

Indiana Association of Realtors

February 2017

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances increased during February by \$1,000 with ending balance of \$3,625,000 due to cash receipts for 2017 dues.
- Accounts Receivable increased by \$2,000 due to Realist invoices for February.
- Dues Receivable increased by \$3,000 due to activity during the month.
- Prepaid expenses increased by \$3,000 due to various prepaid additions in February.
- The amounts Due from One Forty Three LLC increased by \$125,000 during the month due to transfers from IAR. Balance at month end is \$3,620,000.
- The amount Due from ISRE decreased by \$27,000 during the month with an ending balance of \$352,000. There was a payment of \$103,000 from ISRE to IAR during the month.
- IAR investments increased by \$31,000 during the month with an ending balance of \$1,821,000 and RDF investments increased by \$15,000 with an ending balance of \$1,603,000.
- Accounts payable increased by \$69,000 with an ending balance of \$200,000. This increase is due mostly to invoices received for Core Logic and American Express charges related to the Winter Conference.
- Dues payable for 2017 increased by \$51,000, from \$2,685,000 to \$2,736,000 in February due to annual dues payments received during the month. This balance will be amortized monthly over the remainder of the year and recognized as income.

Income Statement

- Net Income of \$48,000 was recorded for the month, which represents net income from operations of \$2,000 and investment gains of \$46,000. February's net income was above the budgeted net income of \$1,000.
- YTD net income was \$35,000 compared to budgeted net loss of (\$60,000).
- Compared to the prior year, net income YTD was \$14,000 higher (68%) than the prior YTD net income of \$21,000.
- Membership income for the current month was \$348,000, which was above the monthly budget of \$300,000 by \$48,000 or 16%.
- Membership income YTD was \$616,000 which was above the YTD budget of \$600,000 by \$16,000 or 3%. Membership income YTD was \$62,000 or 11% higher than the prior YTD amount of \$554,000.
- Total expenses for the month were \$363,000, and are above the monthly budget of \$310,000 by \$53,000 or 17%. Expenses for the month are over budget mostly due to catering expenses for winter conference.
- Total expenses YTD were \$677,000 which are under the YTD budget of \$696,000 by \$19,000 or 3%. Compared to the prior YTD, expenses are \$85,000 or 14% higher mostly due to personnel and programmatic costs.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
February 28, 2017

	02/28/2017	01/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	3,624,726	3,623,647	1,079
Total Checking/Savings	<u>3,624,726</u>	<u>3,623,647</u>	<u>1,079</u>
Other Current Assets			
1200 - Accounts Receivable	20,292	14,715	5,577
1300 - Other Current Assets	65,160	62,232	2,928
Total Other Current Assets	<u>85,452</u>	<u>76,947</u>	<u>8,505</u>
Total Current Assets	<u>3,710,178</u>	<u>3,700,594</u>	<u>9,584</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	38,240	38,241	0
Total Fixed Assets	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	3,971,760	3,873,654	98,104
1500 - Investments	3,664,993	3,602,615	62,379
Total Other Assets	<u>7,636,753</u>	<u>7,476,269</u>	<u>160,483</u>
Total ASSETS	<u>11,385,171</u>	<u>11,215,104</u>	<u>170,067</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	199,504	130,219	69,286
Total Accounts Payable	<u>199,504</u>	<u>130,219</u>	<u>69,286</u>
Other Current Liabilities			
2025 - Other Current Liabilities	83,248	81,410	1,837
2100 - Payroll Liabilities	321,502	321,502	0
2400 - Deferred Dues & Other Revenue	2,736,109	2,684,814	51,294
Total Other Current Liabilities	<u>3,140,859</u>	<u>3,087,726</u>	<u>53,131</u>
Total Current Liabilities	<u>3,340,363</u>	<u>3,217,945</u>	<u>122,417</u>
Total Liabilities	<u>3,340,363</u>	<u>3,217,945</u>	<u>122,417</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,244,812	6,289,775	(44,962)
3020 - REALTORS Defense Fund	1,752,347	1,720,541	31,806
Net Income	47,649	(13,157)	60,806
Total Net Assets	<u>8,044,808</u>	<u>7,997,159</u>	<u>47,650</u>
Total LIABILITIES & NET ASSETS	<u>11,385,171</u>	<u>11,215,104</u>	<u>170,067</u>

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

February 28, 2017

	02/28/2017	01/31/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking	1,415,474	1,408,085	7,389
1029 - First Merchants Checking	767,108	1,766,653	(999,545)
1040 - Transmittal Checking Account	46,257	44,420	1,837
1050 - PayPal	911	926	(15)
1110 - First Merchants CDARS	1,250,000	250,280	999,720
1118 - REALTORS Federal Credit Union	269,188	268,951	237
1125 - IAR-Prof Standards Escrow	25,500	17,000	8,500
1199 - Cash Owed (to) by RDF	(149,832)	(132,788)	(17,044)
Total 1000 - Cash Accounts	<u>3,624,726</u>	<u>3,623,647</u>	<u>1,079</u>
Total Checking/Savings	<u>3,624,726</u>	<u>3,623,647</u>	<u>1,079</u>
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	16,115	13,754	2,361
1211 - Dues Receivable	4,177	961	3,216
Total 1200 - Accounts Receivable	<u>20,292</u>	<u>14,715</u>	<u>5,577</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	53,607	50,679	2,928
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>65,160</u>	<u>62,232</u>	<u>2,928</u>
Total Other Current Assets	<u>85,452</u>	<u>76,947</u>	<u>8,505</u>
Total Current Assets	<u>3,710,178</u>	<u>3,700,594</u>	<u>9,584</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1630 - Furniture, Fixtures & Equipmen	251,928	251,928	0
Total 1605 - Land, Buildings & Equipment	<u>251,928</u>	<u>251,928</u>	<u>0</u>
1655 - Accumulated Depreciation			
1680 - Accum. Depreciation - FF&E	(213,688)	(213,687)	0
Total 1655 - Accumulated Depreciation	<u>(213,688)</u>	<u>(213,687)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Total Fixed Assets	<u>38,240</u>	<u>38,241</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1203 - Due From 143 LLC	3,620,257	3,495,257	125,000
1260 - Due from ISRE	351,503	378,397	(26,896)
Total - 1203 - Intercompany Loans Receivable	<u>3,971,760</u>	<u>3,873,654</u>	<u>98,104</u>
1500 - Investments			
1510 - SEI Investments	1,821,084	1,790,513	30,573
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,602,516	1,587,753	14,762
1599 - Cash Owed by (to) IAR	149,832	132,788	17,044
Total 1520 - Realtor's Defense Fund Assets	<u>1,752,348</u>	<u>1,720,541</u>	<u>31,806</u>
1530 - Cambridge Ventures L.P.	98,179	98,179	0
1540 - Alerus - 457(b) Investments	207,342	207,342	0

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

February 28, 2017

	02/28/2017	01/31/2017	Difference
1810 - Investment in ISRE	(213,960)	(213,960)	0
Total 1500 - Investments	<u>3,664,993</u>	<u>3,602,615</u>	<u>62,379</u>
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>7,636,753</u>	<u>7,476,269</u>	<u>160,483</u>
Total ASSETS	<u>11,385,171</u>	<u>11,215,104</u>	<u>170,067</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	199,504	130,219	69,286
Total Accounts Payable	<u>199,504</u>	<u>130,219</u>	<u>69,286</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	36,990	36,990	0
2080 - RPAC Payable	46,258	44,420	1,837
Total 2025 - Other Current Liabilities	<u>83,248</u>	<u>81,410</u>	<u>1,837</u>
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	114,160	114,160	0
2150 - 457 Plan Liabilities	207,342	207,342	0
Total 2100 - Payroll Liabilities	<u>321,502</u>	<u>321,502</u>	<u>0</u>
2400 - Deferred Dues & Other Revenue			
2415 - Dues Payable, Odd Year	2,736,109	2,684,814	51,294
Total 2400 - Deferred Dues & Other Revenue	<u>2,736,109</u>	<u>2,684,814</u>	<u>51,294</u>
Total Other Current Liabilities	<u>3,140,859</u>	<u>3,087,726</u>	<u>53,131</u>
Total Current Liabilities	<u>3,340,363</u>	<u>3,217,945</u>	<u>122,417</u>
Total Liabilities	<u>3,340,363</u>	<u>3,217,945</u>	<u>122,417</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,244,812	6,289,775	(44,962)
3020 - REALTORS Defense Fund	1,752,347	1,720,541	31,806
Net Income	47,649	(13,157)	60,806
Total Net Assets	<u>8,044,808</u>	<u>7,997,159</u>	<u>47,650</u>
Total LIABILITIES & NET ASSETS	<u>11,385,171</u>	<u>11,215,104</u>	<u>170,067</u>

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

February 28, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Net Income						
Ordinary Income/Expense						
Gross Profit						
Income						
4000 - Membership Income	348,298	300,000	616,041	600,000	3,600,000	554,442
4200 - Contract Fees & Event Income	160	42	5,055	13,584	70,500	9,920
4300 - Royalties, Rent & Product Sales	120	417	2,660	834	5,000	1,118
4900 - Other Income	16,100	8,475	21,211	16,950	101,700	14,640
Total Income	<u>364,678</u>	<u>308,934</u>	<u>644,967</u>	<u>631,368</u>	<u>3,777,200</u>	<u>580,120</u>
Gross Profit	<u>364,678</u>	<u>308,934</u>	<u>644,967</u>	<u>631,368</u>	<u>3,777,200</u>	<u>580,120</u>
Expense						
5000 - Personnel Costs						
5010 - Compensation	113,019	127,719	226,071	255,438	1,532,622	202,079
5020 - Bonus Pool	0	0	28,000	28,000	80,000	24,000
5030 - Contract Labor / Temp Help	0	1,450	0	2,900	17,400	1,200
5100 - Benefits & Taxes	27,264	27,127	58,302	54,254	325,524	55,705
Total 5000 - Personnel Costs	<u>140,283</u>	<u>156,296</u>	<u>312,373</u>	<u>340,592</u>	<u>1,955,546</u>	<u>282,984</u>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	10,359	5,870	12,000	11,740	99,650	6,429
5410 - Leadership Travel	14,445	8,752	16,278	17,504	135,250	15,361
Total 5300 Travel & Entertainment	<u>24,804</u>	<u>14,622</u>	<u>28,278</u>	<u>29,244</u>	<u>234,900</u>	<u>21,790</u>
5600 - Professional Fees	36,347	36,334	55,626	60,168	283,500	50,670
5700 - Technology & Equipment	39,667	47,041	82,344	94,082	564,500	84,686
5900 - Office Costs	10,361	8,640	24,063	17,280	104,700	16,162
6100 - Facility Costs	15,556	20,742	26,326	41,484	428,910	22,294
7100 - Programmatic Costs	95,757	26,074	147,681	112,773	515,400	113,157
Total Expense	<u>362,775</u>	<u>309,749</u>	<u>676,691</u>	<u>695,623</u>	<u>4,087,456</u>	<u>591,743</u>
Net Ordinary Income	<u>1,903</u>	<u>(815)</u>	<u>(31,724)</u>	<u>(64,255)</u>	<u>(310,256)</u>	<u>(11,623)</u>
Other Income/Expense						
Other Income						
4800 - Investment Income	45,746	2,083	66,217	4,166	25,000	32,193
Total Other Income	<u>45,746</u>	<u>2,083</u>	<u>66,217</u>	<u>4,166</u>	<u>25,000</u>	<u>32,193</u>
Net Other Income	<u>45,746</u>	<u>2,083</u>	<u>66,217</u>	<u>4,166</u>	<u>25,000</u>	<u>32,193</u>
Net Income	<u>47,649</u>	<u>1,268</u>	<u>34,493</u>	<u>(60,089)</u>	<u>(285,256)</u>	<u>20,570</u>

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

February 28, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4000 - Membership Income					
4002 - Membership Dues	266,727	245,344	486,678	490,688	2,944,128
4020 - Shared Fees, Local Boards	7,518	8,000	14,978	16,000	96,000
4023 - State Application Fee (odd years)	44,345	20,000	60,757	40,000	240,000
4030 - RDF Dues	29,708	26,656	53,628	53,312	319,872
Total 4000 - Membership Income	<u>348,298</u>	<u>300,000</u>	<u>616,041</u>	<u>600,000</u>	<u>3,600,000</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	10,000	30,000
4201 - Registration Income	160	42	5,055	3,584	40,500
Total 4200 - Contract Fees & Event Income	<u>160</u>	<u>42</u>	<u>5,055</u>	<u>13,584</u>	<u>70,500</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	120	417	2,660	834	5,000
Total 4300 - Royalties, Rent & Product Sales	<u>120</u>	<u>417</u>	<u>2,660</u>	<u>834</u>	<u>5,000</u>
4900 - Other Income					
4900 - Other Income	9,000	833	7,011	1,666	10,000
4910 - RECP Income	7,100	7,100	14,200	14,200	85,200
4920 - Professional Standards Income	0	542	0	1,084	6,500
Total 4900 - Other Income	<u>16,100</u>	<u>8,475</u>	<u>21,211</u>	<u>16,950</u>	<u>101,700</u>
Total Income	364,678	308,934	644,967	631,368	3,777,200
Expense					
5000 - Personnel Costs					
5010 - Compensation	113,019	127,719	226,071	255,438	1,532,622
5020 - Bonus Pool	0	0	28,000	28,000	80,000
5030 - Contract Labor / Temp Help	0	1,450	0	2,900	17,400
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	6,899	8,605	13,859	17,210	103,262
5115 - Wellness Benefit	158	167	194	334	2,000
5120 - Dental Insurance	597	667	1,195	1,334	8,000
5125 - Disability Insurance	877	1,042	1,754	2,084	12,500
5130 - Retirement Benefits	4,498	5,417	10,528	10,834	65,000
5140 - Post-Employment Benefits	1,821	1,250	3,643	2,500	15,000
5150 - Workers Compensation Insuranc	475	583	949	1,166	7,000
5160 - Payroll Taxes	9,441	7,772	22,553	15,544	93,262
5170 - Professional Development	0	416	0	832	5,000
5180 - Dues & Subscriptions	2,498	1,208	3,627	2,416	14,500

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

February 28, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Total 5100 - Benefits & Taxes	27,264	27,127	58,302	54,254	325,524
Total 5000 - Personnel Costs	140,283	156,296	312,373	340,592	1,955,546
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	4,374	979	5,067	1,958	15,750
5320 - Staff Lodging	2,208	1,834	2,333	3,668	31,500
5330 - Staff Mileage	374	655	742	1,310	9,100
5340 - Staff Meals	2,903	1,855	3,358	3,710	27,750
5350 - Staff Hospitality	200	271	200	542	6,750
5360 - Conference Registration Fees	300	276	300	552	8,800
Total 5310 - Staff Travel Costs	10,359	5,870	12,000	11,740	99,650
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	582	834	1,221	1,668	19,500
5420 - Board / Volunteer Lodging	4,414	3,458	4,415	6,916	59,000
5430 - Board / Volunteer Mileage	1,018	937	1,326	1,874	9,750
5440 - Board / Volunteer Meals	8,301	1,667	9,181	3,334	27,000
5450 - Board / Volunteer Hospitality	130	1,689	135	3,378	13,750
5460 - Conference Registration Fees	0	167	0	334	6,250
Total 5410 - Leadership Travel	14,445	8,752	16,278	17,504	135,250
Total 5300 Travel & Entertainment	24,804	14,622	28,278	29,244	234,900
5600 - Professional Fees					
5610 - Legal Services	4,526	2,750	5,647	5,500	33,000
5620 - Audit & Tax Services	16,500	15,000	18,900	17,500	27,500
5630 - Accounting Services	13,821	10,417	28,079	20,834	125,000
5640 - Other Consulting Services	0	6,667	0	13,334	80,000
5650 - President's Stipend	1,500	1,500	3,000	3,000	18,000
Total 5600 - Professional Fees	36,347	36,334	55,626	60,168	283,500
5700 - Technology & Equipment					
5710 - Technology Consulting Service	38,966	44,625	79,209	89,250	535,500
5720 - Equipment Repairs & Maintenance	0	83	0	166	1,000
5730 - Small Equipment Purchases	0	250	0	500	3,000
5740 - Equipment > \$1000	0	833	0	1,666	10,000
5750 - Equipment Lease Payments	518	417	964	834	5,000
5760 - Software & Licensing Fees	183	833	2,171	1,666	10,000
Total 5700 - Technology & Equipment	39,667	47,041	82,344	94,082	564,500
5900 - Office Costs					
5910 - Telephone	3,108	4,374	6,870	8,748	52,500
5920 - Postage	0	116	140	232	1,400

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

February 28, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	8	0	16	100
5930 - Office Supplies	543	300	1,077	600	3,600
5932 - Kitchen Supplies	316	333	653	666	4,000
5934 - Bathroom Supplies	0	83	0	166	1,000
5940 - Printing	4,100	375	4,138	750	4,500
5950 - Liability Insurance	896	1,042	1,792	2,084	12,500
5960 - Licenses and Fees	0	125	0	250	1,500
5970 - Bank & Credit Card Fees	1,283	1,667	7,759	3,334	20,000
5980 - Miscellaneous	115	217	1,634	434	3,600
Total 5900 - Office Costs	10,361	8,640	24,063	17,280	104,700
6100 - Facility Costs					
6110 - Office Rent & Parking	15,556	20,742	26,326	41,484	248,910
6115 - Other temp office costs	0	0	0	0	180,000
Total 6100 - Facility Costs	15,556	20,742	26,326	41,484	428,910
7100 - Programmatic Costs					
7110 - Facility Rental	0	667	0	959	3,000
7120 - Catering	65,956	5,833	65,956	33,041	128,000
7130 - Honorarium/Speaker Fees	0	2,584	0	5,168	23,500
7140 - Speaker Travel	54	332	2,644	1,664	6,000
7150 - Plaques & Awards	2,295	333	2,295	666	5,000
7160 - Event Sponsorships	0	521	5,000	1,042	6,250
7210 - Website Development / Hosting	1,250	1,700	3,349	3,400	20,400
7215 - Clipping Service	0	417	0	834	5,000
7220 - Internet Communications	1,558	250	2,149	500	3,000
7225 - Publications	2,027	708	5,025	1,416	8,500
7240 - Video Production & Editing	0	84	99	168	1,000
7250 - Media / Public Relations Proj	0	42	0	84	500
7310 - Other Program Costs	18,867	4,854	19,511	12,333	68,250
7320 - Grants	3,750	2,791	3,750	5,582	33,500
7330 - Electronic Forms	0	0	36,403	36,000	144,000
7410 - Marketing Research	0	2,542	0	5,084	30,500
7420 - Outreach	0	542	0	1,084	6,500
7440 - Issue Research	0	833	1,500	1,666	10,000
7450 - Legislative Advocacy	0	1,041	0	2,082	12,500
Total 7100 - Programmatic Costs	95,757	26,074	147,681	112,773	515,400
Total Expense	362,775	309,749	676,691	695,623	4,087,456
Net Ordinary Income	1,903	(815)	(31,724)	(64,255)	(310,256)

Other Income/Expense

Other Income

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

February 28, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
4800 - Investment Income					
4810 - Interest & Dividend Income	2,676	2,083	5,070	4,166	25,000
4815 - Unrealized Gains/Losses	43,070	0	61,517	0	0
4820 - Realized Gains/Losses	0	0	3,968	0	0
4830 - Investment Management Fees	0	0	(4,338)	0	0
Total 4800 - Investment Income	<u>45,746</u>	<u>2,083</u>	<u>66,217</u>	<u>4,166</u>	<u>25,000</u>
Total Other Income	<u>45,746</u>	<u>2,083</u>	<u>66,217</u>	<u>4,166</u>	<u>25,000</u>
Net Other Income	<u>45,746</u>	<u>2,083</u>	<u>66,217</u>	<u>4,166</u>	<u>25,000</u>
Net Income	<u>47,649</u>	<u>1,268</u>	<u>34,493</u>	<u>(60,089)</u>	<u>(285,256)</u>

Indiana Association of Realtors, Inc.
Selected Information
February 2017 Financial Statements

The monthly financial statements for Indiana Association of Realtors are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements have not been subjected to an audit, review, or compilation engagement; and no assurance is provided on them.

The accompanying financial statements include the following departures from accounting principles generally accepted in the United States of America:

- 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.
- The Balance Sheet includes a comparison with the period ended January 31, 2017 for additional meaningful data for management and the board.
- 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.
- Budget information is presented without notes on significant assumptions used in developing the budget.

The effects of these departures have not been determined.