

THE NORTH BONNEVILLE PUBLIC DEVELOPMENT AUTHORITY

ANNUAL BUDGET 2017

EXPLANATION and HIGHLIGHTS

Total Income: \$1,723,920

Tax Estimate: \$513,920

Total Expenses: \$1,660,170

Debt Payments: \$95,000

Net Income: \$67,750

INCOME HIGHLIGHTS

Sales: Cannabis \$1,100,000

Paraphernalia \$100,000

Tax Collection \$513,920

- Anticipated Sales flat to 2016 numbers. With the addition of two new Hood River, Oregon stores (bringing the total to seven) and Oregon's tax rate reduction (from 25% to 17%), the NBPDA's Cannabis Corner should be able to hold onto its current market share. Conservatively we have budgeted accordingly.

Sales: Sales - Other \$10,000

- "Sales - Other" refers to ATM fee income and is expected to continue as long as Credit Card sales are prohibited due to Federal laws.

TOTAL INCOME: \$1,723,960

- Anticipated Income very slightly higher than 2016

BOARD EXPENSE HIGHLIGHTS

Financial Services: \$7,000

Legal Services: \$5,000

- Financial Services needs down significantly from 2016, as there will be no State Audit. Legal Services needs remain flat.

Professional Services - LLC: \$5,000 Professional Services - NBPDA: \$5,000

- Providing funds for surveying, professional inquiry, or contract development is still imperative as we continue along this groundbreaking path in a new industry.

TOTAL BOARD EXPENSES: \$15,500

- Anticipated Expenses very slightly lower than 2016

STORE EXPENSE HIGHLIGHTS

Salaries and Wages: \$260,000

Benefits: \$90,000

Travel/Meals/Memberships: \$7,000

- Salaries and Wages should increase to compensate any Cost of Living adjustments. Benefits will increase as more staff become eligible. Staff turnover remains minimal. Travel/Meals/Memberships increase as previous budgets were very conservative. Greater visibility within the industry should result in increased interest and sales. This budget was increased with the Executive Director's anticipated participation in industry events and possible speaking engagements.

Rent or Lease: \$75,750

- Current lease calls for a 5% increase

Marijuana Flower: \$460,000 Paraphernalia: \$45,000

- Product expenses are reviewed monthly and funds are allocated according to current sales trends and market trends. This budget allows for acquisition to meet business needs throughout the year.

Liability Insurance: \$13,000

- Good standing should decrease financing requirements and premiums

Marijuana Tax: \$407,000

Sales Tax: \$92,510

B&O Tax: \$14,410

- Taxes will be paid in accordance with state and local laws, based on monthly revenues

Debt Redemption: \$50,000

Debt Interest: \$45,000

- Anticipating reduced expenses, funds are being allocated to swift Debt Redemption

TOTAL STORE EXPENSES: \$1,123,670

TOTAL EXPENSES and INCOME

TOTAL BUDGETED DEBT REDEMPTION: \$95,000

- Debt Redemption/Reduction is the primary focus of the NBPDA in 2017

TOTAL ANTICIPATED EXPENSES: \$1,561,170

- Anticipated expenses down \$11,250 from 2016

TOTAL ANTICIPATED NET INCOME: \$67,750

- These funds may be made available for Grant Disbursement or additional Debt Redemption