

Indiana Association of Realtors

February 2018

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances increased during February by \$1,299,000 with ending balance of \$2,318,000, mostly due to dues and state application fees collected.
- Accounts Receivable increased by \$12,000 due to Realist billings for February and accrued interest due from One Forty Three LLC.
- Fixed assets increased by \$16,000 due to costs incurred for installation of infrastructure cabling for the 1st and 8th floors.
- The amounts Due from One Forty Three LLC (and partnership organization) increased by \$18,000 due to allocation of audit fees with a total ending balance of \$5,349,000.
- The amount Due from ISRE decreased by \$14,000 during the month with an ending balance of \$397,000.
- IAR investments decreased by \$39,000 during the month with an ending balance of \$1,872,000 and RDF investments decreased by \$14,000 with an ending balance of \$1,568,000.
- Accounts Payable decreased by \$119,000 due to invoices paid for rent, insurance, CoreLogic, and Ziplogix. Ending balance was \$166,000.
- Lines of Credit with ONB had no changes during the month with ending balances of \$320,000 and \$700,000.
- RPAC Payable decreased by \$66,000 during the month due to transfer made from the Transmittal bank account (RPAC personal) to the RPAC corporate account.
- Dues payable increased by \$1,343,000, from \$1,654,000 to \$2,997,000 due to cash receipts during the month net of amortization of dues revenue for February. This balance will be amortized over the remaining months of the year and recognized as income.

Income Statement

- Net income of \$152,000 was recorded for the month, which represents net ordinary income of \$202,000, SEI net investment loss of (\$53,000), and net interest income related to notes/loans of \$3,000. Budgeted net income for February was \$27,000.
- YTD net income was \$3,000, which represents net ordinary income of \$50,000, SEI net investment loss of (\$47,000), and net interest income related to notes/loans of zero.
- Compared to the prior year, YTD net ordinary income was \$82,000 higher than the prior YTD net loss of (\$32,000).
- Total income for February was \$481,000, which was above the monthly budget of \$352,000 by \$130,000 or 37%, due to timing of 2018 dues income received – while February income was above budget, January was under budget.
- Total income YTD was \$666,000 compared to YTD budget of \$713,000 – under budget by \$48,000 or 7%.
- Compared to the prior year, total YTD income was \$21,000 higher than the prior YTD income of \$645,000.
- Total expenses for the month were \$279,000, and were below the monthly budget of \$327,000 by \$48,000 or 15%, mostly due to facility costs and programmatic costs.
- YTD expenses were \$615,000, and were below the YTD budget of \$725,000 by \$110,000 or 15%, mostly due to facility costs and programmatic costs.
- Compared to the prior year, YTD expenses are \$61,000 lower (9%), mostly due to programmatic costs.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
February 28, 2018

	02/28/2018	01/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	2,317,908	1,019,209	1,298,699
Total Checking/Savings	<u>2,317,908</u>	<u>1,019,209</u>	<u>1,298,699</u>
Other Current Assets			
1200 - Accounts Receivable	1,059,739	1,047,673	12,066
1300 - Other Current Assets	107,904	107,928	(24)
Total Other Current Assets	<u>1,167,643</u>	<u>1,155,601</u>	<u>12,042</u>
Total Current Assets	<u>3,485,551</u>	<u>2,174,810</u>	<u>1,310,741</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	342,452	326,742	15,710
Total Fixed Assets	<u>342,452</u>	<u>326,742</u>	<u>15,710</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,746,040	5,741,487	4,552
1500 - Investments	3,563,024	3,586,530	(23,505)
1700 - Capitalized Loan and Lease Costs	3,933	3,934	0
Total Other Assets	<u>9,312,997</u>	<u>9,331,951</u>	<u>(18,953)</u>
Total ASSETS	<u>13,141,000</u>	<u>11,833,503</u>	<u>1,307,498</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	166,440	285,923	(119,483)
Total Accounts Payable	<u>166,440</u>	<u>285,923</u>	<u>(119,483)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,074,997	1,143,982	(68,985)
2100 - Payroll Liabilities	377,346	376,519	827
2400 - Deferred Dues & Other Revenue	2,996,825	1,654,088	1,342,737
Total Other Current Liabilities	<u>4,449,168</u>	<u>3,174,589</u>	<u>1,274,579</u>
Total Current Liabilities	<u>4,615,608</u>	<u>3,460,512</u>	<u>1,155,096</u>
Total Liabilities	<u>4,615,608</u>	<u>3,460,512</u>	<u>1,155,096</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,690,535	6,854,985	(164,450)
3020 - REALTORS Defense Fund	1,682,456	1,667,058	15,398
Net Income	152,401	(149,052)	301,454
Total Net Assets	<u>8,525,392</u>	<u>8,372,991</u>	<u>152,402</u>
Total LIABILITIES & NET ASSETS	<u>13,141,000</u>	<u>11,833,503</u>	<u>1,307,498</u>

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

February 28, 2018

	02/28/2018	01/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	2,312,111	912,819	1,399,293
1029 - First Merchants Checking	10,409	10,408	0
1032 - IAR Checking-ONB	17,301	24,491	(7,190)
1040 - Transmittal Checking Account	53,998	119,585	(65,587)
1050 - PayPal	1,997	1,987	9
1118 - REALTORS Federal Credit Union	86	87	0
1125 - IAR-Prof Standards Escrow	36,400	34,400	2,000
1199 - Cash Owed (to) by RDF	(114,514)	(84,688)	(29,826)
Total 1000 - Cash Accounts	<u>2,317,908</u>	<u>1,019,209</u>	<u>1,298,699</u>
Total Checking/Savings	<u>2,317,908</u>	<u>1,019,209</u>	<u>1,298,699</u>
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	19,604	11,658	7,946
1211 - Dues Receivable	7,595	10,465	(2,871)
1220 - Other Receivables	1,850	2,050	(200)
1245 - Accrued Interest Receivable	10,690	3,500	7,191
1270 - Note Receivable	1,020,000	1,020,000	0
Total 1200 - Accounts Receivable	<u>1,059,739</u>	<u>1,047,673</u>	<u>12,066</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	96,350	96,375	(24)
1340 - Postage Deposits	589	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>107,904</u>	<u>107,928</u>	<u>(24)</u>
Total Other Current Assets	<u>1,167,643</u>	<u>1,155,601</u>	<u>12,042</u>
Total Current Assets	<u>3,485,551</u>	<u>2,174,810</u>	<u>1,310,741</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1630 - Furniture, Fixtures & Equipmen	380,065	364,355	15,710
Total 1605 - Land, Buildings & Equipment	<u>380,065</u>	<u>364,355</u>	<u>15,710</u>
1680 - Accum. Depreciation - FF&E	(37,613)	(37,613)	0
Total 1655 - Accumulated Depreciation	<u>(37,613)</u>	<u>(37,613)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>342,452</u>	<u>326,742</u>	<u>15,710</u>
Total Fixed Assets	<u>342,452</u>	<u>326,742</u>	<u>15,710</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	397,188	411,011	(13,823)
1203 - Due From 143 LLC	5,297,469	5,297,468	0
1204 - Due From 143 LLC (P-ship)	51,383	33,008	18,375
Total - 1203 - Intercompany Loans Receivable	<u>5,746,040</u>	<u>5,741,487</u>	<u>4,552</u>
1500 - Investments			
1510 - SEI Investments	1,871,528	1,910,432	(38,903)
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,567,942	1,582,371	(14,428)
1599 - Cash Owed by (to) IAR	114,514	84,688	29,826

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

February 28, 2018

	02/28/2018	01/31/2018	Difference
Total 1520 - Realtor's Defense Fund Assets	1,682,456	1,667,059	15,398
1540 - Alerus - 457(b) Investments	268,628	268,627	0
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	3,563,024	3,586,530	(23,505)
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(67)	(66)	0
Total 1700 - Capitalized Loan and Lease Costs	3,933	3,934	0
Total Other Assets	9,312,997	9,331,951	(18,953)
Total ASSETS	13,141,000	11,833,503	1,307,498
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	166,440	285,923	(119,483)
Total Accounts Payable	166,440	285,923	(119,483)
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	320,000	320,000	0
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2045 - Accrued Interest Payable	0	3,398	(3,398)
2080 - RPAC Payable	53,997	119,584	(65,587)
2095 - Prof Stds Escrow Liability	1,000	1,000	0
Total 2025 - Other Current Liabilities	1,074,997	1,143,982	(68,985)
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	2,420	1,594	827
2120 - Post Retirement Benefit Obliga	106,298	106,297	0
2150 - 457 Plan Liabilities	268,628	268,628	0
Total 2100 - Payroll Liabilities	377,346	376,519	827
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	2,996,825	1,654,088	1,342,737
Total 2400 - Deferred Dues & Other Revenue	2,996,825	1,654,088	1,342,737
Total Other Current Liabilities	4,449,168	3,174,589	1,274,579
Total Current Liabilities	4,615,608	3,460,512	1,155,096
Total Liabilities	4,615,608	3,460,512	1,155,096
NET ASSETS			
3010 - Unrestricted Net Assets	6,690,535	6,854,985	(164,450)
3020 - REALTORS Defense Fund	1,682,456	1,667,058	15,398
Net Income	152,401	(149,052)	301,454
Total Net Assets	8,525,392	8,372,991	152,402
Total LIABILITIES & NET ASSETS	13,141,000	11,833,503	1,307,498

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

February 28, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	472,174	342,874	642,710	685,757	4,114,500	616,041
4200 - Contract Fees & Event Income	60	42	4,145	10,080	42,000	5,305
4300 - Royalties, Rent & Product Sales	80	0	2,514	0	0	2,660
4900 - Other Income	9,100	8,766	16,200	17,540	105,200	20,961
Total Income	<u>481,414</u>	<u>351,682</u>	<u>665,569</u>	<u>713,377</u>	<u>4,261,700</u>	<u>644,967</u>
Expense						
5000 - Personnel Costs						
5010 - Compensation	115,244	116,667	228,021	233,330	1,400,000	226,071
5020 - Bonus Pool	0	0	205	0	100,000	28,000
5030 - Contract Labor / Temp Help	0	167	0	330	2,000	0
5100 - Benefits & Taxes	27,397	26,751	56,728	53,490	321,000	57,763
Total 5000 - Personnel Costs	<u>142,641</u>	<u>143,585</u>	<u>284,954</u>	<u>287,150</u>	<u>1,823,000</u>	<u>311,834</u>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	4,836	4,461	8,226	11,390	91,250	11,999
5410 - Leadership Travel	3,790	6,552	4,294	25,080	175,850	16,279
Total 5300 Travel & Entertainment	<u>8,626</u>	<u>11,013</u>	<u>12,520</u>	<u>36,470</u>	<u>267,100</u>	<u>28,278</u>
5600 - Professional Fees	31,558	30,671	56,179	48,410	213,000	55,626
5700 - Technology & Equipment	49,444	49,841	105,466	99,690	598,100	83,726
5900 - Office Costs	11,924	6,430	43,533	12,850	78,150	20,133
6100 - Facility Costs	19,299	43,654	36,989	87,310	523,850	26,325
7100 - Programmatic Costs	15,587	41,834	75,873	153,285	746,750	150,769
Total Expense	<u>279,079</u>	<u>327,028</u>	<u>615,514</u>	<u>725,165</u>	<u>4,249,950</u>	<u>676,691</u>
Net Ordinary Income	<u>202,335</u>	<u>24,654</u>	<u>50,055</u>	<u>(11,788)</u>	<u>11,750</u>	<u>(31,724)</u>
Other Income/Expense						
Other Income						
4800 - Investment Income	(46,142)	2,083	(39,083)	4,170	25,000	66,217
Total Other Income	<u>(46,142)</u>	<u>2,083</u>	<u>(39,083)</u>	<u>4,170</u>	<u>25,000</u>	<u>66,217</u>
Other Expense						
8000 - Interest Expense	3,792	0	7,191	0	0	0
8100 - Priority Return-Twain	0	0	432	0	0	0
Total Other Expense	<u>3,792</u>	<u>0</u>	<u>7,623</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>(49,934)</u>	<u>2,083</u>	<u>(46,706)</u>	<u>4,170</u>	<u>25,000</u>	<u>66,217</u>
Net Income (Loss)	<u>152,401</u>	<u>26,737</u>	<u>3,349</u>	<u>(7,618)</u>	<u>36,750</u>	<u>34,493</u>

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

February 28, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Income					
4000 - Membership Income					
4002 - Membership Dues	402,528	284,017	537,043	568,034	3,408,207
4020 - Shared Fees, Local Boards	7,946	8,000	15,830	16,000	96,000
4021 - State Application Fee (even years)	17,698	20,000	31,099	40,000	240,000
4030 - RDF Dues	44,002	30,857	58,738	61,723	370,293
Total 4000 - Membership Income	<u>472,174</u>	<u>342,874</u>	<u>642,710</u>	<u>685,757</u>	<u>4,114,500</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	5,000	10,000
4201 - Registration Income	60	42	4,145	5,080	32,000
Total 4200 - Contract Fees & Event Income	<u>60</u>	<u>42</u>	<u>4,145</u>	<u>10,080</u>	<u>42,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	80	0	2,514	0	0
Total 4300 - Royalties, Rent & Product Sales	<u>80</u>	<u>0</u>	<u>2,514</u>	<u>0</u>	<u>0</u>
4900 - Other Income					
4901 - Grant Income-Temp Restricted	0	833	0	1,670	10,000
4910 - RECP Income	7,100	7,100	14,200	14,200	85,200
4920 - Professional Standards Income	2,000	833	2,000	1,670	10,000
Total 4900 - Other Income	<u>9,100</u>	<u>8,766</u>	<u>16,200</u>	<u>17,540</u>	<u>105,200</u>
Total Income	<u>481,414</u>	<u>351,682</u>	<u>665,569</u>	<u>713,377</u>	<u>4,261,700</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	115,244	116,667	228,021	233,330	1,400,000
5020 - Bonus Pool	0	0	205	0	100,000
5030 - Contract Labor / Temp Help	0	167	0	330	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	7,677	8,417	15,721	16,830	101,000
5115 - Wellness Benefit	241	417	554	830	5,000
5120 - Dental Insurance	607	583	1,273	1,170	7,000
5125 - Disability Insurance	371	500	761	1,000	6,000
5130 - Retirement Benefits	5,671	5,542	10,494	11,080	66,500
5140 - Post-Employment Benefits	1,862	1,875	3,722	3,750	22,500
5150 - Workers Compensation Insuranc	630	750	1,261	1,500	9,000
5160 - Payroll Taxes	9,602	6,667	21,217	13,330	80,000
5170 - Professional Development	0	417	0	830	5,000
5180 - Dues & Subscriptions	736	1,583	1,725	3,170	19,000
Total 5100 - Benefits & Taxes	<u>27,397</u>	<u>26,751</u>	<u>56,728</u>	<u>53,490</u>	<u>321,000</u>

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

February 28, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5000 - Personnel Costs	142,641	143,585	284,954	287,150	1,823,000
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	596	667	1,511	1,830	17,500
5320 - Staff Lodging	441	979	441	3,460	30,750
5330 - Staff Mileage	1,658	709	1,806	1,410	9,250
5340 - Staff Meals	1,512	1,439	3,164	3,360	20,750
5350 - Staff Hospitality	519	83	1,194	170	2,500
5360 - Conference Registration Fees	110	584	110	1,160	10,500
Total 5310 - Staff Travel Costs	4,836	4,461	8,226	11,390	91,250
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	827	709	885	2,410	23,500
5420 - Board / Volunteer Lodging	1,053	2,541	1,388	9,090	77,500
5430 - Board / Volunteer Mileage	761	980	872	2,950	14,250
5440 - Board / Volunteer Meals	491	1,654	491	8,310	41,850
5450 - Board / Volunteer Hospitality	658	585	658	2,150	11,000
5460 - Conference Registration Fees	0	83	0	170	7,750
Total 5410 - Leadership Travel	3,790	6,552	4,294	25,080	175,850
Total 5300 Travel & Entertainment	8,626	11,013	12,520	36,470	267,100
5600 - Professional Fees					
5610 - Legal Services	2,142	2,917	2,620	5,830	35,000
5620 - Audit & Tax Services	16,363	15,212	23,176	17,500	27,500
5630 - Accounting Services	11,553	10,417	27,383	20,830	125,000
5640 - Other Consulting Services	0	625	0	1,250	7,500
5650 - President's Stipend	1,500	1,500	3,000	3,000	18,000
Total 5600 - Professional Fees	31,558	30,671	56,179	48,410	213,000
5700 - Technology & Equipment					
5710 - Technology Consulting Service	46,367	46,834	98,900	93,660	562,000
5720 - Equipment Repairs & Maintenance	288	83	757	170	1,000
5730 - Small Equipment Purchases	1,002	625	1,326	1,250	7,500
5740 - Equipment > \$1000	0	83	2,005	170	1,000
5750 - Equipment Lease Payments	1,064	833	1,755	1,670	10,000
5760 - Software & Licensing Fees	723	1,383	723	2,770	16,600
Total 5700 - Technology & Equipment	49,444	49,841	105,466	99,690	598,100
5900 - Office Costs					
5910 - Telephone	3,077	1,708	9,036	3,420	20,500
5920 - Postage	0	129	0	260	1,550
5925 - Shipping Expense	0	8	0	20	100

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

February 28, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5930 - Office Supplies	784	334	1,945	660	4,000
5932 - Kitchen Supplies	60	333	415	670	4,000
5940 - Printing	1,333	625	7,983	1,250	7,500
5950 - Liability Insurance	734	1,042	1,469	2,080	12,500
5960 - Licenses and Fees	0	125	0	250	1,500
5970 - Bank & Credit Card Fees	2,104	1,667	13,467	3,330	20,000
5980 - Miscellaneous	3,832	459	9,218	910	6,500
Total 5900 - Office Costs	11,924	6,430	43,533	12,850	78,150
6100 - Facility Costs					
6110 - Office Rent & Parking	19,299	22,071	36,989	44,140	264,850
6115 - Other temp office costs	0	21,583	0	43,170	259,000
Total 6100 - Facility Costs	19,299	43,654	36,989	87,310	523,850
7100 - Programmatic Costs					
7110 - Facility Rental	0	250	3,500	500	3,000
7120 - Catering	(6,237)	6,959	3,307	28,910	148,500
7130 - Honorarium/Speaker Fees	150	1,749	150	6,010	28,500
7140 - Speaker Travel	0	375	0	1,750	6,500
7150 - Plaques & Awards	2,811	438	2,811	870	6,000
7160 - Event Sponsorships	6,000	542	6,975	1,080	6,500
7170 - Curriculum	0	125	0	250	1,500
7210 - Website Development / Hosting	2,449	2,500	5,749	5,000	30,000
7220 - Internet Communications	6,385	2,458	10,597	4,920	29,500
7225 - Publications	3,260	625	3,630	12,750	19,000
7240 - Video Production & Editing	0	126	0	240	1,500
7250 - Media / Public Relations Proj	0	42	0	80	500
7310 - Other Program Costs	769	20,313	769	43,120	253,250
7320 - Grants	0	2,791	0	5,590	33,500
7330 - Electronic Forms	0	0	38,385	37,125	148,500
7410 - Marketing Research	0	541	0	1,090	6,500
7420 - Outreach	0	459	0	910	5,500
7440 - Issue Research	0	708	0	1,420	8,500
7450 - Legislative Advocacy	0	833	0	1,670	10,000
Total 7100 - Programmatic Costs	15,587	41,834	75,873	153,285	746,750
Total Expense	279,079	327,028	615,514	725,165	4,249,950
Net Ordinary Income	202,335	24,654	50,055	(11,788)	11,750
Other Income/Expense					
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	3,258	2,083	5,974	4,170	25,000

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

February 28, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
4811 - Interest Income (notes payable)	7,190	0	7,190	0	0
4815 - Unrealized Gains/Losses	(56,590)	0	(48,217)	0	0
4820 - Realized Gains/Losses	0	0	300	0	0
4830 - Investment Management Fees	0	0	(4,330)	0	0
Total 4800 - Investment Income	<u>(46,142)</u>	<u>2,083</u>	<u>(39,083)</u>	<u>4,170</u>	<u>25,000</u>
Total Other Income	<u>(46,142)</u>	<u>2,083</u>	<u>(39,083)</u>	<u>4,170</u>	<u>25,000</u>
Other Expense					
8000 - Interest Expense	3,792	0	7,191	0	0
8100 - Priority Return-Twain	0	0	432	0	0
Total Other Expense	<u>3,792</u>	<u>0</u>	<u>7,623</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>(49,934)</u>	<u>2,083</u>	<u>(46,706)</u>	<u>4,170</u>	<u>25,000</u>
Net Income (Loss)	<u>152,401</u>	<u>26,737</u>	<u>3,349</u>	<u>(7,618)</u>	<u>36,750</u>

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the Two Months Ended February, 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 January 31, 2018 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%