

# Indiana Association of Realtors

## July 2018

### EXECUTIVE SUMMARY

#### Balance Sheet

- The Association's cash balances decreased during July by \$196,000 due to payment of invoices and payroll for the month, with ending balance of \$1,278,000.
- Receivables increased by \$4,000 with an ending balance of \$1,133,000 due to interest income accrued from One Forty Three LLC.
- Prepaid expenses and deposits decreased by \$5,000 due to amortization of expenses for July. Ending balance was \$41,000.
- The amount Due from ISRE decreased by \$25,000 during the month with an ending balance of \$312,000.
- The amount Due from One Forty Three LLC increased by \$52,000 with an ending balance \$5,407,000.
- IAR investments increased by \$11,000 during the month with an ending balance of \$1,883,000 and RDF investments increased by less than \$1,000 with an ending balance of \$1,568,000.
- Accounts Payable increased by \$13,000 due to several invoices received towards the end of the month. Ending balance was \$136,000.
- Lines of Credit with ONB remained unchanged for July with ending balances of \$380,000 and \$700,000.
- Dues payable decreased by \$307,000, from \$1,913,000 to \$1,605,000 due to amortization of dues revenue for July. The balance in this account will be amortized over the remaining months of the year and recognized as income.

#### Income Statement

- Net income of \$114,000 was recorded for the month, which represents net ordinary income of \$103,000, SEI net investment income of \$11,000, and net interest expense related to notes receivable/loans payable of less than \$1,000. Budgeted net loss for July was (\$10,000).
- YTD net income was \$341,000, which represents net ordinary income of \$378,000, SEI net investment loss of (\$35,000), and net interest expense related to notes receivable/loans payable of (\$2,000). Budgeted net income YTD was \$141,000.
- Compared to the prior year, net income was \$150,000 higher than the prior YTD net income of \$191,000 – this increase is mostly due to RDF expenses incurred in the prior year for Access Marketing and the Indiana road funding project, that were not recurring expenses in 2018.
- Total income for July was \$393,000, which was above the monthly budget of \$334,000 by \$60,000 or 18%.
- Total income YTD was \$2,619,000, which was above the YTD budget of \$2,345,000 by \$274,000 or 12%.
- Compared to the prior year, total YTD income was \$75,000 higher (3%) than the prior YTD income of \$2,544,000.
- Total expenses for the month were \$290,000, and were below the monthly budget of \$345,000 by \$56,000 or 16%, mostly due to compensation, technology & equipment, and programmatic costs.
  - a. Several expense accounts have negative activity for July due to allocation of insurance expense to ISRE and other reclassifications. Accounts with negative balances include Software & Licensing Fees, Liability Insurance, and Miscellaneous.
- YTD expenses were \$2,242,000, and were above the YTD budget of \$2,219,000 by \$22,000 or 1% due to technology & equipment costs for IAR Boardroom technology not included in the budget.
- Compared to the prior year, YTD expenses were \$226,000 lower (9%), mostly due to prior year RDF expenses mentioned above.

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

July 31, 2018

	07/31/2018	06/30/2018	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	1,277,602	1,473,999	(196,397)
Total Checking/Savings	<u>1,277,602</u>	<u>1,473,999</u>	<u>(196,397)</u>
Other Current Assets			
1200 - Accounts Receivable	1,136,480	1,132,749	3,730
1300 - Other Current Assets	41,396	46,281	(4,884)
Total Other Current Assets	<u>1,177,876</u>	<u>1,179,030</u>	<u>(1,154)</u>
Total Current Assets	<u>2,455,478</u>	<u>2,653,029</u>	<u>(197,551)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	343,497	343,498	0
Total Fixed Assets	<u>343,497</u>	<u>343,498</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,718,902	5,691,593	27,307
1500 - Investments	3,670,527	3,641,056	29,472
1700 - Capitalized Loan and Lease Costs	3,933	3,933	0
Total Other Assets	<u>9,393,362</u>	<u>9,336,582</u>	<u>56,779</u>
<b>Total ASSETS</b>	<b><u>12,192,337</u></b>	<b><u>12,333,109</u></b>	<b><u>(140,772)</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	135,814	122,923	12,891
Total Accounts Payable	<u>135,814</u>	<u>122,923</u>	<u>12,891</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,206,835	1,165,874	40,961
2100 - Payroll Liabilities	381,395	382,376	(982)
2400 - Deferred Dues & Other Revenue	1,605,215	1,912,665	(307,449)
Total Other Current Liabilities	<u>3,193,445</u>	<u>3,460,915</u>	<u>(267,470)</u>
Total Current Liabilities	<u>3,329,259</u>	<u>3,583,838</u>	<u>(254,579)</u>
Total Liabilities	<u>3,329,259</u>	<u>3,583,838</u>	<u>(254,579)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,976,201	6,908,843	67,358
3020 - REALTORS Defense Fund	1,773,070	1,754,185	18,885
Net Income	113,807	86,243	27,564
Total Net Assets	<u>8,863,078</u>	<u>8,749,271</u>	<u>113,807</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>12,192,337</u></b>	<b><u>12,333,109</u></b>	<b><u>(140,772)</u></b>

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

July 31, 2018

	07/31/2018	06/30/2018	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	1,284,786	1,522,832	(238,047)
1029 - First Merchants Checking	10,410	10,411	1
1032 - IAR Checking-ONB	22,350	1,536	20,813
1040 - Transmittal Checking Account	125,585	84,874	40,711
1050 - PayPal	752	2,755	(2,004)
1118 - REALTORS Federal Credit Union	86	87	0
1125 - IAR-Prof Standards Escrow	38,650	37,900	750
1199 - Cash Owed (to) by RDF	(205,137)	(186,516)	(18,621)
Total 1000 - Cash Accounts	<u>1,277,602</u>	<u>1,473,999</u>	<u>(196,397)</u>
Total Checking/Savings	1,277,602	1,473,999	(196,397)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	14,570	14,526	44
1211 - Dues Receivable	11,803	11,803	0
1220 - Other Receivables	1,000	1,050	(50)
1245 - Accrued Interest Receivable	29,107	25,370	3,736
1270 - Note Receivable	1,080,000	1,080,000	0
Total 1200 - Accounts Receivable	<u>1,136,480</u>	<u>1,132,749</u>	<u>3,730</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	40,808	45,693	(4,884)
1340 - Postage Deposits	588	588	0
Total 1300 - Other Current Assets	<u>41,396</u>	<u>46,281</u>	<u>(4,884)</u>
Total Other Current Assets	<u>1,177,876</u>	<u>1,179,030</u>	<u>(1,154)</u>
Total Current Assets	<u>2,455,478</u>	<u>2,653,029</u>	<u>(197,551)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1630 - Furniture, Fixtures & Equipmen	381,110	381,111	0
Total 1605 - Land, Buildings & Equipment	<u>381,110</u>	<u>381,111</u>	<u>0</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>343,497</u>	<u>343,498</u>	<u>0</u>
Total Fixed Assets	<u>343,497</u>	<u>343,498</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	312,400	337,091	(24,693)
1203 - Due From 143 LLC	5,406,502	5,354,502	52,000
Total - 1203 - Intercompany Loans Receivable	<u>5,718,902</u>	<u>5,691,593</u>	<u>27,307</u>
1500 - Investments			
1510 - SEI Investments	1,883,128	1,872,543	10,586
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,567,933	1,567,668	265
1599 - Cash Owed by (to) IAR	205,137	186,516	18,621
Total 1520 - Realtor's Defense Fund Assets	<u>1,773,070</u>	<u>1,754,184</u>	<u>18,886</u>
1540 - Alerus - 457(b) Investments	273,917	273,917	0

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

July 31, 2018

	07/31/2018	06/30/2018	Difference
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	<u>3,670,527</u>	<u>3,641,056</u>	29,472
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(67)	(67)	0
Total 1700 - Capitalized Loan and Lease Costs	<u>3,933</u>	<u>3,933</u>	0
Total Other Assets	<u>9,393,362</u>	<u>9,336,582</u>	56,779
<b>Total ASSETS</b>	<b><u>12,192,337</u></b>	<b><u>12,333,109</u></b>	<b><u>(140,772)</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	135,814	122,923	12,891
Total Accounts Payable	<u>135,814</u>	<u>122,923</u>	12,891
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	380,000	380,000	0
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2080 - RPAC Payable (Transmittal)	125,585	84,874	40,711
2095 - Prof Stds Escrow Liability	1,250	1,000	250
Total 2025 - Other Current Liabilities	<u>1,206,835</u>	<u>1,165,874</u>	40,961
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	1,180	2,162	(982)
2120 - Post Retirement Benefit Obliga	106,298	106,297	0
2150 - 457 Plan Liabilities	273,917	273,917	0
Total 2100 - Payroll Liabilities	<u>381,395</u>	<u>382,376</u>	(982)
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	1,605,215	1,912,665	(307,449)
Total 2400 - Deferred Dues & Other Revenue	<u>1,605,215</u>	<u>1,912,665</u>	(307,449)
Total Other Current Liabilities	<u>3,193,445</u>	<u>3,460,915</u>	(267,470)
Total Current Liabilities	<u>3,329,259</u>	<u>3,583,838</u>	(254,579)
Total Liabilities	<u>3,329,259</u>	<u>3,583,838</u>	(254,579)
NET ASSETS			
3010 - Unrestricted Net Assets	6,976,201	6,908,843	67,358
3020 - REALTORS Defense Fund	1,773,070	1,754,185	18,885
Net Income	113,807	86,243	27,564
Total Net Assets	<u>8,863,078</u>	<u>8,749,271</u>	113,807
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>12,192,337</u></b>	<b><u>12,333,109</u></b>	<b><u>(140,772)</u></b>

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

July 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	370,834	324,254	2,529,422	2,269,770	4,032,000	2,297,038
4200 - Contract Fees & Event Income	4,980	42	12,000	10,290	42,000	9,290
4300 - Royalties, Rent & Product Sales	50	583	6,898	4,085	7,000	6,340
4900 - Other Income	17,350	8,766	70,992	61,370	105,200	231,393
<b>Total Income</b>	<b>393,214</b>	<b>333,645</b>	<b>2,619,312</b>	<b>2,345,515</b>	<b>4,186,200</b>	<b>2,544,061</b>
<b>Expense</b>						
5000 - Personnel Costs						
5010 - Compensation	120,413	137,502	825,894	837,500	1,525,000	792,538
5020 - Bonus Pool	0	0	29,205	29,000	100,000	28,279
5030 - Contract Labor / Temp Help	0	167	0	1,165	2,000	5,447
5100 - Benefits & Taxes	24,647	26,751	197,276	187,245	321,000	193,347
<b>Total 5000 - Personnel Costs</b>	<b>145,060</b>	<b>164,420</b>	<b>1,052,375</b>	<b>1,054,910</b>	<b>1,948,000</b>	<b>1,019,611</b>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	2,296	4,461	51,061	48,445	91,250	50,846
5410 - Leadership Travel	6,990	6,552	79,903	93,840	175,850	82,707
<b>Total 5300 Travel &amp; Entertainment</b>	<b>9,286</b>	<b>11,013</b>	<b>130,964</b>	<b>142,285</b>	<b>267,100</b>	<b>133,553</b>
5600 - Professional Fees	17,538	17,959	147,351	135,705	213,000	139,182
5700 - Technology & Equipment	45,341	58,176	391,846	357,230	648,100	355,037
5900 - Office Costs	3,480	5,263	67,895	42,335	78,150	47,692
6100 - Facility Costs	19,299	22,071	136,042	154,495	264,850	201,298
7100 - Programmatic Costs	49,803	66,457	315,155	332,205	571,750	571,492
<b>Total Expense</b>	<b>289,807</b>	<b>345,359</b>	<b>2,241,628</b>	<b>2,219,165</b>	<b>3,990,950</b>	<b>2,467,865</b>
<b>Net Ordinary Income</b>	<b>103,407</b>	<b>(11,714)</b>	<b>377,684</b>	<b>126,350</b>	<b>195,250</b>	<b>76,196</b>
<b>Other Income/Expense</b>						
Other Income						
4800 - Investment Income	14,587	2,083	(9,074)	14,585	25,000	124,358
<b>Total Other Income</b>	<b>14,587</b>	<b>2,083</b>	<b>(9,074)</b>	<b>14,585</b>	<b>25,000</b>	<b>124,358</b>
Other Expense						
8000 - Interest Expense	4,187	0	27,142	0	0	9,090
8100 - Priority Return-Twain	0	0	433	0	0	0
<b>Total Other Expense</b>	<b>4,187</b>	<b>0</b>	<b>27,575</b>	<b>0</b>	<b>0</b>	<b>9,090</b>
<b>Net Other Income (Expense)</b>	<b>10,400</b>	<b>2,083</b>	<b>(36,649)</b>	<b>14,585</b>	<b>25,000</b>	<b>115,268</b>
<b>Net Income (Loss)</b>	<b>113,807</b>	<b>(9,631)</b>	<b>341,035</b>	<b>140,935</b>	<b>220,250</b>	<b>191,464</b>

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

July 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
<b>Income</b>					
4000 - Membership Income					
4002 - Membership Dues	301,512	267,221	2,015,641	1,870,541	3,333,792
4020 - Shared Fees, Local Boards	7,949	8,000	55,521	56,000	96,000
4021 - State Application Fee (even years)	28,578	20,000	238,025	140,000	240,000
4030 - RDF Dues	32,795	29,033	220,235	203,229	362,208
Total 4000 - Membership Income	370,834	324,254	2,529,422	2,269,770	4,032,000
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	5,000	10,000
4201 - Registration Income	4,980	42	12,000	5,290	32,000
Total 4200 - Contract Fees & Event Income	4,980	42	12,000	10,290	42,000
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	50	583	6,898	4,085	7,000
Total 4300 - Royalties, Rent & Product Sales	50	583	6,898	4,085	7,000
4900 - Other Income					
4900 - Other Income	10,000	0	17,542	0	0
4901 - Grant Income-Temp Restricted	0	833	0	5,835	10,000
4910 - RECP Income	7,100	7,100	49,700	49,700	85,200
4920 - Professional Standards Income	250	833	3,750	5,835	10,000
Total 4900 - Other Income	17,350	8,766	70,992	61,370	105,200
Total Income	393,214	333,645	2,619,312	2,345,515	4,186,200
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation	120,413	137,502	825,894	837,500	1,525,000
5020 - Bonus Pool	0	0	29,205	29,000	100,000
5030 - Contract Labor / Temp Help	0	167	0	1,165	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	7,726	8,417	54,209	58,915	101,000
5115 - Wellness Benefit	181	417	1,488	2,915	5,000
5120 - Dental Insurance	636	583	4,457	4,085	7,000
5125 - Disability Insurance	418	500	2,667	3,500	6,000
5130 - Retirement Benefits	5,071	5,542	36,913	38,790	66,500
5140 - Post-Employment Benefits	1,225	1,875	10,484	13,125	22,500
5150 - Workers Compensation Insuranc	630	750	4,413	5,250	9,000
5160 - Payroll Taxes	7,346	6,667	63,601	46,665	80,000
5170 - Professional Development	488	417	5,411	2,915	5,000
5180 - Dues & Subscriptions	926	1,583	13,633	11,085	19,000

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

July 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	24,647	26,751	197,276	187,245	321,000
Total 5000 - Personnel Costs	145,060	164,420	1,052,375	1,054,910	1,948,000
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	100	667	11,365	10,165	17,500
5320 - Staff Lodging	317	979	16,248	15,855	30,750
5330 - Staff Mileage	1,135	709	6,717	5,205	9,250
5340 - Staff Meals	744	1,439	11,327	11,555	20,750
5350 - Staff Hospitality	0	83	2,144	1,585	2,500
5360 - Conference Registration Fees	0	584	3,260	4,080	10,500
Total 5310 - Staff Travel Costs	2,296	4,461	51,061	48,445	91,250
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	1,736	709	14,256	14,455	23,500
5420 - Board / Volunteer Lodging	3,048	2,541	33,645	41,795	77,500
5430 - Board / Volunteer Mileage	196	980	3,485	8,350	14,250
5440 - Board / Volunteer Meals	1,560	1,654	21,566	22,580	41,850
5450 - Board / Volunteer Hospitality	0	585	3,216	6,075	11,000
5460 - Conference Registration Fees	450	83	3,735	585	7,750
Total 5410 - Leadership Travel	6,990	6,552	79,903	93,840	175,850
Total 5300 Travel & Entertainment	9,286	11,013	130,964	142,285	267,100
5600 - Professional Fees					
5610 - Legal Services	4,145	2,917	24,555	20,415	35,000
5620 - Audit & Tax Services	3,075	2,500	38,118	27,500	27,500
5630 - Accounting Services	8,818	10,417	74,178	72,915	125,000
5640 - Other Consulting Services	0	625	0	4,375	7,500
5650 - President's Stipend	1,500	1,500	10,500	10,500	18,000
Total 5600 - Professional Fees	17,538	17,959	147,351	135,705	213,000
5700 - Technology & Equipment					
5710 - Technology Consulting Service	42,399	55,169	339,248	336,165	612,000
5720 - Equipment Repairs & Maintenance	0	83	757	585	1,000
5730 - Small Equipment Purchases	184	625	1,570	4,375	7,500
5740 - Equipment > \$1000	2,861	83	39,658	585	1,000
5750 - Equipment Lease Payments	853	833	5,561	5,835	10,000
5760 - Software & Licensing Fees	(956)	1,383	5,052	9,685	16,600
Total 5700 - Technology & Equipment	45,341	58,176	391,846	357,230	648,100
5900 - Office Costs					
5910 - Telephone	2,777	1,708	23,689	11,960	20,500
5920 - Postage	287	129	944	905	1,550

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

July 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	8	3	60	100
5930 - Office Supplies	228	334	4,785	2,330	4,000
5932 - Kitchen Supplies	496	333	2,266	2,335	4,000
5940 - Printing	0	625	8,402	4,375	7,500
5950 - Liability Insurance	(428)	1,042	7,734	7,290	12,500
5960 - Licenses and Fees	0	125	0	875	1,500
5970 - Bank & Credit Card Fees	1,206	500	19,211	8,000	20,000
5980 - Miscellaneous	(1,086)	459	861	4,205	6,500
<b>Total 5900 - Office Costs</b>	<b>3,480</b>	<b>5,263</b>	<b>67,895</b>	<b>42,335</b>	<b>78,150</b>
<b>6100 - Facility Costs</b>					
6110 - Office Rent & Parking	19,299	22,071	134,329	154,495	264,850
6130 - Building Maintenance & Repair	0	0	834	0	0
6180 - Property Taxes	0	0	879	0	0
<b>Total 6100 - Facility Costs</b>	<b>19,299</b>	<b>22,071</b>	<b>136,042</b>	<b>154,495</b>	<b>264,850</b>
<b>7100 - Programmatic Costs</b>					
7110 - Facility Rental	0	250	3,500	1,750	3,000
7120 - Catering	0	6,959	82,518	70,705	148,500
7130 - Honorarium/Speaker Fees	2,700	1,749	7,310	14,755	28,500
7140 - Speaker Travel	0	375	3,116	3,625	6,500
7150 - Plaques & Awards	0	438	2,811	3,060	6,000
7160 - Event Sponsorships	0	542	7,471	3,790	6,500
7170 - Curriculum	0	125	0	875	1,500
7210 - Website Development / Hosting	2,874	2,500	20,491	17,500	30,000
7220 - Internet Communications	4,180	2,458	32,811	17,210	29,500
7225 - Publications	697	625	6,935	15,875	19,000
7240 - Video Production & Editing	0	126	749	870	1,500
7250 - Media / Public Relations Proj	0	42	0	290	500
7310 - Other Program Costs	0	7,811	13,596	33,185	78,250
7320 - Grants	0	2,791	17,500	19,545	33,500
7330 - Electronic Forms	39,352	37,125	116,347	111,375	148,500
7410 - Marketing Research	0	541	0	3,795	6,500
7420 - Outreach	0	459	0	3,205	5,500
7440 - Issue Research	0	708	0	4,960	8,500
7450 - Legislative Advocacy	0	833	0	5,835	10,000
<b>Total 7100 - Programmatic Costs</b>	<b>49,803</b>	<b>66,457</b>	<b>315,155</b>	<b>332,205</b>	<b>571,750</b>
<b>Total Expense</b>	<b>289,807</b>	<b>345,359</b>	<b>2,241,628</b>	<b>2,219,165</b>	<b>3,990,950</b>
<b>Net Ordinary Income</b>	<b>103,407</b>	<b>(11,714)</b>	<b>377,684</b>	<b>126,350</b>	<b>195,250</b>

**Other Income/Expense**

Other Income

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

July 31, 2018

	<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	5,467	2,083	29,444	14,585	25,000
4811 - Interest Income (notes payable)	3,736	0	25,606	0	0
4815 - Unrealized Gains/Losses	40,936	0	(20,478)	0	0
4820 - Realized Gains/Losses	(31,240)	0	(30,686)	0	0
4830 - Investment Management Fees	(4,312)	0	(12,960)	0	0
Total 4800 - Investment Income	<u>14,587</u>	<u>2,083</u>	<u>(9,074)</u>	<u>14,585</u>	<u>25,000</u>
Total Other Income	14,587	2,083	(9,074)	14,585	25,000
Other Expense					
8000 - Interest Expense	4,187	0	27,142	0	0
8100 - Priority Return-Twain	0	0	433	0	0
Total Other Expense	<u>4,187</u>	<u>0</u>	<u>27,575</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>10,400</u>	<u>2,083</u>	<u>(36,649)</u>	<u>14,585</u>	<u>25,000</u>
<b>Net Income (Loss)</b>	<b><u>113,807</u></b>	<b><u>(9,631)</u></b>	<b><u>341,035</u></b>	<b><u>140,935</u></b>	<b><u>220,250</u></b>

Indiana Association of Realtors, Inc.  
Statement of Cash Flows  
Year To Date 07/31/2018

OPERATING ACTIVITIES

Net Income	341,035
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	2,273
1203 - Due From 143 LLC	(183,971)
1204 - Due From 143 LLC (P-ship)	33,008
1211 - Dues Receivable	35,388
1220 - Other Receivables	1,050
1260 - Due from ISRE	93,399
1310 - Prepaid Expense	(5,075)
1350 - Other Deposits	10,965
1390 - Revenue Clearing Account	1
1540 - Alerus - 457(b) Investments	(5,290)
1630 - Furniture, Fixtures & Equipmen	(16,755)
2010 - Accounts Payable	(54,826)
2020 - Rent Payable	(9,536)
2040 - Accrued Payables	(39,700)
2080 - RPAC Payable (Transmittal)	17,319
2095 - Prof Stds Escrow Liability	1,000
2110 - FSA Plan Payable	830
2150 - 457 Plan Liabilities	5,289
2410 - Dues Payable, Even Year	741,505
Net cash provided by Operating Activities	967,909

INVESTING ACTIVITIES

1510 - SEI Investments	18,630
1525 - Realtors Defense Fund Invest	16,053
1599 - Cash Owed by (to) IAR	(120,585)
Net Cash provided by Investing Activities	(85,902)

FINANCING ACTIVITIES

2045 - Accrued Interest Payable	(3,398)
1270 - Note Receivable	(80,000)
1245 - Accrued Interest Receivable	(25,606)
Net cash provided by Financing Activities	(109,004)

Net cash change for period	773,003
Cash at beginning of period	424,599
Cash at end of period	1,277,602

**Indiana Association of Realtors, Inc.**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the seven months ended July 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 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 June 30, 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%