

Indiana Association of Realtors

January 2018

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances increased during January by \$595,000 with ending balance of \$1,019,000, mostly due to dues and state application fees collected.
- Accounts Receivable decreased by \$42,000 due to collection of 2017 dues and Realist invoices during the month.
- Prepaid expense increased by \$60,000 due to insurance payments made in January and annual subscription for website hosting.
- The amounts Due from One Forty Three LLC increased by \$95,000 during the month due to transfers from IAR and allocation of insurance expenses. Balance at month end is \$5,350,000.
- The amount Due from ISRE increased by \$5,000 during the month with an ending balance of \$411,000.
- IAR investments increased by \$9,000 during the month with an ending balance of \$1,910,000 and RDF investments decreased by \$2,000 with an ending balance of \$1,582,000.
- Accounts Payable increased by \$95,000 due to invoices received for rent, CoreLogic, and Ziplogix. Ending balance was \$286,000.
- Line of Credit with ONB increased by \$20,000 due to draw made during the month.
- Accrued Payables decreased to zero due to invoice received from CoreLogic.
- Dues payable increased by \$790,000, from \$863,000 to \$1,654,000 due to cash receipts during the month net of amortization of dues revenue for January. This balance will be amortized over the remaining months of the year and recognized as income.

Income Statement

- Net loss of (\$149,000) was recorded for the month, which represents net loss from operations of (\$158,000) and net investment income of \$3,000. Budgeted net loss for January was (\$9,000).
- Compared to the prior year, January net income was \$136,000 lower than the prior YTD net loss of (\$13,000).
- Total income for the current month was \$184,000, which was below the monthly budget of \$362,000 by \$178,000 or 49%, due to timing of 2018 dues income received – while January income is below budget, February will be over budget.
- Total expenses for the month were \$336,000, and were below the monthly budget of \$373,000 by \$37,000 or 10%.
- Compared to the prior year, expenses YTD are \$23,000 higher (7%), mostly due to technology/equipment and office costs.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
January 31, 2018

	01/31/2018	12/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	1,019,209	424,599	594,609
Total Checking/Savings	1,019,209	424,599	594,609
Other Current Assets			
1200 - Accounts Receivable	1,027,673	1,069,584	(41,910)
1300 - Other Current Assets	107,928	47,286	60,641
Total Other Current Assets	1,135,601	1,116,870	18,731
Total Current Assets	2,154,810	1,541,469	613,340
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	326,742	326,743	0
Total Fixed Assets	326,742	326,743	0
Other Assets			
1203 - Intercompany Loans Receivable	5,761,487	5,661,338	100,149
1500 - Investments	3,586,530	3,579,337	7,194
1700 - Capitalized Loan and Lease Costs	3,934	3,933	0
Total Other Assets	9,351,951	9,244,608	107,343
Total ASSETS	11,833,503	11,112,820	720,683
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	285,923	190,641	95,281
2020 - Rent Payable	0	9,536	(9,535)
Total Accounts Payable	285,923	200,177	85,746
Other Current Liabilities			
2025 - Other Current Liabilities	1,143,982	1,151,613	(7,631)
2100 - Payroll Liabilities	376,519	375,276	1,243
2400 - Deferred Dues & Other Revenue	1,654,088	863,711	790,377
Total Other Current Liabilities	3,174,589	2,390,600	783,989
Total Current Liabilities	3,460,512	2,590,777	869,735
Total Liabilities	3,460,512	2,590,777	869,735
NET ASSETS			
3010 - Unrestricted Net Assets	6,854,985	6,625,876	229,109
3020 - REALTORS Defense Fund	1,667,058	1,668,539	(1,481)
Net Income	(149,052)	227,628	(376,680)
Total Net Assets	8,372,991	8,522,043	(149,052)
Total LIABILITIES & NET ASSETS	11,833,503	11,112,820	720,683

**Indiana Association of Realtors, Inc.
Balance Sheet (Detail)**

January 31, 2018

	01/31/2018	12/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	912,819	352,232	560,586
1029 - First Merchants Checking	10,408	10,408	1
1032 - IAR Checking-ONB	24,491	4,390	20,102
1040 - Transmittal Checking Account	119,585	108,265	11,319
1050 - PayPal	1,987	0	1,987
1118 - REALTORS Federal Credit Union	87	86	0
1125 - IAR-Prof Standards Escrow	34,400	33,650	750
1199 - Cash Owed (to) by RDF	(84,688)	(84,552)	(136)
Total 1000 - Cash Accounts	1,019,209	424,599	594,609
Total Checking/Savings	1,019,209	424,599	594,609
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	11,658	16,843	(5,184)
1211 - Dues Receivable	10,465	47,191	(36,726)
1220 - Other Receivables	2,050	2,050	0
1245 - Accrued Interest Receivable	3,500	3,500	0
1270 - Note Receivable	1,000,000	1,000,000	0
Total 1200 - Accounts Receivable	1,027,673	1,069,584	(41,910)
1300 - Other Current Assets			
1310 - Prepaid Expense	96,375	35,733	60,642
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
1390 - Revenue Clearing Account	0	0	(1)
Total 1300 - Other Current Assets	107,928	47,286	60,641
Total Other Current Assets	1,135,601	1,116,870	18,731
Total Current Assets	2,154,810	1,541,469	613,340
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1630 - Furniture, Fixtures & Equipmen	364,355	364,356	0
Total 1605 - Land, Buildings & Equipment	364,355	364,356	0
1680 - Accum. Depreciation - FF&E	(37,613)	(37,613)	0
Total 1655 - Accumulated Depreciation	(37,613)	(37,613)	0
Total 1600 - Fixed Assets, Net of Deprec.	326,742	326,743	0
Total Fixed Assets	326,742	326,743	0
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	411,011	405,799	5,211
1203 - Due From 143 LLC	5,317,468	5,222,531	94,938
1204 - Due From 143 LLC (P-ship)	33,008	33,008	0
Total - 1203 - Intercompany Loans Receivable	5,761,487	5,661,338	100,149
1500 - Investments			
1510 - SEI Investments	1,910,432	1,901,758	8,674
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,582,371	1,583,987	(1,616)

Indiana Association of Realtors, Inc.
Balance Sheet (Detail)

January 31, 2018

	01/31/2018	12/31/2017	Difference
1599 - Cash Owed by (to) IAR	84,688	84,552	136
Total 1520 - Realtor's Defense Fund Assets	1,667,059	1,668,539	(1,480)
1540 - Alerus - 457(b) Investments	268,627	268,628	0
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	3,586,530	3,579,337	7,194
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(66)	(67)	0
Total 1700 - Capitalized Loan and Lease Costs	3,934	3,933	0
Total Other Assets	9,351,951	9,244,608	107,343
Total ASSETS	11,833,503	11,112,820	720,683
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	285,923	190,641	95,281
2020 - Rent Payable	0	9,536	(9,535)
Total Accounts Payable	285,923	200,177	85,746
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	320,000	300,000	20,000
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2040 - Accrued Payables	0	39,700	(39,700)
2045 - Accrued Interest Payable	3,398	3,398	0
2080 - RPAC Payable	119,584	108,265	11,319
2095 - Prof Stds Escrow Liability	1,000	250	750
Total 2025 - Other Current Liabilities	1,143,982	1,151,613	(7,631)
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	1,594	350	1,243
2120 - Post Retirement Benefit Obliga	106,297	106,298	0
2150 - 457 Plan Liabilities	268,628	268,628	0
Total 2100 - Payroll Liabilities	376,519	375,276	1,243
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	1,654,088	863,711	790,377
Total 2400 - Deferred Dues & Other Revenue	1,654,088	863,711	790,377
Total Other Current Liabilities	3,174,589	2,390,600	783,989
Total Current Liabilities	3,460,512	2,590,777	869,735
Total Liabilities	3,460,512	2,590,777	869,735
NET ASSETS			
3010 - Unrestricted Net Assets	6,854,985	6,625,876	229,109
3020 - REALTORS Defense Fund	1,667,058	1,668,539	(1,481)
Net Income	(149,052)	227,628	(376,680)
Total Net Assets	8,372,991	8,522,043	(149,052)
Total LIABILITIES & NET ASSETS	11,833,503	11,112,820	720,683

Indiana Association of Realtors, Inc.
Budget Performance (Summary)

January 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	170,536	342,875	170,536	342,875	4,114,500	267,743
4200 - Contract Fees & Event Income	4,085	10,038	4,085	10,038	42,000	4,895
4300 - Royalties, Rent & Product Sales	2,435	587	2,435	587	7,000	2,540
4900 - Other Income	7,100	8,774	7,100	8,774	105,200	5,111
Total Income	184,156	362,274	184,156	362,274	4,268,700	280,289
Expense						
5000 - Personnel Costs						
5010 - Compensation	112,779	116,663	112,779	116,663	1,400,000	113,053
5020 - Bonus Pool	205	0	205	0	100,000	28,000
5030 - Contract Labor / Temp Help	0	163	0	163	2,000	0
5100 - Benefits & Taxes	29,329	26,739	29,329	26,739	321,000	31,037
Total 5000 - Personnel Costs	142,313	143,565	142,313	143,565	1,823,000	172,090
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	3,391	6,929	3,391	6,929	91,250	1,640
5410 - Leadership Travel	504	18,528	504	18,528	175,850	1,835
Total 5300 Travel & Entertainment	3,895	25,457	3,895	25,457	267,100	3,475
5600 - Professional Fees	25,821	17,739	25,821	17,739	213,000	19,278
5700 - Technology & Equipment	56,022	49,849	56,022	49,849	598,100	42,677
5900 - Office Costs	31,609	6,420	31,609	6,420	78,150	11,737
6100 - Facility Costs	17,691	43,656	17,691	43,656	523,850	10,770
7100 - Programmatic Costs	59,085	86,701	59,085	86,701	746,750	53,888
Total Expense	336,436	373,387	336,436	373,387	4,249,950	313,915
Net Ordinary Income	(152,280)	(11,113)	(152,280)	(11,113)	18,750	(33,626)
Other Income/Expense						
Other Income						
4800 - Investment Income	7,058	2,087	7,058	2,087	25,000	20,469
Total Other Income	7,058	2,087	7,058	2,087	25,000	20,469
Other Expense						
8000 - Interest Expense	3,398	0	3,398	0	0	0
8100 - Priority Return-Twain	433	0	433	0	0	0
Total Other Expense	3,831	0	3,831	0	0	0
Net Other Income (Expense)	3,227	2,087	3,227	2,087	25,000	20,469
Net Income (Loss)	(149,053)	(9,026)	(149,053)	(9,026)	43,750	(13,157)

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

January 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Income					
4000 - Membership Income					
4002 - Membership Dues	134,515	314,875	134,515	314,875	3,778,500
4020 - Shared Fees, Local Boards	7,885	8,000	7,885	8,000	96,000
4021 - State Application Fee (even years)	13,400	20,000	13,400	20,000	240,000
4030 - RDF Dues	14,736	0	14,736	0	0
Total 4000 - Membership Income	<u>170,536</u>	<u>342,875</u>	<u>170,536</u>	<u>342,875</u>	<u>4,114,500</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	5,000	0	5,000	10,000
4201 - Registration Income	4,085	5,038	4,085	5,038	32,000
Total 4200 - Contract Fees & Event Income	<u>4,085</u>	<u>10,038</u>	<u>4,085</u>	<u>10,038</u>	<u>42,000</u>
4300 - Royalties, Rent & Product Sales					
4300 - Product Sales	0	587	0	587	7,000
4301 - Royalty Income	2,435	0	2,435	0	0
Total 4300 - Royalties, Rent & Product Sales	<u>2,435</u>	<u>587</u>	<u>2,435</u>	<u>587</u>	<u>7,000</u>
4900 - Other Income					
4901 - Grant Income-Temp Restricted	0	837	0	837	10,000
4910 - RECP Income	7,100	7,100	7,100	7,100	85,200
4920 - Professional Standards Income	0	837	0	837	10,000
Total 4900 - Other Income	<u>7,100</u>	<u>8,774</u>	<u>7,100</u>	<u>8,774</u>	<u>105,200</u>
Total Income	<u>184,156</u>	<u>362,274</u>	<u>184,156</u>	<u>362,274</u>	<u>4,268,700</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	112,779	116,663	112,779	116,663	1,400,000
5020 - Bonus Pool	205	0	205	0	100,000
5030 - Contract Labor / Temp Help	0	163	0	163	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	8,043	8,413	8,043	8,413	101,000
5115 - Wellness Benefit	313	413	313	413	5,000
5120 - Dental Insurance	666	587	666	587	7,000
5125 - Disability Insurance	391	500	391	500	6,000
5130 - Retirement Benefits	4,821	5,538	4,821	5,538	66,500
5140 - Post-Employment Benefits	1,861	1,875	1,861	1,875	22,500
5150 - Workers Compensation Insuranc	631	750	631	750	9,000
5160 - Payroll Taxes	11,615	6,663	11,615	6,663	80,000
5170 - Professional Development	0	413	0	413	5,000
5180 - Dues & Subscriptions	988	1,587	988	1,587	19,000

**Indiana Association of Realtors, Inc.
Budget Performance (Detail)**

January 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	29,329	26,739	29,329	26,739	321,000
Total 5000 - Personnel Costs	142,313	143,565	142,313	143,565	1,823,000
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	916	1,163	916	1,163	17,500
5320 - Staff Lodging	0	2,481	0	2,481	30,750
5330 - Staff Mileage	147	701	147	701	9,250
5340 - Staff Meals	1,653	1,921	1,653	1,921	20,750
5350 - Staff Hospitality	675	87	675	87	2,500
5360 - Conference Registration Fees	0	576	0	576	10,500
Total 5310 - Staff Travel Costs	3,391	6,929	3,391	6,929	91,250
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	58	1,701	58	1,701	23,500
5420 - Board / Volunteer Lodging	335	6,549	335	6,549	77,500
5430 - Board / Volunteer Mileage	111	1,970	111	1,970	14,250
5440 - Board / Volunteer Meals	0	6,656	0	6,656	41,850
5450 - Board / Volunteer Hospitality	0	1,565	0	1,565	11,000
5460 - Conference Registration Fees	0	87	0	87	7,750
Total 5410 - Leadership Travel	504	18,528	504	18,528	175,850
Total 5300 Travel & Entertainment	3,895	25,457	3,895	25,457	267,100
5600 - Professional Fees					
5610 - Legal Services	478	2,913	478	2,913	35,000
5620 - Audit & Tax Services	6,813	2,288	6,813	2,288	27,500
5630 - Accounting Services	15,830	10,413	15,830	10,413	125,000
5640 - Other Consulting Services	0	625	0	625	7,500
5650 - President's Stipend	2,700	1,500	2,700	1,500	18,000
Total 5600 - Professional Fees	25,821	17,739	25,821	17,739	213,000
5700 - Technology & Equipment					
5710 - Technology Consulting Service	52,534	46,826	52,534	46,826	562,000
5720 - Equipment Repairs & Maintenance	467	87	467	87	1,000
5730 - Small Equipment Purchases	325	625	325	625	7,500
5740 - Equipment > \$1000	2,005	87	2,005	87	1,000
5750 - Equipment Lease Payments	691	837	691	837	10,000
5760 - Software & Licensing Fees	0	1,387	0	1,387	16,600
Total 5700 - Technology & Equipment	56,022	49,849	56,022	49,849	598,100
5900 - Office Costs					
5910 - Telephone	5,958	1,712	5,958	1,712	20,500
5920 - Postage	0	131	0	131	1,550

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

January 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	12	0	12	100
5930 - Office Supplies	1,162	326	1,162	326	4,000
5932 - Kitchen Supplies	355	337	355	337	4,000
5940 - Printing	6,650	625	6,650	625	7,500
5950 - Liability Insurance	735	1,038	735	1,038	12,500
5960 - Licenses and Fees	0	125	0	125	1,500
5970 - Bank & Credit Card Fees	11,363	1,663	11,363	1,663	20,000
5980 - Miscellaneous	5,386	451	5,386	451	6,500
Total 5900 - Office Costs	31,609	6,420	31,609	6,420	78,150
6100 - Facility Costs					
6110 - Office Rent & Parking	17,691	22,069	17,691	22,069	264,850
6115 - Other temp office costs	0	21,587	0	21,587	259,000
Total 6100 - Facility Costs	17,691	43,656	17,691	43,656	523,850
7100 - Programmatic Costs					
7110 - Facility Rental	3,500	250	3,500	250	3,000
7120 - Catering	9,543	21,951	9,543	21,951	148,500
7130 - Honorarium/Speaker Fees	0	4,261	0	4,261	28,500
7140 - Speaker Travel	0	1,375	0	1,375	6,500
7150 - Plaques & Awards	0	432	0	432	6,000
7160 - Event Sponsorships	975	538	975	538	6,500
7170 - Curriculum	0	125	0	125	1,500
7210 - Website Development / Hosting	2,099	2,500	2,099	2,500	30,000
7220 - Internet Communications	4,213	2,462	4,213	2,462	29,500
7225 - Publications	370	12,125	370	12,125	19,000
7240 - Video Production & Editing	0	114	0	114	1,500
7250 - Media / Public Relations Proj	0	38	0	38	500
7310 - Other Program Costs	0	22,807	0	22,807	253,250
7320 - Grants	0	2,799	0	2,799	33,500
7330 - Electronic Forms	38,385	12,375	38,385	12,375	148,500
7410 - Marketing Research	0	549	0	549	6,500
7420 - Outreach	0	451	0	451	5,500
7440 - Issue Research	0	712	0	712	8,500
7450 - Legislative Advocacy	0	837	0	837	10,000
Total 7100 - Programmatic Costs	59,085	86,701	59,085	86,701	746,750
Total Expense	336,436	373,387	336,436	373,387	4,249,950
Net Ordinary Income	(152,280)	(11,113)	(152,280)	(11,113)	18,750

Other Income/Expense

Other Income

4800 - Investment Income

Indiana Association of Realtors, Inc.
Budget Performance (Detail)

January 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
4810 - Interest & Dividend Income	2,716	2,087	2,716	2,087	25,000
4815 - Unrealized Gains/Losses	8,372	0	8,372	0	0
4820 - Realized Gains/Losses	300	0	300	0	0
4830 - Investment Management Fees	(4,330)	0	(4,330)	0	0
Total 4800 - Investment Income	<u>7,058</u>	<u>2,087</u>	<u>7,058</u>	<u>2,087</u>	<u>25,000</u>
Total Other Income	7,058	2,087	7,058	2,087	25,000
Other Expense					
8000 - Interest Expense	3,398	0	3,398	0	0
8100 - Priority Return-Twain	433	0	433	0	0
Total Other Expense	<u>3,831</u>	<u>0</u>	<u>3,831</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>3,227</u>	<u>2,087</u>	<u>3,227</u>	<u>2,087</u>	<u>25,000</u>
Net Income (Loss)	<u>(149,053)</u>	<u>(9,026)</u>	<u>(149,053)</u>	<u>(9,026)</u>	<u>43,750</u>

PRELIMINARY as of 3-9-18
 Subject to results of 2017 Audit

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the One Month Ended January 31, 2018 and Year Ending December 31, 2018

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

Historical

- The financial statements omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America.
- Certain accruals and adjustments are made on an annual basis in preparation for the organization's annual audit.
- The Budget Performance reports do not report changes in net assets among unrestricted, temporarily restricted and permanently restricted in accordance with GAAP.

Forecast/Budget

- The forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The forecasted financial information omits the summary of significant accounting policies.

The effects of these departures have not been determined.

Additional Information

- The Balance Sheet includes a comparison with the period ended December 31, 2017 for additional meaningful data for management and the board.

Summary of Significant Assumptions

These financial forecasts present, to the best of management's knowledge and belief, the Association's expected results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of November 9, 2017, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

Statement of Operations Assumptions

- Revenue from members is expected to remain in line with the prior year, with no significant increase expected
- The Association will continue its current monthly lease of \$19,071 per month for office space
- Salaries, benefits, and taxes are expected to remain in line with the prior year, with no significant increase expected
- Facility costs are expected to increase by 200% due to the move to the new office space
- All other expenses are expected to decrease by 6%