

Indiana Association of Realtors

May 2017

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during May by \$299,000 with ending balance of \$2,886,000 mostly due to invoices paid to ACCESS for issues mobilization marketing expenses in the amount of \$248,000.
 - a. Note: The issues mobilization expenses have been charged to RDF programming and are offset by \$142,000 of grants from NAR - \$43,000 of the grant was received in May and the remaining \$99,000 has been recorded as a receivable and should be received in July. The expenses in excess of the grant will be covered by RDF cash balances.
- Accounts Receivable increased by \$95,000 mostly due to \$99,000 grant from NAR for the issues mobilization expenses. Ending balance was \$113,000.
- Prepaid expenses decreased by \$5,000 with an ending balance of \$58,000.
- The amounts Due from One Forty Three LLC increased by \$25,000 during the month due to transfers from IAR to cover building operating expenses. Balance at month end is \$4,705,000.
- The amount Due from ISRE decreased by \$14,000 during the month with an ending balance of \$328,000. There was a payment of \$105,000 from ISRE to IAR during the month.
- IAR investments increased by \$14,000 during the month with an ending balance of \$1,846,000 and RDF investments increased by \$7,000 with an ending balance of \$1,616,000.
- Accounts payable decreased by \$36,000 due to payment of the Ziplogix invoice, with an ending balance of \$68,000.
- Dues payable for 2017 decreased by \$256,000, from \$2,258,000 to \$2,002,000 in May due to amortization of dues payments for May. This balance will be amortized monthly over the remainder of the year and recognized as income.

Income Statement

- Net income of \$15,000 was recorded for the month, which represents net loss from operations of (\$4,000) and investment earnings (net of interest expense) of \$19,000. This loss is due mostly to the issues mobilization marketing expenses mentioned above.
- YTD net income was \$174,000 compared to budgeted net loss of (\$141,000).
- Compared to the prior year, net income YTD was \$96,000 lower (35%) than the prior YTD net income of \$270,000.
- Membership income for the current month was \$354,000, which was above the monthly budget of \$300,000 by \$54,000 or 18%.
- Membership income YTD was \$1,631,000 and was above the YTD budget of \$1,500,000 by \$131,000 or 9%.
- Compared to the prior year, membership income YTD was \$97,000 (6%) higher than the prior YTD amount of \$1,534,000.
- Total expenses for the month were \$510,000, and were above the monthly budget of \$361,000 by \$149,000 or 41% mostly due to invoices paid for issues mobilization marketing expenses as mentioned above.
- Total expenses YTD were \$1,763,000 and were over the YTD budget of \$1,710,000 by \$53,000 or 3%, mostly due to the same reason mentioned above.
- Compared to the prior year, expenses YTD are \$352,000 (25%) higher mostly due to the reasons stated above along with personnel and technology expenses.

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

May 31, 2017

| | 05/31/2017 | 04/30/2017 | Difference |
|---|--------------------------|--------------------------|-------------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1000 - Cash Accounts | 2,885,753 | 3,184,883 | (299,129) |
| Total Checking/Savings | <u>2,885,753</u> | <u>3,184,883</u> | <u>(299,129)</u> |
| Other Current Assets | | | |
| 1200 - Accounts Receivable | 113,436 | 17,953 | 95,482 |
| 1300 - Other Current Assets | 69,504 | 74,563 | (5,058) |
| Total Other Current Assets | <u>182,940</u> | <u>92,516</u> | <u>90,424</u> |
| Total Current Assets | <u>3,068,693</u> | <u>3,277,399</u> | <u>(208,705)</u> |
| Fixed Assets | | | |
| 1600 - Fixed Assets, Net of Deprec. | 38,241 | 38,240 | 0 |
| Total Fixed Assets | <u>38,241</u> | <u>38,240</u> | <u>0</u> |
| Other Assets | | | |
| 1203 - Intercompany Loans Receivable | 5,033,082 | 5,021,984 | 11,099 |
| 1500 - Investments | 3,560,767 | 3,630,466 | (69,700) |
| Total Other Assets | <u>8,593,849</u> | <u>8,652,450</u> | <u>(58,601)</u> |
| Total ASSETS | <u>11,700,783</u> | <u>11,968,089</u> | <u>(267,306)</u> |
| LIABILITIES & NET ASSETS | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2010 - Accounts Payable | 68,050 | 103,583 | (35,533) |
| Total Accounts Payable | <u>68,050</u> | <u>103,583</u> | <u>(35,533)</u> |
| Other Current Liabilities | | | |
| 2025 - Other Current Liabilities | 1,108,002 | 1,098,249 | 9,753 |
| 2100 - Payroll Liabilities | 338,350 | 338,350 | 0 |
| 2400 - Deferred Dues & Other Revenue | 2,001,720 | 2,257,691 | (255,971) |
| Total Other Current Liabilities | <u>3,448,072</u> | <u>3,694,290</u> | <u>(246,218)</u> |
| Total Current Liabilities | <u>3,516,122</u> | <u>3,797,873</u> | <u>(281,751)</u> |
| Total Liabilities | <u>3,516,122</u> | <u>3,797,873</u> | <u>(281,751)</u> |
| NET ASSETS | | | |
| 3010 - Unrestricted Net Assets | 6,567,495 | 6,401,182 | 166,313 |
| 3020 - REALTORS Defense Fund | 1,602,721 | 1,690,799 | (88,078) |
| Net Income | 14,445 | 78,235 | (63,790) |
| Total Net Assets | <u>8,184,661</u> | <u>8,170,216</u> | <u>14,445</u> |
| Total LIABILITIES & NET ASSETS | <u>11,700,783</u> | <u>11,968,089</u> | <u>(267,306)</u> |

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

May 31, 2017

| | 05/31/2017 | 04/30/2017 | Difference |
|--|------------------|------------------|------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1000 - Cash Accounts | | | |
| 1010 - Petty Cash | 120 | 120 | 0 |
| 1020 - IAR Checking-Regions | 996,977 | 643,000 | 353,977 |
| 1029 - First Merchants Checking | 1,268,864 | 2,018,558 | (749,694) |
| 1032 - IAR Checking-ONB | 247,084 | 250,000 | (2,917) |
| 1040 - Transmittal Checking Account | 61,611 | 53,759 | 7,853 |
| 1118 - REALTORS Federal Credit Union | 270,073 | 269,765 | 309 |
| 1125 - IAR-Prof Standards Escrow | 28,000 | 27,250 | 750 |
| 1199 - Cash Owed (to) by RDF | 13,024 | (77,569) | 90,593 |
| Total 1000 - Cash Accounts | <u>2,885,753</u> | <u>3,184,883</u> | <u>(299,129)</u> |
| Total Checking/Savings | 2,885,753 | 3,184,883 | (299,129) |
| Other Current Assets | | | |
| 1200 - Accounts Receivable | | | |
| 1200 - Accounts Receivable | 109,276 | 13,980 | 95,295 |
| 1211 - Dues Receivable | 4,160 | 3,973 | 187 |
| Total 1200 - Accounts Receivable | <u>113,436</u> | <u>17,953</u> | <u>95,482</u> |
| 1300 - Other Current Assets | | | |
| 1310 - Prepaid Expense | 57,951 | 63,009 | (5,058) |
| 1340 - Postage Deposits | 588 | 589 | 0 |
| 1350 - Other Deposits | 10,965 | 10,965 | 0 |
| Total 1300 - Other Current Assets | <u>69,504</u> | <u>74,563</u> | <u>(5,058)</u> |
| Total Other Current Assets | <u>182,940</u> | <u>92,516</u> | <u>90,424</u> |
| Total Current Assets | <u>3,068,693</u> | <u>3,277,399</u> | <u>(208,705)</u> |
| Fixed Assets | | | |
| 1600 - Fixed Assets, Net of Deprec. | | | |
| 1605 - Land, Buildings & Equipment | | | |
| 1630 - Furniture, Fixtures & Equipmen | 251,928 | 251,927 | 0 |
| Total 1605 - Land, Buildings & Equipment | <u>251,928</u> | <u>251,927</u> | <u>0</u> |
| 1655 - Accumulated Depreciation | | | |
| 1680 - Accum. Depreciation - FF&E | (213,687) | (213,687) | 0 |
| Total 1655 - Accumulated Depreciation | <u>(213,687)</u> | <u>(213,687)</u> | <u>0</u> |
| Total 1600 - Fixed Assets, Net of Deprec. | <u>38,241</u> | <u>38,240</u> | <u>0</u> |
| Total Fixed Assets | <u>38,241</u> | <u>38,240</u> | <u>0</u> |
| Other Assets | | | |
| 1203 - Intercompany Loans Receivable | | | |
| 1203 - Due From 143 LLC | 4,705,257 | 4,680,257 | 25,000 |
| 1260 - Due from ISRE | 327,825 | 341,727 | (13,901) |
| Total - 1203 - Intercompany Loans Receivable | <u>5,033,082</u> | <u>5,021,984</u> | <u>11,099</u> |
| 1500 - Investments | | | |
| 1510 - SEI Investments | 1,845,875 | 1,831,769 | 14,105 |
| 1520 - Realtor's Defense Fund Assets | | | |
| 1525 - Realtors Defense Fund Invest | 1,615,746 | 1,608,958 | 6,788 |
| 1599 - Cash Owed by (to) IAR | (13,024) | 77,569 | (90,593) |
| Total 1520 - Realtor's Defense Fund Assets | <u>1,602,722</u> | <u>1,686,527</u> | <u>(83,805)</u> |
| 1530 - Cambridge Ventures L.P. | 101,941 | 101,941 | 0 |
| 1540 - Alerus - 457(b) Investments | 224,189 | 224,189 | 0 |
| 1810 - Investment in ISRE | (213,960) | (213,960) | 0 |

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

May 31, 2017

| | 05/31/2017 | 04/30/2017 | Difference |
|--|-------------------|-------------------|------------------|
| Total 1500 - Investments | 3,560,767 | 3,630,466 | (69,700) |
| 1700 - Capitalized Lease Costs | | | |
| Total 1700 - Capitalized Lease Costs | 0 | 0 | 0 |
| Total Other Assets | 8,593,849 | 8,652,450 | (58,601) |
| Total ASSETS | 11,700,783 | 11,968,089 | (267,306) |
| LIABILITIES & NET ASSETS | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2010 - Accounts Payable | 68,050 | 103,583 | (35,533) |
| Total Accounts Payable | 68,050 | 103,583 | (35,533) |
| Other Current Liabilities | | | |
| 2025 - Other Current Liabilities | | | |
| 2035 - Line of Credit-ONB | 1,000,000 | 1,000,000 | 0 |
| 2040 - Accrued Payables | 45,390 | 43,490 | 1,900 |
| 2080 - RPAC Payable | 61,612 | 53,759 | 7,853 |
| 2095 - Prof Stds Escrow Liability | 1,000 | 1,000 | 0 |
| Total 2025 - Other Current Liabilities | 1,108,002 | 1,098,249 | 9,753 |
| 2100 - Payroll Liabilities | | | |
| 2115 - HSA Payable | 0 | 0 | 0 |
| 2120 - Post Retirement Benefit Obliga | 114,161 | 114,161 | 0 |
| 2150 - 457 Plan Liabilities | 224,189 | 224,189 | 0 |
| Total 2100 - Payroll Liabilities | 338,350 | 338,350 | 0 |
| 2400 - Deferred Dues & Other Revenue | | | |
| 2415 - Dues Payable, Odd Year | 2,001,720 | 2,257,691 | (255,971) |
| Total 2400 - Deferred Dues & Other Revenue | 2,001,720 | 2,257,691 | (255,971) |
| Total Other Current Liabilities | 3,448,072 | 3,694,290 | (246,218) |
| Total Current Liabilities | 3,516,122 | 3,797,873 | (281,751) |
| Total Liabilities | 3,516,122 | 3,797,873 | (281,751) |
| NET ASSETS | | | |
| 3010 - Unrestricted Net Assets | 6,567,495 | 6,401,182 | 166,313 |
| 3020 - REALTORS Defense Fund | 1,602,721 | 1,690,799 | (88,078) |
| Net Income | 14,445 | 78,235 | (63,790) |
| Total Net Assets | 8,184,661 | 8,170,216 | 14,445 |
| Total LIABILITIES & NET ASSETS | 11,700,783 | 11,968,089 | (267,306) |

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

May 31, 2017

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget | Prior YTD Actual |
|--|----------------|-----------------|------------------|------------------|------------------|------------------|
| Income | | | | | | |
| 4000 - Membership Income | 353,761 | 300,000 | 1,631,160 | 1,500,000 | 3,600,000 | 1,534,015 |
| 4200 - Contract Fees & Event Income | 0 | 42 | 5,305 | 13,710 | 70,500 | 7,040 |
| 4300 - Royalties, Rent & Product Sales | 2,205 | 417 | 6,107 | 2,085 | 5,000 | 3,779 |
| 4900 - Other Income | 149,979 | 8,475 | 186,884 | 42,375 | 101,700 | 37,203 |
| Total Income | 505,945 | 308,934 | 1,829,456 | 1,558,170 | 3,777,200 | 1,582,037 |
| Expense | | | | | | |
| 5000 - Personnel Costs | | | | | | |
| 5010 - Compensation | 113,852 | 127,719 | 566,815 | 638,595 | 1,532,622 | 508,154 |
| 5020 - Bonus Pool | 57 | 0 | 28,261 | 28,000 | 80,000 | 24,000 |
| 5030 - Contract Labor / Temp Help | 0 | 1,450 | 1,200 | 7,250 | 17,400 | 6,158 |
| 5100 - Benefits & Taxes | 25,356 | 27,128 | 143,690 | 135,640 | 325,524 | 129,785 |
| Total 5000 - Personnel Costs | 139,265 | 156,297 | 739,966 | 809,485 | 1,955,546 | 668,097 |
| 5300 - Travel & Entertainment | | | | | | |
| 5310 - Staff Travel Costs | 6,243 | 22,355 | 27,795 | 42,775 | 99,450 | 27,294 |
| 5410 - Leadership Travel | 15,537 | 37,753 | 34,850 | 64,765 | 135,250 | 51,764 |
| Total 5300 Travel & Entertainment | 21,780 | 60,108 | 62,645 | 107,540 | 234,700 | 79,058 |
| 5600 - Professional Fees | 24,660 | 23,833 | 99,591 | 134,165 | 283,500 | 101,637 |
| 5700 - Technology & Equipment | 42,416 | 47,041 | 244,609 | 235,205 | 564,500 | 212,616 |
| 5900 - Office Costs | 7,460 | 9,827 | 46,970 | 45,135 | 106,950 | 46,320 |
| 6100 - Facility Costs | 10,751 | 38,742 | 54,251 | 139,710 | 428,910 | 55,314 |
| 7100 - Programmatic Costs | 263,760 | 25,570 | 514,803 | 238,350 | 513,350 | 247,688 |
| Total Expense | 510,092 | 361,418 | 1,762,835 | 1,709,590 | 4,087,456 | 1,410,730 |
| Net Ordinary Income | (4,147) | (52,484) | 66,621 | (151,420) | (310,256) | 171,307 |
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| 4800 - Investment Income | 21,509 | 2,083 | 110,641 | 10,415 | 25,000 | 98,694 |
| Total Other Income | 21,509 | 2,083 | 110,641 | 10,415 | 25,000 | 98,694 |
| Other Expense | | | | | | |
| 8000 - Interest Expense | 2,917 | 0 | 2,917 | 0 | 0 | 0 |
| Total Other Expense | 2,917 | 0 | 2,917 | 0 | 0 | 0 |
| Net Other Income (Expense) | 18,592 | 2,083 | 107,724 | 10,415 | 25,000 | 98,694 |
| Net Income (Loss) | 14,445 | (50,401) | 174,345 | (141,005) | (285,256) | 270,001 |

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

May 31, 2017

| | <u>1 Month Actual</u> | <u>1 Month Budget</u> | <u>YTD Actual</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|--|-----------------------|-----------------------|-------------------|-------------------|----------------------|
| Income | | | | | |
| 4000 - Membership Income | | | | | |
| 4002 - Membership Dues | 271,312 | 245,344 | 1,278,354 | 1,226,720 | 2,944,128 |
| 4020 - Shared Fees, Local Boards | 7,706 | 8,000 | 37,846 | 40,000 | 96,000 |
| 4023 - State Application Fee (odd years) | 45,250 | 20,000 | 174,840 | 100,000 | 240,000 |
| 4030 - RDF Dues | 29,493 | 26,656 | 140,120 | 133,280 | 319,872 |
| Total 4000 - Membership Income | <u>353,761</u> | <u>300,000</u> | <u>1,631,160</u> | <u>1,500,000</u> | <u>3,600,000</u> |
| 4200 - Contract Fees & Event Income | | | | | |
| 4101 - Sponsorship Income | 0 | 0 | 0 | 10,000 | 30,000 |
| 4201 - Registration Income | 0 | 42 | 5,305 | 3,710 | 40,500 |
| Total 4200 - Contract Fees & Event Income | <u>0</u> | <u>42</u> | <u>5,305</u> | <u>13,710</u> | <u>70,500</u> |
| 4300 - Royalties, Rent & Product Sales | | | | | |
| 4301 - Royalty Income | 2,205 | 417 | 6,107 | 2,085 | 5,000 |
| Total 4300 - Royalties, Rent & Product Sales | <u>2,205</u> | <u>417</u> | <u>6,107</u> | <u>2,085</u> | <u>5,000</u> |
| 4900 - Other Income | | | | | |
| 4900 - Other Income | 0 | 833 | (745) | 4,165 | 10,000 |
| 4901 - Grant Income-Temp Restricted | 142,129 | 0 | 142,129 | 0 | 0 |
| 4910 - RECP Income | 7,100 | 7,100 | 35,500 | 35,500 | 85,200 |
| 4920 - Professional Standards Income | 750 | 542 | 10,000 | 2,710 | 6,500 |
| Total 4900 - Other Income | <u>149,979</u> | <u>8,475</u> | <u>186,884</u> | <u>42,375</u> | <u>101,700</u> |
| Total Income | 505,945 | 308,934 | 1,829,456 | 1,558,170 | 3,777,200 |
| Expense | | | | | |
| 5000 - Personnel Costs | | | | | |
| 5010 - Compensation | 113,852 | 127,719 | 566,815 | 638,595 | 1,532,622 |
| 5020 - Bonus Pool | 57 | 0 | 28,261 | 28,000 | 80,000 |
| 5030 - Contract Labor / Temp Help | 0 | 1,450 | 1,200 | 7,250 | 17,400 |
| 5100 - Benefits & Taxes | | | | | |
| 5110 - Health & Life Insurance | 8,049 | 8,605 | 39,577 | 43,025 | 103,262 |
| 5115 - Wellness Benefit | 248 | 167 | 972 | 835 | 2,000 |
| 5120 - Dental Insurance | 681 | 667 | 3,367 | 3,335 | 8,000 |
| 5125 - Disability Insurance | 926 | 1,042 | 4,579 | 5,210 | 12,500 |
| 5130 - Retirement Benefits | 4,676 | 5,417 | 25,050 | 27,085 | 65,000 |
| 5140 - Post-Employment Benefits | 1,820 | 1,250 | 9,300 | 6,250 | 15,000 |
| 5150 - Workers Compensation Insuranc | 733 | 583 | 5,566 | 2,915 | 7,000 |
| 5160 - Payroll Taxes | 7,219 | 7,772 | 47,291 | 38,860 | 93,262 |
| 5170 - Professional Development | 0 | 416 | 700 | 2,080 | 5,000 |
| 5180 - Dues & Subscriptions | 1,004 | 1,209 | 7,288 | 6,045 | 14,500 |

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

May 31, 2017

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|----------------|----------------|------------|------------|---------------|
| Total 5100 - Benefits & Taxes | 25,356 | 27,128 | 143,690 | 135,640 | 325,524 |
| Total 5000 - Personnel Costs | 139,265 | 156,297 | 739,966 | 809,485 | 1,955,546 |
| 5300 - Travel & Entertainment | | | | | |
| 5310 - Staff Travel Costs | | | | | |
| 5310 - Staff Travel | 298 | 5,730 | 8,065 | 9,150 | 15,750 |
| 5320 - Staff Lodging | 882 | 8,355 | 5,652 | 13,775 | 31,750 |
| 5330 - Staff Mileage | 924 | 1,155 | 2,998 | 3,775 | 9,100 |
| 5340 - Staff Meals | 839 | 4,085 | 6,605 | 10,925 | 27,500 |
| 5350 - Staff Hospitality | 0 | 2,771 | 875 | 3,855 | 6,750 |
| 5360 - Conference Registration Fees | 3,300 | 259 | 3,600 | 1,295 | 8,600 |
| Total 5310 - Staff Travel Costs | 6,243 | 22,355 | 27,795 | 42,775 | 99,450 |
| 5410 - Leadership Travel | | | | | |
| 5410 - Board / Volunteer Travel | 3,551 | 9,084 | 5,803 | 11,920 | 19,500 |
| 5420 - Board / Volunteer Lodging | 9,143 | 18,979 | 13,831 | 29,895 | 59,250 |
| 5430 - Board / Volunteer Mileage | 595 | 1,983 | 2,660 | 4,915 | 10,300 |
| 5440 - Board / Volunteer Meals | 748 | 6,184 | 10,807 | 11,920 | 27,200 |
| 5450 - Board / Volunteer Hospitality | 0 | 1,439 | 249 | 5,695 | 13,750 |
| 5460 - Conference Registration Fees | 1,500 | 84 | 1,500 | 420 | 5,250 |
| Total 5410 - Leadership Travel | 15,537 | 37,753 | 34,850 | 64,765 | 135,250 |
| Total 5300 Travel & Entertainment | 21,780 | 60,108 | 62,645 | 107,540 | 234,700 |
| 5600 - Professional Fees | | | | | |
| 5610 - Legal Services | 7,847 | 2,750 | 18,642 | 13,750 | 33,000 |
| 5620 - Audit & Tax Services | 4,725 | 2,500 | 20,625 | 27,500 | 27,500 |
| 5630 - Accounting Services | 10,588 | 10,417 | 52,824 | 52,085 | 125,000 |
| 5640 - Other Consulting Services | 0 | 6,666 | 0 | 33,330 | 80,000 |
| 5650 - President's Stipend | 1,500 | 1,500 | 7,500 | 7,500 | 18,000 |
| Total 5600 - Professional Fees | 24,660 | 23,833 | 99,591 | 134,165 | 283,500 |
| 5700 - Technology & Equipment | | | | | |
| 5710 - Technology Consulting Service | 41,449 | 44,625 | 239,270 | 223,125 | 535,500 |
| 5720 - Equipment Repairs & Maintenance | 414 | 83 | 414 | 415 | 1,000 |
| 5730 - Small Equipment Purchases | 0 | 250 | 26 | 1,250 | 3,000 |
| 5740 - Equipment > \$1000 | 0 | 833 | 0 | 4,165 | 10,000 |
| 5750 - Equipment Lease Payments | 423 | 417 | 2,260 | 2,085 | 5,000 |
| 5760 - Software & Licensing Fees | 130 | 833 | 2,639 | 4,165 | 10,000 |
| Total 5700 - Technology & Equipment | 42,416 | 47,041 | 244,609 | 235,205 | 564,500 |
| 5900 - Office Costs | | | | | |
| 5910 - Telephone | 3,653 | 4,374 | 17,224 | 21,870 | 52,500 |
| 5920 - Postage | 36 | 116 | 450 | 580 | 1,400 |

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

May 31, 2017

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|----------------|-----------------|------------------|------------------|------------------|
| 5925 - Shipping Expense | 27 | 8 | 27 | 40 | 100 |
| 5930 - Office Supplies | 51 | 300 | 1,525 | 1,500 | 3,600 |
| 5932 - Kitchen Supplies | 265 | 333 | 1,694 | 1,665 | 4,000 |
| 5934 - Bathroom Supplies | 0 | 83 | 0 | 415 | 1,000 |
| 5940 - Printing | 0 | 562 | 4,172 | 2,810 | 6,750 |
| 5950 - Liability Insurance | 896 | 1,042 | 5,281 | 5,210 | 12,500 |
| 5960 - Licenses and Fees | 0 | 125 | 22 | 625 | 1,500 |
| 5970 - Bank & Credit Card Fees | 987 | 1,667 | 13,193 | 8,335 | 20,000 |
| 5980 - Miscellaneous | 1,545 | 1,217 | 3,382 | 2,085 | 3,600 |
| Total 5900 - Office Costs | 7,460 | 9,827 | 46,970 | 45,135 | 106,950 |
| 6100 - Facility Costs | | | | | |
| 6110 - Office Rent & Parking | 10,751 | 20,742 | 53,462 | 103,710 | 248,910 |
| 6115 - Other temp office costs | 0 | 18,000 | 0 | 36,000 | 180,000 |
| 6180 - Property Taxes | 0 | 0 | 789 | 0 | 0 |
| Total 6100 - Facility Costs | 10,751 | 38,742 | 54,251 | 139,710 | 428,910 |
| 7100 - Programmatic Costs | | | | | |
| 7110 - Facility Rental | 0 | 167 | 0 | 1,585 | 3,000 |
| 7120 - Catering | 4,072 | 7,917 | 71,363 | 74,835 | 146,000 |
| 7130 - Honorarium/Speaker Fees | 0 | 1,334 | 2,000 | 9,170 | 23,500 |
| 7140 - Speaker Travel | 0 | 332 | 3,534 | 2,660 | 6,000 |
| 7150 - Plaques & Awards | 0 | 308 | 2,295 | 1,790 | 4,700 |
| 7160 - Event Sponsorships | 0 | 521 | 5,750 | 2,605 | 6,250 |
| 7210 - Website Development / Hosting | 9,474 | 1,700 | 16,172 | 8,500 | 20,400 |
| 7215 - Clipping Service | 0 | 417 | 0 | 2,085 | 5,000 |
| 7220 - Internet Communications | 716 | 250 | 5,950 | 1,250 | 3,000 |
| 7225 - Publications | 477 | 687 | 4,017 | 3,435 | 8,250 |
| 7240 - Video Production & Editing | 0 | 84 | 99 | 420 | 1,000 |
| 7250 - Media / Public Relations Proj | 0 | 42 | 0 | 210 | 500 |
| 7310 - Other Program Costs | 249,021 | 4,103 | 324,486 | 19,265 | 49,250 |
| 7320 - Grants | 0 | 2,791 | 3,750 | 13,955 | 33,500 |
| 7330 - Electronic Forms | 0 | 0 | 73,387 | 72,000 | 144,000 |
| 7410 - Marketing Research | 0 | 2,542 | 0 | 12,710 | 30,500 |
| 7420 - Outreach | 0 | 501 | 500 | 2,505 | 6,000 |
| 7440 - Issue Research | 0 | 833 | 1,500 | 4,165 | 10,000 |
| 7450 - Legislative Advocacy | 0 | 1,041 | 0 | 5,205 | 12,500 |
| Total 7100 - Programmatic Costs | 263,760 | 25,570 | 514,803 | 238,350 | 513,350 |
| Total Expense | 510,092 | 361,418 | 1,762,835 | 1,709,590 | 4,087,456 |
| Net Ordinary Income | (4,147) | (52,484) | 66,621 | (151,420) | (310,256) |

Other Income/Expense

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

May 31, 2017

| | <u>1 Month Actual</u> | <u>1 Month Budget</u> | <u>YTD Actual</u> | <u>YTD Budget</u> | <u>Annual Budget</u> |
|-----------------------------------|-----------------------|------------------------|-----------------------|-------------------------|-------------------------|
| Other Income | | | | | |
| 4800 - Investment Income | | | | | |
| 4810 - Interest & Dividend Income | 4,087 | 2,083 | 17,925 | 10,415 | 25,000 |
| 4815 - Unrealized Gains/Losses | 17,422 | 0 | 96,639 | 0 | 0 |
| 4820 - Realized Gains/Losses | 0 | 0 | 4,791 | 0 | 0 |
| 4830 - Investment Management Fees | 0 | 0 | (8,714) | 0 | 0 |
| Total 4800 - Investment Income | <u>21,509</u> | <u>2,083</u> | <u>110,641</u> | <u>10,415</u> | <u>25,000</u> |
| Total Other Income | 21,509 | 2,083 | 110,641 | 10,415 | 25,000 |
| Other Expense | | | | | |
| 8000 - Interest Expense | 2,917 | 0 | 2,917 | 0 | 0 |
| Total Other Expense | <u>2,917</u> | <u>0</u> | <u>2,917</u> | <u>0</u> | <u>0</u> |
| Net Other Income (Expense) | <u>18,592</u> | <u>2,083</u> | <u>107,724</u> | <u>10,415</u> | <u>25,000</u> |
| Net Income (Loss) | <u>14,445</u> | <u>(50,401)</u> | <u>174,345</u> | <u>(141,005)</u> | <u>(285,256)</u> |

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the Five Months Ended May 31, 2017 and Year Ending December 31, 2017

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 April 30, 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 July 14, 2016, 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 is expected to grow at a rate of 5% based on membership count of 16,303
- The Association will continue its current monthly lease of \$15,556 (rent and parking) thru September 2017 at which time it is expected the Association will move to its new location at the Realtor Building, which is owned by an affiliate of the Association, One Forty Three LLC. A new lease which is yet to be finalized is expected to have monthly lease payments of approximately \$20,000.
- Salaries, benefits, and taxes are expected to increase by 20%
- Facility costs are expected to increase by 200% due to the move to the new location as mentioned above
- All other expenses are expected to increase by 1.4%