# WASHINGTON RESTAURANT ASSOCIATION

## 2014 SPRING BOARD OF DIRECTORS MEETING

**April 14, 2014**

**WA State Convention Center**
**Seattle, Washington**

**Jim Rowe, Chairperson**

ASSOCIATION

**Membership – 5,409**

**Next Board Meeting:**

**July 29 & 30, 2014**

**Semiahmoo Resort**
**Blaine, WA**

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# AGENDA

## WRA SPRING BOARD MEETING

Monday, April 14, 2014
1:00 PM – 5:00 PM

Washington State Convention Center
800 Convention Place, Seattle, WA 98101
Room 3B

**1:00 PM** Call to Order & Introductions & Chair's Report .....Jim Rowe

**1:10 PM** Presentation of Board Awards .....Anthony Anton

**1:15 PM** Board of Directors Ballot .....Anthony Anton

**1:20 PM** Review and Approval of Previous Board Meeting Minutes .....Mark Chriest

**1:30 PM** BIG TOPIC 1 – Seattle Update .....Anthony Anton

**2:30 PM** BIG TOPIC 2 – Tourism .....Julia Gorton

**3:00 PM – 3:15 PM - BREAK**

**3:15 PM** Motion for Approval of all Board Reports .....Jim Rowe
Motion for Resolution .....Jim Rowe

**3:20 PM** Old and New Business .....Open to Floor for Discussion
WRA/WLA Update .....Jim Rowe
Industry Branding Update .....Anthony Anton
Value of WRA .....Teran Petrina
Board Report – Anthony's accountability .....Anthony Anton

**4:00 PM**
BIG TOPIC 3 – CEO Review .....Jim Rowe

**- ADJOURNMENT-**

# WRA Board of Directors Meeting
# January 28, 2014
# Anthony's Homeport
# Olympia, Washington

**WRA members present:** Shannon Boldizsar, Karissa Bresheare, Mark Chriest, Phil Costello, Reggie Frederick, Mike George, Pete Hanning, Lane Hoss, Amy Igloi, Matt McCarthy, Chad Mackay, Erin Everhart, Brian Moreno, Nick Musser, Travis Rosenthal, Jim Rowe, Craig Schafer, Bret Stewart, Gary Sutter, Scott Dickinson, Erik Christiansen, Dan Sutton, Bill Trudnowski and James Yost

**WRA members not present:** Bob Materne, Jeff Iverson and Dwayne Northrup

**Staff present:** Anthony Anton, Teran Petrina, Lex Nepomuceno, Lyle Hildahl, Sheryl Jackson and Jennifer Dixon

**Jim Rowe, Chair of the Board, called the Winter Board Meeting to order at 9:08 a.m.**

**CHAIR'S REPORT**
Jim Rowe reported on the following items:

**Notable Accomplishments/Challenges of Previous Quarter:**
- WRA/WLA Merger
- 2013/2014 Budget
- LCB wanting to channel pricing

**Significant Goals/Challenges of Upcoming Quarter:**
- 2014 Legislative Session
- WRA/WLA Merger Moving Forward
- Industry Branding

**REVIEW AND APPROVAL OF PREVIOUS MEETING MINUTES**
Mark Chriest presented the minutes from the October 29, 2013 meeting as written. Jim asked if there were any items for discussion. **Lane Hoss motioned to accept the minutes as written and Shannon Boldizsar seconded. The motion passed with none opposed.**

**BYLAWS**

Scott Dickinson, member of Board Development Committee, presented the bylaws for approval. There was a short discussion and a motion was made. **Phil Costello motioned to have the changes to the bylaws approved and Mike George seconded. The motion passed with none opposed.**

**BOARD ENGAGEMENT/EXPECTATIONS**
Scott Dickinson presented the board expectations updated by the board development committee. There was discussion regarding how to track board engagement and to add contributing to Chapters as an acceptable way to support. **Chad Mackay motioned to have the board expectations updated with the addition and Erin Everheart seconded. The motion passed with none opposed.**

DRAFT

**QUARTERLY REPORT AND BUDGET APPROVAL**

Mark Chriest went through the Quarterly Report, Balance Sheet and WRA Budget. He answered questions asked by the Board Members. Reports were approved at the end of the meeting with all board reports**.**

**SEATTLE MINIMUM WAGE**
Josh McDonald gave an update on the minimum wage issues in Seattle. He answered questions from the board on this topic. Josh introduced Morgan Hickel who will be assisting him on the local Seattle issues.

**ROUND IT UP AMERICA**
Maureen Trippe with Round It Up America gave a presentation to the board about the program and how it works. Maureen asked the board's support in getting the program going in Washington and answered questions from the board on the program.

**INDUSTRY MESSAGING**
Smith & Stark Company led a focus group discussion about the perception of the industry. Timeline and next steps for the process of messaging/branding were expressed to the board.

**STATE OF THE INDUSTRY**
Anthony gave an update on the state of the industry including stats and trends. Discussion took place on the best use of the information and data. Anthony answered questions from the board on the information presented.

**OLD AND NEW BUSINESS**

Government Affairs Update

Julia Clark gave the board an update on the priority issues for this legislative session. She answered questions from the board regarding the topics.

Board Report Videos

Anthony asked for any questions resulting from the board report videos sent prior to the meeting. Discussion on concerns and questions took place.

Monique Trudnowski's Campaign

Discussion took place that Monique Trudnowski is running for city council in Tacoma. The board would like to support her efforts and discussion took place regarding how that could be done. Anthony told the board they would follow-up with that after this legislative session.

**Erin Everhart made a motion to approve financials as presented, all board reports and the resolution, Karissa Bresheare seconded. The motion passed with none opposed.**

The meeting adjourned at 3:12pm.

DRAFT

# WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

## FINANCIAL REPORT

## SEPTEMBER 30, 2013 AND 2012

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FROST
& COMPANY, P.S.

# INDEPENDENT AUDITOR'S REPORT

Board of Directors
Washington Restaurant Association and Affiliates
Olympia, Washington

***Report on the Consolidated Financial Statements***

We have audited the accompanying consolidated financial statements of Washington Restaurant Association and its affiliates, which comprise the consolidated statement of assets, liabilities and net assets – modified cash basis as of September 30, 2013, and the related consolidated statements of support, revenue and expenses, and changes in net assets – modified cash basis and cash flows – modified cash basis for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with the modified cash basis of accounting; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity's 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 consolidated financial statements.

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

***Basis of Qualified Opinion***

Washington Restaurant Association has accrued accounts payable and recorded the related expenses when incurred rather than when paid in the accompanying consolidated financial statements, which is not in accordance with the modified cash basis of accounting. Modified cash basis of accounting principles require that expenses be recognized when paid rather than when incurred. If Washington Restaurant Association recorded expenses when paid rather than when incurred as of September 30, 2013 liabilities and expenses would be reduced $26,344. The excess of support and revenue over expenses would increase $26,344 for the year ended September 30, 2013.

***Qualified Opinion***

In our opinion, except for the effects of the matter described in the Basis of Qualified Opinion paragraph, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Washington Restaurant Association and its affiliates as of September 30, 2013, and the changes in their net assets and their cash flows for the year then ended in accordance with the modified cash basis of accounting.

***Emphasis of Matter***

As discussed in Note 2 to the financial statements, for 2013 the Association adopted the clarification guidance in defining the modified cash basis of accounting. The cumulative effect of the adoption of the accounting guidance was an increase of net assets totaling $39,029. Our opinion is not modified with respect to this matter.

***Other Matters***

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplemental consolidating information is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

The 2012 financial statements were reviewed by us and our report thereon, dated January 18, 2013, stated we were not aware of any material modifications that should be made to those statements for them to be in accordance with the modified cash basis of accounting. As discussed in Note 2 to the financial statements, Washington Restaurant Association adopted the clarification guidance that defined the modified cash basis of accounting, which did have a material effect on the statements. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Olympia, Washington
March 26, 2014

Frost + Company

# WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
# CONSOLIDATED STATEMENTS OF ASSETS, LIABILITIES AND NET ASSETS - MODIFIED CASH BASIS
# SEPTEMBER 30, 2013 (AUDITED) AND SEPTEMBER 30, 2012 (REVIEWED)

## ASSETS

| | (Audited) 2013 | (Reviewed) 2012 (As Adjusted) |
|---|---|---|
| Current Assets | | |
| Cash and cash equivalents | $ 1,007,845 | $ 718,997 |
| Certificates of deposit | - | 25,218 |
| Prepaid federal income taxes | - | 77,438 |
| Total current assets | 1,007,845 | 821,653 |
| Investment in Northwest Foodservice Show, LLC | 10,000 | 10,000 |
| Property and Equipment - net | 1,394,734 | 1,455,741 |
| Total assets | $ 2,412,579 | $ 2,287,394 |

## LIABILITIES

| | | |
|---|---|---|
| Current Liabilities | | |
| Accounts payable | $ 25,873 | $ 85,756 |
| Payroll taxes withheld | 6,380 | 4,557 |
| Short-term loan from Affiliate | - | 80,000 |
| Security deposit | 6,198 | 6,198 |
| Federal income taxes payable | 60,161 | - |
| Loan payable | - | 12,797 |
| Current portion of mortgage loan payable | 41,129 | 39,108 |
| Total current liabilities | 139,741 | 228,416 |
| Long-Term Debt | | |
| Mortgage loan payable, less current portion | 620,304 | 660,783 |
| Total liabilities | 760,045 | 889,199 |
| Net Assets | 1,652,534 | 1,398,195 |
| Total liabilities and net assets | $ 2,412,579 | $ 2,287,394 |

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

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2013 (AUDITED) AND SEPTEMBER 30, 2012 (REVIEWED)

| | (Audited) 2013 | (Reviewed) 2012 (As Adjusted) |
|---|---|---|
| Support and Revenue | | |
| Dues - regular memberships | $ 1,221,206 | $ 1,151,062 |
| Dues - allied and institutional membership | 129,169 | 129,683 |
| Convention excess of revenue over expenses | 136,613 | 157,894 |
| Retro Program administration fees | 1,636,197 | 1,617,476 |
| Membership assessment | 162,957 | 150,201 |
| Membership contributions | 26,162 | 44,212 |
| Voluntary membership assessments | 22,916 | 22,639 |
| Other nonmember revenues | 833,015 | 1,426,196 |
| Total support and revenue | 4,168,235 | 4,699,363 |
| Expenses | | |
| Salaries, payroll taxes, and employee benefits | 2,003,275 | 1,944,942 |
| Claims management services | 324,256 | 878,720 |
| Membership salaries and benefits | 235,467 | 390,564 |
| Area Coordinator expenses | 26,668 | 13,826 |
| Telephone | 19,688 | 23,942 |
| Office expenses | 18,372 | 22,282 |
| Training, meetings, seminars, and events | 66,509 | 53,332 |
| Auto, travel and entertainment | 31,529 | 32,790 |
| Dues and subscriptions | 28,858 | 20,682 |
| Advertising and promotion | 12,486 | 26,443 |
| Postage | 51,410 | 41,456 |
| Repairs and maintenance | 71,137 | 51,489 |
| Taxes - business and property | 67,323 | 55,373 |
| Political contributions and lobbying | 116,503 | 336,650 |
| Retro consultant fees | - | 39,962 |
| Insurance | 22,699 | 24,422 |
| Membership services | 13,700 | 14,924 |
| Professional services | 57,766 | 103,542 |
| Legislative expenses | 110,021 | 132,939 |
| Depreciation | 83,891 | 83,418 |
| Occupancy | 19,371 | 24,642 |
| Membership survey | 12,098 | 21,408 |
| Interest expense | 35,387 | 36,714 |

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

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2013 (AUDITED) AND SEPTEMBER 30, 2012 (REVIEWED)

| | (Audited) 2013 | (Reviewed) 2012 (As Adjusted) |
|---|---|---|
| Website expenses | $ 9,814 | $ 12,622 |
| Bank charges and credit card discounts | 14,885 | 11,826 |
| Other expenses | 267,532 | 239,945 |
| Total expenses | 3,720,645 | 4,638,855 |
| Excess of support and revenue over expenses before provision for federal income taxes | 447,590 | 60,508 |
| Provision for federal income taxes | 193,251 | 230,159 |
| Excess (deficiency) of support and revenue over expenses | 254,339 | (169,651) |
| Net Assets | | |
| Beginning of year, as originally stated | 1,398,195 | 1,528,817 |
| Cumulative effect of change | - | 39,029 |
| Beginning of year, as adjusted | 1,398,195 | 1,567,846 |
| End of year | $ 1,652,534 | $ 1,398,195 |

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

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS - MODIFIED CASH BASIS
YEARS ENDED SEPTEMBER 30, 2013 (AUDITED) AND 2012 (REVIEWED)

| | (Audited) 2013 | (Reviewed) 2012 (As Adjusted) |
|---|---|---|
| Cash Flows from Operating Activities | | |
| Excess (deficiency) of support and revenue over expenses | $ 254,339 | $ (169,651) |
| Adjustments to reconcile excess (deficiency) of support and revenue over expenses to net cash provided by (used by) operating activities: | | |
| Depreciation | 83,891 | 83,418 |
| (Gain) loss on asset disposal | (4,925) | 258 |
| Change in certain operating assets and liabilities: | | |
| (Increase) decrease in prepaid income taxes | 77,438 | (77,438) |
| Increase (decrease) in accounts payable | (59,928) | 63,845 |
| Increase (decrease) in federal income tax payable | 60,161 | (33,271) |
| Increase (decrease) in payroll taxes withheld | 1,868 | (5,836) |
| Decrease in other | - | (1,947) |
| Net cash provided by (used in) operating activities | 412,844 | (140,622) |
| Cash Flows from Investing Activities | | |
| Proceeds from certificates of deposit | 25,218 | 124,799 |
| Proceeds from asset disposal | 6,089 | - |
| Purchase of property and equipment | (24,048) | (30,647) |
| Net cash provided by investing activities | 7,259 | 94,152 |
| Cash Flows from Financial Activities | | |
| Decrease in bank overdraft | - | (13,554) |
| Principal payments on mortgage loan | (38,458) | (37,733) |
| (Payment) loan short-term loan from Affiliate | (80,000) | 80,000 |
| Principal payments on loan | (12,797) | (12,188) |
| Net cash provided by (used in) financing activities | (131,255) | 16,525 |
| Net increase (decrease) in cash and cash equivalents | 288,848 | (29,945) |
| Cash and Cash Equivalents | | |
| Beginning of year | 718,997 | 748,942 |
| End of year | $ 1,007,845 | $ 718,997 |
| Supplemental Disclosure of Cash Flows Information | | |
| Cash payments for: | | |
| Interest | $ 35,387 | $ 36,508 |
| Income taxes | $ 117,910 | $ 315,185 |

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

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Nature of Activities

The Washington Restaurant Association (WRA) is a not-for-profit corporation organized for the purpose of promoting the general welfare of the restaurant industry in a lawful and upright manner. It aids members, primarily restaurant or lodging facility owners throughout the state of Washington, with various technical and statistical information and, if requested, to represent various groups of members in dealing with governmental agencies with information and assistance in matters concerning the industry; to publicize the industry legislation and administration orders affecting the industry.

The accompanying consolidated financial statements include the accounts of Washington Restaurant Association and its wholly owned taxable subsidiary, WRA Member Services Corporation (Member Services), and its affiliate Washington Restaurant Association Political Action Committee (the PAC) (collectively "the Association"). Member Services enrolls WRA's members in the Washington Restaurant Association Retro Return Trust (Retro Trust) and manages the members' claims. Member Services also creates new initiatives and programs for WRA's members. The PAC is a political action committee that solicits contributions from members and contributes to the political campaign of election candidates. The PAC also receives contributions outside of membership dues.

A summary of the Association's significant accounting policies follows:

### Basis of Accounting

The consolidated financial statements have been prepared using the modified cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. All revenue is recognized when received rather than when earned and expenses are recognized when the obligation is incurred rather than when paid, which is not in accordance with the modified cash basis of accounting. Property and equipment purchases are capitalized and depreciated over their estimated useful lives.

### Consolidating Policy

The accompanying consolidated financial statements include the accounts of WRA, Member Services, and the PAC. All significant intercompany transactions and accounts have been eliminated in consolidation.

### Revenue Recognition

The Association records membership dues when received. The Association holds certain events during the year such as a convention, chapter events, and special events which are recorded as revenue when received. The Association receives commission income from Heartland and management and administrative fees which are all recorded when received. The Association records revenue relating to administrative fees and management services from Retro Trust to manage the Association's members' Washington State Labor and Industry retrospective rating claims when received.

The PAC recognizes revenue from the Association's members and other contributors when membership dues are paid. The Association assessed members 12.5% of their annual dues for the years ended September 30, 2013 and 2012 for voluntary contributions to the PAC fund.

(continued)

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Association considers cash and cash equivalents to be checking, savings, money market accounts and certificates of deposits that have an original maturity date less than three months.

Investment in Northwest Foodservice Show, LLC

The investment in Northwest Foodservice Show, LLC is accounted for using the cost method of accounting.

Property and Equipment

Expenditures incurred for the acquisition of property and equipment with useful lives extending beyond one year are capitalized. General maintenance and minor repairs are expensed as paid. Property and equipment are stated at cost. Depreciation is calculated using the straight line basis over the estimated lives of the related assets of 39 years for the building and 3 - 7 years for software, furniture, equipment and automobiles.

Net Assets

The Association classifies net assets as unrestricted, temporarily restricted or permanently restricted based on donor imposed restrictions. The Association had no temporarily restricted or permanently restricted net assets at September 30, 2013 or 2012.

Advertising

The Association charges advertising costs to expense as incurred. Advertising expense was $10,765 and $14,697 for the years ended September 30, 2013 and 2012.

Federal Income Tax

WRA has been determined by the Internal Revenue Service to be exempt from federal income tax under the provisions of the Internal Revenue Code, Section 501(c)(6). Taxes are imposed on unrelated business taxable income as defined in the Internal Revenue Code Section 511.

Member Services is a taxable corporation and is part of a controlled group for federal income tax purposes. Member Services shares the tax rate brackets with the Association on its taxable unrelated business income. WRA and Member Services share equally in all of these tax rate brackets: 15 percent, 25 percent, 34 percent and 39 percent.

The PAC is exempt from federal income tax pursuant to Internal Revenue Code Section 527(a).

Accrued interest and penalties associated with uncertain tax positions are recognized as part of the provision for income tax expense on the Consolidated Statements of Support, Revenue and Expenses and Changes in Net Assets.

(continued)

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 1 – NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

### Use of Estimates

The preparation of the consolidated financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

### Concentration of Credit Risk

The Association's cash and cash equivalents are maintained at high quality institutions. Through September 30, 2013 the Association had not experienced any losses on such deposits.

### Subsequent Events

The Association has evaluated subsequent events through March 26, 2014, the date on which the financial statements were available to be issued.

### Reclassifications

Certain reclassifications have been made to the prior year's financial statements to conform to the current year presentation. These reclassifications had no effect on previously report deficiency of support and revenue over expenses and net assets.

## NOTE 2 – ADOPTION OF CHANGE IN ACCOUNTING PRINCIPLE

In 2012 the AICPA adopted clarification guidance regarding financial statements prepared in accordance with a special purpose framework, which includes the cash basis and modified cash basis of accounting. The guidance defines what modifications to the cash basis have substantial support to be an acceptable basis of accounting. The Association has adopted this guidance effective October 1, 2011. The following table sets forth the effects of the restatement on line items within the Consolidated Statement of Assets, Liabilities, and Net Assets, Consolidated Statement of Support, Revenue, Expenses and Changes in Net Assets and Consolidated Statement of Cash Flows.

| | As of September 30, 2012 | | |
|---|---|---|---|
| | As Previously Reported | Effect of Accounting Change | As Adjusted |
| Consolidated Statement of Assets, Liabilities and Net Assets | | | |
| Current Assets | | | |
| Prepaid expenses and other receivables | $ 12,403 | ($ 12,403) | $ -- |
| Due from related parties | 6,366 | (6,366) | -- |
| Total current assets | 840,422 | (18,769) | 821,653 |
| Loan fees | 9,162 | (9,162) | -- |
| Total assets | 2,315,325 | (27,931) | 2,287,394 |
| Current Liabilities | | | |
| Accounts payable | 41,281 | (499) | 40,782 |
| Accrued choice | 60,692 | (60,692) | -- |

(continued)

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

NOTE 2 – ADOPTION OF CHANGE IN ACCOUNTING PRINCIPLE (concluded)

| | As of September 30, 2012 | | |
|---|---|---|---|
| | As Previously Reported | Effect of Accounting Change | As Adjusted |
| Security deposit and other | $ 6,523 | $ (325) | $ 6,198 |
| Total current liabilities | 289,932 | (61,516) | 228,416 |
| Total liabilities | 950,715 | (61,516) | 889,199 |
| Net Assets | 1,364,610 | 33,585 | 1,398,195 |
| Total liabilities and net assets | 2,315,325 | (27,931) | 2,287,394 |
| Consolidated Statement of Support, Revenue and Expenses and Changes in Net Assets | | | |
| Support and Revenue | | | |
| Dues – regular memberships | 1,143,066 | 7,996 | 1,151,062 |
| Dues – allied and institutional membership | 130,293 | (610) | 129,683 |
| Convention excess of revenue over expenses | 152,198 | 5,696 | 157,894 |
| Other revenue | 1,432,559 | (6,363) | 1,426,196 |
| Total support and revenue | 4,692,644 | 6,719 | 4,699,363 |
| Expenses | | | |
| Salaries, payroll taxes, and employee benefits | 1,934,168 | 10,774 | 1,944,942 |
| Membership salaries and benefits | 389,380 | 1,184 | 390,564 |
| Postage | 40,551 | 905 | 41,456 |
| Depreciation and amortization | 84,118 | (700) | 83,418 |
| Total expenses | 4,626,692 | 12,163 | 4,638,855 |
| Excess of support and revenue over expenses before provision for federal income taxes | 65,952 | (5,444) | 60,508 |
| Deficiency of support and revenue over expenses | (164,207) | (5,444) | (169,651) |
| Net Assets | | | |
| Beginning of year | 1,528,817 | 39,029 | 1,567,846 |
| End of year | 1,364,610 | 33,585 | 1,398,195 |
| | | | |
| Consolidated Statement of Cash Flows | | | |
| Cash Flows from Operating Activities | | | |
| Deficiency of support and revenues over expenses | (164,207) | (5,444) | (169,651) |
| Depreciation and amortization | 84,118 | (700) | 83,418 |
| Increase in due from related parties | (3,987) | 3,987 | -- |
| Decrease in prepaid expenses and other receivables | 10,859 | (10,859) | -- |
| Increase in accounts payable | 61,920 | 1,925 | 63,845 |
| Decrease in accrued choice (vacation) | (10,774) | 10,774 | -- |
| Decrease in other | (2,264) | 317 | (1,947) |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 3 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following at September 30:

| | 2013 | 2012 |
|---|---|---|
| Depreciable Assets: | | |
| Furniture, equipment and software | $ 665,764 | $ 688,387 |
| Automobiles | 68,453 | 90,277 |
| Office building | 1,057,434 | 1,069,799 |
| Total cost | 1,791,651 | 1,848,463 |
| Less accumulated depreciation and amortization | 799,917 | 795,722 |
| Depreciable assets – net | 991,734 | 1,052,741 |
| Land | 403,000 | 403,000 |
| Property and equipment – net | $1,394,734 | $1,455,741 |

## NOTE 4 – LOAN PAYABLE

The Association had a loan with a bank originally totaling $25,000 collateralized by an automobile. The loan was paid during the year ended September 30, 2013.

## NOTE 5 – MORTGAGE LOAN PAYABLE

In November 2004 the Association purchased the building it occupies. The Association refinanced the existing building loan on November 15, 2010. The original principal balance on the new note was $767,900 with an initial rate of 5% requiring 60 monthly consecutive principal and interest payments totaling $6,106, beginning December 20, 2010. Beginning December 20, 2015 interest will be calculated on the unpaid principal balance using an interest rate based on the Five Year Federal Home Loan Bank (FHLB) of Seattle Fixed Advance Rate (currently 2.0%), plus a margin of 3.0 percentage points, the sum rounded to the nearest .0125, adjusted as necessary for the minimum and maximum rate limitations for this loan. The loan matures on November 20, 2025. The note is secured by real property. The loan is subject to debt covenants in which the working capital ratio may be at least 1.75 to 1 and the debt to worth ratio must not exceed 2 to 1. Principal payments on the mortgage are as follows for future years ending September 30:

| | |
|---|---|
| 2014 | $ 41,129 |
| 2015 | 43,233 |
| 2016 | 45,445 |
| 2017 | 47,770 |
| 2018 | 50,214 |
| Thereafter | 433,642 |
| Total mortgage loan payable | $ 661,433 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 6 – RENTAL INCOME

The Association leases a portion of its building under a lease expiring September 30, 2014. Lease income from unrelated parties totaled $90,885 and $88,241 for the years ended September 30, 2013 and 2012. Required lease payments are $74,376 for the year ended September 30, 2014.

The Association also receives rental income from the Foundation which totaled $11,045 for the year ended September 30, 2013.

## NOTE 7 – CLAIMS MANAGEMENT AND MEDICAL COST CONTROL

Member Services had a service contract with Integrated Claims Management, Inc. (ICM) which provided claims management and medical cost control for Retro Trust members. ICM worked closely with Department of Labor and Industries personnel to close members' workers' compensation claims as soon as possible and worked with members to mitigate claims. ICM also provided follow-up consultations related to program. This contract ended on July 31, 2012. Member Services paid ICM $705,578 for services provided through September 30, 2012.

Effective August 1, 2012, Member Services entered into a service contract with Employer Resources Northwest (ERNwest) to replace the services of ICM. ERNwest is also providing additional data related services to Retro Trust and its governing bodies.. Member Services paid directly to ERNwest $324,256 and $173,142 for services provided for the years ended September 30, 2013 and 2012. Retro Trust paid directly to ERNwest $571,532 for claims management services provided for the year ended September 30, 2013. Total payments to ERNwest were $895,788 and $173,532 for the years ended September 30, 2013 and 2012.

## NOTE 8 – 401(k) PLAN

The Association has a deferred compensation plan under Internal Revenue Code Section 401(k) which covers all employees who have completed at least one year of service and who have attained 19 years of age. Each participant elects a percentage of their salary to defer and WRA and Member Services matches their contribution, not to exceed 5% of the participants' compensation. Employer match contributions were $65,668 and $61,753 for the years ended September 30, 2013 and 2012.

## NOTE 9 – RELATED PARTY TRANSACTIONS

Washington Restaurant Association Education Foundation (the Foundation) as a charitable organization for educational purposes and is a non-consolidated affiliate of the Association. The Board of the Foundation is separate from the Board of WRA. The Association provided administrative support to the Foundation for a management fee of $155,707 for the year ended September 30, 2012.

Washington Restaurant Association Retro Return Trust (Retro Trust) is a non-consolidated affiliate of the Association that is a trust for the retrospective rating refund program for the members of Association offered through the State of Washington Labor & Industries. The Association is the management agent for Retro Trust. Management fees received from Retro Trust for the years ended September 30, 2013 and 2012 were $100,000 and $728,198. Retro Trust withheld and remitted administrative fees to Member Services totaling $1,636,197 and $1,617,476 for the years ended September 30, 2013 and 2012. Retro Trust also paid trust fees to Member Services of $120,000 for both the years ended September 30, 2013 and 2012.

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 10 – INCOME TAXES

The provision for income taxes consisted of the following for the years ended September 30:

| | 2013 | 2012 |
|---|---|---|
| Current (Member Services) | $123,105 | $ 30,345 |
| Unrelated business taxable income | 70,146 | 199,814 |
| Total | $193,251 | $230,159 |

The effective tax rate differs from the statutory tax rate due to political contributions and lobbying expenses, which are not deductible.

Unrelated business taxable income approximated $349,000 and the related tax expense approximated $70,000 for the year ended September 30, 2013. Unrelated business taxable income approximated $520,000 and the related tax expense approximated $176,544 for the year ended September 30, 2012.

The Association is no longer subject to income tax examinations by taxing authorities for years ended before September 30, 2010.

The Association includes penalties and interest assessed by income taxing authorities in provision for federal income taxes. The Association had $573 in interest and penalties as of fiscal year ended September 30, 2012.

## NOTE 11 – OTHER REVENUES

Other revenues as of years ended September 30:

| Other Revenues | 2013 | 2012 |
|---|---|---|
| Chapter sponsorships and events | $ 92,906 | $ 79,857 |
| Commissions | 63,803 | 55,037 |
| Retrospective rating refunds management fee | 100,000 | 728,198 |
| Retro Trust fees | 120,000 | 120,000 |
| WRA Education Foundation management fee | -- | 155,707 |
| Hill climb and legislative reception revenues | 16,400 | 13,461 |
| Hospitality Industry Health Insurance Trust reimbursement | 48,789 | 32,297 |
| Investment income and finance charges | 4,443 | 4,075 |
| Rental income | 101,930 | 88,241 |
| Advertising income | 102,480 | 79,949 |
| Strategic partner income | 36,603 | 8,468 |
| Sponsorship income | 54,191 | 51,970 |
| Miscellaneous income | 24,614 | 2,889 |
| HERO manual | 4,000 | 3,047 |
| Government issues funding | 23,450 | -- |
| EF grant reimbursement | 34,438 | -- |
| Board/committee meetings | 4,968 | 3,000 |
| Total other revenues | $ 833,015 | $1,426,196 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 12 – OTHER EXPENSES

Other expenses as of years ended September 30:

| Other Expenses | 2013 | 2012 |
|---|---|---|
| Chapter expenses: | | |
| Salaries and wages | $ 27,664 | $ 27,804 |
| Auto, travel and entertainment | 4,187 | 4,698 |
| Meetings | 1,299 | 2,256 |
| Events | 68,099 | 53,199 |
| Office expense | 2,068 | 2,843 |
| Printing and postage | 152 | 2,636 |
| AC Grassroots incentive | 21,600 | 24,250 |
| Miscellaneous | 5,138 | 5,425 |
| Total chapter expenses | 130,207 | 123,111 |
| Strategic planning | 8,649 | -- |
| HERO manual expense | 2,303 | 2,830 |
| Holiday expense | 6,040 | 7,542 |
| Miscellaneous | 5,211 | 3,011 |
| Funding Multicare Healthy | 3,261 | 10,494 |
| Hill climb and legislative reception expenses | 13,759 | 14,449 |
| Issue and research contingency | 45,567 | 10,223 |
| Newsletter and membership directory | 52,535 | 68,285 |
| Total other expenses | $ 267,532 | $ 239,945 |

## NOTE 13 – REVENUES AND EXPENSES - CONVENTION

WRA holds a convention every other year and had the following revenues and expenses for the years ended September 30:

| Revenues | 2013 | 2012 |
|---|---|---|
| Booth and commission income | $ 94,959 | $ 96,682 |
| Management fee | 45,000 | 52,649 |
| Sponsorship | -- | 30,336 |
| Total revenues | 139,959 | 179,667 |
| Expenses | | |
| Booths and decorations | 1,159 | 9,484 |
| Sponsorship | -- | 8,000 |
| Advertising and promotion | 325 | 1,019 |
| Parking | 42 | 297 |
| Travel | 1,184 | 1,304 |
| Lodging and meals | 636 | 1,424 |
| Miscellaneous | -- | 245 |
| Total expenses | 3,346 | 21,773 |
| Excess of revenues over expenses – convention | $ 136,613 | $ 157,894 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## NOTE 14 – NEW ACCOUNTING PRONOUNCEMENTS

In October 2012, FASB issued ASU 2012-05, *Statement of Cash flows (Topic 230): Not-for-Profit Entities: Classification of the Sale Proceeds of Donated Financial Assets in the Statement of Cash Flows*, which requires not-for-profit entities to classify cash receipts from the "nearly immediate" sale of donated financial assets as an operating activity in the consolidated statement of cash flows when received with no donor-imposed restrictions. When the donor has restricted the use of the cash receipts from the sale of donated financial assets, classification as a financing activity would be required. When financial assets are not "nearly immediately" sold, classification as an investing activity would be appropriate.

The amendments in ASU 2012-05 are effective prospectively for fiscal years beginning after June 15, 2013. Management is in the process of evaluating the potential impact this guidance will have on its financial statements.

In April 2013, the FASB issued ASU 2013-06, *Not-for-Profit Entities (Topic 958), Services Received from Personnel of an Affiliate*, which requires a recipient not-for-profit entity to recognize all services received from personnel of an affiliate that directly benefit the recipient not-for-profit entity. Those services should be measured at the cost recognized by the affiliate for the personnel providing those services. However, if measuring a service received from personnel of an affiliate at cost will significantly overstate or understate the value of the service received, the recipient not-for-profit entity may elect to recognize that service received at either (1) the cost recognized by the affiliate for the personnel providing that service or (2) the fair value of that service. The amendments in this Update are effective prospectively for fiscal years beginning after June 15, 2014, and interim and annual periods thereafter. Management is in the process of evaluating the potential impact this guidance will have on its financial statements.

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES

SUPPLEMENTARY INFORMATION

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
SEPTEMBER 30, 2013 (AUDITED)

ASSETS

| | Washington Restaurant Association | WRA Member Services Corp. | WRA Political Action Committee | Total | Eliminating Entries | Consolidated |
|---|---|---|---|---|---|---|
| Current Assets | | | | | | |
| Cash and cash equivalents | $ 709,578 | $ 181,144 | $ 117,123 | $ 1,007,845 | $ - | $ 1,007,845 |
| Due from related entities | 975 | 2,885 | 20,119 | 23,979 | (23,979) | - |
| Total current assets | 710,553 | 184,029 | 137,242 | 1,031,824 | (23,979) | 1,007,845 |
| Investments | | | | | | |
| WRA Member Services Corporation | 126,971 | - | - | 126,971 | (126,971) | - |
| Northwest Foodservice Show, LLC | 10,000 | - | - | 10,000 | - | 10,000 |
| Total investments | 136,971 | - | - | 136,971 | (126,971) | 10,000 |
| Property and Equipment - net | 1,391,507 | 3,227 | - | 1,394,734 | - | 1,394,734 |
| Total assets | $ 2,239,031 | $ 187,256 | $ 137,242 | $ 2,563,529 | $ (150,950) | $ 2,412,579 |

LIABILITIES AND NET ASSETS

| | | | | | | |
|---|---|---|---|---|---|---|
| Current Liabilities | | | | | | |
| Accounts payable | $ 25,595 | $ 24,211 | $ 46 | $ 49,852 | $ (23,979) | $ 25,873 |
| Payroll taxes withheld | 4,149 | 2,231 | - | 6,380 | - | 6,380 |
| Security deposit payable | 6,198 | - | - | 6,198 | - | 6,198 |
| Federal income taxes payable | 26,318 | 33,843 | - | 60,161 | - | 60,161 |
| Current portion of mortage loan payable | 41,129 | - | - | 41,129 | - | 41,129 |
| Total current liabilities | 103,389 | 60,285 | 46 | 163,720 | (23,979) | 139,741 |
| Long-term debt | | | | | | |
| Mortgage loan payable, less current portion | 620,304 | - | - | 620,304 | - | 620,304 |
| Total liabilities | 723,693 | 60,285 | 46 | 784,024 | (23,979) | 760,045 |
| Net Assets | 1,515,338 | 126,971 | 137,196 | 1,779,505 | (126,971) | 1,652,534 |
| Total liabilities and net assets | $ 2,239,031 | $ 187,256 | $ 137,242 | $ 2,563,529 | $ (150,950) | $ 2,412,579 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF ASSETS, LIABILITIES AND NET ASSETS -
MODIFIED CASH BASIS
SEPTEMBER 30, 2012 (REVIEWED)

ASSETS

| | Washington Restaurant Association (As Adjusted) | WRA Member Services Corp. (As Adjusted) | WRA Political Action Committee | Total (As Adjusted) | Eliminating Entries | Consolidated (As Adjusted) |
|---|---|---|---|---|---|---|
| Current Assets | | | | | | |
| Cash and cash equivalents | $ 539,808 | $ 143,137 | $ 36,052 | $ 718,997 | $ - | $ 718,997 |
| Certificates of deposit | 25,218 | - | - | 25,218 | - | 25,218 |
| Due from related entities | 6,088 | - | - | 6,088 | (6,088) | - |
| Prepaid federal income taxes | 5,906 | 71,532 | - | 77,438 | - | 77,438 |
| Total current assets | 577,020 | 214,669 | 36,052 | 827,741 | (6,088) | 821,653 |
| Investments | | | | | | |
| WRA Member Services Corporation | 127,947 | - | - | 127,947 | (127,947) | - |
| Northwest Foodservice Show, LLC | 10,000 | - | - | 10,000 | - | 10,000 |
| Total investments | 137,947 | - | - | 137,947 | (127,947) | 10,000 |
| Property and Equipment - net | 1,454,155 | 1,586 | - | 1,455,741 | - | 1,455,741 |
| Total assets | $ 2,169,122 | $ 216,255 | $ 36,052 | $ 2,421,429 | $ (134,035) | $ 2,287,394 |

LIABILITIES AND NET ASSETS

| | | | | | | |
|---|---|---|---|---|---|---|
| Current Liabilities | | | | | | |
| Accounts payable | $ 85,087 | $ 669 | $ - | $ 85,756 | $ - | $ 85,756 |
| Payroll taxes withheld | 3,006 | 1,551 | - | 4,557 | - | 4,557 |
| Payable to WRA | - | 6,088 | - | 6,088 | (6,088) | - |
| Short-term loan from Affiliate | - | 80,000 | - | 80,000 | - | 80,000 |
| Security deposit payable | 6,198 | - | - | 6,198 | - | 6,198 |
| Loan payable | 12,797 | - | - | 12,797 | - | 12,797 |
| Current portion of mortage loan payable | 39,108 | - | - | 39,108 | - | 39,108 |
| Total current liabilities | 146,196 | 88,308 | - | 234,504 | (6,088) | 228,416 |
| Long-term debt | | | | | | |
| Mortgage loan payable, less current portion | 660,783 | - | - | 660,783 | - | 660,783 |
| Total liabilities | 806,979 | 88,308 | - | 895,287 | (6,088) | 889,199 |
| Net Assets | 1,362,143 | 127,947 | 36,052 | 1,526,142 | (127,947) | 1,398,195 |
| Total liabilities and net assets | $ 2,169,122 | $ 216,255 | $ 36,052 | $ 2,421,429 | $ (134,035) | $ 2,287,394 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2013 (AUDITED)

| | Washington Restaurant Association | WRA Member Services Corp | WRA Political Action Committee | Total | Eliminating Entries | Consolidated |
|---|---|---|---|---|---|---|
| Support and Revenue | | | | | | |
| Dues - regular memberships | $ 1,221,206 | $ - | $ - | $ 1,221,206 | $ - | $ 1,221,206 |
| Dues - allied and institutional membership | 129,169 | - | - | 129,169 | - | 129,169 |
| Convention excess of revenue over expenses | 136,613 | - | - | 136,613 | - | 136,613 |
| Retro program administration fees | - | 1,636,197 | - | 1,636,197 | - | 1,636,197 |
| Membership assessment | - | - | 162,957 | 162,957 | - | 162,957 |
| Membership contributions | - | - | 41,162 | 41,162 | (15,000) | 26,162 |
| Voluntary membership assessments | - | - | 22,916 | 22,916 | - | 22,916 |
| Other nonmember revenues | 941,343 | 126,585 | 53 | 1,067,981 | (234,966) | 833,015 |
| Total support and revenue | 2,428,331 | 1,762,782 | 227,088 | 4,418,201 | (249,966) | 4,168,235 |
| Expenses | | | | | | |
| Salaries, payroll taxes and employee benefits | 1,119,467 | 883,730 | 27,239 | 2,030,436 | (27,161) | 2,003,275 |
| Claims management services | - | 324,256 | - | 324,256 | - | 324,256 |
| Membership salaries and benefits | 235,467 | - | - | 235,467 | - | 235,467 |
| Area coordinator expenses | 26,668 | - | - | 26,668 | - | 26,668 |
| Telephone | 16,236 | 3,452 | - | 19,688 | - | 19,688 |
| Office expenses | 15,010 | 3,237 | 125 | 18,372 | - | 18,372 |
| Training, meetings, seminars, events | 32,668 | 33,841 | - | 66,509 | - | 66,509 |
| Auto, travel and entertainment | 22,810 | 8,719 | - | 31,529 | - | 31,529 |
| Dues and subscriptions | 20,850 | 508 | 7,500 | 28,858 | - | 28,858 |
| Advertising and promotion | 8,855 | 3,631 | - | 12,486 | - | 12,486 |
| Postage | 27,768 | 23,642 | - | 51,410 | - | 51,410 |
| Repairs and maintenance | 48,097 | 23,040 | - | 71,137 | - | 71,137 |
| Taxes-business and property | 33,041 | 34,282 | - | 67,323 | - | 67,323 |
| Political contributions and lobbying | - | 43,453 | 88,050 | 131,503 | (15,000) | 116,503 |
| Insurance | 19,204 | 3,495 | - | 22,699 | - | 22,699 |
| Membership services | 6,162 | 7,538 | - | 13,700 | - | 13,700 |
| Professional services | 34,958 | 19,808 | 3,000 | 57,766 | - | 57,766 |
| Legislative expenses | 110,021 | - | - | 110,021 | - | 110,021 |
| Depreciation | 83,195 | 696 | - | 83,891 | - | 83,891 |
| Occupancy | 16,098 | 11,078 | - | 27,176 | (7,805) | 19,371 |
| Membership survey | 9,213 | 2,885 | - | 12,098 | - | 12,098 |
| Interest expense | 35,387 | - | - | 35,387 | - | 35,387 |
| Website expenses | 7,264 | 2,550 | - | 9,814 | - | 9,814 |
| Bank charges and credit card discounts | 13,150 | 1,735 | - | 14,885 | - | 14,885 |
| Other expenses | 262,425 | 5,077 | 30 | 267,532 | - | 267,532 |
| Total expenses | 2,204,014 | 1,440,653 | 125,944 | 3,770,611 | (49,966) | 3,720,645 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2013 (AUDITED)

| | Washington Restaurant Association | WRA Member Services Corp. | WRA Political Action Committee | Total | Eliminating Entries | Consolidated |
|---|---|---|---|---|---|---|
| Excess of support and revenue over expenses before undistributed loss from affiliate | $ 224,317 | $ 322,129 | $ 101,144 | $ 647,590 | $ (200,000) | $ 447,590 |
| Excess undistributed loss from affiliate | (976) | - | - | (976) | 976 | - |
| Excess of support and revenue over expenses before provision for federal income taxes | 223,341 | 322,129 | 101,144 | 646,614 | (199,024) | 447,590 |
| Provision for federal income taxes or unrelated business income taxes | 70,146 | 123,105 | - | 193,251 | - | 193,251 |
| Excess of support and revenue over expenses | 153,195 | 199,024 | 101,144 | 453,363 | (199,024) | 254,339 |
| Net Assets | | | | | | |
| Beginning of year | 1,362,143 | 127,947 | 36,052 | 1,526,142 | (127,947) | 1,398,195 |
| Dividends paid | - | (200,000) | - | (200,000) | 200,000 | - |
| End of year | $ 1,515,338 | $ 126,971 | $ 137,196 | $ 1,779,505 | $ (126,971) | $ 1,652,534 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2012 (REVIEWED)

| | Washington Restaurant Association (As Adjusted) | WRA Member Services Corp. (As Adjusted) | WRA Political Action Committee | Total (As Adjusted) | Eliminating Entries | Consolidated (As Adjusted) |
|---|---|---|---|---|---|---|
| Support and Revenue | | | | | | |
| Dues - regular memberships | $ 1,151,062 | $ - | $ - | $ 1,151,062 | $ - | $ 1,151,062 |
| Dues - allied and institutional membership | 129,683 | - | - | 129,683 | - | 129,683 |
| Convention excess of revenue over expenses | 157,894 | - | - | 157,894 | - | 157,894 |
| Retro program administration fees | - | 1,617,476 | - | 1,617,476 | - | 1,617,476 |
| Membership assessment | - | - | 150,201 | 150,201 | - | 150,201 |
| Membership contributions | - | - | 44,212 | 44,212 | - | 44,212 |
| Voluntary membership assessments | - | - | 32,639 | 32,639 | (10,000) | 22,639 |
| Other nonmember revenues | 1,696,299 | 124,941 | 257 | 1,821,497 | (395,301) | 1,426,196 |
| Total support and revenue | 3,134,938 | 1,742,417 | 227,309 | 5,104,664 | (405,301) | 4,699,363 |
| Expenses | | | | | | |
| Salaries, payroll taxes and employee benefits | 1,573,639 | 371,381 | 22,252 | 1,967,272 | (22,330) | 1,944,942 |
| Claims management services | - | 878,720 | - | 878,720 | - | 878,720 |
| Management fees | - | 247,971 | - | 247,971 | (247,971) | - |
| Membership salaries and benefits | 390,564 | - | - | 390,564 | - | 390,564 |
| Area coordinator expenses | 13,826 | - | - | 13,826 | - | 13,826 |
| Telephone | 23,942 | - | - | 23,942 | - | 23,942 |
| Office expenses | 19,318 | 2,788 | 176 | 22,282 | - | 22,282 |
| Trainings, meetings, seminars, and events | 37,853 | 15,479 | - | 53,332 | - | 53,332 |
| Auto, travel and entertainment | 32,790 | - | - | 32,790 | - | 32,790 |
| Dues and subscriptions | 20,682 | - | - | 20,682 | - | 20,682 |
| Advertising and promotion | 25,197 | 1,246 | - | 26,443 | - | 26,443 |
| Postage | 28,928 | 12,528 | - | 41,456 | - | 41,456 |
| Repairs and maintenance | 51,489 | - | - | 51,489 | - | 51,489 |
| Taxes-business and property | 19,721 | 35,652 | - | 55,373 | - | 55,373 |
| Political contributions | - | 10,000 | 336,650 | 346,650 | (10,000) | 336,650 |
| Retro consultant fees | - | 39,962 | - | 39,962 | - | 39,962 |
| Insurance | 24,422 | - | - | 24,422 | - | 24,422 |
| Membership services | 14,924 | - | - | 14,924 | - | 14,924 |
| Professional services | 56,213 | 44,579 | 2,750 | 103,542 | - | 103,542 |
| Legislative expenses | 132,939 | - | - | 132,939 | - | 132,939 |
| Depreciation | 82,819 | 599 | - | 83,418 | - | 83,418 |
| Occupancy | 24,642 | - | - | 24,642 | - | 24,642 |
| Membership survey | 21,408 | - | - | 21,408 | - | 21,408 |
| Interest expense | 36,508 | 206 | - | 36,714 | - | 36,714 |
| Website expenses | 12,622 | - | - | 12,622 | - | 12,622 |
| Bank charges and credit card discounts | 10,484 | 1,342 | - | 11,826 | - | 11,826 |
| Other expenses | 239,837 | - | 108 | 239,945 | - | 239,945 |
| Total expenses | 2,894,767 | 1,662,453 | 361,936 | 4,919,156 | (280,301) | 4,638,855 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF SUPPORT, REVENUE AND EXPENSES
AND CHANGES IN NET ASSETS - MODIFIED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2012 (REVIEWED)

| | Washington Restaurant Association (As Adjusted) | WRA Member Services Corp. (As Adjusted) | WRA Political Action Committee | Total (As Adjusted) | Eliminating Entries | Consolidated (As Adjusted) |
|---|---|---|---|---|---|---|
| Excess (deficiency) of support and revenue over expenses before undistributed loss from affiliate | $ 240,171 | $ 79,964 | $ (134,627) | $ 185,508 | $ (125,000) | $ 60,508 |
| Excess undistributed loss from affiliate | (75,381) | - | - | (75,381) | 75,381 | - |
| Excess (deficiency) of support and revenue over expenses before provision for federal income taxes | 164,790 | 79,964 | (134,627) | 110,127 | (49,619) | 60,508 |
| Provision for federal income taxes or unrelated business income taxes | 199,814 | 30,345 | - | 230,159 | - | 230,159 |
| Excess (deficiency) of support and revenue over expenses | (35,024) | 49,619 | (134,627) | (120,032) | (49,619) | (169,651) |
| Net Assets | | | | | | |
| Beginning of year, as originally stated | 1,358,138 | 198,676 | 170,679 | 1,727,493 | (198,676) | 1,528,817 |
| Cumulative effect of change | 39,029 | 4,652 | - | 43,681 | (4,652) | 39,029 |
| Beginning of year, as adjusted | 1,397,167 | 203,328 | 170,679 | 1,771,174 | (203,328) | 1,567,846 |
| Dividends paid | - | (125,000) | - | (125,000) | 125,000 | - |
| End of year | $ 1,362,143 | $ 127,947 | $ 36,052 | $ 1,526,142 | $ (127,947) | $ 1,398,195 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF CASH FLOWS - MODIFED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2013 (AUDITED)

| | Washington Restaurant Association | WRA Member Services Corp. | WRA Political Action Committee | Total | Eliminating Entries | Consolidated |
|---|---|---|---|---|---|---|
| Cash Flows from Operating Activities | | | | | | |
| Excess of support and revenue over expenses | $ 153,195 | $ 199,024 | $ 101,144 | $ 453,363 | $ (199,024) | $ 254,339 |
| Adjustments to reconcile excess of revenue and support over expenses to net cash provided by operating activities | | | | | | |
| Depreciation | 83,195 | 696 | - | 83,891 | - | 83,891 |
| (Gain) loss on asset disposal | (5,198) | 273 | - | (4,925) | - | (4,925) |
| Excess undistributed loss from affiliate | 976 | - | - | 976 | (976) | - |
| Change in certain operating assets and liabilities: | | | | | | |
| Decrease in prepaid income taxes | 5,906 | 71,532 | - | 77,438 | - | 77,438 |
| (Increase) decrease in due from related entities | 5,113 | (2,885) | (20,119) | (17,891) | 17,891 | - |
| Increase (decrease) in accounts payable | (59,492) | 23,497 | 46 | (35,949) | (23,979) | (59,928) |
| Increase in federal income taxes payable | 26,318 | 33,843 | - | 60,161 | - | 60,161 |
| Increase in payroll taxes withheld | 1,143 | 725 | - | 1,868 | - | 1,868 |
| Decrease in payable to WRA | - | (6,088) | - | (6,088) | 6,088 | - |
| | | | | - | | - |
| Net cash provided by operating activities | 211,156 | 320,617 | 81,071 | 612,844 | (200,000) | 412,844 |
| Cash Flows from Investing Activities | | | | | | |
| Proceeds from certificates of deposit | 25,218 | - | - | 25,218 | - | 25,218 |
| Proceeds from asset disposal | 6,089 | - | - | 6,089 | - | 6,089 |
| Purchase of property and equipment | (21,438) | (2,610) | - | (24,048) | - | (24,048) |
| Net cash used in investing activities | 9,869 | (2,610) | - | 7,259 | - | 7,259 |
| Cash Flows from Financing Activities | | | | | | |
| Dividends paid | - | (200,000) | - | (200,000) | 200,000 | - |
| Principal payments on mortgage | (38,458) | - | - | (38,458) | - | (38,458) |
| Payment on short-term loan from Affiliate | - | (80,000) | - | (80,000) | - | (80,000) |
| Principal payments on loan | (12,797) | - | - | (12,797) | - | (12,797) |
| Net cash used in financing activities | (51,255) | (280,000) | - | (331,255) | 200,000 | (131,255) |
| Net increase in cash and cash equivalents | 169,770 | 38,007 | 81,071 | 288,848 | - | 288,848 |
| Cash and Cash Equivalents | | | | | | |
| Beginning of year | 539,808 | 143,137 | 36,052 | 718,997 | - | 718,997 |
| End of year | $ 709,578 | $ 181,144 | $ 117,123 | $ 1,007,845 | $ - | $ 1,007,845 |
| Supplemental Disclosure of Cash Flows Information | | | | | | |
| Cash paid during the period for: | | | | | | |
| Interest | $ 35,387 | $ - | $ - | $ 35,387 | $ - | $ 35,387 |
| Income taxes | $ 43,828 | $ 74,082 | $ - | $ 117,910 | $ - | $ 117,910 |

WASHINGTON RESTAURANT ASSOCIATION AND AFFILIATES
CONSOLIDATING SCHEDULE OF CASH FLOWS - MODIFED CASH BASIS

YEAR ENDED SEPTEMBER 30, 2012 (REVIEWED)

| | Washington Restaurant Association (As Adjusted) | WRA Member Services Corp. (As Adjusted) | WRA Political Action Committee | Total (As Adjusted) | Eliminating Entries (As Adjusted) | Consolidated (As Adjusted) |
|---|---|---|---|---|---|---|
| Cash Flows from Operating Activities | | | | | | |
| Excess (deficiency) of support and revenue over expenses | $ (30,372) | $ 49,619 | $ (134,627) | $ (115,380) | $ (54,271) | $ (169,651) |
| Adjustments to reconcile excess (deficiency) of support and expenses to net cash provided by (used in) operating activities: | | | | | | |
| Depreciation | 82,819 | 599 | - | 83,418 | - | 83,418 |
| Loss on asset disposal | 258 | - | - | 258 | - | 258 |
| Excess undistributed loss from affiliate | 70,729 | - | - | 70,729 | (70,729) | - |
| Change in certain operating assets and liabilities: | | | | | | |
| Increase in prepaid income taxes | (5,906) | (71,532) | - | (77,438) | - | (77,438) |
| (Increase) decrease in due from related entities | (6,091) | - | 2,379 | (3,712) | 3,712 | - |
| Increase (decrease) in accounts payable | 64,781 | (3,312) | - | 61,469 | 2,376 | 63,845 |
| Decrease in federal income taxes payable | (26,912) | (6,359) | - | (33,271) | - | (33,271) |
| Decrease in payroll taxes withheld | (6,912) | 1,076 | - | (5,836) | - | (5,836) |
| Decrease in other | (1,947) | - | - | (1,947) | - | (1,947) |
| Increase in payable to WRA | - | 6,088 | - | 6,088 | (6,088) | - |
| | | | | - | | - |
| Net cash provided by (used in) operating activities | 140,447 | (23,821) | (132,248) | (15,622) | (125,000) | (140,622) |
| Cash Flows from Investing Activities | | | | | | |
| Proceeds from certificates of deposit | 124,799 | - | - | 124,799 | - | 124,799 |
| Purchase of property and equipment | (30,060) | (587) | - | (30,647) | - | (30,647) |
| Net cash provided by (used in) investing activities | 94,739 | (587) | - | 94,152 | - | 94,152 |
| Cash Flows from Financing Activities | | | | | | |
| Decrease in bank overdraft | - | (13,554) | - | (13,554) | - | (13,554) |
| Dividends paid | - | (125,000) | - | (125,000) | 125,000 | - |
| Principal payments on mortgage | (37,733) | - | - | (37,733) | - | (37,733) |
| Proceeds from short-term loan from Affiliate | - | 80,000 | - | 80,000 | - | 80,000 |
| Principal payments on loan | (12,188) | - | - | (12,188) | - | (12,188) |
| Net cash used in financing activities | (49,921) | (58,554) | - | (108,475) | 125,000 | 16,525 |
| Net increase (decrease) in cash and cash equivalents | 185,265 | (82,962) | (132,248) | (29,945) | - | (29,945) |
| Cash and Cash Equivalents | | | | | | |
| Beginning of year | 354,543 | 226,099 | 168,300 | 748,942 | - | 748,942 |
| End of year | $ 539,808 | $ 143,137 | $ 36,052 | $ 718,997 | $ - | $ 718,997 |
| Supplemental Disclosure of Cash Flows Information | | | | | | |
| Cash paid during the period for: | | | | | | |
| Interest | $ 36,508 | $ - | $ - | $ 36,508 | $ - | $ 36,508 |
| Income taxes | $ 206,949 | $ 108,236 | $ - | $ 315,185 | $ - | $ 315,185 |

# 1st Quarter Membership Report

| | | | Total Dues Revenue | New Sales | Retention | Ambassadors | Mentors | Notes |
|---|---|---|---|---|---|---|---|---|
| ***Total*** | | Goal | $314,348 | $38,200 | 91% | 297 | 88 | New sales goal includes $10,700 for open territories. We anticipated having TKC, Snoho, Columbia filled in February. The total dues revenue is based on preliminary numbers as final number were not available at the time of this report. |
| | | Actual | $353,059 | $33,010 | 93% | 60 | 44 | |
| | | .+ or - | $38,711 | 86% | | | +6 | |
| ***E. King*** | East King, Renton to Woodinville / Kirkland plus Kittitas and Grant Counties | Goal | $4,800 | 91% | | 36 | 12 | Michele started Jan 2. She continues to improve and learn. New member sales have increased during each of her first 3 months of training. She is actively working on retention in her territory. She is not actively seeking ambassadors or mentors. |
| | | Actual | $2,840 | 95% | | 0 | 5 | |
| *AC: Michele Edwards* | | .+ or - | ($1,960) | | | no change | no change | |
| ***Seattle*** | Downtown Seattle, 145th to Madison | Goal | $4,800 | 91% | | 39 | 8 | Monica continues to perform exceptionally well on new member sales - nearly doubling her budgeted quarterly goal. She is actively seeking ambassadors. |
| | | Actual | $8,970 | 93% | | 25 | 7 | |
| *AC: Monica Hollar* | | .+ or - | $4,170 | | | +24 | +2 | |
| ***S.King*** | South King County starting at Madison in Seattle down to Federal Way, includes Capitol Hill in Seattle, does not include Renton | Goal | $4,800 | 91% | | 30 | 16 | Cathy continues to be a strong performer. She met her ProStart teachers and began obtaining mentors. Cathy continues to perform well on retention, new member sales, and ambassador recruitment. Cathy assisted in filling ambassadors for the Seattle City Council and Seattle leaders. |
| | | Actual | $8,385 | 90% | | 6 | 5 | |
| *AC: Cathy Fox* | | .+ or - | $3,585 | | | +2 | +1 | |
| ***Pierce*** | Pierce County, east of the Narrows Bridge. Plus Yakima County. | Goal | $4,800 | 91% | | 30 | 28 | Tamorro completed her 1st year at the WRA in March. She is beginning to acquire mentors and ambassadors. |
| | | Actual | $4,600 | 91% | | 0 | 4 | |
| *AC: Tamorro Farrell* | | .+ or - | ($200) | | | no change | no change | |
| ***NW*** | Counties of Whatcom, Skagit, Island, San Juan, Chelan, Douglas | Goal | $4,800 | 91% | | 30 | 12 | Kim's continues to perform well on retention and is very active with her ProStart schools and mentors. |
| | | Actual | $4,000 | 95% | | 7 | 19 | |
| *AC: Kim Hildahl* | | .+ or - | ($800) | | | -1 | +3 | |
| ***Thurston, Kitsap, Coast*** | Counties of Thurston, Grays Harbor, Mason, Wahkiakum, Pacific and Lewis, Pierce west of the Narrows Bridge | Goal | $3,600 | 91% | | 36 | 4 | Tara Rendon was hired to fill the TKC territory. She will start in April 2014. We are excited to have her on board. |
| | | Actual | $0 | 92% | | 0 | 3 | |
| *AC: Tara Rendon* | | .+ or - | ($3,600) | | | no change | no change | |
| ***Columbia*** | Counties of Cowlitz, Clark Skamania, Klickitat, Benton, Franklin, Walla Walla, Columbia | Goal | $4,800 | 91% | | 30 | 4 | Trent resigned from the WRA at the end of January. This territory remains open. We are actively seeking candidates to fill this position. |
| | | Actual | $1,535 | 90% | | 0 | 0 | |
| *AC: Open Territory* | | .+ or - | ($3,265) | | | no change | no change | |
| ***Snohomish*** | Snohomish. Clallam, Jefferson counties plus King County Cities of Shoreline, Lake Forest Park, Bothel and Kenmore | Goal | $3,600 | 91% | | 36 | 4 | A qualified candidate has not been identified for this postion. Retention continues to be covered by Kristi. ProStart schools continue to be serviced by Jennifer Dixon and Lyle. |
| | | Actual | $360 | 92% | | 0 | 1 | |
| *AC: Open Territory* | | .+ or - | ($3,240) | | | no change | no change | |
| ***Eastern WA*** | Counties of Spokane, Pend Oreille, Stevens, Ferry, Lincoln, Adams, Whitman, Garfield and Asotin | Goal | $2,200 | 91% | | 30 | N/A | Donna is wrapping up things with the Spokane Chapter in preparation leaving that role and becoming a full AC in October. She continues to be very busy with Chapter events while perfoming well on new sales and retention efforts. |
| | | Actual | $2,330 | 94% | | 22 | N/A | |
| *AC: Donna Tikker* | | | $130 | | | no change | | |

# 2nd Quarter NEW WRA MEMBERS

**Baren Haus Restaurant -** Wenatchee
**Icicle Brewing Company LLC -** Leavenworth
**Garage Bar & Grille -** Vancouver
**Hung Far Low -** Longview
**Gordon's On Blueberry Hill -** Freeland
**Upstage Theatre & Restaurant -** Port Townsend
**Tim's Tavern -** Seattle
**Tapatio – Factoria -** Bellevue
**Galliano's Cucina -** Seatac
**Sam's Tavern -** Seattle
**Liquid Kitchen -** Seattle
**Sushi Joa -** Mercer Island
**Lovemore Holding Co LLC -** Seattle
**Fuji Sushi Japanese Restaurant -** Seattle
**Cloud 9 Bar & Grill -** Kent
**SeaPi Wood Fired Pizza & BBQ -** Federal Way
**Blind Pig Bistro LLC -** Seattle
**Dickey's Barbecue Pit -** Auburn
**Mac's Triangle Pub -** Seattle
**Momiji -** Seattle
**Living Care Lifestyles -** Seattle
**Zeek's Pizza Inc -** Seattle
**Dairy Queen #12521 -** Pacific
**Mecca Café -** Seattle
**Tilth -** Seattle
**Irene's Thai Cuisine -** Woodinville
**Percys & Co. -** Seattle
**Cassis -** Seattle
**Veraci Pizza -** Seattle
**Issian Japanese Stonegrill -** Seattle
**Triangle Pub -** Seattle
**Hana Trading Co -** Mercer Island
**Kozue -** Seattle
**Piatti Ristorante & Bar -** Seattle
**Blazing Bagels & Bakery Inc. -** Redmond
**Harman Foods Inc.** - Seattle
**The Cask -** Seattle
**The Rainbow Café -** Auburn
**The Blu Grouse -** Seattle
**West Seattle Bowl -** Seattle
**Columbia City Bakery -** Seattle
**Shanghai Garden Restaurant Inc. -** Issaquah
**Angelica's -** Federal Way
**GWE Washington LLC -** Chatsworth
**British Bites -** Puyallup
**Berry Land Café -** Sumner
**Soul -** Tacoma
**Kerry's Caribbean Take Out, LLC -** Tacoma
**Babs -** Lakewood
**Culpeppers Bar & Grill -** Graham
**Froyo Ventures LLC -** Puyallup
**MaryMary's Café -** Spanaway
**Bertoglio's Pizza -** Eatonville
**The Forum -** Tacoma
**Courtyard Plaza Café -** Everett
**907 Grill and Lounge -** Snohomish
**Garden Grille & Bar @ Hilton Garden Inn -** Spokane
**Rocket Foods -** Bellingham
**Goat Mountain Pizza Co. -** Bellingham
**Uisce Irish Pub -** Bellingham
**Black Forest Inc. -** Bellingham
**Porch Light Pizza -** Pullman
**Dairy Queen – Pullman -** Pullman
**Vintage Valley Inn -** Zillah
**TRC Entertainment LLC -** Yakima
**Brews & Cue's -** Yakima
**Waffles Caffe -** Selah
**Hideout Restaurant –** Wapato
**Jacob's Java -** Spokane
**Costa Vida – Spokane -** Spokane
**Great Harvest Bread Company -** Spokane
**Wing Stop -** Spokane
**The Star Club -** Bellingham

# Spokane Chapter First Quarter Report
# April 2014

Spokane Chapter's first quarter meetings and activities:

- Annual **Membership Meeting & Cocktail Social** was held on January 14th at the Lincoln Center. Anthony Anton was the speaker with a focus on ***"Industry Reputation, Future of $15 Minimum Wage, and Other Key Topics".*** 80 members attended and they always keep Anthony busy with questions!

- Our March 11th **Membership Meeting** at Northern Quest had guest Kimberly Kamel, attorney with Witherspoon-Kelley, speaking on ***"Sexual Harassment, Discrimination & the Importance of Paper Documentation".*** 60 members were in attendance.

- Our spring **Awards Gala & Silent Auction, themed "*Looking Back, Looking Forward*"** was held on April 1st at the Spokane Club. 160 members were on hand for an historic-flavored evening featuring pictures of old Spokane restaurants, and of past chapter events & members. We honor excellence in the industry and presented awards to the following members:
    - Zip's Drive-In (Jennifer & Jesse Faught) - Quick Service of the Year
    - Frank's Diner - Casual Dining
    - Max at Mirabeau - Fine Dining
    - Food Services of America - Company of the Year
    - Brent Tufte, FSA - Supplier Person of the Year
    - Marsha Brown, Perkins Restaurant - Front of House Employee of the Year
    - Juan Sandoval, Azteca Valley - Back of House Employee of the Year

- **Upcoming**: **Bloomsday Press Reception** on May 2nd for about 150 people to thank the road race organizers for the huge economic impact of the event in our city. Our members donate over 30 trays of hors d'oeuvres for this event. Our annual **Golf Tournament** will be on June 3rd at Wandermere Golf Course (8am and 1pm shotguns).

Our chapter leadership is in the middle of an **RFP process to find an event management company** to take over planning our annual Gala, Golf Tournament, and Spokane Cork & Keg Festival after Donna Tikker retires from chapter administrative duties and becomes a full-time Area Coordinator. Our committee will make their final decision on hiring an event planner by May 9th.

We continue to hold chapter meetings on the second Tuesday afternoon of each month.

*Submitted by Donna Tikker, WRA-Spokane Chapter Administrator and E. WA Area Coordinator*

# Seattle Restaurant Alliance Board Report- April 2014

February 2014: Regular meeting: Canlis (Thanks to the Canlis Family!)

Interest and concern for the push for a $15 an hour “living wage” built momentum and attendance. 40 restaurants in attendance

Speakers:
Dick Lilly
Seattle Public Utilities Solid Waste Division
Dick came and discussed the continuing evolution of approved to-go packaging and disposal.

Howard Wright (Co-chair of the Mayor’s IIAC Taskforce)
Brian Surratt (from the mayor’s office)

Howard and Brian discussed the construct of the mayor’s taskforce and filled the membership in on how the taskforce would be moving forward with discussing the wage issue. They fielded questions from membership with regards to timing, the mayor’s feeling on their task and how the meetings had gone so far. They also took information from the attendees about their concerns and fears including some specific details on how the increase would affect small businesses.

March Meeting: Terra Plata (Thanks to owners Tamara Murphy and Linda Di Lello)

Speaker:
Seattle City Councilmember, Sally Clark (Chair of the Select Committee on Minimum Wage and Income Inequality)

Due to the heightened interest in the minimum wage issue and the fact the chair of the committee from the city council was speaking, the meeting was most well attended in anyone’s recent memory. Over 90 members squeezed into Terra Plata to listen and ask questions. Once again, membership was visibly anxious and upset with the idea of a $15/hour minimum wage. After discussing with the group the city council’s plan regarding the mayor’s task force and coming town hall meetings about “income inequality”, she fielded questions and listened to members concerns. During this meeting members brought hard numbers to share with council member Clark about how this change would directly affect their businesses. To Clark’s credit, she spent over 45 minutes beyond her agreed upon time as it was apparent that there was a lot to be said.

April Meeting: Chinook’s (Thanks to Chinook’s for hosting!)

Our guest speaker was Mayor Ed Murray. We had 96 restaurant operators in attendance, which is the largest attendance for any SRA meeting that we can remember. Mayor Murray spoke for a few minutes and then took Q&A from the audience for 30 minutes. The topic was solely around the city minimum wage discussions taking place at City Hall. Our second speaker was Don Stark, one of the consultants for the One Seattle coalition. He spoke about what the One Seattle coalition is, what is stands for, and then Bob Donegan President of Ivar's gave an excellent pitch for everyone in the room to sign up as a member of the coalition. The meeting concluded with our local government affairs coordinator Morgan Hickel giving a local Ambassador and grassroots program update. Our next meeting is scheduled for May 7.

Washington Restaurant Association

# Resolution Number 3

Whereas, the Board of Directors of the Washington Restaurant Association wishes to establish a fiscal policy pursuant to Paragraph Number 1 of Article VI of the Bylaws of this Association, therefore

Be it resolved, that the Board of Directors of the Restaurant Association hereby authorizes the Executive Committee to manage the affairs and transact normal business of the Association until the next Board Meeting to be held on July 30, 2014 in Blaine, Washington.

The undersigned, Chairperson of the Washington Restaurant Association, hereby certifies that a meeting of the Board of Directors, being duly held at the WA State Convention Center in Seattle, Washington on the 14th day of April 2014, at which a quorum was present and did take the above stated action.

In witness thereof, I have signed this certificate this 14th day of April 2014.

Attest:

_____ _____

Mark Chriest, Secretary Jim Rowe, Chairperson