



CALIFORNIA ASSOCIATION OF REALTORS®

HIGHLIGHTS: C.A.R. 2013 BUDGET PROPOSAL

A. Budget Summary

The 2013 budget proposal provides enhanced member benefits and political readiness appropriate to the market and policy challenges facing California REALTORS® in the coming year. Free e-Signatures and document storage (zipVault®) continue as member benefits and there are nineteen new programs recommended as augmentations to the core budget. The package of new programs provides an array of opportunities to touch members and ensure their success in today's and tomorrow's challenging real estate market. In addition, many existing programs have been enhanced with additional member-centered activities.

With the level of Association reserves far above the recommended 6 month minimum and the needs of the member for value-added products and services higher than ever, the SPF Committee reached consensus that this was the year to bring forward an innovative array of programs. Some of the new programs have a one-time only impact on the budget. Others are continuing commitments and thus have an on-going impact. See Page 2 for a full summary description of the new programs for 2013.

The proposed 2013 budget will keep C.A.R.'s basic dues at \$115, unchanged since 2002. In addition, 2013 will mark the third year for the REALTOR® Action Assessment (RAA), which is set at \$49. The assessment was recommended to fund support of political activities with remaining dollars to be allocated to CREPAC/CREIEC. However, members can request that their assessment go to C.A.R.'s general fund for political purposes if they so desire. Additionally, as in past years, each member will be assessed \$10 for the Issues Action Fund and \$10 for the Political Activities Fund, bringing the total membership payment to \$184.

The 2013 membership forecast is for 155,000 members, 2 percent below the 2012 year-end projection of 158,000 and 27 percent below the most recent peak of 211,254 in 2006. Based on this forecast, it is anticipated that dues revenue in 2013 will be \$16,731,000. Membership dues are projected to be 45 percent of the \$37 million combined total 2013 revenue from C.A.R. and its subsidiaries. In comparison, dues represented 46 percent of combined revenue in 2012.

The 2013 budgeted operating revenue is \$26,853,500 compared to \$25,916,200 projected for 2012. The 2013 budgeted cost is \$28,943,200 compared to \$27,523,600 in 2012. The increase in operating expenses is due to expanded objectives and resources, in the Communications, Legal, Governmental Affairs®, Member Information, and Real Estate Business Services programs. The proposed capital budget is \$417,300 compared to \$456,900 in 2012, and \$850,100 in 2011.

It is anticipated that C.A.R.'s Real Estate Business Services (REBS) and subsidiaries will provide the Association with an allocation of \$1,500,000 in 2013. However, there will not be a transfer in 2012 because of the reserve buildup, coupled with increased product development needs, and an expanded line of products. REBS is subject to a separate budget, development, review, and approval process but is ultimately responsible to the C.A.R. Board of Directors for the performance of its programs.

Based on budgeted operating expenses, the Association's year-end 2013 liquid reserves will be \$37 million representing approximately 15.6 months of operations, down from a projected 17.9 months at the end of 2012.

B. New Programs for 2013 – One-time Impact

1) Homeownership Matters/IDA Program

Constructs a positive public image for REALTORS® among consumers and the membership by conducting a Homeownership EXPO with strategies for consumers to enter or re-enter the market, homeownership preservation, credit repair and understanding the REALTOR® brand. Creates a C.A.R.'s Individual Development Accounts (IDA) Program which is a structured and disciplined approach to help families save for their first down payment by providing a match in savings, as well as the critical educational components that will help them remain homeowners for the long term. Develop an IDA Program administered by the Housing Affordability Fund with a \$1 million allocation from HAF to provide a dollar for dollar matched contribution (up to \$10,000) to be used as a down payment for qualified households. Explore options, such as bundling a variety of home buyer resources such as the Home Payment Protection Program (HPPP) and other resources in order to cast a wider net of helping more families enter homeownership. Provides local AORs a Homeownership Expo template for hosting regional events in their area funded through IMPAC Grants. Develops a database (searchable by zip code) containing active finance programs available for individuals seeking to purchase including: first time homebuyer programs, available IDA programs, Energy Efficient Mortgages, etc.

One-time Net Impact on Reserves: (\$223,900)

2) Research and Economics: Real Estate Research Symposium

A one-day forum structured similar to a TED conference, where real estate market experts in a variety of specialties will be invited to present the latest research on various topics relevant to the future of the housing market, mortgage finance, commercial real estate, international activity and many more. Event will be videotaped and open to all members of C.A.R.

One-time Net Impact on Reserves: (\$63,400)

3) Research and Economics: Trends Database Upgrade

Part-two of a two-part process replacing the current cumbersome and inefficient data collection system that is the foundation of C.A.R.'s monthly housing market statistics. Provides capacity to store, mine, analyze and report data and statistics in one central database platform.

One-time Net Impact on Reserves: (\$61,100)

4) REALTOR® S.W.A.T. Market Opportunity Conferences – 3302

Six ½-day conferences will be held in key areas of the state designed to provide members with tools and information to help them navigate current market conditions. Themes for the conferences will be determined by hot topics reflecting current market conditions and ongoing changes in the regulatory and legislative environment. The three-hour program will include: local market update, legal update, and hot issues impacting REALTORS®.

One-time Net Impact on Reserves: (\$49,000)

5) Local Association Services: Strategies for Thought Leadership Conference

Provides a one-day "Strategies for Thought Leadership Conference" for Presidents, Presidents-Elect and Association Executives. Approximately 125 attendees will participate in a high-level interactive one-day program to determine the challenges facing the associations and identify the tools needed to meet these challenges for the future.

One-time Net Impact on Reserves: (\$40,500)

6) Local Association Services: Enhanced Local Association Services

Provides hands-on training for new Association Executives, and those with less than 2-years on the job experience with an in-depth orientation on the policies, governance, MLS, NRDS, and other areas AEs need to know immediately upon taking the position. Creates an Association Management Guidelines manual, both hard copy and online, with pertinent information on governance, policy (NAR, C.A.R. & Local AORs), professional Standards, Board of Choice, legal, insurance, government, PACs, contact information and websites to assist AEs.

One-time Net Impact on Reserves: (\$16,300)

C. New Programs for 2013 – Ongoing Impact**1) zipForm®: MLS Connect**

A new member benefit for 2013, this program provides members with the ability to seamlessly integrate MLS data and zipForm® 6. zipFormMLS-Connect® is a data connect between the MLS and zipForm® 6. With a valid MLS ID, the option to quickly import data from a listing and populate mandatory information into the forms will be provided to members. This eliminates duplicate data entry and input errors increasing efficiency for members.

Ongoing Net Impact on Reserves: (\$542,500)*

***Note: Total 2013 impact is (\$635,000) including a one-time impact of (\$92,500) and the ongoing impact of (\$542,500).**

2) CE Credit

In the 2012 Membership survey, 53% of respondents indicated that if C.A.R. could add one benefit, they would choose 12 units of continuing education for license renewal. This program will market 12 hour CE education as a new member benefit to members and achieve annual adoption of approximately 25% of membership. Implements 12 hours of new CE accredited courses each year to be delivered online.

Ongoing Net Impact on Reserves: (\$299,200)

3) Communications: Thought Leadership Initiative

This program represents a broad-based, high-level effort encompassing initiatives whose aim it is to significantly increase C.A.R.'s reputation as a thought leader on real estate issues. Organizations perceived as thought leaders are more competitive, more resilient to negative impacts, and more valuable to their constituents. The credibility gains achieved from this initiative will occur as a result of numerous activities, from strategic alliances with new partners (i.e., academia) to tangible new outputs such as high level industry roundtables, white papers, new studies and more.

Ongoing Net Impact on Reserves: (\$275,100)

4) Research and Economics – 3290-B: Enhanced Survey Research Initiative

Significant survey research, focus groups, and polling designed to enhance understanding of future market conditions and stakeholders. Enables C.A.R. to identify and understand the obstacles and opportunities facing the new generation of potential home buyers, and how their needs and desires differ from the previous generations. Also included are targeted survey research efforts on hot issues such as MID, Property Management, Investment opportunities as well as the tools to provide county specific housing market forecasts and data subscription tools. There will be a focus on a user-friendly mapping interface where REALTORS® can click on a market area and see a snapshot of local area statistics. The objective is to help California REALTORS® analyze their local markets and allow the Research staff to provide meaningful analysis of the housing market on a more localized level.

Ongoing Net Impact on Reserves: (\$153,200)

5) Research and Economics – 3290-D: Lender Helpline Financing Resource for REALTORS®

Provides an all-in-one financing hotline for REALTORS®. It will assist them in funding, finalizing, and closing transactions as well as empowering the REALTOR® to be the ultimate source of information pertaining to all components of financing the real estate transaction. Will utilize a consultant in the lender ombudsman role to assist members in closing transactions. Explores a “click-to-dial” options within products/forms/other offerings from C.A.R. and subsidiaries.

Ongoing Net Impact on Reserves: (\$103,000)

6) Industry and Broker Relations Program

Acknowledging Broker members are important decision-makers in the industry and a communication gateway to their agents, this program expands C.A.R.’s direct link to these key stakeholders. The objective is to gain insights, spot emerging trends in the industry, and expand on existing channels of dialog. The program includes a one-day Broker Conference, a Broker Breakfast Series, a Leader-to-Leader sounding board, enhances the ongoing bi-annual Industry Leader meetings, and targets resources to understanding California brokerage landscape and the future of the industry.

Ongoing Net Impact on Reserves: (\$88,300)

7) Membership Development – 3300-A: Property Management and Investment Section

Provides members who are active in property management and selling property to investors with a fee-based “Property Management & Investment Section” membership level with information targeted for these markets. This dedicated “section” will be open to members of C.A.R. and for an additional fee deliver a bundled offering of products and services, the latest information and trends, legal updates, networking opportunities, research and other pertinent information.

Ongoing Net Impact on Reserves: (\$84,300)

8) Corporate Legal Services – 2100-A: State Ombudsman Program

Program will add one additional customer service representative to assist consumers and REALTORS® with grievances, avoiding formal ethics complaints or lawsuits and to give the consuming public a positive experience, which will, in turn, create a positive image for the REALTOR® organization and reduce claims against REALTORS®. Expands the pilot program initially started in 2011.

Ongoing Net Impact on Reserves: (\$82,500)

9) Local Association Mobile App – 8220

This mobile initiative that began in 2011 is a free member benefit application for local associations helps reinforce the association’s service to their membership by delivering meaningful and regularly updated information. The application will be reengineered to maximize tablet technology, delivered via RSS, and will be graphically rich.

Ongoing Net Impact on Reserves: (\$43,900)

10) Communications: Champions of Home Heroes

A member recognition awards program designed to highlight examples of compassion and care within the REALTOR® community. The program utilizes the Champions of Home Heroes to award members who have gone to extraordinary lengths on behalf of their profession or for their clients’ benefit. Similar to the national level initiative, the Good Neighbors Award but with California flare. Program details will be determined by the Association’s Communications Committee.

Ongoing Net Impact on Reserves: (\$14,100)

11) Strategic Planning and Finance – 5600-A: REALTOR® Rating 360 (Peer-to-Peer) Pilot Program

Continues the 2012 augmentation that developed a peer-to-peer rating system to provide valuable feedback to agents in the password protected portion of car.org. Members will be given the opportunity to solicit feedback from the cooperating agent in the transaction on a purely voluntary basis.

Ongoing Net Impact on Reserves: (\$11,800)

12) Political Activities Fund – 4120-A: Member Mobilization Micro-Targeting Strategies

Utilizes microtargeting strategies to collect a myriad of relevant information on members including political party, areas of professional expertise, consumer data and other relevant information in order to better identify and recruit potential candidates for fundraising, activism, leadership and elective office. This augmentation will be funded through Political Action Fund dollars.

Total Revenue \$25,800

Total Expenses \$25,800

Ongoing Net Impact on Reserves: (\$0)

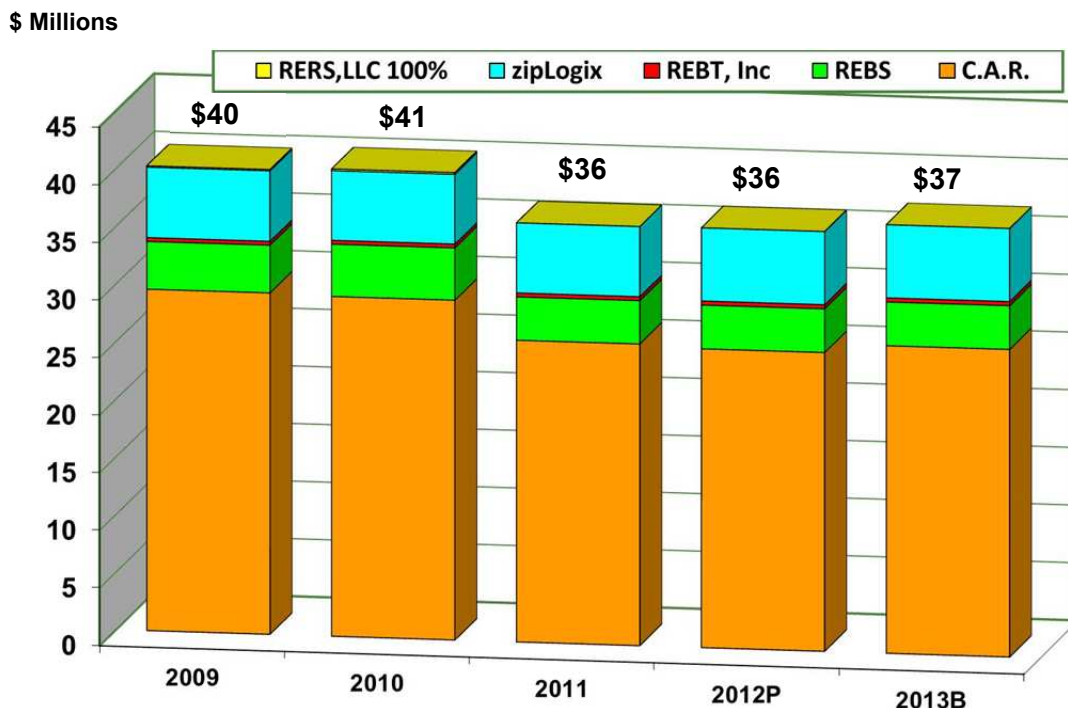
13) Political Activities Fund – 4120-B: Member Mobilization Local AOR Incentive Program

This program will provide a reimbursement incentive for local associations that brings new members to Legislative Day for the first time. This incentive and training program will increase involvement among new members and will include required follow-up leadership training for those new attendees as a condition of reimbursement. The details on the content and delivery of the Leadership Training will be developed by PAF. This augmentation will be funded through Political Action Fund dollars.

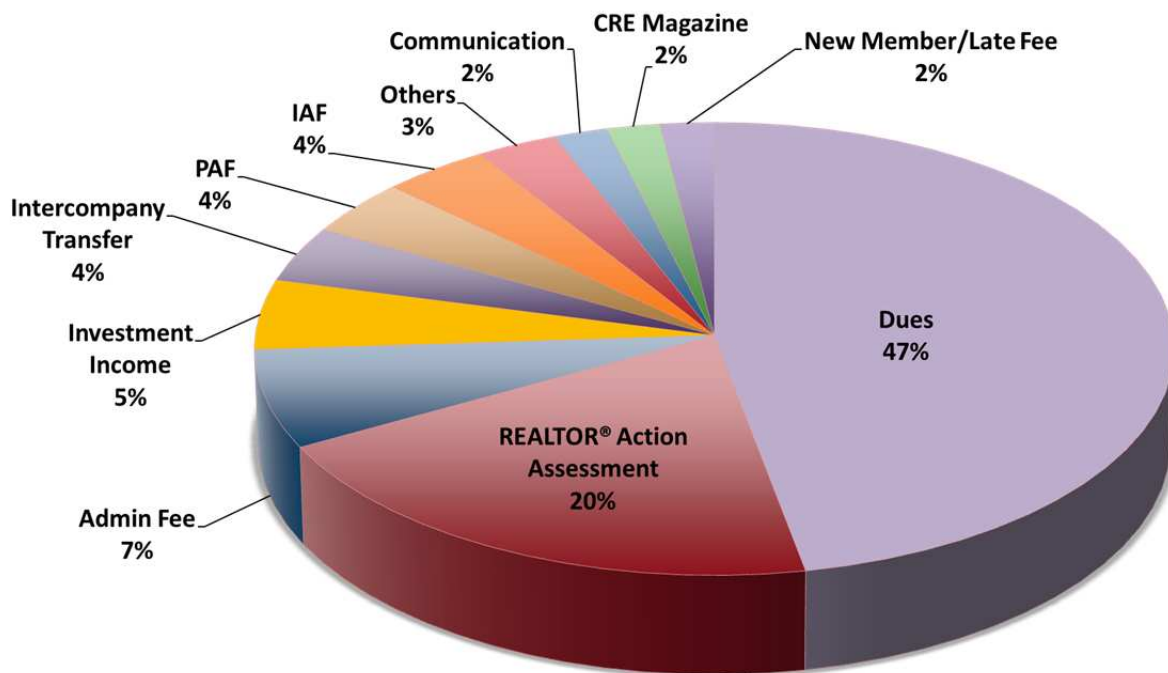
Total Revenue \$64,000

Total Expenses \$64,000

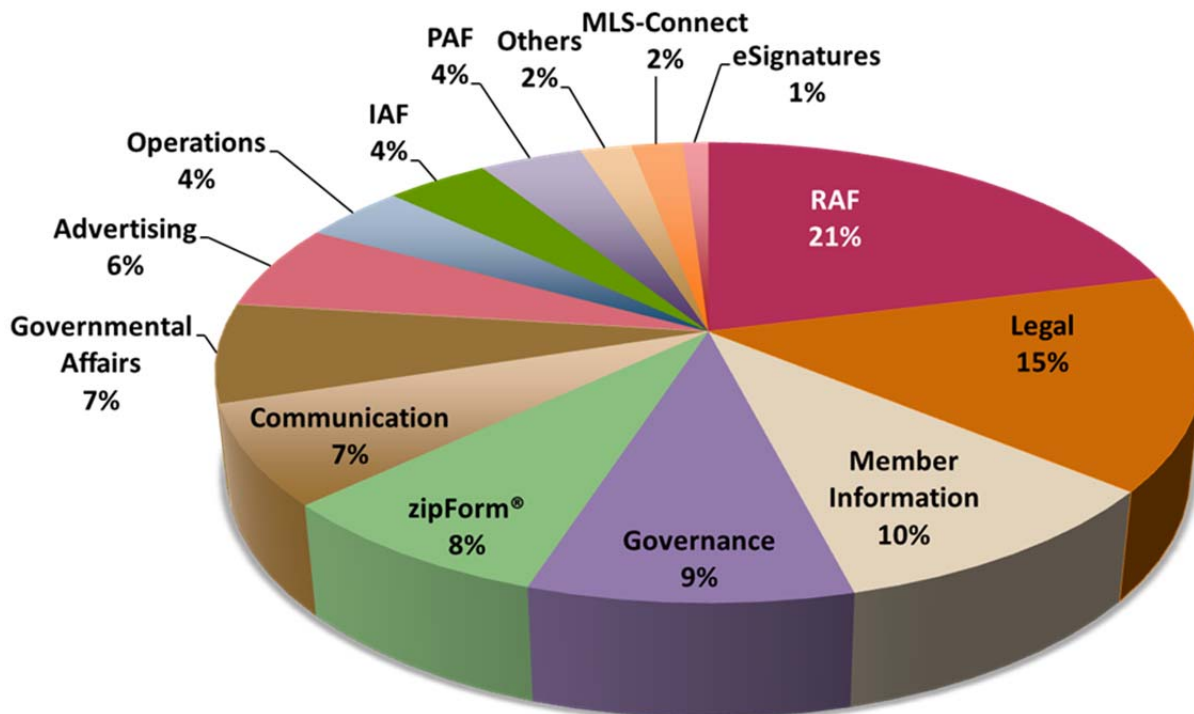
Ongoing Net Impact on Reserves: (\$0)

D. Financial and Membership Update**C.A.R. & Subsidiaries - Combined Revenue**

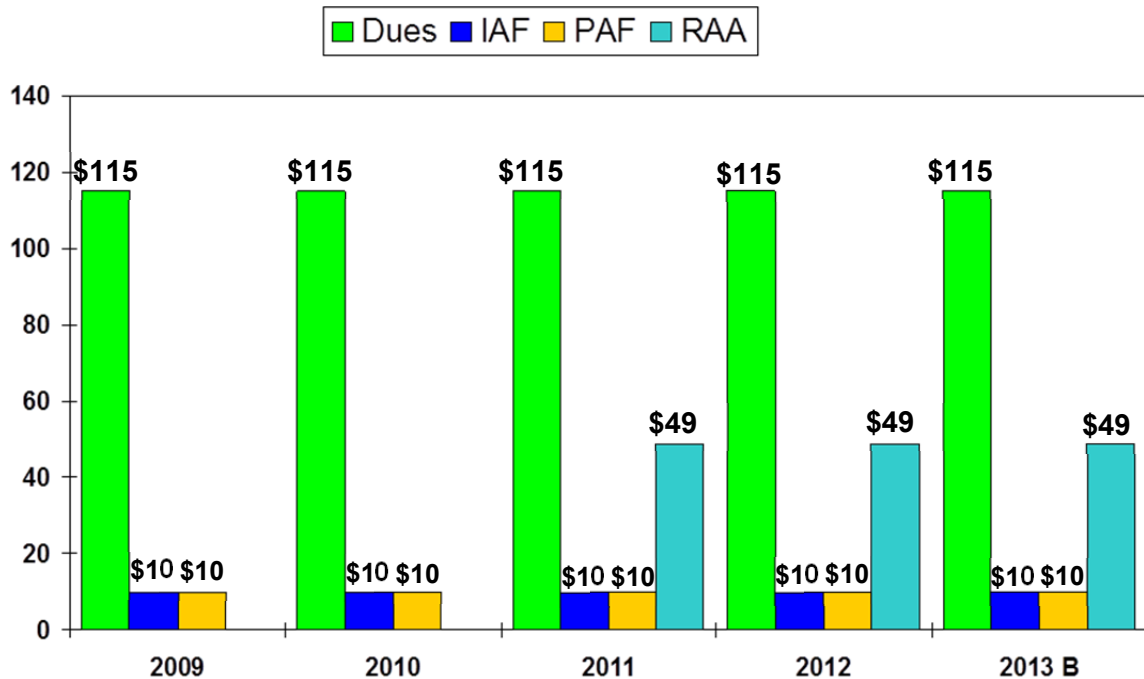
2013 C.A.R. Sources of Revenue



2013: Where Your Dues Dollars Are Invested



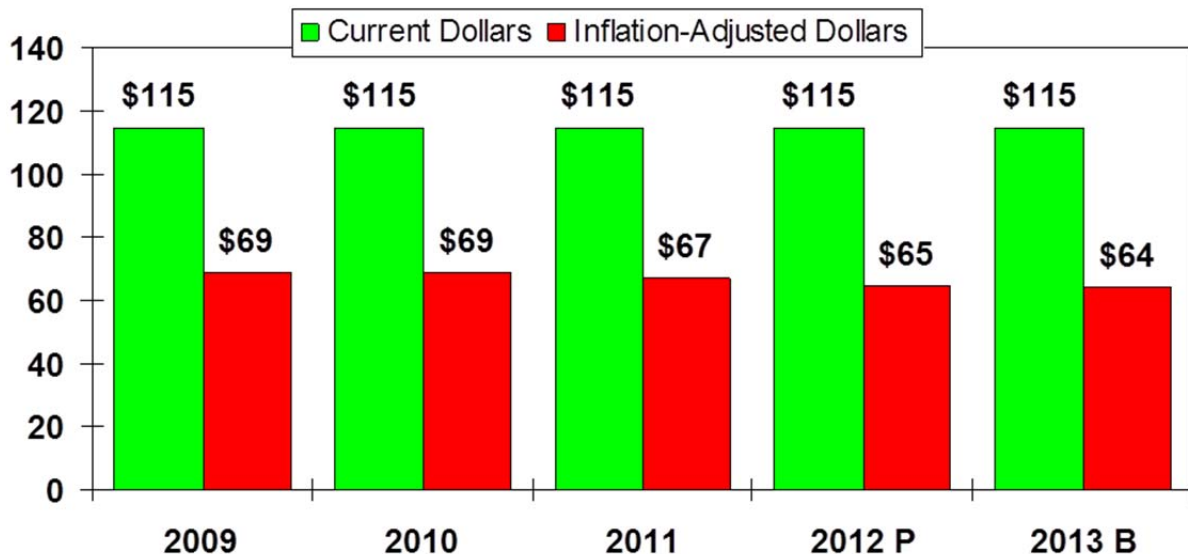
Membership Dues Per Member



Membership dues was reduced in 1995 from \$77 to \$64. In addition, an assessment of \$10 for IAF was implemented in the same year.

Dues Per Member (Current Dollars vs. Inflation-Adjusted Dollars)

2013 member benefit provided/member is \$187 vs \$115 actual dues



1995 IAF + \$10
2000 PAF + \$10
2011 RAA + \$49

D. Summary of 2013 Program Budget Proposal as Recommended by the SPF and Executive Committees

| | A | B | C | D | E | F | |
|---|---------------|-----------------|-------------------|----------------|---------------|--------------|----|
| | REVENUE | DIRECT EXPENSES | VARIABLE OVERHEAD | FIXED OVERHEAD | TOTAL COST | NET | |
| <u>COMMUNICATIONS</u> | | | | | | | |
| 1 California Real Estate Magazine | \$ 527,000 | \$ 1,012,700 | \$ 21,900 | \$ 110,000 | \$ 1,144,600 | \$ (617,600) | 1 |
| 2 California REALTOR® EXPO | 1,116,600 | 1,127,200 | 33,900 | 170,100 | 1,331,200 | (214,600) | 2 |
| 3 California REALTOR® Mid-Year Luncheon | 54,200 | 51,700 | 800 | 4,100 | 56,600 | (2,400) | 3 |
| 4 Communications | 652,500 | 1,170,700 | 34,500 | 173,000 | 1,378,200 | (725,700) | 4 |
| 5 Consumer Electronic Newsletter | 11,300 | 130,800 | 4,100 | 20,600 | 155,500 | (144,200) | 5 |
| 6 Media Relations | - | 265,500 | 8,300 | 41,800 | 315,600 | (315,600) | 6 |
| 7 REALTOR® Advertising | - | 2,007,500 | - | - | 2,007,500 | (2,007,500) | 7 |
| 8 Estimated Federal Income Tax | | 50,000 | | | 50,000 | (50,000) | 8 |
| 9 TOTAL COMMUNICATIONS | 2,361,600 | 5,816,100 | 103,500 | 519,600 | 6,439,200 | (4,077,600) | 9 |
| <u>GOVERNMENTAL AFFAIRS</u> | | | | | | | |
| 10 C.A.R. Electoral Services | 39,500 | 33,500 | 1,000 | 5,000 | 39,500 | - | 18 |
| 11 Local Candidate and Campaign Field Program | 375,300 | 315,800 | 10,000 | 49,500 | 375,300 | - | 15 |
| 12 Federal Governmental Relations | 25,100 | 255,900 | 8,000 | 40,000 | 303,900 | (278,800) | 11 |
| 13 Governmental Relations | - | 1,513,900 | 42,000 | 210,600 | 1,766,500 | (1,766,500) | 10 |
| 14 LGR/LC | 29,900 | 161,500 | 5,100 | 25,400 | 192,000 | (162,100) | 12 |
| 15 Field Program | 627,500 | 573,000 | 9,100 | 45,400 | 627,500 | - | 14 |
| 16 Member Mobilization | 418,900 | 368,800 | 8,400 | 41,700 | 418,900 | - | 13 |
| 17 REALTOR® Action Fund Fundraising | 612,500 | 514,700 | 16,400 | 81,400 | 612,500 | - | 16 |
| 18 REALTOR® Action Fund-Receptions | 209,100 | 189,600 | 3,300 | 16,200 | 209,100 | - | 17 |
| 19 TOTAL GOVERNMENTAL AFFAIRS | 2,337,800 | 3,926,700 | 103,300 | 515,200 | 4,545,200 | (2,207,400) | 19 |
| <u>LEGAL</u> | | | | | | | |
| 20 Corporate Legal Services | 41,800 | 1,164,800 | 36,300 | 181,900 | 1,383,000 | (1,341,200) | 20 |
| 21 Legal Action Fund | - | 266,200 | 8,300 | 41,700 | 316,200 | (316,200) | 21 |
| 22 Member Legal Services | - | 2,546,000 | 79,900 | 400,800 | 3,026,700 | (3,026,700) | 22 |
| 23 Strategic Defense | 5,000 | 212,500 | 6,700 | 33,400 | 252,600 | (247,600) | 23 |
| 24 TOTAL LEGAL | 46,800 | 4,189,500 | 131,200 | 657,800 | 4,978,500 | (4,931,700) | 24 |
| <u>MEMBER INFORMATION</u> | | | | | | | |
| 25 Housing Affordability Fund | 75,000 | 193,900 | 3,000 | 15,000 | 211,900 | (136,900) | 25 |
| 26 Information Center | - | 94,100 | 2,900 | 14,500 | 111,500 | (111,500) | 26 |
| 27 Local Association Services | - | 452,900 | 14,200 | 71,300 | 538,400 | (538,400) | 27 |
| 28 Membership Development | 19,800 | 595,500 | 11,200 | 56,300 | 663,000 | (643,200) | 28 |
| 29 REALTOR® Excellence Program | 34,000 | 78,000 | - | - | 78,000 | (44,000) | 31 |
| 30 Research and Economics | 10,000 | 771,100 | 24,100 | 121,000 | 916,200 | (906,200) | 30 |
| 31 Young Professionals Network (YPN) | 27,300 | 59,700 | 1,900 | 9,400 | 71,000 | (43,700) | 29 |
| 32 TOTAL MEMBER INFORMATION | 166,100 | 2,245,200 | 57,300 | 287,500 | 2,590,000 | (2,423,900) | 32 |
| <u>GOVERNANCE</u> | | | | | | | |
| 33 Strategic Planning and Finance | - | 326,200 | 10,200 | 51,000 | 387,400 | (387,400) | 33 |
| 34 Board of Directors | 120,000 | 1,195,700 | 33,500 | 167,800 | 1,397,000 | (1,277,000) | 34 |
| 35 Leadership Team | - | 403,500 | 12,700 | 63,700 | 479,900 | (479,900) | 35 |
| 36 NAR Directors' Travel | - | 368,400 | - | - | 368,400 | (368,400) | 36 |
| 37 NAR Liaison | - | 400,900 | 12,600 | 63,300 | 476,800 | (476,800) | 37 |
| 38 NAR Presidential Campaign | - | 26,500 | - | - | 26,500 | (26,500) | 38 |
| 39 TOTAL GOVERNANCE | 120,000 | 2,721,200 | 69,000 | 345,800 | 3,136,000 | (3,016,000) | 39 |
| <u>OPERATIONS</u> | | | | | | | |
| 40 C.A.R. Scholarship/C.A.R. Education Foundation | 4,800 | 18,700 | - | - | 18,700 | (13,900) | 40 |
| 41 Customer Contact Center | - | 292,400 | 9,200 | 46,200 | 347,800 | (347,800) | 41 |
| 42 Application Development | - | 433,400 | 13,600 | 68,500 | 515,500 | (515,500) | 42 |
| 43 Membership | 172,500 | 525,000 | 16,500 | 82,900 | 624,400 | (451,900) | 43 |
| 44 TOTAL OPERATIONS | 177,300 | 1,269,500 | 39,300 | 197,600 | 1,506,400 | (1,329,100) | 44 |
| <u>zipForm®</u> | | | | | | | |
| 45 C.A.R. Member Discount Program | 397,500 | 80,100 | 2,500 | 12,500 | 95,100 | 302,400 | 45 |
| 46 eSignatures | - | 439,500 | - | - | 439,500 | (439,500) | 46 |
| 47 zipForm® | - | 2,681,400 | - | - | 2,681,400 | (2,681,400) | 47 |
| 48 zipVault® | - | 110,100 | - | - | 110,100 | (110,100) | 48 |
| 49 TOTAL ZIPFORM® PROGRAMS | 397,500 | 3,311,100 | 2,500 | 12,500 | 3,326,100 | (2,928,600) | 49 |
| 50 DUES (\$115) | 16,731,000 | | | | | 16,731,000 | 50 |
| 51 New Member/Late Renewal Fees | 741,000 | | | | | 741,000 | 51 |
| 52 Administrative Fee | 222,200 | | | | | 222,200 | 52 |
| 53 Intercompany Transfer | 1,500,000 | | | | | 1,500,000 | 53 |
| 54 Investment Income | 1,700,000 | | | | | 1,700,000 | 54 |
| 55 Interest/Dividend | 175,000 | | | | | 175,000 | 55 |
| 56 TOTAL C.A.R. OPERATION-CORE PROGRAM | \$ 26,676,300 | \$ 23,479,300 | \$ 506,100 | \$ 2,536,000 | \$ 26,521,400 | \$ 154,900 | 56 |

| | A | B | C | D | E | F | |
|--|----------------------|----------------------|----------------------|---------------------|----------------------|-----------------------|-----------|
| | REVENUE | DIRECT EXPENSES | VARIABLE OVERHEAD | FIXED OVERHEAD | TOTAL COST | NET | |
| Augmentation-Ongoing | | | | | | | |
| 57 Thought Leadership Initiative | - | 271,000 | 4,100 | | 275,100 | (275,100) | 57 |
| 58 Champions of Home Heroes | - | 13,700 | 400 | | 14,100 | (14,100) | 58 |
| 59 Micro-Targeting Strategies | 25,800 | 25,000 | 800 | | 25,800 | - | 59 |
| 60 Local AOR Incentive Program | 64,400 | 62,500 | 1,900 | | 64,400 | - | 60 |
| 61 Statewide Ombudsman Program | - | 80,100 | 2,400 | | 82,500 | (82,500) | 61 |
| 62 Industry & Broker Relations | 16,700 | 101,900 | 3,100 | | 105,000 | (88,300) | 62 |
| 63 Property Management & Investment Section | 5,800 | 87,500 | 2,600 | | 90,100 | (84,300) | 63 |
| 64 Enhanced Survey Research Initiative | - | 150,400 | 2,800 | | 153,200 | (153,200) | 64 |
| 65 Lender Helpline Financing Resource for REALTORS® | - | 100,700 | 2,300 | | 103,000 | (103,000) | 65 |
| 66 REALTOR® Rating 360 (Peer-to-Peer) Pilot Program | - | 11,500 | 300 | | 11,800 | (11,800) | 66 |
| 67 MLS-Connect | - | 635,000 | - | | 635,000 | (635,000) | 67 |
| 68 CE Credit | - | 294,400 | 4,800 | | 299,200 | (299,200) | 68 |
| 69 Local Association Mobile App | - | 42,600 | 1,300 | | 43,900 | (43,900) | 69 |
| 70 Total Augmentation-Ongoing | 112,700 | 1,876,300 | 26,800 | - | 1,903,100 | (1,790,400) | 70 |
| 71 NET AFTER AUGMENTATION-ONGOING | 26,789,000 | 25,355,600 | 532,900 | 2,536,000 | 28,424,500 | (1,635,500) | 71 |
| Augmentation-One-time | | | | | | | |
| 72 Homeownership Matters/IDA Program | 27,000 | 245,000 | 5,900 | | 250,900 | (223,900) | 72 |
| 73 Strategies for Thought Leadership Conference | - | 39,300 | 1,200 | | 40,500 | (40,500) | 73 |
| 74 Enhanced Local Association Services | - | 15,800 | 500 | | 16,300 | (16,300) | 74 |
| 75 REALTOR® S.W.A.T. Market Opportunity Conferences | 37,500 | 84,000 | 2,500 | | 86,500 | (49,000) | 75 |
| 76 Trends Database Upgrade | - | 59,800 | 1,300 | | 61,100 | (61,100) | 76 |
| 77 Real Estate Research Symposium | - | 62,000 | 1,400 | | 63,400 | (63,400) | 77 |
| 78 Total Augmentation-One-time | 64,500 | 505,900 | 12,800 | - | 518,700 | (454,200) | 78 |
| 79 NET PROPOSED BUDGET (INCLUDING AUGMENTATION) | \$ 26,853,500 | \$ 25,861,500 | \$ 545,700 | \$ 2,536,000 | \$ 28,943,200 | \$ (2,089,700) | 79 |
| ISSUES ACTION FUND (\$10) | | | | | | | |
| 80 CREPAC/LCRC/CREPAC/FEDERAL | | 513,200 | 12,700 | 63,400 | 589,300 | (589,300) | 80 |
| 81 IMPAC | | 220,500 | 4,700 | 23,500 | 248,700 | (248,700) | 81 |
| 82 Dues IAF | 1,469,900 | | | | - | 1,469,900 | 82 |
| 83 TOTAL IAF | \$ 1,469,900 | \$ 733,700 | \$ 17,400 | \$ 86,900 | \$ 838,000 | \$ 631,900 | 83 |
| 84 BALANCE TRANSFER TO IMPAC | | | | | | \$ 631,900 | 84 |
| POLITICAL ACTIVITIES FUND (\$10) | | | | | | | |
| 85 Dues PAF | 1,469,900 | 1,243,600 | | | 1,243,600 | 226,300 | 85 |
| 86 TOTAL PAF | \$ 1,469,900 | \$ 1,243,600 | \$ - | \$ - | \$ 1,243,600 | \$ 226,300 | 86 |
| REALTOR® ACTION ASSESSMENT (\$49) | | | | | | | |
| 87 RAA | 7,202,400 | 1,181,500 | | | 1,181,500 | 6,020,900 | 87 |
| 88 TOTAL RAA | \$ 7,202,400 | \$ 1,181,500 | \$ - | \$ - | \$ 1,181,500 | \$ 6,020,900 | 88 |

The budgeted membership is 155,000 members.

E. 2013 Proposed Capital Budget

| | | Original | | | | |
|--|---|----------|-----------|----------|------------|------------------|
| | | Program | Objective | Quantity | Unit | Total |
| | | | | Approved | Price | Budget Cost |
| ITEM DESCRIPTION | DETAIL | | | | | |
| | Hardware/Software | | | | | |
| | Software | | | | | |
| | | | | | | |
| | SIP Proxy Software for L.A. | 7600 | 1 | 1 | \$ 1,416 | \$1,416 |
| Business Continuity and Storage Infrastructure | VDI Virtual Desktop Licen | 7600 | 2 | 30 | \$ 135 | \$4,050 |
| Business Continuity and Storage Infrastructure | Disaster recovery & business continuity - VMWARE license for Sacramento and upgraded license for LA | 7600 | 18 | 1 | \$ 62,738 | \$62,738 |
| Business Continuity and Storage Infrastructure | VPN Licenses for Sacramento | 7600 | | 50 | \$ 96 | \$4,800 |
| | | | | | | |
| | Replacement for ClientDirect | | | 1 | \$ 120,000 | \$120,000 |
| | | | | | | |
| | Hardware | | | | | |
| Phone System | Media Servers for Phone System Upgrade | 7600 | 1 | 2 | \$ 5,500 | \$11,000 |
| CARBON | "CARBON" Digital Signage for LA / SACTO Hardware | 7600 | 5 | 2 | \$ 2,000 | \$4,000 |
| System Upkeep | IP-Based KVM Switch | 7600 | 17 | 1 | \$ 12,200 | \$12,200 |
| | Flat-panel Television for monitoring | 7600 | 17 | 1 | \$ 600 | \$600 |
| | Replace 10 Desktops as part of our annual PC refresh | 7600 | 18 | 10 | \$ 600 | \$6,000 |
| | New Wireless Access Points | 7600 | 17 | 6 | \$ 1,000 | \$6,000 |
| | Laptop Refresh - Replace 5 Laptops as part of our annual refresh | 7600 | 18 | 5 | \$ 1,600 | \$8,000 |
| | Cisco ASA 5505 Firewall for Sacramento | 7600 | 18 | 1 | \$ 800 | \$800 |
| | Mac Mini for testing and Dev | 7600 | 18 | 1 | \$ 900 | \$900 |
| Business Continuity and Storage Infrastructure | Integrated Storage and File Server Solution | 7600 | 4 | 1 | \$ 105,000 | \$105,000 |
| Business Continuity and Storage Infrastructure | 2 Servers for Sacramento VM Cluster | 7600 | 18 | 2 | \$ 8,000 | \$16,000 |
| | | | | | | |
| | | | | | | |
| | Total Hardware/Software | | | | | \$363,504 |
| | Furniture | | | | | |
| Chairs | 15 ergonomic desk chairs (replacements for approximately 10% of existing staff) | 7100 | | 15 | \$ 750 | \$ 11,250 |
| | | | | | | |
| | Total Furniture | | | | | \$ 11,250 |

| | | Original | | | | |
|---------------------|--|----------|-----------|----------|-----------|------------------|
| | | Program | Objective | Quantity | Unit | Total |
| | Building | | | | | |
| | | | | | | |
| Windows | Replace film on 5 windows on East side of building | 7300 | 10 | 5 | | \$ 2,500 |
| Emergency Generator | Install Emergency Power Generator | | | | | |
| | | | | | | |
| | Total Building | | | | | \$ 2,500 |
| | Building & IT Contingency | | | 1 | \$ 35,000 | \$ 35,000 |
| | | | | | | |
| Additional Staff | Augmentations | | | | | |
| | Computer, furniture, telephone, etc. | | | 2 | \$ 2,500 | \$ 5,000 |
| | | | | | | |
| | Total Contingency/Additional Staff | | | | | \$ 40,000 |
| | | | | | | |
| | TOTAL CAPITAL BUDGET | | | | | \$417,254 |