



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

MEETING AGENDA

Committee: MLSSAZ Board of Directors
Meeting Date: May 28, 2020
Chair: Sue Cartun, President

I.	Call to Order 3:00pm	
II.	Consent Agenda*	
	A. Board of Directors Meeting Reports, April 23, May 1 and 8, 2020.....	2
	B. Committee Reports	
	1. Executive Committee Report, May 18, 2020	5
	2. Standards Committee, May 6, 2020.....	7
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	D. Trends Reports	
	1. Membership Trends	10
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	E. March and April Class Report	21
	F. Meeting Dates and Event Announcements	
	1. MLS Standards Committee, 6/3/2020 – 1:30pm	
	2. MLS Technology Committee, 6/2/2020 - 2:30pm	
	3. MLSSAZ Executive Committee, 6/15/2020 – 11:30am	
	4. MLSSAZ Board of Directors, 6/25/2020 – 3:00pm	
III.	2019 Audit Report, Jay Parke, CPA Walker & Armstrong.....	22
IV.	Treasurers Report: Cheryl Terpening	
	A. Balance Sheet.....	48
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V.	Unfinished Business	
	A. Clear Cooperation Policy Update	
	B. Coming Soon Update	
	C. Open Houses Update and Comparison reports	
	D. Showing Time Service Implementation plan	
	E. Technology Committee Report, May 5, 2020.....	52
	1. Discussed adding an additional phone app to accompany the Flexmls Pro app. Committee agreed another phone app is not necessary at this time, and perhaps more education on the Flexmls Pro app is needed.	
VI.	New Business	
	A. Communications and Website Workgroup	
	B. NAR MLS Issues & Policy Committee and NAR Board of Directors New Policy on Broker Content	

*= Items that may require action.



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Board of Directors (Zoom Video Conferencing)

Meeting Date: April 23, 2020

Chair: Sue Cartun, President

Call to Order: 3:03pm

Attendance: Jim Adams Lori Adamson Jim Bowman Sue Cartun
Kim Clifton Susan Derlein David Dynes Cathy Erchull
Diane Marzonie Louis Parrish Joette Schenck Cheryl Terpening

Legal Counsel: Kay Nelson

Guest: Jeff Turner William Mordka

Staff: Andrew Castillo Christine Sanchez Randy Rogers

Action Items:

M/S/F: Move to approve the Technology Committee's recommendation to provide immoviewer as a benefit to Participants and Subscribers.

M/S/C: Move to approve the Consent Agenda as presented.

M/S/: Move to approve the Clear Cooperation documents as presented allowing 120 days before fines are assessed.

M/S/C: Amend the underlying motion to change certification to Clear Cooperation/Exempt/Delayed Authorization Form on the MLSSAZ Rules & Regulations Listing Procedures, Section 1.

M/S/C: The underlying motion as amended.

Information Items:

- Jeff Turner presented on immoviewer, an automated video creation utilizing listing photos. The Technology Committee recommended the Board of Directors consider the product as a Participant/Subscriber benefit at a cost of \$5000 for one-year.
 - It was moved, seconded and failed to provide immoviewer as a benefit to Participants and Subscribers.
- Review of the March financials.
 - The Finance and Budget Committee met to review the 2020 budget and to develop several scenarios accounting for a potential loss in revenue as a result of a decrease in renewals.
 - The committee has accounted for a 15% loss and they will be monitoring the renewals as the MLS 2020-2021 invoices are scheduled to go out in June and due by July 31.
 - The board will review and discuss if late fees should be charged at their May meeting.
- Review of the Clear Cooperation Policy documents: Rules and Regulations, Coming Soon/Exempt/Delayed Authorization Form, Residential Listing Agreement and FAQ's.
 - It was moved, seconded and passed to accept the Clear Cooperation Policy documents allowing 120 days before fines are assessed with an amendment to change "certification" to "Clear Cooperation/Exempt/Delayed Authorization Form" in the Rules and Regulations, Listing Agreement, Section 1.
 - The board agreed that the focus for the first 90 days will be education with an additional 30 days of leniency and continued education unless a Participant or Subscriber is egregious in their violation.
 - Communication of the policy and approved documents will begin on Friday, April 24; CEO Rogers will email the board the communication piece for feedback prior to sending out to Participants and Subscribers.
 - Staff will compile a list of feedback to share with the board to determine if modifications to the policy will need to be made in the future.
 - President Cartun thanked the task force and staff for all the effort that was put into creating the policy.
 - Staff is working on creating a simple one-page document on the policy.
- Discussion about the confusion regarding the Virtual Open House field in FlexMLS and a request to inquire with FlexMLS to change the field name to Virtual Live Open House. FlexMLS does have a video on how this field should be used.
- Meeting Adjourned at 4:46pm



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Board of Directors (Zoom Video Conferencing)

Meeting Date: May 1, 2020

Chair: Sue Cartun, President

Call to Order: 11:06am

Attendance: Jim Adams Lori Adamson Sue Cartun Kim Clifton
Susan Derlein David Dynes Cathy Erchull John Gebhart
Diane Marzonie Louis Parrish Joette Schenck

Staff: Randy Rogers Christine Sanchez

Action Items:

M/S/F: Move to approve to immediately enable the in-person Open House field in FlexMLS

Information Items:

- Discussion on enabling the in-person Open House field in FlexMLS; it was moved, seconded and failed.
- Governor Ducey has extended the stay-at-home order until May 15, 2020; the board will reconvene to discuss the issue further when there are changes to the stay-at-home order.
- Meeting Adjourned at 11:47am



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Board of Directors (Zoom Video Conferencing)

Meeting Date: May 8, 2020

Chair: Sue Cartun, President

Call to Order: 10:17am

Attendance: Jim Adams Lori Adamson Jim Bowman Sue Cartun
Susan Derlein Cathy Erchull Diane Marzonie Louis Parrish
Joette Schenck Cheryl Terpening
Staff: Randy Rogers Christine Sanchez

Action Items:

M/S/C: Move to approve to turn on the in-person Open House field in FlexMLS immediately or as soon as FlexMLS is able to.

M/S/: Move to approve to allow Coming Soon Status for the Multifamily Category within our listing service.

M/S/C: Amend the underlying motion to include all categories in FlexMLS for the Coming Soon Status.

M/S/C: The underlying motion as amended.

Information Items:

- Discussion on in the event Governor Ducey lifts the stay-at-home order earlier than the May 15th date, that the Board will also agree to turn on the in-person Open House field in FlexMLS with the earlier date. It was moved, seconded and passed to turn on the in-person Open House field in FlexMLS immediately or as soon as FlexMLS is able to.
- Discussion on adding the Coming Soon Status to the Multifamily Category in FlexMLS; it was moved and seconded. An amendment was made to include all categories in FlexMLS for the Coming Soon Status. It was moved, seconded and passed.
- Meeting Adjourned at 10:54am



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Executive Committee (Zoom)
Meeting Date: May 18, 2020
Chair: Sue Cartun, President
Call to Order: 11:35 am

Attendance: Sue Cartun David Dynes Cheryl Terpening Louis Parrish

Absent:

Staff: Randy Rogers

Action Items:

Information Items:

- Inspection Change Request
 - David Dynes brought forth inquiry from agent that is subscriber to MLSSAZ and ARMLS, asking if inspectors could have access to lockboxes without the agent being present.
 - Discussion regarding current policies, history and liability, and current environment (COVID)
 - Executive Committee requests that the Standards Committee revisit this subject at their upcoming Committee meeting.
- Clear Cooperation Policy Update and Coming Soon Update
 - CEO Rogers updated committee via the supporting document included with agenda.
 - 35 Coming Soon Listings to date. Most questions are about “how-to” issues.
 - Recommendation to continue education of policy with Gateway messages, pop-ups and links on Gateway.
- Open Houses
 - CEO Rogers updated committee via the supporting document included with agenda
 - 44 Open Houses May 9/10 and 137 currently scheduled for May 16/17
 - Recommendation to find comparison numbers to see what “normal” weeks are like. The month of May 2019 had 1342 Open Houses.
 - Information is for reference only at this time however part of larger data gathering for future strategic planning needs or comparisons.
- Phone App
 - Technology Committee reviewed again at May meeting and recommended moving forward with Flexmls app. Confirmation by the Executive Committee is needed.
 - President Cartun and CEO Rogers explained history of project.
 - Identified in Strategic Plan, Focus Group reviewed and sent to Technology Committee. Flexmls was in process of improving the Flexmls App. Technology Committee recommended that we work with Flexmls app and not seek outside app developers.
 - Discussion of clarity needed for training and education of this project.
 - Recommendation to confirm with the MLSSAZ Board that Flexmls is the preferred route.
- Website
 - President Cartun and CEO Rogers described history of project originating with Strategic Plan.
 - Discussion regarding who is the audience. Executive Committee agreed Participants and Subscribers are priority.
 - Recommendation that President Cartun establish a charge for Work Group and solicit input of Executive Committee for participants. Charge of Work Group to lead to clear RFP for project.

- Review of Legal needs
 - President Cartun and CEO Rogers asked for discussion on role and needs for local legal counsel attendance at all meetings. Determined to retain current counsel
 - Recommendation to maintain relationship however attendance at meetings only needed when requested.
- Audit
 - CEO Rogers informed the Committee of the successful completion of the 2019 Audit.
 - Recommendation for Audit presentation to occur at the May MLSSAZ Board meeting.
- NAR Board of Directors policy on Broker Content
 - CEO Cartun updated Committee regarding NAR Board vote regarding access to Broker Content. Some MLS's do not provide and this vote changes that access.
 - MLSSAZ has always provided this option to Brokers.
- Showing Time implementation
 - Implementation Timeline to be presented to the Board of Directors. Goal is to implement as soon as possible.
- Additional Topics
 - MLS Issues and Policies Committee.
 - President Cartun alerted Committee regarding discussion at NAR level about certification of MLS Bylaws, similar to Association's ability to do so.
 - This topic may come to NAR Board in November 2020.
 - CEO Rogers updated plans for reopening of the building with a phased approach. May Board meeting will be held via Zoom.

Meeting Adjourned 1:17 pm



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

Committee: MLSSAZ Standards
Meeting Date: May 6, 2020
Chair: Sterling Bancroft
Called to order: 1:32 PM

Present: Sterling Bancroft, Henry Zipf, Annie Barmore, Patrick Devine, Amanda Elmer, Jacob Freidman, Mindy Maddock, Ken Nelson, Michele Ream, Michael Smith, Lisa Sullivan.
Absent: Shiraz-ali Peera.
Staff: Andrew Castillo.
Guests: None.

Information Items:

- Meeting was held via Zoom video conference.
 - Sterling Bancroft Chairman chaired this meeting.
 - Minutes of the April meeting were approved.
 - The committee discussed allowing virtual open house website links input directly into the Property Description Field in Flexmls. Currently Zillow cannot properly display the virtual open house media contained in the MLS feed for listings that utilize the Virtual Open House feature. As a temporary measure while Zillow works to support the virtual open house field, It was requested for the MLS to allow the web addresses containing the source of virtual open house media be input directly into the property description field within Flexmls.
 - It was the recommendation of the Standards Committee to not allow exceptions for the advertising of web sites in the publicly displayed property description field. The opinion of the committee is allowing such exceptions would be detrimental, inviting violations that fall outside of the original intent of supporting the display of virtual open houses.
 - The committee discussed compliance for delayed input properties with listing agreements dated prior to the requirements of the Clear Cooperation Policy.
 - For delayed input listings begun prior to May 1, 2020, It was the recommendation of Standards Committee to not allow additional extensions postponing the date of input beyond the original authorized delayed date of entry.
 - During the 120-day educational focused period allotted for the implementation of the Clear Cooperation Policy, the Standards Committee recommendation is to reinforce the listing participants reasonability to supervise the advertisements of the listing brokerage. This may include utilizing updated listing agreements and authorization forms, In addition to working with sellers and agents in order to strategize an MLS listing submission for publicly marketed properties.
- Administrative Sanctions Issued.
- Two Letters of Concern – (1) Non-Correction of a violation.

Adjourned @ 2:19 PM

Our next meeting is June 3, 2020 at 1:30 PM



New Subscribers

4/1/2020 through 4/31/2020

Last Name	First Name	Office	Type	Association
Beatty	Linda	AZ Department of Financial Institutions	APPR	Other
Gibson	James	Sage Valuation	BAPPR	Other
Engelhart	Liz	Advantage Realty Professionals	MAB	Other
Chavez	Lisa	Haymore Real Estate	MAB	Other
Sandoval	Felix	Best Homes Real Estate, LLC	MAB	Other
Drayfahl	Cassandra	Tierra Antigua Realty (SV)	MAB	Other
Hughes	Karie	HomeSmart	MAB	Other
Trevino Heredia	Jorge	DeLex Realty, LLC 001	MAB	Other
Marquez Morier	Mayte	eXp Realty LLC	MAB	Other
Gay-Baradic	Ann	West USA Realty	MAB	Other
Perry	Brice	Move Time Realty	MAB	Other
Rasmussen	Colleen	Tierra Antigua Realty (SV)	MAB	Other
Babyar	William	Brokers Only, LLC	MAB	Other
Celaya	Anthony	Keller Williams Realty Phx 01	MAB	Other
Chitty	Joanne	Keller Williams Legacy One	MAB	Other
Guevara	Eric	EMG Real Estate	MAB	Other
Hernandez	Laura	United Real Estate Southern Arizona	MAB	Other
Bickle	Kristi	Realty ONE Group 02	MAB	Other
Marquez	Andres	eXp Realty LLC	MAB	Other
Thompson	Michelle	Savage-Walker Realty	MAB	Other
Gonzalez	Yesenia	Tierra Antigua Realty	MAB	Other
Almanza	Deborah	West USA Realty	MAB	Other
Valenzuela	Stephanie	HomeSmart	MAB	TAR
Shaffer	John	West USA Realty	MAB	Other
Paul	Susan	Move Time Realty	MBB	Other
Savage	Sarah	Savage-Walker Realty	MBB	Other
Novoa	Ray	Novoa Realty LLC	MBB	Other
Cruz	Raymundo	Voyage Realty	MBB	Other
Barber	David	Dave Barber Realty, Inc.	MBB	Other
Fabor	Alexandria	Launch Real Estate	MBB	Other
Britt	Janet	Long Realty -Green Valley	R	GVSAR
Norman	Mike	Copper View Realty, LLC	R	GVSAR
Garcia	Alejandro	Acclaimed Realty Group LLC	R	SCCBOR
Acedo	Richard	Voyager Bay Co	R	TAR
Merheb	Mo	Long Realty Company	R	TAR
Knight-Gibbons	Tammy	Tierra Antigua Realty	R	TAR
Smith	Alison	HomeSmart Pros Real Estate	R	GVSAR
Padilla	Jessica	Realty Executives Arizona Territory	R	TAR
Nguyen	Kim	Realty Executives Arizona Territory	R	TAR
Hardy	Joseph	Long Realty Company	R	TAR
Villafane	Jorge	Keller Williams Southern Arizona	R	TAR

R=REALTOR, DR=Designated REALTOR, MAB=MLS Only Agent, MBB=MLS Only Broker, APR=Appraiser



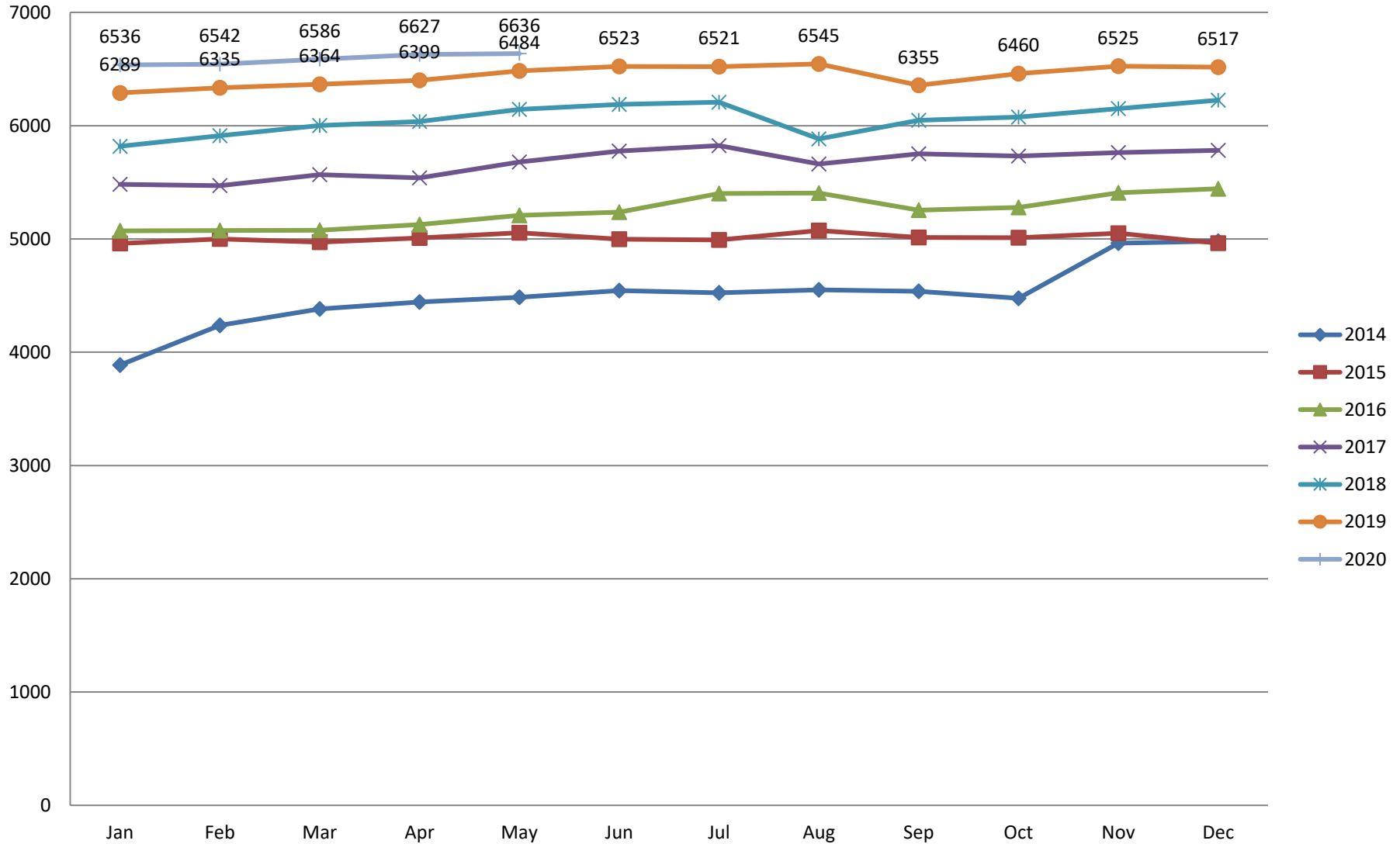
New Subscribers

4/1/2020 through 4/31/2020

Cramer Rasmussen	Alicia	Realty One Group Integrity	R	TAR
Strege	Farida	Long Realty Company	R	TAR
Van Vleet	Jeniffer	Realty Executives Arizona Territory	R	TAR
Culbertson	Szilvia	Tierra Antigua Realty	R	TAR
Dansbee	Wyatt	eXp Realty	R	TAR
Powell	John	OMNI Homes International, LLC	R	TAR
Anderson	Megan	PMI Tucson	R	TAR
Tapia	Jesus	Tierra Antigua Realty	R	TAR
LaMonaca	Candace	eXp Realty LLC	R	TAR
Alvarez	Julia	eXp Realty LLC	R	TAR
Jones	Alexander	Long Realty Company	R	TAR
Rasmussen	Lindsay	Tierra Antigua Realty (SV)	R	TAR
Templeton	Delbert	United Real Estate Southern Arizona	R	TAR

New Subscriber Count - 54

Membership Trends April 2020



Active Participants: 940

All Residential Properties Market Overview

Key metrics by report month and for year-to-date (YTD) starting from the first of the year. Includes all Single Family and Townhome/Condo listings in the MLS.

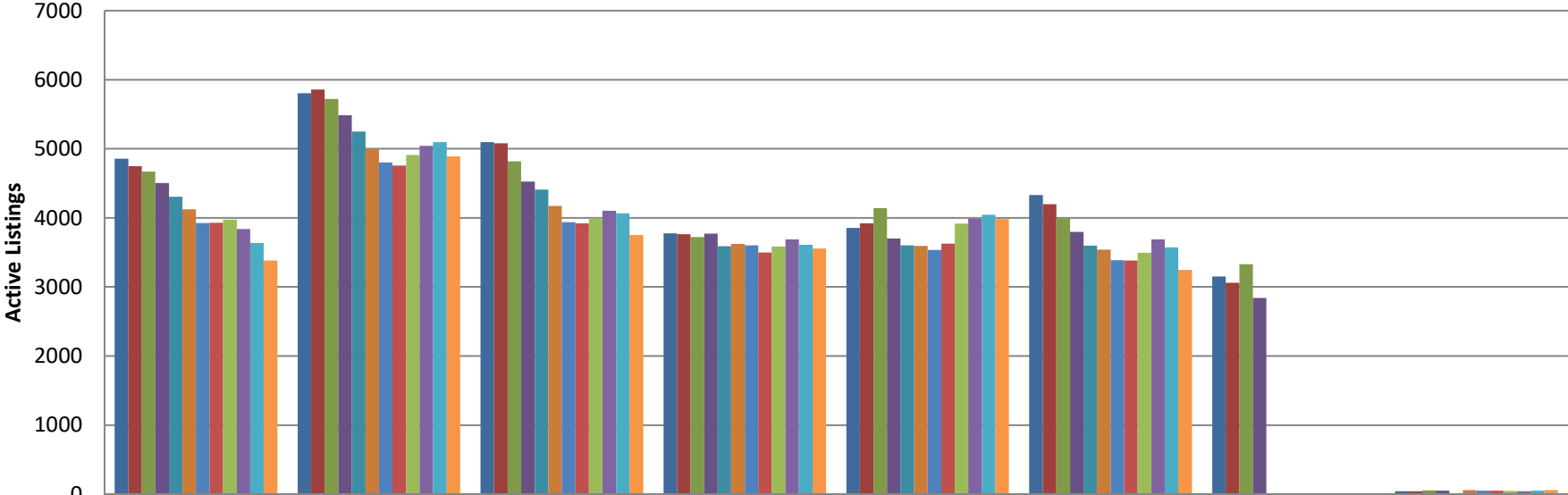


MULTIPLE LISTING SERVICE OF
SOUTHERN ARIZONA

Key Metrics	Historical Sparkbars	4-2019	4-2020	% Change	YTD 2019	YTD 2020	% Change
New Listings		2,163	1,576	- 27.1%	8,596	7,998	- 7.0%
Pending Sales		1,955	1,525	- 22.0%	6,956	6,559	- 5.7%
Closed Sales		1,788	1,379	- 22.9%	5,819	5,766	- 0.9%
Days on Market Until Sale		43	31	- 27.9%	46	38	- 17.4%
Median Sales Price		\$215,000	\$245,000	+ 14.0%	\$217,000	\$239,995	+ 10.6%
Average Sales Price		\$255,946	\$283,716	+ 10.8%	\$256,883	\$283,075	+ 10.2%
Percent of List Price Received		98.1%	98.6%	+ 0.5%	98.1%	98.5%	+ 0.4%
Housing Affordability Index		135	124	- 8.1%	134	126	- 6.0%
Inventory of Homes for Sale		3,919	3,004	- 23.3%	—	—	—
Months Supply of Inventory		2.5	1.9	- 24.0%	—	—	—

Inventory Trends

April 2020



	2004	2015	2016	2017	2018	2019	2020	Distressed
Jan	4856	5803	5095	3777	3855	4329	3150	43
Feb	4750	5857	5078	3765	3922	4196	3059	43
Mar	4668	5721	4820	3721	4140	3989	3330	54
Apr	4505	5487	4525	3773	3700	3798	2842	49
May	4307	5250	4408	3589	3601	3598		
Jun	4123	4992	4175	3624	3593	3538		57
Jul	3926	4803	3936	3602	3536	3388		52
Aug	3927	4758	3919	3500	3627	3381		51
Sep	3976	4909	3996	3587	3918	3493		47
Oct	3838	5043	4103	3689	3988	3687		43
Nov	3633	5096	4067	3611	4046	3571		48
Dec	3383	4888	3752	3557	3982	3245		58

*Beginning January 2016, inventory market area has been adjusted to include the entire MLSSAZ Service Area including Coshise, Graham, and Greenlee counties.



Multiple Listing Service of Southern Arizona

- **STRATEGIC**
- **FRAMEWORK**
- **And 2019-2023**
- **Strategic Plan**

Updated December 19, 2019



DRAFT MLSSAZ Strategic Framework

MLSSAZ Value Proposition

Mission

The Multiple Listing Service of Southern Arizona is the central source for comprehensive, accurate and timely property and community data to facilitate efficient transactions and drive cooperation throughout the region.

Commitment to Quality

In pursuing its mission, MLSSAZ commits to deliver a quality product and user experience as defined by:

Flexibility: proactive response to changing industry trends and subscriber needs – an MLS that provides value for *the way business is being done*

Service: knowledgeable, professional and prompt customer service across multiple channels

Efficiency: tools and resources that drive efficiency in business practice and enhanced productivity

Connection: a comprehensive ‘hub’ that connects subscribers seamlessly with the data, resources and people needed throughout the real estate transaction

Continuous Improvement: regular evaluation to improve MLS efficiency and data integrity

Communication: regular, open, two-way communication and feedback loop, providing subscribers with a voice to inform MLS decision-making

MLSSAZ Vision Statement

The Multiple Listing Service of Southern Arizona will be the real estate professional’s preferred source to meet the needs of consumers for comprehensive, accurate information and connection to resources.

MLSSAZ Long-term Goals

MLSSAZ Programs, Products and Services

1. To be a hub of data, resources and connections to service providers that continue to evolve to meet the changing needs and expectations of participants, subscribers and consumers.
2. To provide access to MLSSAZ tools, training and support whenever, wherever and however participants prefer.

Data Quality and Technology

3. To provide the most comprehensive and accurate data on the region's real estate marketplace and all forms of real property.
4. To provide an unparalleled user experience through the continued application of advances in technology.

Marketing, Communication and Outreach

5. To be recognized and respected as the trusted source for real estate information in all markets within the region.
6. To commit to continuous improvement through open, two-way communication and engagement.

MLSSAZ Organizational Development and Sustainability

7. To be an efficient and progressive organization with active, committed leadership, the staff and financial resources, and the technology and structure required to fulfill MLSSAZ goals and priorities.

◆

2019-2023 MLSSAZ Strategic Plan

MLSSAZ PROGRAMS, PRODUCTS AND SERVICES

Issue: Continued Product Development ('Hub' concept)

Objective: Connect subscribers seamlessly to the programs, products and services they need to successfully serve clients, as those needs change.

2020 Objective as determined by Executive Committee and Board: Retain outside expertise to help identify technology for a 'plug-and-play' platform

2021 Milestones: By 2021 . . .

- MLSSAZ has evaluated, based on needs, options for applications and has implemented the top three.
- A 'hub' plug-and-play infrastructure has been created.

Issue: Training and Technical Support

Objective: Enhance the accessibility of MLSSAZ training and support.

2019 Objective=Complete: Market Stats training created and implemented. See Attachments for more details.

2020 Objective: Identify training needs Q1

2021 Milestones: By 2021 . . .

- Round-the-clock 'how-to' information and technical support is available to members through multiple channels.

Issue: Robust Market Reports

Objective: Produce a suite of market reports that enhance subscriber professionalism in serving clients and facilitate sound decision-making.

2019 Objective=Complete. Replacement Statistics program researched tested and implemented.

2020 Objectives: Surveying brokers about the need for a "showing service". 12/19. Implementing an association specific container in Gateway Dashboard. 2/20 Process of retiring ActiveKEY and fully implementing eKEY. In Process

2021 Milestones: By 2021 . . .

- A reporting system, together with on-demand training, is in place to meet the needs of changing market conditions.

DATA QUALITY AND TECHNOLOGY

Issue: Application of Advanced Technology

Objective: Stay on the cutting-edge of technological advancement to remain an essential tool that supports the way subscribers are doing business.

2019 Objective=In Process. FlexMLS contract was extended for 36 months.

2020 Objective=In Process. FlexMLS will partner with MLSSAZ to conduct research, surveys, usability studies and focus groups.

2021 Milestones: *By 2021 . . .*

- MLSSAZ has a robust mobile presence for agent use with multiple integrations.

Issue: Regional Integration and Quality of Data

Objective: Demonstrate the value of MLSSAZ to non-users as the most comprehensive, accurate and timely data platform in the region.

2019 Objective=Complete. Converted and imported historical information from the Green Valley/Sahuarita into the MLSSAZ database. 05/19 Converted and imported historical information from the Santa Cruz County into MLSSAZ database. 07/19.

2021 Milestones: *By 2021 . . .*

- MLSSAZ will have explored and pursued potential expansion in the region and beyond.

Issue: Data Expansion

Objective: Become the single source for subscribers to address all essential property and related data.

2021 Milestones: *By 2021 . . .*

- A commercial information exchange will be operational.
- MLSSAZ will be integrated into traditional property management platforms.

MARKETING, COMMUNICATION AND OUTREACH

Issue: Subscriber Customer Service

Objective: Put systems in place so that all subscribers receive excellent customer service and have regular opportunities to express needs and engage in MLSSAZ
2019 Objectives=Complete. Gateway is utilized for Breaking news and important information.

2020 Objectives: Implement hotline Q1. Develop recurring newsletter for non-emergency information. Q1

2021 Milestones: By 2021 . . .

- Information on the MLS is being consistently delivered to all subscribers, regardless of association affiliation.
- All members have an opportunity on a regular basis to express needs, provide feedback, etc.
- All subscribers are met with consistent, prompt, professional response whenever and however they interact with MLSSAZ.
- Subscribers experience ease of use and immediate access on an interactive, responsive platform.

Issue: Communication of the MLSSAZ Value Proposition/Brand

Objective: Raise awareness and recognition by subscribers and consumers of MLSSAZ as the preferred source for property data in the region.

2019 Objective=Complete. MLSSAZ hosted a Participants Meeting at the GVSAR conference center.05/19

2020 Objective In Process. MLSSAZ is creating a membership website. This will be created in conjunction with the new TAR website. Address with new Communications Director.

2021 Milestones: By 2021 . . .

- MLSSAZ is branded as the originating, most credible source for accurate, comprehensive and timely property data.

Issue: Embracing the Range of Needs within the MLSSAZ Reach (2 votes)

Objective: Better reflect the range of needs of subscribers and markets within MLSSAZ data and services.

2019 Objective=Complete. Profile Sheets updated to include dining and breakfast areas, conventional pool.08/19

2020 Objective=In Process. Profile Sheets in the process of being reviewed for address concerns, frustration with Lane/Lot and Rental fields.

2021 Milestones: By 2021 . . .

- MLSSAZ will have evaluated the full range of subscriber data and service needs in the region and will have evolved to accommodate two top priority needs (such as reports for different types of buyers, and definitions and search options for property types).

MLSSAZ ORGANIZATIONAL DEVELOPMENT AND SUSTAINABILITY

Issue: MLSSAZ Business Model (2 votes)

Objective: Adopt an MLSSAZ business model that supports the most efficient and profitable operation possible.

2019 Objectives=Complete. Staff reviewed data and cleaned up of RAMCO

Membership System. Completed 07/19. Staff reviewed accounting procedures and implemented improvements of RAMCO Membership System. 09/19. Staff set up and implemented an automated transmittal of data from the RAMCO Membership System to the Supra/FlexMLS systems. 9/2019. MLSSAZ hosted three strategic planning sessions. Goals and Strategic Priorities were created. 02/19. New methods of communication were utilized for the 2019/2020 billing cycle. These include newsletter/updates, emails, message boards, direct broker messages, and login intercept messages. 11/19. Updated MLSSAZ Policy statements for consistency with the MLS By-laws and rules and regulations.

2021 Milestones: *By 2021 . . .*

- MLSSAZ will have evaluated and evolved to a business model that better supports the future needs and value proposition of the MLS

Issue: Expansion of Scope/Growth Strategy (8 votes)

Objective: Expand the reach of the MLS to provide value for all critical segments of the real estate marketplace.

2020 Goal as determined by BOD and Executive Committee. Develop protocol and procedures for evaluation. Develop standards.

2021 Milestones: *By 2021 . . .*

- MLSSAZ will have defined new strategic categories for expansion.

Issue: MLSSAZ Leadership and Governance (5 votes)

Objective: Develop a system and structure to ensure continuous engagement of subscribers from all parts of the region, and development of competent, progressive leaders for MLSSAZ.

2019 Objectives=Complete. Addition of Board voting representation by regional associations. 1/19. Developed Board and staff communication protocol, 11/19. Held annual elections for 2020 BOD

2021 Milestones: *By 2021 . . .*

- Pathways to leadership have been defined.
- The MLS governance structure has evolved to represent diverse constituents and the leadership competencies needed to achieve MLSSAZ goals.

Issue: MLSSAZ Resource Capacity (12 votes)

Objective: Ensure that the resources are available to regularly invest in the programs and technology that will position MLSSAZ as a progressive, preferred platform for property data and services.

2019 Objective=Complete. Established strongest financial reserves in recent history, 11/19. Reviewed and adjusted Cooperative Agreement with Shareholder for cleaner numbers monthly, on-going. Established daily financial operations to minimize risk and

provide efficiencies at reduced cost, 5/19 Achieved “clean” audit for 2018. Hired first ever MLSSAZ Legal Counsel

2021 Milestones: *By 2021 . . .*

- MLSSAZ will have a clear understanding of the long-term resources needed and will have pursued both traditional and non-traditional options to build capacity.
-

	March and April Combined	# of Classes	Attend.		
One		2	19		
Two	Virtual Zoom kicked off April 15	1	7		
Three		1	12		
Tips Tricks		1	11		
Market Stats		2	15		
RPR		0			
P Coaching					
Busines hours			15		
B or A hours			3		
Brokerages	Omni	1	12		
Total with PC		8	94		
Video View			650	MLSSAZ no CCP	
			794		
			717	CCP	
			1512		

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
And Tucson REALTORS[®] Charitable Foundation**

Consolidated and Combined Financial Statements

**Year ended December 31, 2019
(with summarized comparative information
for the year ended December 31, 2018)**

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Independent Auditor’s Report

Board of Directors and Management
Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®]
Multiple Listing Service, Inc., and
Tucson REALTORS[®] Charitable Foundation
Tucson, Arizona

We have audited the accompanying consolidated and combined financial statements of Tucson Association of REALTORS[®], Inc., Tucson Association of REALTORS[®] Multiple Listing Service, Inc. and Tucson REALTORS[®] Charitable Foundation, which comprise the consolidated and combined statement of financial position as of December 31, 2019, and the related consolidated and combined statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the consolidated and combined financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated and combined financial statements (“collectively referred to as financial statements”) in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entities’ preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entities’ internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tucson Association of REALTORS[®], Inc., Tucson Association of REALTORS[®] Multiple Listing Service, Inc. and Tucson REALTORS[®] Charitable Foundation as of December 31, 2019, and the changes in their net assets and their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Tucson Association of REALTORS[®], Inc., Tucson Association of REALTORS[®] Multiple Listing Service, Inc. and Tucson REALTORS[®] Charitable Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated August 19, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental consolidating and combining statements of financial position and activities on pages 20 through 23 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Walker & Armstrong, LLP

Phoenix, Arizona
April 30, 2020

Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidated and Combined Statement of Financial Position
December 31, 2019
(with comparative financial information as of December 31, 2018)

	2019	2018
Assets		
<i>Current assets</i>		
Cash and cash equivalents	\$ 2,858,450	\$ 2,019,345
Accounts receivable, net	23,303	17,590
Inventory	80,607	148,243
Prepaid expenses and deposits	32,670	11,250
Investments	1,432,696	1,230,088
Total current assets	4,427,726	3,426,516
<i>Noncurrent assets</i>		
Property and equipment, net	2,615,712	2,700,183
Deferred tax asset	4,544	-
Total noncurrent assets	2,620,256	2,700,183
Total assets	\$ 7,047,982	\$ 6,126,699
Liabilities and Net Assets		
<i>Current liabilities</i>		
Accounts payable	\$ 172,535	\$ 146,797
Accrued compensation	91,517	81,902
Accrued liabilities	39,845	26,623
Income taxes payable	39,108	114,175
Deferred membership dues revenue	875,069	583,788
Deferred service fee revenue	1,046,237	920,945
Undistributed dues payable	63,413	142,071
Contributions payable	48,680	56,575
Capital lease obligation - current portion	2,801	7,448
Mortgage payable - current portion	120,711	115,140
Total current liabilities	2,499,916	2,195,464
<i>Long-term liabilities, net of current portion</i>		
Capital lease obligation	-	2,801
Mortgage payable	619,822	740,615
Total long-term liabilities	619,822	743,416
Total liabilities	3,119,738	2,938,880
<i>Net assets</i>		
Without donor restrictions (see Note 12 - Designations)	3,928,244	3,187,819
Total liabilities and net assets	\$ 7,047,982	\$ 6,126,699

The accompanying notes are an integral part of these consolidated and combined financial statements.

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidated and Combined Statement of Activities**

Year ended December 31, 2019

(with comparative financial information for the year ended December 31, 2018)

	2019	2018
<u>Without Donor Restrictions</u>		
Operating Activities:		
Revenue and support		
Service revenue	\$ 2,030,924	\$ 1,813,022
Membership dues revenue	1,690,158	1,555,891
Merchandise revenue	477,431	542,068
Other charges and rental income	140,589	140,534
Professional development revenue	74,739	73,866
Contributions	74,359	59,226
Other revenue	37,018	38,674
Total revenue and support	4,525,218	4,223,281
Expenses		
<i>Program services</i>		
Multiple listing service	1,180,703	1,110,345
Member services	1,141,611	1,098,749
Community relations	404,311	400,249
<i>Supporting services</i>		
General and administrative	1,110,579	1,042,715
Total expenses	3,837,204	3,652,058
Change in net assets from operating activities	688,014	571,223
Nonoperating Activities:		
Investment return, net	199,909	(92,353)
Loss on disposal of fixed assets	-	(24,153)
Current income tax expense	(152,042)	(116,265)
Deferred income tax benefit	4,544	-
Change in net assets from nonoperating activities	52,411	(232,771)
Change in net assets	740,425	338,452
Net assets, beginning of year	3,187,819	2,849,367
Net assets, end of year	\$ 3,928,244	\$ 3,187,819

The accompanying notes are an integral
part of these consolidated and combined financial statements.

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidated and Combined Statement of Functional Expenses
Year ended December 31, 2019**

(with summarized comparative financial information for the year ended December 31, 2018)

	Program Services			Supporting Services	Total Functional Expenses	
	Multiple Listing Service	Member Services	Community Relations	General and Administrative	2019	2018
Salaries and wages	\$ 347,468	\$ 373,206	\$ 180,168	\$ 386,075	\$ 1,286,917	\$ 1,366,187
Payroll taxes	28,942	31,086	15,007	32,158	107,193	114,259
Employee benefits	39,111	42,009	20,280	43,457	144,857	149,807
Total salaries and related	415,521	446,301	215,455	461,690	1,538,967	1,630,253
Board expenses	-	-	-	18,030	18,030	40,830
Building expenses	40,377	63,450	-	11,536	115,363	131,298
Computer services	33,591	20,595	-	42,254	96,440	93,962
Contributions	-	-	77,796	-	77,796	49,000
Supplies and printing	4,962	6,065	812	43,596	55,435	67,024
Marketing and advertising	-	-	51,409	-	51,409	21,716
Class expenses	38	97,864	-	-	97,902	9,215
Utilities	11,428	17,958	-	3,265	32,651	28,886
Travel	-	-	-	136,075	136,075	163,877
Taxes and licenses	-	-	-	30,034	30,034	30,455
Awards	-	16,284	-	-	16,284	13,831
Bank and credit card fees	-	-	-	105,586	105,586	95,455
Dues and commitments	568,951	256,786	37,028	18,066	880,831	844,433
Event expenses	-	80,714	16,969	1,706	99,389	86,607
Legal and professional fees	-	-	-	224,903	224,903	69,300
Speaker fees	-	43,061	-	620	43,681	52,560
Service centers	55,307	-	-	-	55,307	64,407
Retail store costs	-	20,910	-	-	20,910	25,539
Staff expense	2,446	933	4,842	1,349	9,570	35,409
Other	13,943	17,042	-	2,116	33,101	3,013
Total functional expenses before depreciation	1,146,564	1,087,963	404,311	1,100,826	3,739,664	3,557,070
Depreciation and amortization	34,139	53,648	-	9,753	97,540	94,988
Total functional expenses	<u>\$ 1,180,703</u>	<u>\$ 1,141,611</u>	<u>\$ 404,311</u>	<u>\$ 1,110,579</u>	<u>\$ 3,837,204</u>	<u>\$ 3,652,058</u>

The accompanying notes are an integral
part of these consolidated and combined financial statements.

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidated and Combined Statement of Cash Flows
Year ended December 31, 2019**

(with comparative financial information for the year ended December 31, 2018)

	2019	2018
Cash flows from operating activities:		
Cash received from members, customers and contributors	\$ 4,857,420	\$ 4,232,076
Cash paid to employees and suppliers	(3,627,696)	(3,358,450)
Investment income received	46,631	289
Income taxes paid	(225,410)	(14,408)
Interest paid	(38,702)	(43,924)
Net cash provided by operating activities	1,012,243	815,583
Cash flows from investing activities:		
Property and equipment purchases	(13,069)	(60,913)
Purchases of investments	(61,956)	(821,118)
Sales of investments	24,557	57,078
Net cash used for investing activities	(50,468)	(824,953)
Cash flows from financing activities:		
Principal payments on mortgage payable	(115,222)	(111,396)
Principal payments on capital lease obligation	(7,448)	(6,914)
Net cash used for financing activities	(122,670)	(118,310)
Net change in cash and cash equivalents	839,105	(127,680)
Cash and cash equivalents, beginning of year	2,019,345	2,147,025
Cash and cash equivalents, end of year	\$ 2,858,450	\$ 2,019,345

The accompanying notes are an integral
part of these consolidated and combined financial statements.

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidated and Combined Statement of Cash Flows - Continued
Year ended December 31, 2019**

(with comparative financial information for the year ended December 31, 2018)

	2019	2018
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net assets	\$ 740,425	\$ 338,452
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	97,540	94,988
Loss on disposal of property and equipment	-	24,153
Unrealized (gain) loss on investments	(165,209)	82,726
Deferred income tax benefit	(4,544)	-
<i>Changes in assets and liabilities:</i>		
(Increase) decrease in:		
Accounts receivable	(5,713)	(10,920)
Inventory	67,636	77,070
Prepaid expenses and deposits	(21,420)	13,723
Increase (decrease) in:		
Accounts payable	25,738	65,248
Accrued compensation	9,615	12,213
Accrued liabilities	13,222	7,282
Deferred membership dues and service revenue	416,573	(63,568)
Undistributed dues payable	(78,658)	83,283
Contributions payable	(7,895)	(8,000)
Income taxes payable	(75,067)	98,933
Net cash provided by operating activities	\$ 1,012,243	\$ 815,583

The accompanying notes are an integral
part of these consolidated and combined financial statements.

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation**
Notes to the Consolidated and Combined Financial Statements
Year ended December 31, 2019
(with comparative financial information for the year ended December 31, 2018)

Note 1 - Summary of Significant Accounting Policies

A summary of the significant accounting policies consistently applied in the preparation of the accompanying consolidated and combined financial statements are as follows:

Organization

Tucson Association of REALTORS[®], Inc. was organized to unite the real estate community and to promote and maintain high standards of conduct. Tucson Association of REALTORS[®] Multiple Listing Service, Inc. (“MLS”) is a wholly owned subsidiary of Tucson Association of REALTORS[®] (“Realtors”) and was established to develop programs, products and services to benefit its members. Tucson REALTORS[®] Charitable Foundation (the “Foundation”) was established in November 2007 to further the charitable endeavors of Realtors and MLS. The organizations, (collectively referred to as the “Association”) maintain an office in Tucson, Arizona and provide services to members located throughout southern Arizona.

Basis of Presentation

The consolidated and combined financial statements of the Association have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America. The Association reports information regarding its financial position and activities in two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets without Donor Restrictions

Net assets without donor restrictions are classified as either undesignated or designated net assets. Undesignated net assets are those currently available at the discretion of the board of directors for use in the Association’s operations, in accordance with its bylaws. Designated net assets have been segregated by authorization of the board of directors to provide for various purposes as detailed in Note 12 to the consolidated and combined financial statements. The Association reports its revenue and other support as without donor restrictions if there are no donor-imposed restrictions which limit its use.

Net Assets with Donor Restrictions

Net assets with donor restrictions consist of contributions with donor stipulations for use which will be satisfied by actions of the Association by incurring expenses satisfying the restricted purpose or other events specified by donors. When a restriction is met, donor restricted net assets are reclassified to net assets without donor restrictions in the statement of activities as released from restrictions. The Association has no donor restricted net assets.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 1 - Summary of Significant Accounting Policies - Continued

Principles of Consolidation, Combination and Presentation

The accompanying financial statements present the consolidation of Realtors and its wholly owned subsidiary, MLS and the combination of the Foundation, an organization related through common management. All material intercompany transactions and balances have been eliminated in consolidation and combination.

Measure of Operations

The statements of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Association's ongoing activities. Non-operating activities are limited to resources that generate return on investments, rental activities, and income taxes.

Cash Equivalents and Investments

For purposes of the statement of cash flows, the Association considers all highly liquid securities purchased with an original maturity of three months or less to be cash equivalents. Investments are stated at cost, which approximates fair market value. Investment return is presented net of investment fees.

Fair Value of Financial Instruments

The carrying amount of receivables, payables and other current liabilities approximates fair value due to the short-term maturity of those instruments. The capital lease obligations and mortgage payable approximate fair value based on their interest rates and maturities.

Accounts Receivable

Accounts receivable are carried at their estimated collectible amounts. Accounts outstanding greater than 90 days are considered delinquent. There was no allowance for uncollectible receivables as of December 31, 2019 and 2018 as management considers all amounts collectible. Accounts receivables are written off after all methods of collection have been exhausted.

Inventory

Inventory consists of lockboxes and selling supplies for sale to Association members and is stated at the lower of cost or market. Cost is determined by using the first-in, first-out method.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 1 - Summary of Significant Accounting Policies - Continued

Property and Equipment

Property and equipment are stated at cost or, if acquired through donation, at fair value on the date of acquisition. Costs for routine repairs and maintenance are charged to operations as incurred. Costs for tangible assets in excess of \$1,000 that benefit a period exceeding one year are capitalized.

Depreciation is provided on the straight-line basis over the estimated useful lives of the related assets. Useful lives vary from five to ten years for office furniture and equipment, and from five to thirty-nine years for buildings and improvements.

Membership Dues, Service Revenues, Merchandise Revenue and Other Charges

Membership dues (Realtors), and service revenues (MLS) are billed annually and recognized as revenue ratably over the membership period. Membership dues are billed in November of each year and are due by December 31st while service revenues are billed in May of each year and are due by June 30th. Amounts received for subsequent year's dues are recorded as deferred membership dues revenue in the statement of financial position. Amounts due to the state and national organizations are recorded as undistributed dues payable.

Other charges and community support consist of rental income and fees that are recognized as revenue when the space is rented or the services are rendered.

Merchandise revenue consists of retail store income which is recognized as revenue as items are sold and revenue for the administration of SUPRA keys which is recognized based on the period in which the administrative services are rendered.

Advertising Costs

Advertising costs are charged to operations when incurred and were \$51,409 and \$21,716 for 2019 and 2018, respectively.

Income Taxes

Realtors and the Foundation are exempt from income taxes under Section 501(c)(6) and 501(c)(3), respectively, of the Internal Revenue Code. Certain unrelated business income is taxed at normal corporate rates.

MLS is a Subchapter C corporation subject to both federal and state income tax. When applicable, deferred income taxes are provided under the liability method. Deferred tax assets and liabilities are determined based upon the estimated future tax effects of differences between the financial statements and income tax returns, as measured by the currently enacted tax rates.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 1 - Summary of Significant Accounting Policies - Continued

Donated Services

No amounts have been reflected in the statements for donated non-professional services inasmuch as no objective basis is available to measure the value of such services; however, volunteers have donated significant amounts of their time to the Association's program services.

Use of Estimates

The preparation of the consolidated and combined financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated and combined financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cost Allocations

The consolidated and combined financial statements report certain categories of expenses that are attributable to one or more program or supporting function of the Association. Those expenses include allocation of the staff based on time and effort in each department. Building expenses are allocated based on square footage, while supplies, printing and staff development are allocated based on the usage for each department. In the consolidating and combining statements of activities, intercompany expenses charged by one entity to another related entity are reported as direct program or supporting expenses by the charging entity and as general and administrative expenses by the entity charged for the expense.

Note 2 – Liquidity

The Association's financial assets available within one year of the date of the consolidated and combined statements of financial position for general expenditures as of December 31, 2019 and 2018 are as follows:

	2019	2018
Cash and cash equivalents	\$ 2,858,450	\$ 2,019,345
Investments	1,432,696	1,230,088
Accounts receivable, net	23,303	17,590
Total financial assets	4,314,449	3,267,023
Less: non-operating board designated funds	(245,627)	(291,386)
Total financial assets available for general expenditures within one year	\$ 4,068,822	\$ 2,975,637

Notes to the Consolidated and Combined Financial Statements – Continued

Note 2 – Liquidity - Continued

As part of its liquidity, management has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Association invests cash in excess of daily requirements in short-term investments. Although the Association does not intend to spend from its designated financial assets other than amounts appropriated for specified expenditures as part of its annual budget approval process, amounts from its designated financial assets could be made available, if necessary. In addition, certain expenses are directly related to membership renewal, which are supported by dues revenue.

Note 3 – Cash, Cash Equivalents and Investments

The Association’s cash, cash equivalents and investments as of December 31, 2019 and 2018 were as follows:

	2019	2018
Stock and bond mutual funds	\$ 1,432,696	\$ 1,230,088
Money market mutual funds	204,890	242,906
Total held by brokerage company	1,637,586	1,472,994
Cash on hand and in bank	2,653,560	1,776,439
Total cash, cash equivalents and investments	\$ 4,291,146	\$ 3,249,433

The total cash on hand and held in banks as reported in the accompanying consolidated and combined statements of financial position for the years ended December 31, 2019 and 2018 are as follows:

	2019	2018
Cash and cash equivalents	\$ 2,858,450	\$ 2,019,345
Investments	1,432,696	1,230,088
Total cash on hand and held in banks	\$ 4,291,146	\$ 3,249,433

The Association’s net investment returns and losses as reported in the accompanying consolidated and combined statements of activities for the years ended December 31, 2019 and 2018 consisted of the following:

	2019	2018
Interest and dividends	\$ 46,702	\$ 306
Investment expenses	(12,002)	(10,070)
Net realized gains (losses)	-	137
Net unrealized gains (losses)	165,209	(82,726)
Net investment return	\$ 199,909	\$ (92,353)

Notes to the Consolidated and Combined Financial Statements – Continued

Note 4 – Fair Value Measurements

Financial accounting standards define fair value, establish a framework for measuring fair value, and establish a fair value hierarchy which prioritizes valuation techniques. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes valuation techniques used to measure fair value into three broad levels:

- **Level 1** - Valuation based on unadjusted quoted prices within active markets for identical assets or liabilities accessible or payable by the Association. The Association's level 1 assets consist of exchange traded, close-ended and mutual funds.
- **Level 2** - Valuation based on quoted market prices for similar assets or liabilities within active or inactive markets or information other than quoted market prices observable through market data for substantially the full term of the asset or liability. The Association does not have any assets or liabilities classified as level 2.
- **Level 3** - Valuation based on inputs other than quoted market prices that reflect assumptions about the asset or liability that market participants would use when performing the valuation based on the best information available in the circumstances. The Association does not have any assets or liabilities classified as level 3.

The following tables set forth by level, within the fair value hierarchy, the Association's investments at fair value as of December 31, 2019 and 2018:

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Exchange traded, close-ended and mutual funds	\$ 1,432,696	\$ -	\$ -	\$ 1,432,696
Total investments at fair value	\$ 1,432,696	\$ -	\$ -	\$ 1,432,696

Notes to the Consolidated and Combined Financial Statements – Continued

Note 4 – Fair Value Measurements - Continued

	December 31, 2018			Total
	Level 1	Level 2	Level 3	
Exchange traded, close-ended and mutual funds	\$ 1,230,088	\$ -	\$ -	\$ 1,230,088
Total investments at fair value	\$ 1,230,088	\$ -	\$ -	\$ 1,230,088

Note 5 - Property and Equipment

Property and equipment consisted of the following at December 31, 2019 and 2018:

	Cost	Accumulated Depreciation	Net Book Value
December 31, 2019			
Land	\$ 1,180,000	\$ -	\$ 1,180,000
Building and improvements	2,088,581	(763,641)	1,324,940
Office equipment	214,573	(190,621)	23,952
Furniture, fixtures and equipment	215,626	(128,806)	86,820
	\$ 3,698,780	\$ (1,083,068)	\$ 2,615,712
December 31, 2018			
Land	\$ 1,180,000	\$ -	\$ 1,180,000
Building and improvements	2,088,581	(704,547)	1,384,034
Office equipment	203,678	(173,711)	29,967
Furniture, fixtures and equipment	213,452	(107,270)	106,182
	\$ 3,685,711	\$ (985,528)	\$ 2,700,183

Assets acquired under capital leases include a phone system and copiers and have a combined net carrying value of \$27,372 as of December 31, 2019 and 2018. Amortization of the costs is reported as a component of depreciation expense and accumulated depreciation. Amortization costs for these assets were \$24,779 and \$17,427 as of December 31, 2019 and 2018, respectively.

Note 6 – Intercompany Transactions and Balances

Realtors and MLS have agreements in which MLS reimburses Realtors for certain facility and administrative costs incurred. In addition, Realtors has in-kind contributions to the Foundation for personnel, marketing and accounting costs that are paid by Realtors on behalf of the Foundation.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 6 – Intercompany Transactions and Balances - Continued

In-kind contributions were based on the estimated time and services expensed on behalf of the Foundation. The following is a summary of those transactions which are eliminated in consolidation:

	2019	2018
Cooperative agreement	\$ 715,534	\$ 769,033
Rental agreement	110,449	160,992
Service and maintenance agreement	107,261	77,397
Personnel, marketing and accounting contributions	34,681	31,157
	\$ 967,925	\$ 1,038,579

Total intercompany balances relating to unsettled transactions between entities as of December 31, 2019 and 2018 are as follows:

	2019	2018
Due to MLS from Realtors	\$ 42,559	\$ -
Due to Realtors from MLS	-	15,564
Due to MLS from Foundation	-	180
Due to Foundation from Realtors	5,310	7,808
	\$ 47,869	\$ 23,552

Unsettled transactions between MLS and Realtors are primarily the result of overpayments or underpayments based on budgeted intercompany cooperative agreement expenses compared to actual expenses and unsettled transactions due to Foundation from Realtors are primarily due to Foundation revenue collected by Realtors which has not yet been remitted to the Foundation.

Realtors records an investment in MLS based on its ownership interest and records earnings of MLS as revenue and dividends as reductions in its investment in MLS which are eliminated in consolidation.

Note 7 – Mortgage Payable

Mortgage payable consists of the following at December 31, 2019 and 2018:

	2019	2018
Mortgage payable collateralized by land and building; payable in monthly installments of \$12,826, including interest of 4.75%; with the balance due on June 13, 2025.	\$ 740,533	\$ 855,755

Notes to the Consolidated and Combined Financial Statements – Continued

Note 7 – Mortgage Payable - Continued

Future maturities on the mortgage payable are as follows at December 31:

<u>Year Ending</u>	<u>Amount</u>
2020	\$ 120,711
2021	126,753
2022	132,994
2023	139,542
2024	146,386
Thereafter	<u>74,147</u>
Total	740,533
Less: current portion	<u>(120,711)</u>
Long-term portion	<u>\$ 619,822</u>

As part of its mortgage agreement, the Association is subject to certain financial covenants which have been met as of December 31, 2019. The terms of the agreement also contain a covenant requiring submittal of audited financial statements within 90 days of year-end for which the Association obtained an extension from the lender and was therefore not considered non-compliant under the agreement.

Note 8 – Capital Lease Obligation

The Association entered into a capital lease agreement for equipment in which the minimum future payments under the leases are as follows as of December 31, 2019:

<u>Year Ending</u>	<u>Amount</u>
2020	<u>\$ 2,910</u>
Total payments	2,910
Less: amount representing interest	<u>(109)</u>
Total principal	2,801
Less: current portion	<u>(2,801)</u>
Long-term portion	<u>\$ -</u>

Note 9 – Line of Credit

In January 2018, Realtors entered into a \$400,000 line of credit agreement with a financial institution for working capital. The line bears a variable interest rate at the lender's index with a set floor of 0%, an initial rate of 4.5% and accrued interest payments due monthly. The line of credit is collateralized by the property where the Association operates and matured in January 2019.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 9 – Line of Credit - Continued

In February 2019, Realtors renewed the agreement with a change in interest rate and a maturity date of January 3, 2022. The interest rate under the renewed agreement is the prime rate which at the time of renewal was 5.5%. Realtors did not make any draws on the line of credit during 2019 or 2018.

Note 10 – Concentrations of Credit Risk

Financial instruments that potentially expose the Association to concentrations of credit and market risk consist primarily of cash, cash equivalents and investments. Cash equivalents are maintained in money market funds and the Association has not experienced any losses on its cash equivalents. The Association's investments do not represent significant concentrations of market risk inasmuch as the Association's investment portfolio is diversified among issuers of money market funds, ETFs, stocks and mutual funds.

As of December 31, 2019 and 2018, bank deposits totaling \$1,706,617 and \$693,565 were uninsured and uncollateralized. Cash equivalents consisting of money market accounts provide Securities Investor Protection Corporation insurance up to \$500,000.

Note 11 – Employee Retirement Plan

The Association has a 401(k) profit sharing plan for all full time employees with one year of service who have attained the age of 21 years. Eligible employees may make contributions to the plan up to the maximum allowed by the Internal Revenue Service. Total employee contributions to the plan were \$24,428 and \$15,711 while total employer contributions were \$38,252 and \$38,429 for the years ended December 31, 2019 and 2018, respectively.

Note 12 – Designated Net Assets

The Association's board of directors have designated certain net assets for the following purposes:

Realtors legislative issues - designated to fund efforts related to legislative issues affecting members.

Realtors operating - designated to provide a reserve fund to meet future operating needs of Realtors.

Realtors capital - designated for major purchases of property and equipment.

Realtors STAR - designated to assist Realtor members experiencing financial hardship due to unexpected catastrophes that detrimentally affect their ability to conduct real estate business.

MLS operating - designated to provide a reserve fund to meet future operating needs of MLS.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 12 – Designated Net Assets - Continued

These designations, which are reported as a component of net assets without donor restriction on the consolidated and combined statements of financial position, were as follows at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Realtors legislative issues reserve	\$ 149,976	\$ 247,962
Realtors capital reserve	55,714	2,388
Realtors STAR reserve	39,937	41,036
Total non-operating reserves	<u>245,627</u>	<u>291,386</u>
Realtors operating reserve	731,645	369,600
MLS operating reserve	790,845	511,241
Total operating reserve	<u>790,845</u>	<u>511,241</u>
Total designated net assets	<u>\$ 1,768,117</u>	<u>\$ 1,172,227</u>

Note 13 – Contingencies

The Association is subject to legal proceedings and claims which arise in the ordinary course of its business. However, management does not expect to incur any material losses related to these matters.

Note 14 – Commitments

Effective January 2016, the MLS entered into a contract with Green Valley/Sahuarita Association of REALTORS® Multiple Listing Service, Inc. and with Santa Cruz County Association of REALTORS® Multiple Listing Service, Inc. (Associations) to operate service centers at the Associations' locations. These service centers will allow members of the Associations to use MLS's multiple listing service. MLS will pay the subscription and services fees and will compensate the Associations for costs incurred to operate their service centers.

The terms of the contracts are two (2) years from the effective date of January 1, 2016. The contracts will automatically continue for one (1) successive one year-term unless terminated in writing by either party. Combined annual rent for the two service centers is \$63,000. MLS renewed these agreements on January 1, 2019 for one year with automatic successive one year terms unless terminated by any of the parties with 90 days written notice. Combined annual costs under the renewed agreements are \$69,360.

In May 2019, MLS entered into an agreement to add a marketing statistics reporting tool to its website. Under the agreement, MLS will pay \$0.90 per subscriber for two years with an additional three successive one-year automatic terms unless terminated with a 90 day notice. At December 31, 2019, there were 6,517 subscribers which equates to an estimated expense of \$5,865 per month.

Notes to the Consolidated and Combined Financial Statements – Continued

Note 15 – Subsequent Events

Management has evaluated subsequent events through April 30, 2020, the date in which the consolidated and combined financial statements were available to be issued noting that the COVID-19 outbreak in the United States is expected to cause business disruption through mandated and voluntary closure or limited operations of businesses. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the disruption and closures. The related financial impact on the Association and the duration cannot be reasonably estimated at this time although decreases in revenue from classes and facilities rentals is expected in 2020 and the Association has experienced investment losses of \$218,416 as of March 31, 2020 due to declines in the market. No other events or transactions occurred subsequent to the date of the consolidated and combined financial statements that require additional disclosure or adjustment to the consolidated and combined financial statements.

Supplementary Information

Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidating and Combining Statements of Financial Position
December 31, 2019

	<u>Realtors</u>	<u>MLS</u>	<u>Foundation</u>	<u>Elimination Entries</u>	<u>Totals</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 1,402,567	\$ 1,365,321	\$ 90,562	\$ -	\$ 2,858,450
Accounts receivable, net	23,303	-	-	-	23,303
Inventory	-	80,607	-	-	80,607
Prepaid expenses and deposits	26,960	5,710	-	-	32,670
Due from Realtors, MLS and Foundation	-	42,559	5,310	(47,869)	-
Investments	<u>483,227</u>	<u>949,469</u>	<u>-</u>	<u>-</u>	<u>1,432,696</u>
Total current assets	1,936,057	2,443,666	95,872	(47,869)	4,427,726
Noncurrent assets					
Property and equipment, net	2,615,712	-	-	-	2,615,712
Deferred tax asset	4,544	-	-	-	4,544
Investment in MLS	<u>1,231,067</u>	<u>-</u>	<u>-</u>	<u>(1,231,067)</u>	<u>-</u>
Total noncurrent assets	<u>3,851,323</u>	<u>-</u>	<u>-</u>	<u>(1,231,067)</u>	<u>2,620,256</u>
Total assets	<u>\$ 5,787,380</u>	<u>\$ 2,443,666</u>	<u>\$ 95,872</u>	<u>\$ (1,278,936)</u>	<u>\$ 7,047,982</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable	\$ 51,049	\$ 121,486	\$ -	\$ -	\$ 172,535
Accrued compensation	91,517	-	-	-	91,517
Accrued liabilities	34,077	5,768	-	-	39,845
Income tax payable	-	39,108	-	-	39,108
Deferred membership dues revenue	875,069	-	-	-	875,069
Deferred service fee revenue	-	1,046,237	-	-	1,046,237
Undistributed dues payable	63,413	-	-	-	63,413
Contributions payable	35,000	-	13,680	-	48,680
Capital lease obligation - current portion	2,801	-	-	-	2,801
Mortgage payable - current portion	120,711	-	-	-	120,711
Due to Realtors, MLS and Foundation	<u>47,869</u>	<u>-</u>	<u>-</u>	<u>(47,869)</u>	<u>-</u>
Total current liabilities	1,321,506	1,212,599	13,680	(47,869)	2,499,916
Long-term liabilities, net of current portion					
Mortgage payable	<u>619,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,822</u>
Total long-term liabilities	<u>619,822</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>619,822</u>
Total liabilities	1,941,328	1,212,599	13,680	(47,869)	3,119,738
Net assets					
Without donor restrictions	<u>3,846,052</u>	<u>1,231,067</u>	<u>82,192</u>	<u>(1,231,067)</u>	<u>3,928,244</u>
Total liabilities and net assets	<u>\$ 5,787,380</u>	<u>\$ 2,443,666</u>	<u>\$ 95,872</u>	<u>\$ (1,278,936)</u>	<u>\$ 7,047,982</u>

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service, Inc.,
and Tucson REALTORS[®] Charitable Foundation
Consolidating and Combining Statements of Activities
Year ended December 31, 2019**

	<u>Realtors</u>	<u>MLS</u>	<u>Foundation</u>	<u>Elimination Entries</u>	<u>Totals</u>
<u>Without Donor Restrictions</u>					
Operating Activities:					
Revenue and support					
Service revenue	\$ -	\$ 2,030,924	\$ -	\$ -	\$ 2,030,924
Membership dues revenue	1,690,158	-	-	-	1,690,158
Merchandise revenue	-	477,431	-	-	477,431
Other charges and rental income	106,821	33,768	-	-	140,589
Professional development revenue	74,739	-	-	-	74,739
Contributions	-	-	74,359	-	74,359
Other revenue	27,718	9,300	-	-	37,018
In-kind contributions	-	-	34,681	(34,681)	-
Intercompany charges	933,244	-	-	(933,244)	-
Total revenue and support	<u>2,832,680</u>	<u>2,551,423</u>	<u>109,040</u>	<u>(967,925)</u>	<u>4,525,218</u>
Expenses					
Program services					
Multiple listing service	527,707	644,242	8,754	-	1,180,703
Member services	850,433	281,662	9,516	-	1,141,611
Community relations	341,436	692	62,183	-	404,311
Supporting services					
General and administrative	<u>1,024,574</u>	<u>1,041,679</u>	<u>12,251</u>	<u>(967,925)</u>	<u>1,110,579</u>
Total expenses	<u>2,744,150</u>	<u>1,968,275</u>	<u>92,704</u>	<u>(967,925)</u>	<u>3,837,204</u>
Change in net assets from operating activities	88,530	583,148	16,336	-	688,014
Nonoperating Activities:					
Investment return, net	71,857	128,052	-	-	199,909
Current income tax expense	(50)	(151,992)	-	-	(152,042)
Deferred income tax benefit	4,544	-	-	-	4,544
Gain on investment in subsidiary	<u>559,208</u>	<u>-</u>	<u>-</u>	<u>(559,208)</u>	<u>-</u>
Change in net assets from nonoperating activities	<u>635,559</u>	<u>(23,940)</u>	<u>-</u>	<u>(559,208)</u>	<u>52,411</u>
Change in net assets	724,089	559,208	16,336	(559,208)	740,425
Dividends paid	-	(55,000)	-	55,000	-
Net assets, beginning of year	<u>3,121,963</u>	<u>726,859</u>	<u>65,856</u>	<u>(726,859)</u>	<u>3,187,819</u>
Net assets, end of year	<u>\$ 3,846,052</u>	<u>\$ 1,231,067</u>	<u>\$ 82,192</u>	<u>\$ (1,231,067)</u>	<u>\$ 3,928,244</u>

**Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service of Southern Arizona, Inc.,
and Charitable Foundation
Consolidating and Combining Statements of Financial Position
December 31, 2018**

	<u>Realtors</u>	<u>MLS</u>	<u>Foundation</u>	<u>Elimination Entries</u>	<u>Totals</u>
Assets					
Current assets					
Cash and cash equivalents	\$ 1,035,841	\$ 901,776	\$ 81,728	\$ -	\$ 2,019,345
Accounts and loans receivable, net	17,590	-	-	-	17,590
Inventory	-	148,243	-	-	148,243
Prepaid expenses and deposits	11,250	-	-	-	11,250
Due from Realtors, MLS and Foundation	15,564	180	7,808	(23,552)	-
Investments	411,198	818,890	-	-	1,230,088
Total current assets	<u>1,491,443</u>	<u>1,869,089</u>	<u>89,536</u>	<u>(23,552)</u>	<u>3,426,516</u>
Noncurrent assets					
Property and equipment, net	2,700,183	-	-	-	2,700,183
Investment in MLS	726,859	-	-	(726,859)	-
Total noncurrent assets	<u>3,427,042</u>	<u>-</u>	<u>-</u>	<u>(726,859)</u>	<u>2,700,183</u>
Total assets	<u>\$ 4,918,485</u>	<u>\$ 1,869,089</u>	<u>\$ 89,536</u>	<u>\$ (750,411)</u>	<u>\$ 6,126,699</u>
Liabilities and Net Assets					
Current liabilities					
Accounts payable	\$ 64,261	\$ 82,536	\$ -	\$ -	\$ 146,797
Accrued compensation	81,902	-	-	-	81,902
Accrued liabilities	17,613	9,010	-	-	26,623
Income tax payable	-	114,175	-	-	114,175
Deferred membership dues revenue	583,788	-	-	-	583,788
Deferred service fee revenue	-	920,945	-	-	920,945
Undistributed dues payable	142,071	-	-	-	142,071
Contributions payable - current portion	33,075	-	23,500	-	56,575
Capital lease obligation - current portion	7,448	-	-	-	7,448
Mortgage payable - current portion	115,140	-	-	-	115,140
Due to Realtors, MLS and Foundation	7,808	15,564	180	(23,552)	-
Total current liabilities	<u>1,053,106</u>	<u>1,142,230</u>	<u>23,680</u>	<u>(23,552)</u>	<u>2,195,464</u>
Long-term liabilities, net of current portion					
Capital lease obligation	2,801	-	-	-	2,801
Mortgage payable	740,615	-	-	-	740,615
Total long-term liabilities	<u>743,416</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>743,416</u>
Total liabilities	<u>1,796,522</u>	<u>1,142,230</u>	<u>23,680</u>	<u>(23,552)</u>	<u>2,938,880</u>
Net assets					
Without donor restrictions	<u>3,121,963</u>	<u>726,859</u>	<u>65,856</u>	<u>(726,859)</u>	<u>3,187,819</u>
Total liabilities and net assets	<u>\$ 4,918,485</u>	<u>\$ 1,869,089</u>	<u>\$ 89,536</u>	<u>\$ (750,411)</u>	<u>\$ 6,126,699</u>

Tucson Association of REALTORS[®], Inc.,
Tucson Association of REALTORS[®] Multiple Listing Service of Southern Arizona, Inc.,
and Charitable Foundation
Consolidating and Combining Statements of Activities
Year ended December 31, 2018

	<u>Realtors</u>	<u>MLS</u>	<u>Foundation</u>	<u>Elimination</u> <u>Entries</u>	<u>Totals</u>
<u>Without Donor Restrictions</u>					
Operating Activities:					
Revenue and support					
Service revenue	\$ -	\$ 1,813,022	\$ -	\$ -	\$ 1,813,022
Membership dues revenue	1,555,891	-	-	-	1,555,891
Merchandise revenue	-	542,068	-	-	542,068
Other charges and rental income	106,060	34,474	-	-	140,534
Professional development revenue	73,866	-	-	-	73,866
Contributions	-	-	59,226	-	59,226
Other revenue	30,681	7,993	-	-	38,674
In-kind contributions	-	-	31,157	(31,157)	-
Intercompany charges	<u>1,007,422</u>	<u>-</u>	<u>-</u>	<u>(1,007,422)</u>	<u>-</u>
Total revenue and support	2,773,920	2,397,557	90,383	(1,038,579)	4,223,281
Expenses					
Program services					
Multiple listing service	505,168	598,104	7,073	-	1,110,345
Program services	806,872	283,047	8,830	-	1,098,749
Community relations	330,309	1,500	68,440	-	400,249
Supporting services					
General and administrative	<u>1,010,415</u>	<u>1,059,452</u>	<u>11,427</u>	<u>(1,038,579)</u>	<u>1,042,715</u>
Total expenses	<u>2,652,764</u>	<u>1,942,103</u>	<u>95,770</u>	<u>(1,038,579)</u>	<u>3,652,058</u>
Change in net assets from operating activities	121,156	455,454	(5,387)	-	571,223
Nonoperating Activities:					
Investment return, net	(27,848)	(64,505)	-	-	(92,353)
Loss on disposal of fixed assets	(24,153)	-	-	-	(24,153)
Current income tax expense	(2,090)	(114,175)	-	-	(116,265)
Earnings on investment in subsidiary	<u>276,774</u>	<u>-</u>	<u>-</u>	<u>(276,774)</u>	<u>-</u>
Change in net assets from nonoperating activities	<u>222,683</u>	<u>(178,680)</u>	<u>-</u>	<u>(276,774)</u>	<u>(232,771)</u>
Change in net assets	343,839	276,774	(5,387)	(276,774)	338,452
Dividends paid	-	(184,546)	-	184,546	-
Net assets, beginning of year	<u>2,778,124</u>	<u>634,631</u>	<u>71,243</u>	<u>(634,631)</u>	<u>2,849,367</u>
Net assets, end of year	<u>\$ 3,121,963</u>	<u>\$ 726,859</u>	<u>\$ 65,856</u>	<u>\$ (726,859)</u>	<u>\$ 3,187,819</u>

Multiple Listing Service of Southern Arizona
Balance Sheet
As of April 30, 2020

	4/30/2020	4/30/2019
ASSETS		
Current Assets		
Bank Accounts		
1000 Wells Fargo Operating 0242	917,186	396,971
5048 Morgan Stanley Investments	966,753	1,009,071
Total Bank Accounts	1,883,938	1,406,043
Other Current Assets		
5000 A/R Ramco	3,276	5,694
5001 Cash Receipts	7	
5002 Check Receipts		(12)
5003 Credit Card Receipts	876	1,335
Total 5000 A/R Ramco	4,829	7,017
5110 Federal Corp Tax Deposit	2,668	40,800
5390 Retail Store Inventory	11,343	8,629
5395 SUPRA Inventory	46,397	112,250
5605 Prepaid Expenses	4,289	
Total Other Current Assets	69,526	168,696
Total Current Assets	1,953,465	1,574,738
Other Assets		
5610 Intercompany TAR -0234	(49,686)	(50,495)
6015 Intercompany Charitable Foundation -0259		180
Total Other Assets	(49,686)	(50,315)
TOTAL ASSETS	1,903,778	1,524,424
LIABILITIES AND EQUITY		
Liabilities		
Current Liabilities		
Accounts Payable		
6000 Accounts Payable	64,228	61,327
Total Accounts Payable	64,228	61,327
Other Current Liabilities		
6100 Current Sales Tax Collected	1,123	309
6200 Accrued Expenses	9,300	
6265 Taxes Payable	39,108	8,777
6300 Deferred Revenues		
6310 Deferred Agent Fee Income		
6310-1 Deferred Agent Fee 2018-2019		300,078
6310-2 Deferred Agent Fee 2019-2020	347,555	
Total 6310 Deferred Agent Fee Income	347,555	300,078
6311 Deferred Sec/PA Fee Income		
6311-1 Deferred Sec/PA Fee 2018-2019		6,194

Multiple Listing Service of Southern Arizona
Balance Sheet
As of April 30, 2020

	<u>4/30/2020</u>	<u>4/30/2019</u>
6311-2 Deferred Sec/PA Fee 2019-2020	6,577	
Total 6311 Deferred Sec/PA Fee Income	6,577	6,194
6315 Deferred SUPRA Admin Fees	(5,477)	12,616
Total 6300 Deferred Revenues	348,655	318,888
Total Other Current Liabilities	398,186	327,974
Total Current Liabilities	462,414	389,301
Total Liabilities	462,414	389,301
Equity		
30000 Opening Balance Equity	647,500	
32000 Retained Earnings	(203,715)	(136,605)
6500 Capital Stock; No Par	11,561	11,561
6510 Paid in Capital	39,876	39,876
6520 Dividends	(55,000)	(184,546)
6538 Designated Net Assets	790,845	1,094,781
Net Income	210,297	310,056
Total Equity	1,441,364	1,135,123
TOTAL LIABILITIES AND EQUITY	1,903,778	1,524,424

Multiple Listing Service of Southern Arizona
Budget vs. Actuals
January - April 2020

	Apr 2020				Total				Annual Budget
	Actual	Budget	over Budget	% of Budget	Actual	Budget	over Budget	% of Budget	
Income									
700001 Relist Fee Income	840	1,250	(410)	67.20%	900	5,000	(4,100)	18.00%	15,000
700501 Agent Fees	173,778	157,083	16,694	110.63%	683,455	628,333	55,121	108.77%	1,885,000
701501 Late Fees		2,917	(2,917)		1,050	11,667	(10,617)	9.00%	35,000
702001 Office Initiation Fees	3,750	2,396	1,354	156.52%	13,250	9,583	3,667	138.26%	28,750
702501 Agent Application Fees	7,500	12,500	(5,000)	60.00%	46,050	50,000	(3,950)	92.10%	150,000
703001 Secretary/Personal Asst Fees	3,288	2,917	372	112.75%	12,461	11,667	794	106.81%	35,000
703201 Non-Member Fees		1,438	(1,438)			5,750	(5,750)		17,250
706802 Advertising Income(1)		250	(250)			1,000	(1,000)		3,000
707004 MLS Fines		42	(42)			167	(167)		500
726002 Revenue Agreements Income	1,308	750	558	174.37%	2,844	3,000	(156)	94.80%	9,000
735003 Retail Store Income	573	3,500	(2,927)	16.37%	9,795	14,000	(4,205)	69.96%	42,000
737103 IBox Income	4,840	5,500	(660)	88.00%	23,980	22,000	1,980	109.00%	66,000
737503 Administration IBox & Card		250	(250)			1,000	(1,000)		3,000
737801 SUPRA Administration Fee	31,387	15,900	15,487	197.40%	126,696	63,600	63,096	199.21%	190,800
Total Income	227,264	206,692	20,572	109.95%	920,481	826,767	93,714	111.34%	2,480,300
Cost of Goods Sold									
755005 Retail Store Cost of Sales	430	2,500	(2,070)	17.19%	7,279	10,000	(2,721)	72.79%	30,000
864005 IBox Expense	3,630	4,583	(953)	79.20%	17,985	18,333	(348)	98.10%	55,000
Total Cost of Goods Sold	4,060	7,083	(3,024)	57.31%	25,264	28,333	(3,070)	89.17%	85,000
Gross Profit	223,204	199,608	23,595	111.82%	895,217	798,433	96,784	112.12%	2,395,300
Expenses									
805507 Dues & Memberships									
807007 Staff Memberships	585	533	52	109.72%	2,285	2,133	151	107.09%	6,400
807505 Committee Meals & Entertainment		33	(33)		346	133	213	259.81%	400
817508 Credit Card Service Charges	488	3,750	(3,262)	13.03%	3,217	15,000	(11,783)	21.45%	45,000
818807 MLS Staff Travel	1,017	4,167	(3,149)	24.41%	5,792	16,667	(10,874)	34.75%	50,000
831006 MLS Comp User Paymts	38,220	37,375	845	102.26%	151,812	149,500	2,312	101.55%	448,500
833006 Public Records Data	15,272	15,191	81	100.54%	45,531	60,764	(15,233)	74.93%	182,292
835806 Clarity Security Systems	10,736	10,561	175	101.66%	44,009	42,244	1,765	104.18%	126,732
836006 Showing Time/Statistics Program	4,650	5,850	(1,200)	79.49%	18,600	23,400	(4,800)	79.49%	70,200
836506 Current Software Improvements		833	(833)		664	3,333	(2,670)	19.91%	10,000
837006 Web Site Redesign		1,667	(1,667)			6,667	(6,667)		20,000
844008 Legal Expense		1,167	(1,167)		8,915	4,667	4,248	191.03%	14,000
844608 Bank Fees	627	667	(40)	94.01%	2,732	2,667	65	102.44%	8,000
846508 Accounting Expense(1)		2,103	(2,103)			8,413	(8,413)		25,240
856510 MLS Business Planning		750	(750)		2,813	3,000	(187)	93.75%	9,000
880011 Community Donations (RAPAC)	10,000	833	9,167	1200.00%	10,000	3,333	6,667	300.00%	10,000
885011 Misc Expense		167	(167)		3,998	667	3,331	599.68%	2,000
886009 GV Service Center Expense	3,430	3,430		100.00%	13,720	13,720		100.00%	41,160
886109 GV Supra Disbursement		1,405	(1,405)		7,418	5,620	1,798	132.00%	16,860
887009 SC Service Center Expense	2,350	2,350		100.00%	9,400	9,400		100.00%	28,200
887109 SC Supra Disbursement		520	(520)		2,428	2,080	348	116.72%	6,240
900209 TAR Cooperative Agreement	63,815	83,333	(19,518)	76.58%	268,254	333,333	(65,079)	80.48%	1,000,000
901010 Regionalization Expenses(1)		2,083	(2,083)			8,333	(8,333)		25,000
901410 Phone App Development		2,083	(2,083)			8,333	(8,333)		25,000
901610 Broker/Participant Meetings		333	(333)			1,333	(1,333)		4,000
901810 MLSSpecific Marketing		417	(417)			1,667	(1,667)		5,000
BOD Travel		1,383	(1,383)			5,533	(5,533)		16,600
Uncategorized Expense									
Total Expenses	151,191	182,985	(31,794)	82.62%	601,933	731,941	(130,008)	82.24%	2,195,824
Net Operating Income	72,013	16,623	55,390	433.21%	293,284	66,492	226,792	441.08%	199,476
Other Income									
740004 Operating Interest Income	826		826		3,175		3,175		
744504 Unrealized Gain/(Loss) on Inve	55,998	2,000	53,998	2799.88%	(86,162)	8,000	(94,162)	-1077.03%	24,000
Total Other Income	56,823	2,000	54,823	2841.17%	(82,987)	8,000	(90,987)	-1037.34%	24,000
Other Expenses									
900008 Income Tax Expense(1)		5,833	(5,833)			23,333	(23,333)		70,000
Total Other Expenses		5,833	(5,833)			23,333	(23,333)		70,000
Net Other Income	56,823	(3,833)	60,657	-1482.35%	(82,987)	(15,333)	(67,654)	541.22%	(46,000)
Net Income	128,836	12,790	116,047	1007.35%	210,297	51,159	159,138	411.07%	153,476

**Multiple Listing Service of Southern Arizona
Equity and Reserve**

	Net Income YTD	Equity	Current Assets	Due to/from	Current Liabilities	Cash Reserve	Annual Operating Expenses	Month of Reserve	6-months	Excess
12/31/2017	182,663	634,631	1,601,942	27,106	994,417	634,631	1,494,097	5.1	747,049	(112,417)
12/31/2018	374,982	825,067	1,868,909	(15,564)	1,028,458	824,887	1,538,777	6.4	769,389	55,499
12/31/2019	559,208	1,231,067	2,401,107	42,559	1,212,599	1,231,067	1,747,324	8.5	873,662	357,405
1/31/2020	82,808	1,313,875	2,303,790	(26,149)	963,766	1,313,875	1,747,324	9.0	873,662	440,213
2/29/2020	114,003	1,345,070	2,201,037	(70,612)	785,355	1,345,070	1,747,324	9.2	873,662	471,408
3/31/2020	81,461	1,312,528	2,035,903	(72,464)	650,910	1,312,528	1,747,324	9.0	873,662	438,866
4/30/2020	210,297	1,441,364	1,953,465	(49,686)	462,414	1,441,364	1,747,324	9.9	873,662	567,702



MULTIPLE LISTING SERVICE OF SOUTHERN ARIZONA

MEETING REPORT

Committee: 2020 Technology

Meeting Date: May 5, 2020

Chair: Cathy Wolfson

Called to order at: 2:30pm

Attendance: Rebecca Crane Kelly Hand Jennie James
Dawn Heinemann Ronald Keeler Laurie Lundeen
Brad Sensenbach Cathy Wolfson
Henry Zipf

Staff: Lori Wadsack Randy Rogers

Guests: Jim Adams

Action Items:

M/S/C: Move to approve Meeting Report of April 2, 2020.

Information Items:

- Randy Rogers gave an update and answered questions Committee had on the Clear Cooperation Policy 8.0.
- Discussed some concerns staff is having with Clarity Security SafeMLS. Committee to table discussion until staff finds out specifics on the existing contract.
- Discussed adding an additional phone app to accompany the Flexmls Pro app. Committee agreed another phone app is not necessary at this time, and perhaps more education on the Flexmls Pro app is needed.

Adjourned: The meeting was adjourned at 3:20pm.