 12,570.00                    | \$ 2,514.00         | \$ 97,689.60  | 12.87%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| WEMAR                  | \$ 23,515.30              | \$ 14,075.00                       | \$ -                      | \$ 14,075.00                    | \$ 2,815.00         | \$ 135,171.20 | 10.41%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| WESTERN PINAL          | \$ 4,602.29               | \$ 630.00                          | \$ -                      | \$ 630.00                       | \$ 126.00           | \$ 5,745.20   | 10.97%             | \$ -                   | \$ 4,728.29                 | \$ 4,728.29                 | 0.00%           |
| WHITE MOUNTAIN         | \$ 25,000.00              | \$ 2,885.00                        | \$ -                      | \$ 2,885.00                     | \$ 577.00           | \$ 7,610.80   | 37.91%             | \$ -                   | \$ 25,000.00                | \$ 25,000.00                | 0.00%           |
| YUMA                   | \$ 16,313.44              | \$ 1,595.91                        | \$ -                      | \$ 1,595.91                     | \$ 319.18           | \$ 9,200.80   | 17.35%             | \$ -                   | \$ 16,632.62                | \$ 16,632.62                | 0.00%           |
| <b>TOTAL</b>           | \$ 374,654.39             | \$ 151,130.74                      | \$ -                      | \$ 151,130.74                   | \$ 30,226.15        | \$ 899,198.00 | 16.81%             | \$ -                   | \$ 387,685.34               | \$ 387,685.34               | 0.00%           |

Un-audited; Provided for internal informational purposes only

NOTE 1: RAPAC TOTAL RECEIVED 2016 is comprised of RAPAC deferred from 2015 plus YTD 2016 RAPAC

NOTE 2: Associations/Boards denoted in bold font have made 100% of their RAPAC goal for 2016

NOTE 3: Associations/Boards who have a bolded participation percentage are at NAR's internal goal of 50% or better

## Issues Mobilization Activity December 2017

| <b>BOARD/ASSOCIATION</b> | <b>2016<br/>ISSUES<br/>RESERVES</b> | <b>2017<br/>ISSUES<br/>CONTRIBUTIONS</b> | <b>2017<br/>ISSUES<br/>DUES</b> | <b>2017<br/>LOCAL<br/>REQUESTS</b> | <b>BALANCE<br/>LOCAL<br/>RESERVES</b> |
|--------------------------|-------------------------------------|--|---------------------------------|------------------------------------|---------------------------------------|
| AAR/INDIVIDUAL           | \$4,867.35                          | \$ 2,822.00                              | \$ -                            | \$ -                               | \$ 5,572.85                           |
| BULLHEAD/MOHAVE          | \$26,802.11                         | \$ -                                     | \$ -                            | \$ -                               | \$ 26,802.11                          |
| CENTRAL ARIZONA          | \$1,660.50                          | \$ -                                     | \$ -                            | \$ -                               | \$ 1,660.50                           |
| DOUGLAS                  | \$3,052.12                          | \$ -                                     | \$ -                            | \$ -                               | \$ 3,052.12                           |
| GRAHAM/GREENLEE          | \$2,127.50                          | \$ -                                     | \$ -                            | \$ -                               | \$ 2,127.50                           |
| GREEN VALLEY             | \$18,307.81                         | \$ 120.00                                | \$ -                            | \$ -                               | \$ 18,337.81                          |
| KINGMAN/GOLDEN V         | \$20,434.97                         | \$ 630.00                                | \$ -                            | \$ -                               | \$ 20,592.47                          |
| LAKE HAVASU              | \$17,939.50                         | \$ 735.00                                | \$ -                            | \$ -                               | \$ 18,123.25                          |
| NORTHERN ARIZONA         | \$22,669.50                         | \$ 2,971.50                              | \$ -                            | \$ -                               | \$ 23,412.38                          |
| PHOENIX                  | \$17,629.25                         | \$ 1,688.30                              | \$ -                            | \$ -                               | \$ 18,051.33                          |
| PRESCOTT                 | \$18,824.95                         | \$ 3,056.00                              | \$ -                            | \$ 2,500.00                        | \$ 17,088.95                          |
| SANTA CRUZ               | \$4,956.34                          | \$ 114.00                                | \$ -                            | \$ -                               | \$ 4,984.84                           |
| SCOTTSDALE AREA          | \$406.25                            | \$ 2,314.67                              | \$ -                            | \$ -                               | \$ 984.92                             |
| SEDONA/VERDE V           | \$27,876.40                         | \$ 4,875.50                              | \$ -                            | \$ -                               | \$ 29,095.28                          |
| SEVRAR                   | \$37,847.76                         | \$ 5,285.41                              | \$ -                            | \$ -                               | \$ 39,169.11                          |
| SOUTHEAST ARIZONA        | \$15,573.47                         | \$ 339.50                                | \$ -                            | \$ -                               | \$ 15,658.35                          |
| TUCSON                   | \$6,819.26                          | \$ 4,733.00                              | \$ -                            | \$ 5,000.00                        | \$ 3,002.51                           |
| WEMAR                    | \$25,435.32                         | \$ 346.50                                | \$ -                            | \$ -                               | \$ 25,521.95                          |
| WESTERN PINAL            | \$12,365.34                         | \$ 63.00                                 | \$ -                            | \$ -                               | \$ 12,381.09                          |
| WHITE MOUNTAIN           | \$15,717.03                         | \$ 2,058.00                              | \$ -                            | \$ -                               | \$ 16,231.53                          |
| YUMA                     | \$22,392.95                         | \$ 1,893.00                              | \$ -                            | \$ -                               | \$ 22,866.20                          |
| TOTALS                   | \$323,705.68                        | \$34,045.38                              | \$0.00                          | \$7,500.00                         | \$324,717.03                          |

## RECOMMENDATION to Executive Committee

**FROM:**

Legislative and Political Affairs Committee

**RECOMMENDATION:**

Recommend approval of \$14,600 from Operating Reserves to cover the cost of 10,000 RAPAC seed thank you gifts including the postage and mailing labels for each REALTOR® that invests \$30 or more in the REALTORS® of Arizona Political Action Committee.

**BACKGROUND:**

Annually thousands REALTOR® members invest in the REALTORS® of Arizona Political Action Committee (RAPAC). In 2017, 9,532 individuals (and local associations) invested in RAPAC at the \$30 level and above. It has been suggested (post 2018 budget approval) that a small thank you gift should be given to each REALTOR® that invests in RAPAC as a token of our appreciation for the investment.

Staff explored options of potential inexpensive thank you gifts, including keychains, magnets, tech tattoos, and more. Ultimately, we wanted to focus on a uniquely Arizona thank you gift that was competitively priced. As a result, staff identified *Cactus Seed Cards*, which are competitively priced, represent Arizona and contain a thank you message for investing in RAPAC. (Please see attached Cactus Plantable Paper – RAPAC Info sheet).

In anticipation of an increase in investments in 2018, we have obtained a price quote for 10,000 units. Ordering 10,000 units allows us to purchase them at \$0.53 a piece. 10,000 envelopes at \$0.30. Tax rate is 8.3%. Set up fee at a cost of \$35. The total charges for the thank you cactus seeds, along with envelopes, stuffing, return address imprinting, and tax is \$9,023.90. We would need to purchase mailing labels and cover the cost of postage at an estimated cost of \$5,500. Total, estimated cost is \$14,505.90.

**BUDGET IMPACT:**

\$14,600 from the Operating Reserves.

**MOTION:**

**RECOMMEND APPROVAL OF \$14,600 FROM OPERATING RESERVES TO COVER THE COST OF 10,000 RAPAC SEED THANK YOU GIFTS INCLUDING THE POSTAGE AND MAILING LABELS FOR EACH REALTOR® THAT INVESTS \$30 OR MORE IN THE REALTORS® OF ARIZONA POLITICAL ACTION COMMITTEE.**

**FOR MORE INFORMATION CONTACT:**

Kent Simpson at (520) 302-5368

**OR** Nicole LaSlavic (Staff Liaison) at 602-248-7787.

## Cactus Plantable Paper Mini w/ Embedded Wildflower Seed



*Copy:*

### **Thank You for Investing in RAPAC!**

*Your support protects homeowners, communities, and REALTORS® across Arizona and the country.*

---

*Additional layout information:*

Above the copy will be the RAPAC logo. Below that copy will be copy that provides instructions on how to plant and grow the cactus seeds.

---

*Ordering details:*

Ordering 10,000 units allows us to purchase them at \$0.53 a piece. 10,000 envelopes at \$0.30. Tax rate is 8.3%. Set up fee at a cost of \$35. The total charges for the thank you cactus seeds, along with envelopes, stuffing, return address imprinting, and tax is \$9,023.90.

Additionally, would need to purchase mailing labels and cover the cost of postage at an estimated cost of \$5,500. Total, estimated cost is \$14,505.90.

---

*Rational on seeds:*

We explored other options as potential inexpensive thank you gifts, to include keychains, magnets, tech tattoos, and more. The cactus seed cards are priced competitively with any of the other items and are uniquely Arizonan.

# RECOMMENDATION to the Executive Committee

**FROM:**

RIMC Committee

**RECOMMENDATION:**

To approve the removal of the words “(e.g. non-dues)” from the REALTORS® Issues Mobilization Policies to allow for funds collected through the dues increase to be allocated to each local associations REALTOR® Issues Mobilization fund reserves.

**BACKGROUND:**

The REALTOR® Issues Mobilization Committee (Committee) is a voluntary, non-profit, unincorporated committee of individual members of the Arizona Association of REALTORS® and others, and is not affiliated with any political party. The Committee is organized and operated for the purpose of collecting and disbursing contributions to support or oppose federal, state and local issues that impact real property and real property owners in Arizona in accordance with the then current Arizona Association of REALTORS® Bylaws, Policies and Official Statements including the Arizona Association of REALTORS® Legislative Policy Statements.

The current policies establish that “an amount equal to 25% of the direct contributions (**e.g. non-dues**) collected from members of a local Association of REALTORS® will be reserved for use by the local association, for local issues that impact real property owners, up to a maximum of \$100,000 per association.” To apply funds collected from the approved mandatory dues increase to each local associations Issues Mobilization reserves, “(e.g. non-dues)” must be stricken.

Current Policy

**Article VIII Contributions, Funds Allocations and Expenditures**

[...]

***Section 2- Allocation of Funds***

[...]

C. An amount equal to 25% of the direct contributions (e.g. non-dues) collected from members of a local Association of REALTORS® will be reserved for use by the local association, for local issues that impact real property owners, up to a maximum of \$100,000 per association.

Recommended Policy Change

**Article VIII Contributions, Funds Allocations and Expenditures**

[...]

***Section 2- Allocation of Funds***

[...]

C. An amount equal to 25% of the direct contributions (~~e.g. non-dues~~) collected from members of a local Association of REALTORS® will be reserved for use by the local association, for local issues that impact real property owners, up to a maximum of \$100,000 per association.

**BUDGET IMPACT:**

None

**MOTION:**

**TO APPROVE THE REMOVAL OF THE WORDS “(E.G. NON-DUES)” FROM THE REALTORS® ISSUES MOBILIZATION POLICIES TO ALLOW FOR FUNDS COLLECTED THROUGH THE DUES INCREASE TO BE ALLOCATED TO EACH LOCAL ASSOCIATIONS REALTOR® ISSUES MOBILIZATION FUND RESERVES.**

**FOR MORE INFORMATION CONTACT:**

Kent Simpson at 520-444-6471

OR Nicole LaSlavic (Staff Liaison) at 602-248-7787.



# RECOMMENDATION to the Executive Committee

**FROM:**

LPA Chair

**RECOMMENDATION:**

Approve \$5,000,000 from the REALTORS® Issues Mobilization fund to the Citizens for Fair Tax Policy fund for use in a ballot measure to prohibit professional service taxes for all services not taxed from and after December 31, 2017.

**BACKGROUND:**

The REALTORS® Issues Mobilization Committee (Committee) is a voluntary, non-profit, unincorporated committee of individual members of the Arizona Association of REALTORS® and others, and is not affiliated with any political party. The Committee is organized and operated for the purpose of collecting and disbursing contributions to support or oppose federal, state and local issues that impact real property and real property owners in Arizona in accordance with the then current Arizona Association of REALTORS® Bylaws, Policies and Official Statements including the Arizona Association of REALTORS® Legislative Policy Statements.

The 2018-2019 Legislative Policies contains the following policy:

“Research the possibility of enacting, when appropriate, a new constitutional amendment to prohibit Professional Service Taxes for all services not taxed from and after December 31, 2017 through a statewide ballot measure.”

The 2017 REALTORS® Issues Mobilization Committee has previously approved funding for the initial research of the ballot measure. Polling has been conducted, and it has been determined that the measure should move forward as a result of the polling. An attorney for the ballot measure has been hired and the drafting of the ballot measure language has also been drafted and is under review by a Certified Public Accountant.

Moving forward a multitude of expenses will arise from conducting a ballot measure. Some of these expenses include: a campaign consultant, a Certified Public Accountant, and signature gatherers. Additional expenses include items such as digital media, mail and phones, television and cable, newspaper, radio, collateral (stickers/brochure/yard signs) and ballot certification services. All of which add up in costs. As an example, the cost to run the transfer tax ballot measure in 2008 was over \$6 million dollars. We anticipate to run a successful ballot measure, the costs will exceed those of 2008.

To properly fund the ballot measure process, it is recommended that \$5 million is allocated from the REALTORS® Issues Mobilization Fund to the Citizens for Fair Tax Policy fund. Currently the REALTORS® Issues Mobilization Account has over \$6,724,880 in the fund.

**BUDGET IMPACT:**

\$5,000,000 to the REALTORS® Issues Mobilization Fund.

**MOTION:**

**TO APPROVE \$5,000,000 FROM THE REALTORS® ISSUES MOBILIZATION FUND TO THE CITIZENS FOR FAIR TAX POLICY FUND FOR USE IN A BALLOT MEASURE TO PROHIBIT PROFESSIONAL SERVICE TAXES FOR ALL SERVICES NOT TAXED FROM AND AFTER DECEMBER 31, 2017.**

**FOR MORE INFORMATION CONTACT:**

Kent Simpson at 520-444-6471

OR Nicole LaSlavic (Staff Liaison) at 602-248-7787.

# RECOMMENDATION TO THE EXECUTIVE COMMITTEE

## FROM:

LPAC Chair

## RECOMMENDATION:

To approve the recommended policy change to the RAPAC bylaws, Article V Contributions Section 8 to raise the cap on local associations reserves from twenty-five thousand dollars (\$25,000) to seventy-five thousand dollars (\$75,000).

## BACKGROUND:

Recently the topic of the RAPAC cap has been raised by a few AE's. Currently, RAPAC funds may accumulate until they total twenty-five thousand dollars (\$25,000) for each local associations reserve account. The sentiments expressed by some local association AE's is that the limit of \$25,000 is simply not enough and that they would like to see the cap raised or lifted.

RAPAC Trustees reviewed the current Bylaws and approved the following motion:

To raise the cap on the local associaitons reserves from twenty-five thousand dollars (\$25,000) to seventy-five thousand dollars (\$75,000).

## Reasoning:

By raising the cap to \$75,000, the local association will be able to retain twenty percent (20%) of each dollar invested by their member up to that threshold from the current cap of \$25,000. This addresses the concerns by the local associations that state they easily hit the current cap, but do not have the necessary funds to participate in all their local jurisdictions.

## Current Policy

### **Article V Contributions**

[...]

#### ***Section 8***

C. Amounts subject to request by any local associations for contributions to local candidates pursuant to paragraphs (A) and (B) of this Section may accumulate until they total twenty-five thousand dollars (\$25,000). After that, no additional amounts may be accumulated except to replace accumulated amounts actually disbursed to or for local candidates designated by such local association.

## Recommended Policy Change

### **Article V Contributions**

[...]

#### ***Section 8***

C. Amounts subject to request by any local associations for contributions to local candidates pursuant to paragraphs (A) and (B) of this Section may accumulate until they total ~~twenty~~ **SEVENTY**-five thousand dollars (~~\$25,000~~ **\$75,000**). After that, no additional amounts may be accumulated except to replace accumulated amounts actually disbursed to or for local candidates designated by such local association.

**BUDGET IMPACT:**

None

**MOTION:**

**TO APPROVE THE RECOMMENDED POLICY CHANGE TO THE RAPAC BYLAWS, ARTICLE V CONTRIBUTIONS SECTION 8 TO RAISE THE CAP ON LOCAL ASSOCIATIONS RESERVES FROM TWENTY-FIVE THOUSAND DOLLARS (\$25,000) TO SEVENTY-FIVE THOUSAND DOLLARS (\$75,000).**

**FOR MORE INFORMATION CONTACT:**

Kent Simpson 520-444-6471

**OR** Nicole LaSlavic (Staff Liaison) at 602-248-7787.

## **RECOMMENDATION TO THE EXECUTIVE COMMITTEE**

### **FROM:**

2019 President D. Patrick Lewis

### **RECOMMENDATION:**

To recommend: (i) approval of Lisa Paffrath from the Northern Arizona Association of REALTORS® as the new 2018 Risk Management Vice-Chair and 2019 Risk Management Chair appointment to the Executive Committee, and (ii) Randy Rogers from the Tucson Association of REALTORS® as the Local Association Executive Representative on the 2019 Executive Committee.

### **BACKGROUND:**

The President-elect in conjunction with the First Vice President select Primary Committee Chairs and Vice-Chairs for Director approval in the spring for the subsequent year in order to allow them to be involved in the specific program planning and operating budget development.

- Brad Ryan was previously approved as the 2019 Risk Management Chair on the Executive Committee, however he has decided to retire effective February 2018, leaving the 2018 Risk Management Vice-Chair and the 2019 Risk Management Chair position vacant.
- Janet Kane was previously approved as the 2019 Local AE Representative on the Executive Committee, however she is moving out of state leaving the position vacant.

*Note: Region 4 RVP Dee Schippel has stepped down from the 2018 Executive Committee and the Region has selected Pam Frestedt to serve Dee Schippel's remaining term. This appointment does not require approval pursuant to the Bylaws Article V, Section 6.*

### **BUDGET IMPACT:**

None

### **MOTION:**

**TO RECOMMEND APPROVAL OF LISA PAFFRATH FROM THE NORTHERN ARIZONA ASSOCIATION OF REALTORS® AS THE NEW 2018 RISK MANAGEMENT VICE-CHAIR AND 2019 RISK MANAGEMENT CHAIR APPOINTMENT TO THE EXECUTIVE COMMITTEE AND RANDY ROGERS FROM THE TUCSON ASSOCIATION OF REALTORS® AS THE LOCAL ASSOCIATION EXECUTIVE REPRESENTATIVE ON THE 2019 EXECUTIVE COMMITTEE.**

### **FOR MORE INFORMATION CONTACT:**

2019 President D. Patrick Lewis at [dpatricklewis@gmail.com](mailto:dpatricklewis@gmail.com)

**OR** Michelle Lind at [michellelind@aaronline.com](mailto:michellelind@aaronline.com)

## **RECOMMENDATION to the Executive Committee**

**FROM:**

President Doerfler and CEO Michelle Lind

**RECOMMENDATION:**

To approve the attached revisions to the AAR Bylaws, Policies and Official Statements.

**BACKGROUND:**

In November 2017 NAR implemented a new bylaw compliance process. Each year, in March, associations must certify that their bylaws include the five (four for state associations) mandatory provisions which NAR requires to be adopted verbatim.

In addition, in early August each year, NAR advises state associations as to whether they will have an at-large NAR Director entitlement open for election. Currently, AAR Bylaws require that applications be received sixty days' prior to the date of election. The August notice from NAR often does not give applicants the required sixty days to apply prior to the fall Board of Directors meeting. Therefore, this recommendation is that the application submittal date for NAR at-large Directors be changed from sixty (60) days to thirty (30) days.

Attached to this Recommendation are the necessary revisions to AAR's Bylaws, Policies and Official Statements to ensure that AAR is in compliance with NAR's new requirement of verbatim adoption of NAR bylaw provisions and the change of the NAR Director application date.

**BUDGET IMPACT:**

None

**MOTION:**

**TO APPROVE THE PROPOSED REVISIONS TO THE AAR BYLAWS, POLICIES AND OFFICIAL STATEMENTS TO BRING AAR'S BYLAWS INTO COMPLIANCE WITH NAR'S MANDATORY VERBATIM BYLAWS LANGUAGE AND TO REVISE THE BYLAWS TO CHANGE THE APPLICATION SUBMITTAL DATE FOR NAR AT-LARGE DIRECTORS FROM SIXTY (60) DAYS TO THIRTY (30) DAYS.**

**FOR MORE INFORMATION CONTACT:**

President Doerfler – (928) 853-9770 / [lori@loridee.com](mailto:lori@loridee.com)

**OR** Michelle Lind – (602) 248-7787 / [michellelind@aaronline.com](mailto:michellelind@aaronline.com)



**ARIZONA**  
*association of*  
**REALTORS®**

**REAL SOLUTIONS. REALTOR® SUCCESS.**

*REALTOR®...the best prepared real estate practitioner with the highest standards.*

## **Bylaws, Policies and Official Statements**

Approved March **2018**

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| I.S.C. Representatives ..... (VII, 3) <b>10</b>               | Capital ..... (IV, 2) <b>7</b>                                    |
| Meetings ..... (VI, 5) <b>9</b>                               | Legal and Operating ..... (IV, 1) <b>6</b>                        |
| Non-Quota Directors ..... (VI, 3) <b>9</b>                    | Reinstatement of Membership ..... (III, 7) <b>6</b>               |
| Past Presidents ..... (VI, 3) <b>9</b>                        | Renewal ..... (III, 7) <b>6</b>                                   |
| Primary Committee Chairs ..... (VI, 3) <b>9</b>               | <b>ELECTIONS</b>  |
| Quorum ..... (VI, 7) <b>10</b>                                | Application for Office ..... (VII, 4-5) <b>11</b>                 |
| Quota Directors ..... (VI, 2; VIII, 2, 4) <b>9, 11-12</b>     | Criteria ..... (VII, 6) <b>11</b>                                 |
| Removal from Office ..... (VI, 9) <b>10</b>                   | Directors ..... (VIII, 2-3) <b>11, 12</b>                         |
| Submission of Names to AAR ..... (VIII, 2-3) <b>11-12</b>     | Elective Year ..... (XI, 2) <b>13</b>                             |
| Term ..... (VI, 1; VIII, 4) <b>9</b>                          | National Directors ..... (VII, 2-3, 5-6) <b>10-11</b>             |
| Vacancies ..... (VIII, 4) <b>12</b>                           | Officers ..... (VII, 1, 4, 6) <b>10-11</b>                        |
| <b>BUDGET</b>   | Procedures ..... (VII, 1-5, 7-8) <b>10-11</b>                     |
| Annual; proposed ..... (VI, 8) <b>10</b>                      | RVPs ..... (VII, 7) <b>11</b>                                     |
| Approval of ..... (VI, 4) <b>9</b>                            | When held ..... (VII, 1-3) <b>10</b>                              |
| <b>BYLAWS</b>   | <b>EXECUTIVE COMMITTEE</b>  |
| Amendments ..... (VI, 4; XVI) <b>9; 14</b>                    | Authority ..... (VI, 1, 6) <b>9</b>                               |
| <b>CODE OF ETHICS</b>   | Duties ..... (VI, 6) <b>9</b>                                     |
| Amended ..... (XII, 1) <b>13</b>                              | Executive Officer Appointee ..... (VI, 6) <b>9</b>                |
| Enforcement ..... (XIII, 1-3) <b>13</b>                       | Quorum ..... (VI, 7) <b>9</b>                                     |
| Part of AAR Rules ..... (XII, 1) <b>13</b>                    | Structure ..... (VI, 6) <b>9</b>                                  |
| <b>COMMITTEES</b>   | Telephone/Video Meeting ..... (VI, 6) <b>9</b>                    |
| Appointment/Authority ..... (X, 2-3) <b>12</b>                | <b>CHIEF EXECUTIVE OFFICER</b> ..... (V, 4-5) <b>8</b>            |
| Chair ..... (X, 2, 5-6) <b>12, 13</b>                         | <b>FINANCIAL STATEMENTS</b>                                       |
| Duties ..... (X, 1-3) <b>12</b>                               | Annual Budget ..... (VI, 8) <b>10</b>                             |
| Grievance ..... (X, 5) <b>13</b>                              | <b>JURISDICTION</b> ..... (III, 2-4) <b>5-6</b>                   |
| Primary & Standing Committees Listed ..... (X, 2-3) <b>12</b> | <b>MEETINGS</b>   |
| Professional Standards ..... (X, 6) <b>13</b>                 | Annual ..... (IX, 1) <b>12</b>                                    |
| Quorum ..... (X, 4) <b>13</b>                                 | Directors' ..... (VI, 5) <b>9</b>                                 |
| RAPAC ..... (X, 8) <b>13</b>                                  | Notice ..... (VI, 5, 9) <b>9, 10</b>                              |
| REALTORS® Issues Mobilization ..... (X, 7) <b>13</b>          | Special ..... (VI, 5) <b>9</b>                                    |
| Task Forces ..... (X, 2, 4) <b>12-13</b>                      |   |
| Vice Chair ..... (X, 2, 5-6) <b>12, 13</b>                    |   |



## MEMBERSHIP

|                            |              |             |
|----------------------------|--------------|-------------|
| Affiliates .....           | (II, 1, 5)   | <b>4-5</b>  |
| Boards .....               | (II, 1-2)    | <b>4</b>    |
| Board Members.....         | (II, 1-4, 7) | <b>4, 5</b> |
| Classes.....               | (II, 1)      | <b>4</b>    |
| Honorary .....             | (II, 7-8)    | <b>5</b>    |
| Individuals.....           | (II, 1, 4)   | <b>4-5</b>  |
| Institute Affiliates ..... | (II, 1, 5)   | <b>4-5</b>  |
| Life Membership.....       | (II, 9)      | <b>5</b>    |
| Reinstatement.....         | (III, 7)     | <b>6</b>    |

## NATIONAL DIRECTORS

|                                    |                 |              |
|------------------------------------|-----------------|--------------|
| Application to Run for Office..... | (VII, 4)        | <b>11</b>    |
| Election of Nominees.....          | (VI, 4; VII, 2) | <b>9, 10</b> |
| On Board of Directors .....        | (VI, 3)         | <b>9</b>     |
| Qualifications.....                | (VII, 6)        | <b>11</b>    |
| Removal.....                       | (VI, 4, 9)      | <b>9, 10</b> |
| Vacancies.....                     | (VII, 3)        | <b>10</b>    |

## OFFICERS

|                                    |                 |               |
|------------------------------------|-----------------|---------------|
| Application to Run for Office..... | (VII, 4)        | <b>11</b>     |
| Authority, Structure.....          | (V, 1)          | <b>8</b>      |
| Duties.....                        | (V, 2)          | <b>8</b>      |
| Election .....                     | (VII, 1, 4-8)   | <b>10, 11</b> |
| Eligibility .....                  | (II, 8; VII, 6) | <b>5, 11</b>  |
| Indemnification.....               | (V, 7)          | <b>9</b>      |
| Regional Vice Presidents .....     | (V, 1, 3)       | <b>8</b>      |
| Removal.....                       | (VI, 9)         | <b>10</b>     |
| Terms .....                        | (VI, 6; XI, 2)  | <b>8, 13</b>  |
| Vacancies.....                     | (V, 6)          | <b>8</b>      |

## PROFESSIONAL STANDARDS

|  |                |               |
|--|----------------|---------------|
| Authority .....                          | (XIII, 1-2)    | <b>13</b>     |
| Complaints Referred to Association ..... | (XIII, 1)      | <b>13</b>     |
| Disciplinary Action .....                | (XIII, 5)      | <b>13</b>     |
| Hearings.....                            | (XIII, 2-4)    | <b>13</b>     |
| Standing Committee.....                  | (X, 3, 6)      | <b>12, 13</b> |
| Statewide Agreements.....                | (XIII, 1-2, 4) | <b>13</b>     |

## QUORUM

|                         |         |           |
|-------------------------|---------|-----------|
| Committees .....        | (VI, 6) | <b>5</b>  |
| Directors .....         | (VI, 7) | <b>5</b>  |
| Primary Committees..... | (X, 4)  | <b>13</b> |
| Task Forces .....       | (X, 4)  | <b>13</b> |

## REGIONS.....

|       |        |          |
|-------|--------|----------|
| ..... | (V, 3) | <b>8</b> |
|-------|--------|----------|

## RESERVES

|                                 |                  |               |
|---------------------------------|------------------|---------------|
| Capital .....                   | (IV, 2)          | <b>7</b>      |
| Expenditures from Funds .....   | (IV, 1-2; VI, 4) | <b>6-7; 9</b> |
| Issues Mobilization Fund .....  | (IV, 3)          | <b>7</b>      |
| Operating.....                  | (IV, 1)          | <b>6</b>      |
| Strategic Initiative Fund ..... | (IV, 4)          | <b>7</b>      |

## RULES OF ORDER .....

|       |         |           |
|-------|---------|-----------|
| ..... | (XV, 1) | <b>14</b> |
|-------|---------|-----------|

## RVPs

|                    |                |              |
|--------------------|----------------|--------------|
| Election of.....   | (V, 3; VII, 7) | <b>8; 11</b> |
| Nomination of..... | (VII, 7)       | <b>11</b>    |

## USE OF “REALTOR®” TERMS

|                                      |            |           |
|--------------------------------------|------------|-----------|
| By Associate Members .....           | (XIV, 4)   | <b>14</b> |
| By Individual Members.....           | (XIV, 1-3) | <b>14</b> |
| By Institute Affiliate Members ..... | (XIV, 5)   | <b>14</b> |

## VACANCIES.....

|       |        |          |
|-------|--------|----------|
| ..... | (V, 6) | <b>8</b> |
|-------|--------|----------|

## VOTING

|                           |                      |                   |
|---------------------------|----------------------|-------------------|
| Eligibility               |                      |                   |
| Directors’ Meetings.....  | (VI, 3, 6)           | <b>9</b>          |
| Membership Meetings ..... | (IX)                 | <b>12</b>         |
| Those not Eligible.....   | (II, 8)              | <b>5</b>          |
| Proxy, Alternates .....   | (VI, 5)              | <b>9</b>          |
| Quorum .....              | (VI, 7; IX, 5; X, 4) | <b>10; 12; 13</b> |

## YEAR

|                |         |           |
|----------------|---------|-----------|
| Elective ..... | (XI, 2) | <b>13</b> |
| Fiscal.....    | (XI, 1) | <b>13</b> |

**BYLAWS  
ARIZONA ASSOCIATION OF REALTORS®**

**ARTICLE I  
NAME**

**Section 1.** The name of the organization shall be: Arizona Association of REALTORS®, Inc., an Arizona nonprofit corporation, hereunder referred to as AAR.

**Section 2.** The purpose of AAR is to serve its members by providing and promoting services to enhance members' abilities to conduct their businesses with integrity and competency and to promote the extension and preservation of private property rights. The AAR vision is REALTOR®... *the best prepared real estate practitioner with the highest standards.*

**ARTICLE II  
MEMBERSHIP**

**Section 1.** The members of AAR shall consist of six (6) classes: (1) Member Boards or Associations (hereafter referenced as Member Boards), (2) Board Members, (3) Individual Members, (4) Institute Affiliate Members, (5) Affiliate Members and (6) Honorary Members and Life Members.

**Section 2.** A Member Board shall be ~~a Board~~ **an association** chartered by the NATIONAL ASSOCIATION OF REALTORS® within the State of Arizona. **All the** REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in the ~~Board~~ **association** shall hold membership in ~~AAR~~ **this association** and the NATIONAL ASSOCIATION OF REALTORS®.

**Section 3.** ~~A Board~~ **Association** Members shall be ~~a~~ **either** REALTOR® or REALTOR-ASSOCIATE®, ~~or institute affiliate members who is a member~~ of a Member Board **in good standing** ~~and who holds active membership in AAR.~~

**Section 4.** ~~An Individual Member shall be~~ **A REALTOR® member shall be any individual** engaged in the real estate **business profession** as a principal, partner ~~or~~ , corporate officer, or branch office manager acting on behalf of the firm's principal(s), and licensed or certified individuals affiliated with said REALTOR® member ~~of a corporation~~ whose place of business is located in ~~the~~ **an** area outside the jurisdiction of any Member Board **who meets the qualifications for REALTOR® membership established in subsection (a) below.** ~~and who holds active membership in AAR or a REALTOR-ASSOCIATE®-employed by or affiliated as an independent contractor with a REALTOR®-who is an Individual Member.~~

Secondary REALTOR® membership shall also be available to individuals who hold primary membership in an ~~state Board/~~ **association** in another state and who desire to obtain direct membership in ~~AAR~~ **the state association** without holding membership in a local ~~Board/~~ **association** in ~~Arizona~~ **the state.**

Individuals who are actively engaged in the real estate profession other than as sole proprietors, partners, corporate officers, or branch office managers, in order to qualify for REALTOR® membership, shall at the time of application, be associated either as an employee or as an independent contractor with a designated REALTOR® member of the association or a designated REALTOR® member of another association (if a secondary member).

**Designated REALTOR® members.** Each firm (or office in the case of firms with multiple office locations) shall designate in writing one REALTOR® member who shall be responsible for all duties and obligations of membership, including the obligation to arbitrate or to mediate pursuant to Article 17 of the Code of Ethics and the payment of association dues as established in Article III of the Bylaws. The "designated REALTOR®" must be a sole proprietor, partner, corporate officer, or branch office manager acting on behalf of the firm's principal(s) and must meet all other qualifications for REALTOR® membership established in Article II, Section 4 of the Bylaws.

**a. Membership Applications.** AAR will consider the following in determining an applicant's qualifications for REALTOR® membership:

1. All final findings of *Code of Ethics* violations and violations of other membership duties in any other association within the past three (3) years;
2. Pending ethics complaints (or hearings);
3. Unsatisfied discipline pending;
4. Pending arbitration requests (or hearings);
5. Unpaid arbitration awards or unpaid financial obligations to this or any other association or association MLS; and

6. Any misuse of the term REALTOR® or REALTORS® in the name of the applicant's firm.

"Provisional" membership may be granted in instances where ethics complaints or arbitration requests (or hearings) are pending in other associations or where the applicant for membership has unsatisfied discipline pending in another association (except for code of ethics violations), provided all other qualifications for membership have been satisfied. AAR may reconsider the membership status of such individuals when all pending ethics and arbitration matters (and related discipline) have been resolved or if such matters are not resolved within six (6) months from the date that provisional membership is approved. Provisional members shall be considered REALTORS® and shall be subject to all of the same privileges and obligations of REALTOR® membership. If a member resigns from another association with an ethics complaint or arbitration request pending, AAR may condition membership on the applicant's certification that he/she will submit to the pending ethics or arbitration proceeding (in accordance with the established procedures of the association to which the applicant has made application) and will abide by the decision of the hearing panel.

**b. New Member Code of Ethics Orientation.** Applicants for REALTOR® membership and provisional REALTOR® members (where applicable) shall complete an orientation program on the *Code of Ethics* of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement does not apply to applicants for REALTOR® membership or provisional members who have completed comparable orientation in another association, provided that REALTOR® membership has been continuous, or that any break in membership is for one (1) year or less. Failure to satisfy this requirement within one hundred eighty (180) days of the date of application (or, alternatively, the date that provisional membership was granted), will result in denial of the membership application or termination of provisional membership.

**c. Continuing REALTOR® Code of Ethics Training.** Effective January 1, 2017, through December 31, 2018, and for successive two year periods thereafter, each REALTOR® members of AAR the association (with the exception of REALTOR® members granted REALTOR® Emeritus status by the National Association) shall be required to complete ethics training of not less than two (2) hours and thirty (30) minutes of instructional time. This requirement will be satisfied upon presentation of documentation that the member has completed a course of instruction conducted by this or another association, the a local Board/Association, a State Association of REALTORS®, the NATIONAL ASSOCIATION OF REALTORS®, or any other recognized educational institution or provider which meets the learning objectives and minimum criteria established by the NATIONAL ASSOCIATION OF REALTORS® from time to time. REALTOR® members who have completed training as a requirement of membership in another association and REALTOR® members who have completed the New Member *Code of Ethics* Orientation during any two (2) year cycle shall not be required to complete additional ethics training until a new two (2) year cycle commences.

Failure to satisfy this requirement the required periodic ethics training shall be considered a violation of a membership duty for which REALTOR® membership shall be suspended until such time as the training is completed. Members suspended for failing Failure to meet the requirement for any two (2) year cycle will result in suspension of membership for the first two (2) months (January and February) of the year following the end of any two (2) year cycle or until the requirement is met, whichever occurs sooner. On March 1<sup>st</sup> of that year, the membership of a member who is still suspended as of that date will be automatically terminated.

**d. Pending Ethics Complaint/Obligation to Arbitrate or Mediate after Membership Termination.** If a member resigns from the Board or otherwise causes membership to terminate with an ethics complaint pending, that Board of Directors may condition the right of the resigning member to reapply for membership upon the applicant's certification that he/she will submit to the pending ethics proceeding and will abide by the decision of the hearing panel the complaint shall be processed until the decision of the association with respect to disposition of the complaint is final by this association (if respondent does not hold membership in any other association) or by any other association in which the respondent continues to hold membership. If an ethics respondent resigns or otherwise causes membership in all Boards to terminate before an ethics complaint is filed alleging unethical conduct occurred while the respondent was a REALTOR®, the complaint, once filed, shall be processed until the decision of the association with respect to disposition of the complaint is final. In any instance where an ethics hearing is held subsequent to an ethics respondent's resignation or membership termination, any discipline ratified by the Board of Directors shall be held in abeyance until such time as the respondent rejoins an association of REALTORS®.

If a member resigns or otherwise causes membership to terminate, the duty to submit to arbitration (or to mediation if required by the association) continues in effect even after membership lapses or is terminated, provided that the dispute arose while the former member was a REALTOR®.

**Section 5.** Institute Affiliate Members shall be individuals who hold a professional designation awarded by an qualified Institute, Society or Council affiliated with the NATIONAL ASSOCIATION OF REALTORS® that addresses a specialty area other than residential brokerage or individuals who otherwise hold a class of membership in such Institute, Society or Council that confers the right to hold office. Any such individual, if otherwise eligible, may elect to hold REALTOR® or REALTOR-ASSOCIATE® membership subject to payment of applicable dues for such membership.

**Section 6.** Affiliate Members shall be individuals who do not hold active Arizona real estate licenses and who are actively involved in a real estate-related industry.

**Section 7.** Honorary Members shall be individuals other than those engaged in real estate business who have contributed notably to AAR, as determined by the Board of Directors.

**Section 8.** An Affiliate or Honorary Member shall not have the right to vote, hold elective office or serve as a Director in AAR.

**Section 9.** All AAR past Presidents who have served a full term as President shall be awarded Life Membership.

### ARTICLE III DUES

**Section 1.** The annual dues of each Member Board shall be (1) ~~the~~ an amount as established by the Board of Directors ~~times the number of REALTOR® and REALTOR-ASSOCIATE® Members who hold primary membership in the association,~~ plus (2) an amount as ~~determined~~ established by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers employed by or affiliated as independent contractors with REALTOR® Members of the ~~Board association~~ who are not themselves REALTOR® ~~or~~, REALTOR-ASSOCIATE® ~~Members of the Board,~~ or Institute Affiliate Members ~~of the Board, State or National Association.~~ In calculating the dues payable by a Member Board, nonmembers, as defined in the preceding sentence, shall not be included in the computation of dues if dues have been paid in another association in the state or a state contiguous thereto, provided the association notifies the State Association in writing of the identity of the association to which dues have been remitted.

**Section 2.** The annual dues of each designated REALTOR® Member ~~actively engaged in the real estate business from areas not within the jurisdiction of a Member Board~~ shall be ~~in such:~~ (1) an amount as established annually by the Board of Directors plus (2) an additional amount to be established annually by the Board of Directors times the number of real estate salespersons and licensed or certified appraisers who ~~(a-1)~~ are employed by or affiliated as independent contractors, or who are otherwise directly or indirectly licensed with such REALTOR® member and, ~~(b-2)~~ are not REALTOR® members of any association in the state or a state contiguous thereto ~~REALTOR ASSOCIATES®;~~ or Institute Affiliate Members of the association. In calculating the dues payable to the association by a designated REALTOR® member, non-member licensees as defined in (1) and (2) of this paragraph shall not be included in the computation of dues if the designated REALTOR® has paid dues based on said non-member licensees in another association in the state or a state contiguous thereto, provided the designated REALTOR® notifies the association in writing of the identity of the association to which dues have been remitted. In the case of a designated REALTOR® member in a firm, partnership, or corporation whose business activity is substantially all commercial, any assessments for non-member licensees shall be limited to licensees affiliated with the designated REALTOR® (as defined in (1) and (2) of this paragraph) in the office where the designated REALTOR® holds membership, and any other offices of the firm located within the jurisdiction of this association.

A REALTOR® member of a Member Board shall be held to be any member who has a place or places of business within the state or a state contiguous thereto and who, as a principal is actively engaged in the real estate profession as defined in Article III, Section 1 of the Constitution of the NATIONAL ASSOCIATION OF REALTORS®. An individual shall be deemed to be licensed with a REALTOR® if the license of the individual is held by the REALTOR®, or any broker who is licensed with the REALTOR®, or by any entity in which the REALTOR® has a direct or indirect ownership interest and which is engaged in other aspects of the real estate business (except as provided in Section 2a. hereof) provided that ~~the~~ such licensee is not otherwise included in the computation of dues payable by the principal, ~~partner, corporate officer, or branch manager~~ of the entity.

a. A REALTOR® with a direct or indirect ownership interest in an entity engaged ~~in~~ exclusively in soliciting and/or referring clients and customers to the REALTOR® for consideration on a substantially exclusive basis shall annually file with the association on a form approved by the association a list of the licensees affiliated with that entity and shall certify that all of the licensees affiliated with the entity are solely engaged in referring clients and customers and are not engaged in listing, selling, leasing, ~~renting~~, managing, counseling or appraising real property. The individuals disclosed on such form shall not be deemed to be licensed with the REALTOR® filing the form for purposes of this section and shall not be included in calculating the annual dues of the designated REALTOR®. Designated REALTORS® shall notify the association within three (3) days of any change in status of licensees in a referral firm.

The exemption for any licensee included on the certification form shall automatically be revoked upon the individual being engaged in real estate licensed activities (listing, selling, leasing, renting, managing, counseling, or appraising real property)

other than referrals, and dues for the current fiscal year shall be payable.

Membership dues shall be prorated for any licensee included on a certification form submitted to the association who during the same calendar year applies for REALTOR® or REALTOR-ASSOCIATE® membership in the association. However, membership dues shall not be prorated if the licensee held REALTOR® or REALTOR-ASSOCIATE® membership during the preceding calendar year.

b. Membership dues shall be prorated to one-half (1/2) of the annual dues for any licensee who applies for REALTOR® membership in the association after July 1st provided that the licensee did not hold REALTOR® membership during the preceding calendar year.

**Section 3.** The annual dues of each REALTOR-ASSOCIATE® members actively engaged in the real estate business from an area not within the jurisdiction of Member Boards other than the designated REALTOR® shall be as determined established by the Board of Directors.

**Section 4.** No Member Board shall pay dues to AAR with respect to any member who has paid dues to another Member Board.

**Section 5.** Affiliate Member dues shall be one-half (1/2) of REALTOR® member dues as determined by the Board of Directors annually. Dues paid by Affiliate Members shall be in the name of the individual member for the current dues year. The annual dues of each Institute Affiliate Member dues shall be established in Article II of the Bylaws of the NATIONAL ASSOCIATION OF REALTORS®.

**Section 6.** The annual dues of each class of membership shall be set by vote of two-thirds (2/3) of the Directors present at any regular or special Board of Directors meeting at which a quorum is present. There shall be no annual dues for Honorary Members; members who qualify for REALTOR® Emeritus status for the NATIONAL ASSOCIATION OF REALTORS® or Life Members.

**Section 7.** Annual dues for renewal of all classifications of membership in AAR are due and payable in full on January 1 of each year. Member Boards shall transmit by the tenth (10<sup>th</sup>) of each month all dues collected the preceding month. Any Member Board or other member who has not paid renewal dues by April 1 of each year shall be dropped from membership. For any Boards dropped from membership, reinstatement may occur only after total payment of dues owed plus ten dollars (\$10.00) times the number of members of the Member Board.

**Section 8.** The Board of Directors may levy a per individual member assessment for specific purposes. Such an assessment shall be set by vote of two-thirds (2/3) of the Directors present at any regular or special Board of Directors meeting at which a quorum is present. The assessment shall be treated as annual dues as set forth herein.

#### ARTICLE IV RESERVES

**Section 1. Operating Reserve.** AAR shall maintain an operating reserve fund (the “Operating Reserve”) for legal, special and unbudgeted operating purposes. The Board of Directors shall annually determine an allocation (the “Allocation”) of the annual dues which shall be placed in the Operating Reserve. The Operating Reserve fund balance shall be placed at interest, with any interest earned thereon accruing to the Operating Reserve. The Allocation shall continue each year until the Operating Reserve fund balance exceeds an amount equal to the operating expenses from the previous fiscal year, at which time the Allocation shall cease. Additional contributions to the Operating Reserve may be made from other sources such as operating surplus, at the discretion of the Board of Directors. If the fund is depleted to less than three million dollars (\$3,000,000), the Allocation shall be reinstated at the inception of the next fiscal year. Expenditures from the Operating Reserve fund may be made only upon approval of the Executive Committee or Board of Directors as follows:

- a. The Executive Committee, by a two-thirds (2/3) vote may approve expenditures, other than for legal purposes, of no more than fifty percent (50%) in the aggregate of the total Operating Reserve. All expenditures shall be reported to the Board of Directors at their next scheduled meeting.
- b. Expenditures, other than for legal purposes, that in the aggregate exceed fifty percent (50%) of the Operating Reserve must be approved by the Board of Directors.
- c. Expenditures for legal purposes shall be determined by the Executive Committee in compliance within existing Policy D.2.

d. Expenditures for an Arizona REALTOR<sup>®</sup> or Region 11 member seeking an NAR Officer position shall be determined by the Executive Committee in compliance with Policy F.2.

**Section 2. Capital Reserve.** AAR shall maintain a reserve fund, (“Capital Reserve”) for capital expenditures including, but not limited to, major repairs, furniture, fixtures, equipment, real property debt retirement, acquisition/investment of real property assets, or major improvements to real property assets. The Capital Reserve fund balance shall be placed at interest, with any interest earned thereon accruing to the Capital Reserve. AAR’s annual budget shall acknowledge depreciation per Generally Accepted Accounting Principles. The depreciation amount shall be considered as a cash expense credited to the Capital Reserve. Additional contributions to the Capital Reserve may be made from other sources such as operating surplus, at the discretion of the Board of Directors.

Expenditures from the Capital Reserve fund may be made only upon approval of the President, Executive Committee or Board of Directors as follows:

- a. An annual capital expenditure budget shall be presented to the Board of Directors for approval in conjunction with the annual operating budget.
- b. Unbudgeted capital expenditures from the Capital Reserve may be approved by the President up to five thousand dollars (\$5,000) per instance and ten thousand dollars (\$10,000) in the aggregate within a fiscal year. Such expenditures shall be reported to the Board of Directors at their next scheduled meeting.
- c. The Executive Committee, by a two-thirds ( $\frac{2}{3}$ ) vote, may approve unbudgeted expenditures from the Capital Reserve up to fifty percent (50%) of the fund total within a fiscal year. Such expenditures shall be reported to the Board of Directors at their next scheduled meeting.
- d. Any unbudgeted expenditures exceeding fifty percent (50%) of the Capital Reserve fund balance must receive prior approval of the Board of Directors.

**Section 3. REALTORS<sup>®</sup> Issues Mobilization Fund (RIMF).** AAR shall maintain a reserve fund to support or oppose federal, state and local issues that impact real property and real property owners in Arizona. The REALTORS<sup>®</sup> Issues Mobilization Committee (“RIMC”) shall approve any expenditure within the funding limits and guidelines as contained in the RIMC Policies. A per member amount of the annual dues may be placed in the fund as determined by the AAR Board of Directors. Said fund shall be placed at interest, with any interest earned credited to the fund. The amount established by the AAR Board of Directors shall be credited to the fund each year until the fund attains a total of ten million dollars (\$10,000,000). If the fund is depleted to less than five million dollars (\$5,000,000), the AAR Board of Directors shall reinstate a per member contribution amount to the fund at the inception of the next fiscal year. Additional contributions to the Issues Mobilization fund may be made from other sources such as operating surplus, at the discretion of the Board of Directors.

**Section 4. Strategic Initiative Fund.** AAR may maintain a reserve fund (“Strategic Initiative Fund”) to support initiatives designed or dedicated to the support of our REALTOR<sup>®</sup> members’ business practices. Such initiatives may include, but are not limited to, new member benefits, technology enhancements, communication enhancements, or other efforts that benefit the REALTOR<sup>®</sup> membership. The Strategic Initiative Fund balance shall be placed in an interest bearing account, with any interest earned thereon accruing to the Strategic Initiative Fund. Contributions to the Strategic Initiative Fund may only be made from the annual operating surplus at the discretion of the Board of Directors.

Expenditures from the Strategic Initiative Fund may be made only upon approval of the Executive Committee or Board of Directors as provided in subsections a through c of this section. Prior to approving any expenditure, the Executive Committee or Board of Directors shall consider whether the expenditure will result in an ongoing expense, and if so how AAR will budget for the ongoing expense.

- a. The Executive Committee, by a two-thirds ( $\frac{2}{3}$ ) vote, may approve expenditures of no more than seventy-five percent (75%) in the aggregate of the total Strategic Initiative Fund balance. All expenditures shall be reported to the Board of Directors at their next scheduled meeting.
- b. An expenditure over seventy-five percent (75%) or in the aggregate exceeds seventy-five percent (75%) of the Strategic Initiatives Fund can only be approved by the Board of Directors. The Board of Directors may approve an expenditure of less than seventy-five percent (75%).
- c. Approved expenditures shall not commit the Strategic Initiative Fund to payments exceeding twelve (12) consecutive months for the same initiative.

**Section 5. Arizona Homeownership Alliance.** AAR may maintain a fund (“Arizona Homeownership Alliance”) to support or oppose candidates running for elective office or as otherwise expressed in this section. Funds designated for this fund are to be used as allowed by state law in corporate independent expenditures, polling and grassroots activities. Monies placed in this fund may come from a variety of sources including but not limited to AAR’s annual operating surplus, the National Association of REALTORS<sup>®</sup>, Arizona local associations of REALTORS<sup>®</sup>, AAR annual budget or by contribution. The

Arizona Homeownership Alliance fund balance shall be placed in an interest bearing account, with any interest earned thereon accruing to the Fund.

The members of the Arizona Homeownership Alliance shall be the current AAR President or their designee, Legislative and Political Affairs Chair, REALTORS® of Arizona Political Action Committee Chair, the AAR CEO, and the Vice President of Government Affairs. Voting members of the Arizona Homeownership Alliance shall be the current AAR President or their designee, Legislative and Political Affairs Committee Chair and the REALTORS® of Arizona Political Action Committee Chair. The voting members of the Arizona Homeownership Alliance are authorized to make expenditures from this fund. Independent Expenditures to support candidates shall only be those candidates endorsed or supported by the REALTORS® of Arizona Political Action Committee. The Arizona Homeownership Alliance may expend funds opposing for elective office a candidate that is not endorsed or supported by the REALTORS® of Arizona Political Action Committee. Prior to making any expenditure for or against a candidate running for elected office, the Arizona Homeownership Alliance shall file the appropriate registration or committee paperwork with any local or state elections officer as well as complete any filings with the Internal Revenue Service.

## **ARTICLE V** **OFFICERS**

**Section 1.** The AAR elective officers shall be a President, a President-elect, a First Vice President, a Treasurer and five (5) Regional Vice Presidents (“RVPs”). In the absence of the President, the President-elect shall perform the duties of the President. All officers shall serve for one (1) year or until their successors are elected and qualified, except RVPs shall be elected for two (2) year terms and shall be limited to two (2) consecutive terms. Officers shall be ex-officio members of the Board of Directors. For purposes of electing the President, the person elected President-elect shall serve their term in office and after completing their term shall serve the following year as President unless otherwise required under Section 6 of this Article.

**Section 2.** The duties of each officer shall be those required by law, those indicated in the officer job descriptions as approved by the Board of Directors, and those assigned by the Board of Directors from time to time.

**Section 3.** AAR shall be divided into five (5) Regions, as approved by the Board of Directors, with an RVP elected from each Region, pursuant to Article VII. The First Vice President shall be responsible for the coordination of the efforts and activities of the RVPs. The RVPs shall be AAR officers and shall be responsible for developing and maintaining effective communication and cooperation among the Member Boards in their Region and AAR.

**Section 4.** The Executive Committee may employ a Chief Executive Officer (“CEO”), subject to the approval of the Board of Directors, who shall be chief administrative officer and Secretary of the Association and who shall perform such other duties as may be delegated to him by the President, the Executive Committee or the Board of Directors. The CEO shall provide a surety bond or insurance in such amount as the Executive Committee or the Board of Directors may determine, and the premium therefore shall be paid by AAR. The CEO may appoint an Assistant Chief Executive Officer.

**Section 5.** The CEO may be removed from office with or without cause at any time by the Board of Directors or the Executive Committee. In the event of the inability of the CEO to carry out his duties as Corporate Secretary and chief administrative officer because of removal from office or incapacitation as defined in the CEO’s employment contract, those duties would then revert to the Assistant Chief Executive Officer or as determined by the Executive Committee.

**Section 6.** If a vacancy occurs during the term of office of the President, the President-elect shall assume the office of the President for the remainder of the unexpired term and serve as President for a full term for the next elective year. The President shall not be eligible to serve a successive complete term unless the person assumed the office of President due to a vacancy of office. If a vacancy occurs in the office of President-elect, the First Vice President shall assume the office of the President-elect for the remainder of the unexpired term and must stand for election for President-elect to succeed to the office of President. If a vacancy occurs in the office of First Vice President, Treasurer or Executive Committee member, the President, with the approval of the Executive Committee, shall appoint a replacement for the duration of the unexpired term. Should a vacancy occur in an RVP position, that Region shall appoint a replacement for the duration of the unexpired term. Should the office of Immediate Past President become vacant, the office shall remain vacant until the next elective year.

**Section 7.** Every AAR officer shall be indemnified by AAR against all expenses and liabilities, including counsel fees, reasonably incurred or imposed upon such officer in conjunction with any proceeding to which that officer may have been made a party or in which that officer may become involved by reason of being or having been an AAR officer, or any settlement thereof, whether or not the individual is still an officer at the time such expenses are incurred, except in such cases wherein the officer is adjudged guilty of willful misfeasance or malfeasance in the performance of such officer’s duties or

shall have acted in such a manner as has exceeded such officer's authority so to act. The foregoing right of indemnification shall be in addition to and not exclusive of all other rights to which such officer may be entitled.

## **ARTICLE VI BOARD OF DIRECTORS/EXECUTIVE COMMITTEE**

**Section 1.** AAR shall be managed by the Board of Directors and the Executive Committee as further provided in these Bylaws. Each Director shall serve for a term of one (1) year.

**Section 2.** Quota Directors shall be elected or named by each Member Board. Each Member Board shall have at least one (1) Quota Director and such additional Quota Directors based on the number of members on record with AAR as of December 31 of the year preceding eligibility as follows: 400-699 add one (1); 700-999 add three (3); 1,000-2,999 add four (4); 3,000-4,999 add five (5); 5,000-6,999 add six (6); and 7,000 or more add twelve (12).

**Section 3.** The following persons shall be voting, non-quota AAR Directors: **(a)** all elected AAR officers; **(b)** Arizona quota Directors of the NATIONAL ASSOCIATION OF REALTORS®; **(c)** the three (3) most immediate past AAR presidents who hold active membership in AAR and are willing to serve; **(d)** chairs of the four (4) Primary Committees; **(e)** four (4) representatives of the Arizona state chapters, or regional chapter if no state chapter exists, of the Institutes, Societies and Councils (ISCs) of the NATIONAL ASSOCIATION OF REALTORS®; **(f)** two (2) Member Board or Regional Multiple Listing Service (MLS) chief staff officers; **(g)** one (1) representative from each of the five (5) largest firms in the large firm category, one (1) representative from each of the four (4) largest firms in the medium firm category and one (1) representative from each of the two (2) firms in the small firm category, in terms of number of REALTOR® members; and **(h)** one (1) representative from an "outside" organization selected by AAR's President-elect annually. In the event that one (1) member shall qualify under more than one of the categories described in Section 3 or in Section 2 of this Article, that person shall be entitled to only one (1) vote as a Director.

For the purposes of the firm categories: Large firms shall be defined as those firms having six hundred fifty (650) or more REALTORS®; Medium firms shall be defined as those firms with six hundred forty-nine (649) to one hundred fifty-one (151) REALTORS®; and Small firms shall be defined as those firms located in Region One (1) and Region Three (3) with one hundred fifty (150) or fewer REALTORS® and the Small firm directors must be an owner, partner or officer of their real estate firm. The Directors of the firm categories shall be determined as of December 31<sup>st</sup> two (2) years prior to the elective year served.

**Section 4.** The Board of Directors shall elect and remove AAR officers and National Director Nominees, approve the annual budget and dues, approve withdrawals from the Operating or Capital Reserves, other than as noted in Article IV, Sections 1 and 2, and amend AAR's Bylaws and Policies except Professional Standards policies, which may be approved by AAR's Executive Committee. AAR's accounts shall be audited annually by a certified public accountant.

**Section 5.** AAR shall conduct Directors' meetings no less than two (2) times annually. Special meetings of the Board of Directors may be called by the President or by any fifteen (15) Directors. Written notice of a special meeting shall be sent by mail to all Directors at least ten (10) days before the date of the meeting or by electronic mail at least five (5) days before the date of the meeting. Directors may not participate in Directors' meetings by agent, representative or proxy, except alternates for quota Directors may be designated in the absence of a quota Director without notice at Board of Directors meetings, however, said alternate shall register at Directors' attendance desk and provide verification by an officer of said Member Board prior to voting.

**Section 6.** There shall be an Executive Committee of the Board of Directors, composed of the President, the President-elect, the First Vice President, the Treasurer, the Immediate Past President, five (5) RVPs, the four (4) Primary Committee chairmen and one (1) Member Board/Association Executive Officer appointed by the President, subject to the approval of the Board of Directors. The Executive Committee shall provide accountability to the Strategic Plan, transact business of an emergency or delegated nature and administer AAR's finances and business between meetings of the Board of Directors and shall report the substance of such actions to the Board of Directors at its next meeting. At the discretion of the President, the Executive Committee may conduct official AAR business by video or telephone conference call. The Executive Committee may retain legal and other professional advisors and fix the terms of compensation thereof. A majority of the Executive Committee shall constitute a quorum.

**Section 7.** A quorum of the Board of Directors shall consist of Directors constituting at least one-third ( $\frac{1}{3}$ ) of the total number of AAR Directors of which there must be representatives from at least one-third ( $\frac{1}{3}$ ) of the total number of Member Boards present.



**Section 8.** The latest available financial statements reflecting AAR's financial status shall be mailed or otherwise distributed to each voting Director at least fifteen (15) days prior to the scheduled date of each regular meeting of the Board of Directors. A copy of the proposed annual budget shall be mailed or otherwise distributed to each voting Director at least fifteen (15) days prior to the scheduled date of the Directors Meeting at which the annual budget shall be submitted for adoption.

**Section 9.** A Director or an Officer other than the CEO may be removed from office in the following manner:

- a. A petition requiring the removal of an Officer or Director and signed by not less than thirty-three and one-third percent (33 $\frac{1}{3}$ %) of the voting Directors shall be filed with the President, or if the President is the subject of the petition, with the next-ranking Officer, and shall specifically set forth the reasons the subject thereof is to be removed from further service.
- b. Not less than twenty (20) days nor more than thirty (30) days after the petition is filed, a special meeting of the voting members of the Board of Directors shall be held, and the sole business of the meeting shall be to consider the charges against the Officer or Director who is the subject of the petition and to render a decision on such petition.
- c. Previous notice by mail of the special meeting shall be given to all voting members of the Board of Directors at least ten (10) days prior to the meeting and shall be conducted by the President unless the President's continued service in office is being considered at the meeting. In such case, the next-ranking Officer will conduct the meeting. Provided a quorum is present, a two-thirds ( $\frac{2}{3}$ ) vote of the Directors present, and voting by written ballot shall be required for removal from the office.
- d. The Region from which the RVP was nominated and a manner agreed upon within that Region shall handle removal of an RVP.

## ARTICLE VII ELECTION OF OFFICERS AND NATIONAL DIRECTORS

**Section 1.** AAR Officers shall be elected at the first AAR Board of Directors meeting and shall be installed during the last Board of Directors meeting annually. Officers shall be elected by a majority vote of the Board of Directors present and voting. If three (3) or more candidates are running for the same office and there is no majority vote on the first ballot, the two (2) nominees receiving the greatest number of votes shall be included on a second and subsequent ballot, if necessary, until one (1) candidate shall be elected by majority vote.

**Section 2.** Nominations of proposed Arizona Directors of the NATIONAL ASSOCIATION OF REALTORS® for terms commencing during the succeeding elective year shall be held at an AAR Directors' meeting no later than December 15. Election shall be by plurality vote. As long as there are four (4) or more entitlements not assigned to a Member Board, those remaining entitlements shall be allocated as follows: positions shall be reserved to be filled by the AAR Immediate Past President, AAR President-elect, AAR First Vice President and AAR Treasurer. Any remaining positions are elected, as provided earlier in this section, from members other than primary members from Member Boards that have National Director entitlement(s). REALTORS® in Arizona, except primary members of an Arizona Member Board that has one (1) or more automatic National Directors by virtue of their total number of members, who otherwise meet qualifications established in Article VII, Section 6, may apply for election for NAR Director. In the event AAR should lose any at-large NAR Director entitlements, the entitlements to be eliminated would be in the following order: **(1)** elected positions whether or not term completed; **(2)** AAR Immediate Past President; and **(3)** AAR Treasurer.

**Section 3.** National Director vacancies that occur between NATIONAL ASSOCIATION OF REALTORS® meetings shall be filled by an election to be held at a regularly scheduled AAR Board of Directors meeting or at a special meeting of the AAR Board of Directors, provided that there is ~~sixty (60)~~ **thirty (30)** day notice to Member Boards prior to the meeting. The replacement process shall begin at the time there is an actual vacancy or when a seated National Director provides written notification of intent to vacate the position at a time definite. In the event the foregoing would cause a vacancy at a subsequent National meeting, the President, with the approval of the Executive Committee, may appoint a replacement until such time that an election could be held.

**Section 4.** Candidates **for AAR Officer** who meet the qualifications for elective office, as provided for in Section 6 of this Article, shall submit **an** application for elective office to AAR's office no later than sixty (60) days prior to the date of the elections. **Candidates for National Director(s) who meet the qualifications for elective office, as provided for in Section 6 of this Article, shall submit an application for elective office to AAR's office no later than thirty (30) days prior to the date of the elections.** In the event no application is received for an elective position by the ~~sixty (60) day~~ **required** deadline, the Executive Committee will conduct a search for qualified candidate(s). If no qualified candidate is identified prior to the time of the elections, the position will be considered vacant and filled as provided for in Article V, Section 6, and Section 3 of this Article.

**Section 5.** The application process shall be as follows:

- a. A Notice of Request for Applications for AAR Officers shall be sent to each Member Board and RVP and shall be published by AAR at least five (5) months prior to the Directors' meeting at which elections shall take place.
- b. A Notice of Request for Applications for NAR Director positions shall be sent to each Member Board and RVP and shall be published by AAR at no later than ten (10) days following NATIONAL ASSOCIATION'S notice of entitlements to State Associations.
- c. Each candidate's application will be reviewed to verify candidates' compliance with position qualifications. RVP applications shall be verified by the respective Regional Nominating Committee and follow procedures as provided in Section 7 of this Article.
- d. Any applicant for AAR Officer or National Director shall provide evidence of acceptance and qualification for the office.
- e. A candidate shall not make application for more than one (1) AAR Office but may also make application for National Director.

**Section 6.** The following minimum criteria shall be established for acceptability as nominees for AAR Officers or National Directors:

- a. Any nominee for AAR Officer or NAR Director shall be a REALTOR® or REALTOR-ASSOCIATE® member in good standing, **and**
- b. The nominee must display knowledge of the AAR Plan issues and objectives, **and**
- c. The nominee must have been an elected officer of his Member Board and have served in that capacity for at least one (1) year; **or**
- d. The nominee must have been an elected or appointed director of AAR and have served in that capacity for a minimum of one (1) year; **or**
- e. The nominee must have served at least one (1) year on the Executive Committee.

**Section 7.** The RVP from each Region shall be nominated by a Regional Nominating Committee comprised of one (1) member (which may be the: President, President-elect, Immediate Past President, or an appointee of the President) from each Member Board within the Region. Nominees for RVP must be nominated by a Member Board within their appropriate Region. An application containing the signature of the applicant's member board AE or President shall be submitted to the current RVP no later than ninety (90) days prior to the election date. The current RVP shall chair the Committee without voting rights, unless a vote is necessary to break a tie. Each Region's nominee shall be voted on by the AAR's Board of Directors at the first Directors' meeting. No nominations for RVP shall be accepted from the floor. If any Region does not submit a nominee for RVP for the following year or if the Board of Directors does not accept any nominee, the AAR President-elect shall have the authority to appoint a qualified RVP from the membership within the Region with the approval of the Board of Directors.

In the event the Regional Nominating Committee cannot reach a consensus in the selection of one (1) candidate for RVP, those candidates being considered shall be submitted to the Board of Directors for selection of that Region's RVP.

**Section 8.** AAR shall conspicuously display its report of qualified candidates for each elective office at least forty-eight (48) hours before the election is held. No nominations may be made from the floor.

## ARTICLE VIII

### **QUOTA DIRECTORS' ELIGIBILITY, ELECTION, INSTALLATION, TERM, VACANCIES**

**Section 1.** Any member in good standing shall be eligible to serve as a Director. The only exception is the person designated to represent an "outside" organization.

**Section 2.** The AAR President shall notify on or before April 1 annually each Member Board as to Quota Director Entitlements calculated pursuant to Article VI, Section 2. Member Boards shall choose their allotted Quota Director entitlements as provided for in their Association Bylaws and shall submit their names to AAR no later than October 1 annually. Member Board Presidents shall certify that entitlements were filled in accordance with the Member Board's Bylaw provisions. Quota Directors shall be installed in accordance with AAR's elective year.

**Section 3.** The Institute, Society and Council Chapters, the Association Executives and the large, medium and small firms shall select their allotted Directors and notify AAR no later than October 1 annually.

**Section 4.** Quota Directors shall serve for the AAR elective year. In the event of a resignation, the affected Member Board shall fill the vacancy in accordance with its Bylaws and shall notify AAR in writing at least ten (10) days prior to the meeting at which the replacement will begin service.

**ARTICLE IX**  
**MEMBERSHIP MEETINGS**

**Section 1.** AAR shall not hold annual meetings of its members.

**Section 2.** Special meetings of the members of AAR, as defined in Article II, Section 1 of these Bylaws, may be called by the Board of Directors, by the Executive Committee or by members having at least one-tenth ( $1/10$ ) of the votes entitled to be cast at such meeting.

**Section 3.** Notices of special meetings of the members of AAR shall be in writing and shall state the place, day and hour of the meeting and the purpose or purposes for which the meeting has been called. Notices shall be mailed to members, as their addresses appear in the records of AAR, not less than ten (10) nor more than fifty (50) days before the date of the meeting.

**Section 4.** At membership meetings **(i)** each Member Board shall be represented by its President or by another Board Member previously designated by the Member Board, and shall be entitled to cast one (1) vote for each Board Member in such Member Board. The number of votes to which a Member Board shall be entitled shall be equal to the number of its Board Members as shown on the records of the Association on the first day of the month preceding the month in which the meeting is held; and **(ii)** Individual Members may vote in person.

**Section 5.** Presidents of Member Boards, whose members constitute at least a majority of the members of AAR, or their duly appointed alternatives, shall constitute a quorum at any membership meeting.

**ARTICLE X**  
**COMMITTEES AND FORUMS**

**Section 1.** The Primary Committees will function as follows: **(1)** Determine programs and services to further AAR's vision within the Strategic Plan objectives; and **(2)** Provide funding for such programs and services within the approved Primary Committee's operating budget.

**Section 2.** The President, with cooperation of the President-elect, for their respective years in office, and with the approval of the Board of Directors, shall appoint the Primary Committee chair and vice chair to serve for one (1) year terms or until their successors are appointed and qualified. The Primary Committees of AAR shall be as follows:

**Primary Committees:**

Legislative and Political Affairs  
Risk Management  
Business Services and Technology  
Professional and Business Development

a. Committees, task forces, or work groups of Primary Committees may be appointed by the Primary Committee Chair. Members of said Committees may be selected without limitation unless otherwise provided for in these Bylaws. The President shall be an ex-officio member of all Primary Committees.

b. The Primary Committees shall have such duties and authority as stated in Sections 1 and 2 of this Article and as may be assigned to them by the President, Executive Committee, and/or Board of Directors from time to time.

**Section 3.** Standing Committees shall be appointed and governed as provided in Article X, Sections 4 through 8 of these Bylaws. Standing Committees shall be as follows:

**Standing Committees:**

REALTORS® Issues Mobilization  
Professional Standards  
REALTORS® of Arizona Political Action Committee (RAPAC)  
Grievance

**Section 4.** At least fifty percent (50%) of the Primary Committee, work group, Standing Committee or task force members shall constitute a quorum.

**Section 5.** The Grievance Committee shall be governed by the AAR Professional Standards Policies and shall have at least nine (9) and no more than eighteen (18) members, including a Chair and Vice Chair. Members shall be appointed to serve

staggered three (3) year terms. The Chair and Vice Chair should have each served a minimum of two (2) years on the Committee before serving in those capacities. Committee training requirements shall be established in AAR policies.

**Section 6.** The Professional Standards Committee shall be governed by the AAR Professional Standards Policies and shall be comprised of a pool of REALTORS® referenced in the Statewide Professional Standards Agreement. Members shall be appointed to serve staggered three (3) year terms. The Chair and Vice Chair should each have served a minimum of two (2) years on the committee before serving in those capacities. Committee training requirements shall be established in AAR policies.

**Section 7.** The REALTORS® Issues Mobilization Committee shall be governed by its Policies.

**Section 8.** The REALTORS® of Arizona Political Action Committee (“RAPAC”) shall be governed by its Bylaws.

## **ARTICLE XI** **FISCAL AND ELECTIVE YEAR**

**Section 1.** AAR’s fiscal year shall be the calendar year.

**Section 2.** AAR’s elective year shall be December 1 through November 30.

## **ARTICLE XII** **CODE OF ETHICS**

**Section 1.** The *Code of Ethics* of the NATIONAL ASSOCIATION OF REALTORS®, is adopted as the as interpreted from time to time in the Standards of Practice and the compilation of Interpretations of the *Code of Ethics* of the association prepared by the NATIONAL ASSOCIATION OF REALTORS®, and shall be considered a part of AAR’s its Rules and Regulations and the Code of Ethics and the such Rules and Regulations of the association shall, in the future, be deemed to be amended and changed whenever the said *Code of Ethics* of the NATIONAL ASSOCIATION OF REALTORS® is amended or changed by the National Association.

## **ARTICLE XIII** **PROFESSIONAL STANDARDS**

**Section 1.** Under certain circumstances, allegations of ethical violations and controversies concerning REALTORS® and REALTOR-ASSOCIATES® may be submitted to AAR by Member Boards. These situations shall be processed according to the *Code of Ethics* and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®. This provision is not designed to relieve the Member Board of its primary responsibility in enforcing the *Code of Ethics* but is designed to provide a due process hearing in cases where unusual circumstances exist, unless the Member Board is a signatory to the Statewide Professional Standards Agreement. In this case the signatory Member Boards have delegated the enforcement of the *Code of Ethics*, the disciplining of members and the arbitration of disputes and procedures incident thereof to AAR.

Any REALTOR® member of the association may be disciplined by the Board of Directors for violations of these Bylaws, the Code of Ethics, or other duties of membership, after a hearing as described in the Code of Ethics and Arbitration Manual of the association, provided that the discipline imposed is consistent with the discipline authorized by the Professional Standards Committee of the NATIONAL ASSOCIATION OF REALTORS®, as set forth in the Code of Ethics and Arbitration Manual of the National Association.

**Section 2.** Professional Standards hearings The responsibility of the association and of association members relating to the enforcement of the Code of Ethics, the disciplining of members, the arbitration of disputes, and the organization and procedures incident thereto shall be governed by the *Code of Ethics* and Arbitration Manual of the NATIONAL ASSOCIATION OF REALTORS®, as from time to time amended by NAR and adapted by AAR, and, where applicable, the Statewide Professional Standards Enforcement Agreement which by reference is made a part of these Bylaws.

**Section 3.** AAR shall require REALTORS® (Principals) and their firms to mediate otherwise arbitrable disputes pursuant to Article 17 of the Code of Ethics and be bound by any resulting agreement.

**Section 4.** Hearings held under the auspices of the Statewide Professional Standards Enforcement Agreement shall be held, when possible, in a geographic area close to the Respondent’s association.

**Section 5.** AAR may take disciplinary action against a member, including but not limited to, suspending or expelling a member from a Member Board and/or its MLS for a breach of membership duty resulting from a professional standards matter held under the auspices of AAR; including but not limited to, failure to pay arbitration fees, procedural review filing fees, ethics appeal fees, and/or failure to either pay the award or escrow the award pursuant to AAR Professional Standards policy and the *Code of Ethics* and Arbitration Manual.

#### ARTICLE XIV USE OF THE TERMS REALTOR®, REALTORS® AND REALTOR-ASSOCIATE®

**Section 1.** Use of the terms REALTOR®, REALTORS® and REALTOR-ASSOCIATE® by members of AAR shall, at all times, be subject to the provisions of the Constitution and Bylaws of the NATIONAL ASSOCIATION OF REALTORS® and the Rules and Regulations prescribed by the AAR its Board of Directors or by Member Boards. AAR The state association shall have primary authority to control, jointly and in full cooperation with the NATIONAL ASSOCIATION OF REALTORS®, of the use of the terms within those areas of Arizona the state not within the jurisdiction of a Member Board. Any misuse of the terms by members is a violation of a membership duty and may subject members to disciplinary action by the Board of Directors after a hearing as provided for in the association's *Code of Ethics* and Arbitration Manual. (Amended 5/2006).

**Section 2.** AAR Individual REALTOR® Members of the state association shall have the privilege of using the terms REALTOR®, REALTORS® and REALTOR-ASSOCIATE® in connection with their business so long as they remain Individual REALTOR® Members in good standing. Each Individual Member may receive a certificate from the NATIONAL ASSOCIATION OF REALTORS® licensing use of the term REALTOR®. No other class of members shall have this privilege.

**Section 3.** An Individual A REALTOR® Member who is a principal of a real estate firm, partnership, or corporation or trust may use the terms REALTOR® or REALTORS® only if all of the principals of such firm, partnership, or corporation or trust who are actively engaged in the real estate business profession within the state or a state contiguous thereto are Individual REALTOR® or Institute Affiliate Members.

**Section 4.** REALTOR® Associate Members of AAR the state association shall have the right to use the term REALTOR-ASSOCIATE® so long as they remain REALTOR-ASSOCIATE® members in good standing and the Individual REALTOR® Member or Board Member with whom they are associated or by whom they are employed is also an Individual REALTOR® Member or Board Member in good standing.

**Section 5.** An Institute Affiliate Member shall not use the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE® and shall not use the imprint of the emblem seal of the NATIONAL ASSOCIATION OF REALTORS®.

#### ARTICLE XV RULES OF ORDER

**Section 1.** The most recent edition of *Robert's Rules of Order* shall be recognized as the authority governing all meetings and conferences when not in conflict with AAR Bylaws.

#### ARTICLE XVI AMENDMENTS

**Section 1.** These Bylaws may be amended at any meeting of the Board of Directors by the affirmative vote of two-thirds (2/3) of the Directors present, provided that:

- a. A quorum is present, and
- b. The proposed amendment has been sent to each Director, in writing, no less than fifteen (15) days prior to the meeting.

**Section 2.** Amendments to these Bylaws affecting the admission or qualifications of active members, Associate Members and Institute Affiliate Members, the use of the terms REALTOR®, REALTORS®, or REALTOR-ASSOCIATE®, *Code of Ethics*, Professional Standards, or any alterations in the territorial jurisdiction of a Member Board shall become effective upon the approval of the Board of Directors of the NATIONAL ASSOCIATION OF REALTORS®.

#### ARTICLE XVII DISTRIBUTION OF ASSETS

**Section 1.** Upon the dissolution of AAR, the Board of Directors, after paying or making provision for the payment of all of the liabilities of AAR, shall distribute any remaining assets to the NATIONAL ASSOCIATION OF REALTORS®; provided,

however, that said organization at the time qualifies under Section 501(c)(6) of the Internal Revenue Code, as amended, or within its discretion, to any other tax exempt organization or organizations that qualify under Section 501(c)(6) or 501(c)(3) of the Internal Revenue Code, as amended.

## POLICY STATEMENTS

As of March 2018

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## **POLICY STATEMENTS**

(as of March 2018)

### **INTRODUCTION, PURPOSE, AND FORMULATION**

Policy statements are for the purpose of developing guidelines and standards for AAR's internal operations. Policy statements shall be approved by the Board of Directors, except for recommendations for professional standards policies, which may be approved by the Executive Committee.

### **AUTHORIZED SPOKESPERSON**

The President and the CEO are the authorized spokespersons for AAR. No other individuals shall speak for AAR on matters affecting AAR or its membership as a whole except the Legislative Advocate on legislative matters without prior approval of the President or CEO.

### **A. LEADERSHIP/COMMITTEES**

#### **A.1 – STRATEGIC PLANNING PROCESS: PLAN, VISION AND OBJECTIVES**

The Planning work group shall update AAR's Strategic Plan at least every two (2) years and submit recommendations to the incoming Executive Committee. The Strategic Plan vision and objectives shall be the basis for all AAR programs, products, services and activities.

#### **A.2 – LEADERSHIP AND STAFF SELECTION STANDARDS**

The Executive Committee and the CEO shall be familiar with AAR's Strategic Plan. The Strategic Plan's vision and specific objectives shall be the primary standards against which the abilities and skills of staff and leadership at all levels of AAR shall be examined.

#### **A.3 – EXECUTIVE COMMITTEE ACCOUNTABILITY**

The Executive Committee shall continually evaluate its own performance to ensure that it is strategically focused. It shall monitor but avoid conducting the day-to-day AAR operations. It shall conduct business in a timely and honest fashion, and observe AAR's internal and external chain-of-command. The President shall assign a deadline for action to be completed, including votes cast in favor or opposition to a properly made motion in accordance with *Robert's Rules of Order*.

#### **A.4 – BOD VOTING**

Vote counts for officer and National Director elections shall not be given verbally; however, exact counts will be retained by AAR for thirty (30) days following the date of the election for review upon request by any AAR member.

#### **A.5 – WORKGROUP/COMMITTEE APPOINTMENTS**

Appointments to AAR Work Groups or Committees other than Standing and Primary Committees shall be made on the following basis: appointments shall be made by the appropriate Primary Committee leadership; those appointed to groups with a specific purpose will serve until the group's goal is reached; those appointed to groups with an on-going purpose will be appointed for one (1) year terms to coincide with AAR's elective year. Members of both types of groups will be eligible for reappointment, as necessary and upon approval of the appropriate Primary Committee leadership.

#### **A.6 – PROFESSIONAL STANDARDS POLICY RECOMMENDATIONS PROCESS**

The Professional Standards and Grievance Committees are AAR Standing Committees and report through the Risk Management Primary Committee. However, any recommendations dealing with Professional Standards, Arbitration or Mediation procedure or policy from any assigned work group shall be noticed to the members of the Professional Standards and Grievance Committees for comment prior to consideration by the Risk Management Primary Committee.

#### **A.7 – PRIMARY COMMITTEES; DEADLINES**

AAR is focused on making decisions in a timely and diligent manner that are in the best interests of AAR and its members. To assist AAR with timely decision making, AAR's Primary Committee Chairmen shall assign a deadline for action to be completed, including votes cast in favor or opposition to a properly made motion in accordance with *Roberts Rules of Order*.

#### **A.8 – CONFLICT OF INTEREST**

Members of AAR's decision making bodies, including, but not limited to, the Executive Committee, Board of Directors, Primary Committees, workgroups and other committees (hereinafter "Committee/Director Members") should not use their position with AAR to further their private interests. Committee/Director Members should avoid placing themselves in situations where their personal interests may conflict with the interests of AAR and should at all times avoid the appearance of conflict of interest. AAR duties should be performed in good faith and for the benefit of AAR.



Committee/Director Members will be considered to have a conflict of interest if the interest would constitute a conflicting interest pursuant to the Arizona Non-profit Corporation Act when:

- (1) the issue involves a business providing products or services to AAR in which the Committee/Director Member or a related person is a principal, partner or corporate officer, director, agent or employee.
- (2) the issue is one in which that Committee/Director Member or a related person has a beneficial interest involving money, employment, investments, credit or contractual rights or is so closely linked to a transaction of such financial significance to the Committee/Director or a related person that the interest would reasonably be expected to exert an influence on the Committee/Director's judgment if called on to vote on the transaction. "Related person" shall have the same meaning as defined in the Arizona Non-profit Corporation Act.

Committee/Director Members with a conflict of interest shall immediately disclose the existence and the nature of the conflict at the outset of any discussions by a decision making body pertaining to the issue as well as all facts reasonably material to a judgment about an issue. Such Committee/Director Members may not participate in the discussion relating to that issue other than to respond to questions asked of them by other Committee/Director Members of the body. Committee/Director Members with a conflict of interest may not vote on any issue in which they have a conflict of interest, and should not be present when the vote on the issue is taken.

#### **A.9 – ELECTRONIC TRANSACTION OF BUSINESS**

To the fullest extent permitted by law, the Board of Directors, Executive Committee, Primary Committees and workgroups may conduct business by electronic means.

#### **A.10 – ATTENDANCE BY TELEPHONE**

Members of a committee or workgroup may participate in any meeting through the use of a conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other. Such participation shall be at the discretion of the Chair and shall constitute presence at the meeting.

#### **A.11 – OPEN MEETINGS**

With the exception of the Grievance Committee and RAPAC, all AAR Standing and Primary Committee meetings shall be open to any members who wish to attend. No meetings shall be electronically recorded without the consent of the Chair and concurrence of two-thirds ( $\frac{2}{3}$ ) of the members of the assembly

#### **A.12 – ALCOHOLIC BEVERAGES**

AAR will not provide alcoholic beverages in the AAR Suite or room at State meetings and National meetings. Alcohol will be served only at supervised cash bar or limited "host" drink functions.

#### **A.13 – WEAPONS**

No person shall bring any firearm or other weapon, or any other article or instrument that could reasonably be deemed dangerous or harmful, into any AAR meeting.

#### **A.14 – INVOCATIONS/INSPIRATIONAL MESSAGES**

It is suggested that invocations or inspirational messages at any AAR activities be nonsectarian and non-exclusive of any groups.

#### **A.15 – SMOKING POLICY**

There will be no smoking at any education events, business meetings, and social functions.

#### **A.16 – SELECTION OF MEMBER BOARD CHIEF STAFF AS VOTING, NON-QUOTA AAR DIRECTORS**

The following process shall be utilized for the selection of member board chief staff as voting, non-quota AAR directors pursuant AAR's Bylaws, Policies and Official Statements Article VI, Section 3(F):

Each eligible member board chief staff officer ("AEs") will have their names entered in a drawing. The two (2) AEs who served on the Board of Directors the previous year will not be included in the drawing and their names will be withheld from the drawing for three (3) years following their year of service. Additionally, the AE selected as the AE representative on the Executive Committee for that year will not be placed in the drawing, but will be serving as an ex-officio director.

The following drawing process will be used:

- (i) AEs of associations with one (1) director entitlement will be placed together with one (1) name drawn.
- (ii) AEs of associations with two (2) or more director entitlements will be placed together with one (1) name drawn.

The selected AEs will be notified. If they do not accept a position on the Board of Directors, another drawing will be held for that position.

## **B. FINANCIAL**

### **B.1 – BUDGET PROCESS**

The objectives of the Strategic Plan shall provide the primary basis upon which the Executive Committee shall make recommendations with regard to Primary Committee Business Plans and the annual budget. The Executive Committee which will be in office during the fiscal year for which the budget is being prepared will prepare budget recommendations.

### **B.2 – AMENDMENTS TO APPROVED BUDGET; REALLOCATION FLEXIBILITY**

Proposals to amend the AAR approved budget shall be submitted to the Executive Committee for approval. The Executive Committee may, on its own authority, approve aggregate budget amendments up to two and one-half percent (2.5%) of the approved annual budget.

The Executive Committee shall act as the finance committee and may reallocate approved, but unutilized expense(s) to be used for another program(s), product(s) and expense(s). Reallocations of approved, but unutilized expense(s) by the Executive Committee shall be reported to the Board of Directors at their next scheduled meeting

### **B.3 – CHECK PROCEDURES**

There shall be two (2) signers on any AAR accounts and accounts for which AAR is administratively responsible. Only pre-numbered check stock shall be utilized and checks shall be issued in sequence. Checks shall be made payable only to the designated payee listed on the back-up documentation, which has been approved by the CEO and/or area primary committee staff liaison. The use of signature stamps on checks and backup documentation shall be prohibited. All checks shall be submitted to the CEO for review and signature. In the absence of the CEO, checks may be reviewed and signed by the secondary account signer with prior authorization by the CEO. When not in use, all checks shall be stored in a locked secure location accessible only to CEO and accounting staff authorized by the CEO.

### **B.4 – ACCOUNTS RECEIVABLE**

All accounts receivable are due and payable within ten (10) days of receipt by debtor. After thirty (30) days, all unpaid accounts receivable shall bear an interest of one and one-half percent (1.5%) per month of the unpaid balance. Accounts receivable ninety (90) days or more delinquent shall be turned over for collection. If an AAR member's account receivable is ninety (90) days or more delinquent, said membership may be suspended or terminated by a two-thirds ( $\frac{2}{3}$ ) vote of the Executive Committee in attendance at a scheduled meeting. Said member shall be noticed in writing no later than ten (10) days prior to the meeting at which such action will be considered.

Any unpaid obligations due as a result of an ethics or arbitration proceeding and resulting in suspension or termination of membership shall cause the membership of the affected member to be suspended or terminated at AAR and any Member Board signatory to the Statewide Professional Standards Enforcement Agreement to which the member belongs

### **B.5 – DUES PAYMENTS**

AAR shall generate all direct member and secondary member invoices no later than December 1<sup>st</sup> of each year. Membership dues are due in full by January 1<sup>st</sup> of each year. Partial payments will not be accepted. AAR shall assess a \$25 late fee on all dues payments made after January 15<sup>th</sup>. An additional late fee of \$30 shall be assessed on all dues payments made after February 15<sup>th</sup> of each year. Any membership account outstanding as of March 31<sup>st</sup> shall be deactivated. Once a membership account has been deactivated for nonpayment of dues, a \$50 reinstatement fee shall be assessed in addition to the \$55 late fees to reinstate active membership. There shall be no refund of AAR dues paid.

### **B.6 – OPERATING AND RESERVE FUNDS INVESTMENT POLICY**

All AAR Funds not immediately required shall be invested by the CEO and Controller at the direction of the Treasurer and Executive Committee. Permitted investments shall include: Obligations of the US Treasury; obligations of an agency of the US Government; obligations of and obligations fully guaranteed by any of the fifty (50) states of the United States of America; Auction Preferred Stock (APS) and/or Auction Rate Certificates (ARC) and/or Variable Rate Demand Obligations (VRDO) and corporate bonds with an investment grade rating by a nationally recognized rating service. Funds invested in certificates of deposit shall not exceed the total amount insured, including interest earned to maturity, so that a guarantee is made of return of principal and interest.

With the approval of the Executive Committee, permitted investments shall also include up to twenty percent (20%) of the Capital Reserve, up to twenty percent (20%) of the Strategic Initiatives Reserve and up to twenty percent (20%) of the Issues Mobilization Fund in long term growth assets with equity exposure (such as stocks, stock mutual funds and exchange traded funds). The Capital Reserve, Strategic Initiatives Reserve and the Issues Mobilization Fund shall be analyzed annually taking into consideration past disbursements and anticipated future disbursements. Up to twenty percent (20%) of the funds in these accounts that are deemed not to be needed for their intended purpose for a period of five (5) years or greater shall be eligible to be invested in long term growth

assets with equity exposure. All investments in long term growth assets with equity exposure shall be reported to the Board of Directors at the next scheduled meeting.

#### **B.7 – CONTRACTS AND ENCUMBRANCES**

The President and/or CEO shall be the only individual(s) authorized to enter into contracts or agreements which incur financial or other liabilities to AAR. All contracts not authorized through action of the Executive Committee, Board of Directors or through the budgeting process in excess of ten thousand dollars (\$10,000) shall be presented to the Executive Committee for approval prior to execution.

### **C. REIMBURSEMENTS**

#### **C.1 – EXECUTIVE COMMITTEE TRAVEL**

Members of the Executive Committee who travel more than fifty (50) miles one way to attend Executive Committee meetings shall be reimbursed at the IRS-approved rate per mile for full roundtrip mileage, or actual coach air fare, when approved by the President. Lodging and expenses shall be paid for AAR state meetings.

#### **C.2 – TRAVEL REIMBURSEMENT**

All claims for travel reimbursement from individuals authorized to receive reimbursement shall be submitted to AAR within thirty (30) days from the time the expense was incurred. Authorized transportation shall be reimbursed on the basis of roundtrip mileage at IRS-approved rate or actual coach air fare. Authorized expenses for National meetings shall be reimbursed at the approved rate for the actual day(s) of the meeting plus one (1) additional day. Authorized in-state expenses shall be reimbursed at an approved rate for actual days on AAR business.

#### **C.3 – NATIONAL DIRECTOR REIMBURSEMENT**

National Directors eligible for expense reimbursement shall be those elected or appointed to fill entitlements other than those entitlements assigned Member Board and specifically representing franchise and/or large firm entitlements, as designated by the NATIONAL ASSOCIATION OF REALTORS®, and who are not otherwise reimbursed. Authorized reimbursement for National Directors to attend National meetings is contingent upon their attending the Member and Directors Forum, AAR Caucus (if any), the Rocky Mountain Regional Caucus and all meetings of the National Board of Directors at each National meeting. Any exceptions shall be approved at the President's discretion.

#### **C.4 – NATIONAL MID-YEAR/LEGISLATIVE MEETING REIMBURSEMENT**

The Federal Political Coordinators ("FPCs") shall be reimbursed for travel expenses to attend the NAR Mid-Year/ Legislative Meetings an amount to be established by the Board of Directors annually. Officers/NAR Directors reimbursement is contingent upon their attendance at the AAR Caucus, any Congressional Briefings and appropriate Hill visitations. Any exceptions shall be determined by the Executive Committee.

#### **C.5 – LINE OFFICER CREDIT CARD POLICY**

AAR line officers may request a corporate credit card but must complete and return the Corporate Credit Card Declaration prior to obtaining and using the card. AAR corporate credit cards will be issued with a maximum \$5,000 credit limit per individual. The AAR corporate credit card may be used for travel expenditures that are frequently incurred in the normal course of his or her duties with the Association. This includes, but is not limited to, hotel expenditures, airfare, meals, registration costs, etc. Should the corporate credit card be used inadvertently for personal expenditures, AAR reserves the right to recoup the associated costs from the named cardholder within 30 days from the statement date. Individuals may not use the corporate credit card to obtain cash advances, checks, or electronic cash transfers as this type of activity is strictly prohibited. Misuse of any kind will result in cancellation of the card and revocation of all corporate credit card privileges.

All AAR corporate credit card expenditures must be reconciled at the end of each month. AAR staff will email each cardholder a list of charges incurred during the month. **The cardholder is responsible for verifying that all charges listed are valid, identifying the event the charge is associated with, and submitting the corresponding receipts to the Accounting department within 5 days of receiving the list. Repetitive non-conformance to this policy will result in cancellation of the card and the loss of all corporate credit card privileges.**

Should a card become lost, stolen, or incur any fraudulent activity it must be reported immediately to the CEO or Controller. A new corporate card will be issued to the cardholder once a claim has been made with the bank.

### **D. LEGAL/STANDARD FORMS**

#### **D.1 – ACCESS TO LEGAL COUNSEL**

The AAR General Counsel and Associate Counsel provide support to AAR's CEO, Executive Committee, Board of Directors, and Primary Committees. Legal support to Member Boards and/or members is prohibited unless approved by the CEO.

## **D.2 – LEGAL ASSISTANCE**

One of the purposes of the Operating Reserve fund is to provide legal assistance to Boards and/or REALTORS® where litigation arises that can affect other REALTORS®, Member Boards or AAR. In such instances, funds may be used to defray costs and legal fees involved in such litigation. In addition, funds may be used for any litigation involving AAR including covering the deductible amount of AAR's errors and omissions coverage. No funds may be allocated or utilized to pay or apply to any judgment rendered against any party other than AAR for the payment of damages or fines.

Any request for legal assistance by a REALTOR® must be first supported by his Member Board. All requests, whether from a REALTOR® or a Member Board, must be submitted in writing to the CEO, setting forth the purpose of the request in as much detail as possible prior to any action being undertaken.

The Executive Committee, with AAR General Counsel present, shall hear and decide on all requests for legal assistance. No funds may be expended without the Executive Committee making determination that the matter is of such nature as to adversely affect real estate licensees and/or private property rights within the state of Arizona. The Executive Committee may decide that all costs and legal fees, or a portion thereof, be paid from the Reserve Fund.

The President shall, at the next meeting of the Board of Directors, following a commitment for the use of funds for legal assistance, report to the Directors as to the amount of monies committed or expended. The President shall not discuss at a regular Directors' meeting the nature of the individual case, the REALTOR® or the Member Board involved. Any Director may, however, review the file on the matter at AAR in the presence of the CEO.

In the event any REALTOR® or Member Board is dissatisfied with the action of the Executive Committee with regard to his or its request, the REALTOR® or Member Board may appear before the Board of Directors and a two-thirds ( $\frac{2}{3}$ ) vote of the Board of Directors present and voting may reverse or amend the action of the Executive Committee.

## **D.3 – STANDARD FORMS**

The Executive Committee or Board of Directors shall approve all form content and format, new or revised, prior to distribution for member use. Prior to substantive revision of any existing form being released, the revised form shall be circulated for comment from experts in the field, all Member Boards, and any appropriate Institutes, Societies or Councils. New or revised forms shall be released on or about February 1, June 1 and October 1 unless law or regulation mandates earlier release.

AAR grants permission to each of its Member Boards to use the AAR member benefit electronic forms software to print each of AAR's standard forms provided that the Member Board executes a license agreement with AAR setting forth the terms and conditions of such agreement.

## **D.4 – STANDARD FORMS COPYRIGHT**

Those who alter AAR's forms or sell or attempt to sell unauthorized copies of AAR forms will be vigorously pursued for violation of copyright law.

## **E. LEGISLATIVE/POLITICAL**

### **E.1 – ANNUAL LEGISLATIVE POLICIES**

The Legislative and Political Affairs Primary Committee is responsible to recommend subsequent year's legislative policies to the Board of Directors for approval. The Primary Committee may use any means to obtain member input; however, the Primary Committee, by its own motion(s), will present the final recommended Legislative Policies to the Executive Committee for its recommendation to the Board of Directors.

### **E.2 – FEDERAL POLITICAL COORDINATORS (FPC)**

FPC appointments and alternates shall be recommended by the incoming state association president in accordance with the National Association of REALTORS® established process for Federal Political Coordinator (FPC) nomination and changes. FPC term of appointment shall coincide with term of the applicable U.S. Representative or for one-half ( $\frac{1}{2}$ ) the term of the applicable U.S. Senator.

### **E.3 – CALLS FOR ACTION**

The Chair of the Legislative and Political Affairs Primary Committee, or Legislative Committee, or the President are the sole authorities for issuing a Call for Action.

## **F. NAR**

### **F.1 – ENDORSEMENTS AND NOMINATIONS OF CANDIDATES FOR NAR POSITIONS**

The President, President-elect, First Vice President and AAR National Directors, by majority vote, shall have the authority to endorse candidates for NAR officer/position from states other than Arizona on behalf of AAR and shall do so in a timely manner that will provide maximum benefit to and for AAR.

The Executive Committee and AAR National Directors, by majority vote, shall have the authority to select and endorse candidates from Arizona to seek NAR officer/positions to include NAR Treasurer, NAR First Vice President, NAR Regional Vice President and/or member of the NAR Nominating Committee representing NAR Region 11.

### **F.2 – NAR OFFICER CANDIDATE ASSISTANCE**

The Association shall assist an Arizona or Region 11 REALTOR® who gains AAR support as provided in AAR Policy seeking one of the following NAR officer positions:

- AAR member seeking NAR Regional Vice President, Region 11.
- AAR or Region 11 member seeking NAR Treasurer or higher position.  
Member must be an “official candidate” per NAR or Region 11 Nominating process. The maximum aggregate assistance per office sought shall be:
  - AAR member seeking NAR Regional Vice President, Region 11 - up to \$15,000
  - AAR member seeking NAR Treasurer or higher position - up to \$150,000
  - Region 11 member seeking NAR Treasurer or higher position- up to \$20,000

If an Arizona member is officially designated NAR Regional Vice President by Region 11 selection process and is not serving as an NAR Director, assistance for attending NAR meetings shall be provided as outlined in Policy *P.5* until the year the member serves as NAR Regional Vice President. Said member shall receive assistance for attending the Region 11 Conference until the year he officially serves.

## **G. CEO/INTERNAL**

### **G.1 – ACCOUNTABILITY SYSTEM**

Written job standards and expectations for the CEO shall be prepared by the Executive Committee officers annually at the time of the CEO’s performance review.

### **G.2 – COORDINATION OF STAFF TIME, RESPONSIBILITIES AND WORKLOAD**

All AAR staff is directly responsible to the CEO. Any requests for staff time other than normal staff liaison functions shall be coordinated through the CEO.

### **G.3 – STAFF ACCOUNTABILITY**

The CEO shall prepare, in concert with each employee, annual job standards and expectations for each program, product, service and activity, based on the Strategic Plan and one (1) year plan of work. These will be the primary standards against which employee performance is measured.

### **G.4 – DESK AUDITS**

The CEO shall perform compensation studies of all AAR staff positions at least every five (5) years.

### **G.5 – EMPLOYMENT**

AAR shall not employ more than one (1) member of the same immediate family at any time.

### **G.6 – STAFF RELATIVES IN LEADERSHIP POSITIONS**

Family members of staff shall not be eligible to serve on the Executive Committee or hold Chair or Vice Chair position(s) on AAR Primary Committees, committees, forums, networks or task forces. If such a relationship develops at the time a member is serving in any of said leadership positions either the leadership position or staff position must result in a resignation.

**NOTE:** Family member is defined as:

- a. A natural or adopted son or daughter of the staff member or a descendent of either.
- b. A stepson or stepdaughter of the staff member.
- c. The father or mother of the staff member or an ancestor of either.
- d. A stepfather or stepmother of the staff member.
- e. A son-in-law, daughter-in-law, father-in-law or mother-in-law of the staff member.

This policy includes spouse in definition of family members.

### **G.7 – INSTRUCTOR EMPLOYMENT STATUS**

All instructors/trainers shall be retained on an independent contractor basis. Any payment for such services shall be paid to a bona fide corporation, not to an unincorporated individual.

### **G.8 – NON-DUES INCOME PROGRAMS**

AAR staff shall be authorized to investigate potential non-dues income programs and to implement such programs that require less than a five hundred dollar (\$500) initial investment and expect at least a ten percent (10%) return, with approval of the CEO, without receiving approval from the Executive Committee or Board of Directors. Such programs shall contain “benchmarks” at which evaluation will occur to continue, alter or discontinue. Reports of implementation of such programs will be made periodically to the Executive Committee.

### **G.9 – SOLICITATIONS AND DONATIONS**

All solicitations for donations and funding of non-AAR projects must be approved by the Executive Committee or Board of Directors. Any requested funds must be accompanied by budget when submitted.

### **G.10 – MAILING LISTS AND ROSTERS**

The use of membership mailing lists and rosters for commercial purposes is expressly prohibited with the exception of uses authorized by the CEO in fulfillment of contractual obligations with affinity partners. Any non-commercial use of membership mailing list and rosters must be authorized by the CEO or by a person designated by the CEO. Under no circumstances shall member email addresses or phone numbers be provided for commercial use.

### **G.11 – HARASSMENT**

AAR fully supports the rights of all its members and employees to work in an environment free from harassment. Harassment means any verbal or physical conduct (verbal, physical, visual, electronic or by other means) including threatening or obscene language, unwelcome sexual advances, stalking, actions including strikes, shoves, kicks or other similar physical contacts, or threats to do the same, or any other with the purpose or effect of unreasonably interfering with an individual’s work performance by creating a hostile, intimidating, or offensive work environment. Any member or employee who believes that he or she has been the subject of harassment should follow the complaint procedures set forth in AAR’s Employee Policy and Procedure Manual immediately report the improper conduct to the association CEO or General Counsel. If for any reason the member or employee is not comfortable contacting the CEO or General Counsel, then the member or employee should contact the association President. Reports of harassment will be investigated promptly by Association legal counsel. Pending the investigation of any complaint, the individual named in the complaint may be asked not to participate in AAR Association functions until the matter is resolved. The results of the investigation shall be presented to a five member Executive Committee panel, which may impose any disciplinary action authorized by the Code of Ethics and Arbitration Manual, at the discretion of the Association.

### **G.12 – WHISTLE BLOWER POLICY**

AAR is committed to lawful and ethical behavior in all of its activities and requires its staff to conduct themselves in a manner that complies with all applicable laws and regulations. If at any time a concern exists regarding the propriety or legality of any action contemplated to be taken or that has been taken by any AAR officer, director, staff, committee member or any contractor or vendor as the action relates to AAR activities, or if an action needs to be taken in order for AAR to be in compliance with law or appropriate ethical standards, the issue can be addressed directly by going to the CEO as needed until matters are satisfactorily resolved.

Alternatively, if the complainant or aggrieved party is not comfortable speaking to the CEO about the matter, or does not feel that the issue has been properly addressed, they may contact AAR’s President or General Counsel about the matter. If the complainant or aggrieved party does not believe that direct channels of communication can/should be used to express their concerns, they can send an anonymous letter or email utilizing the U.S. Mail or any internet hosted email service (using an anonymous name) to the CEO, AAR’s President or General Counsel.

## Official Statements

### **OS.1 – CONTRACT BETWEEN BROKER AND SALESPEOPLE**

AAR strongly recommends that a Designated Broker maintain a written Independent Contractor Agreement with each salesperson setting forth their rights and obligations and that an office policy and procedure guide be provided to each salesperson, which the salesperson acknowledges reading and accepting.

### **OS.2 – COMMISSIONS AND FEES**

AAR does not and will not establish or maintain fixed or recommended rates of commission. Commissions are a matter of negotiations between the parties (the principal and the Designated Broker) and AAR will not interfere in those negotiations or inhibit in any way the freedom of the parties to negotiate.

## Private Property Rights Statement

The purpose of AAR is to serve its members by providing and promoting services to enhance members' abilities to conduct their businesses with integrity and competency; with due consideration for the preservation of private property rights.

We believe in the fundamental right of all private property owners to determine the highest and best use of their land, working through appropriate governmental entities.

Properly conducted programs of land conservation and historic preservation which attempt to protect aquifers, agricultural lands, wetlands, scenic vistas, natural areas, historic properties, and open space, may have a positive effect on the environment in towns, counties, and municipalities. However, in establishing land use laws and regulations for the purpose of protecting these resources, the cost of the benefits to the general public shall be borne by the general public.

Governments shall not arbitrarily infringe on the basic right of the individual to acquire, possess, and freely transfer real property, and shall protect private property rights as referred to in the 5<sup>th</sup> and 14<sup>th</sup> Amendments of the United States Constitution.

Every person should have the right to acquire real property with confidence and certainty that the value of such property will not be unduly diminished or jeopardized by governmental action at any level without just compensation or the owner's express consent.

The State and Federal governments should minimize their involvement in land use decisions and not withhold government grants and programs to enforce their policies.

We maintain that planning for the classification and use of land must adequately consider the needs of housing, agricultural, commercial, and industrial growth, as well as quality of life and a healthy local economy.

AAR supports responsible development through informed planning. Responsible and continual growth is healthy to the economic well being of our communities. Effective coalitions of State and local government, developers, and environmentalists are imperative to effect responsible growth.

## **RECOMMENDATION to Executive Committee**

**FROM:**

President Lori Doerfler

**RECOMMENDATION:**

To appoint 2018 President Lori Doerfler and President-Elect D. Patrick Lewis as Arizona's 2018 representatives on the Region XI Nominating Committee.

**BACKGROUND:**

The Region XI Nominating Committee is composed of two people from each of the six states in the Region who have served or are currently serving as National Directors. The purpose of the committee is to nominate candidates for the Region XI RVP. Traditionally AAR appoints the AAR President and President-Elect to serve on the Nominating Committee.

**BUDGET IMPACT:**

None

**MOTION:**

**TO APPOINT 2018 PRESIDENT LORI DOERFLER AND PRESIDENT-ELECT D. PATRICK LEWIS AS ARIZONA'S 2018 REPRESENTATIVES ON THE REGION XI NOMINATING COMMITTEE.**

**FOR MORE INFORMATION CONTACT:**

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