

# Indiana Association of Realtors

## August 2017

### EXECUTIVE SUMMARY

#### Balance Sheet

- The Association's cash balances decreased during August by \$554,000 with ending balance of \$1,283,000 mostly due to transfers made to 143 LLC for construction costs.
- The amounts Due from One Forty Three LLC increased by \$349,000 during the month due to transfers from IAR to cover renovation costs. Balance at month end is \$5,591,000.
- The amount Due from ISRE decreased by \$4,000 during the month with an ending balance of \$300,000.
- IAR investments increased by \$17,000 during the month with an ending balance of \$1,874,000 and RDF investments increased by \$13,000 with an ending balance of \$1,629,000.
- Dues payable for 2017 decreased by \$274,000, from \$1,450,000 to \$1,176,000 due to amortization of dues payments for August. This balance will be amortized monthly over the remainder of the year and recognized as income.

#### Income Statement

- Net income of \$94,000 was recorded for the month, which represents net income from operations of \$68,000 and net investment income of \$30,000.
- YTD net income was \$286,000 compared to budgeted net loss of (\$225,000). YTD net income from operations was \$144,000 and net investment income was \$142,000.
- Compared to the prior year, net income YTD was \$321,000 or 53% lower than the prior YTD net income of \$607,000.
- Membership income for the current month was \$382,000, which was above the monthly budget of \$300,000 by \$82,000 or 27%.
- Membership income YTD was \$2,679,000 and was above the YTD budget of \$2,400,000 by \$279,000 or 12%.
- Compared to the prior year, membership income YTD was \$166,000 or 7% higher than the prior YTD amount of \$2,514,000.
- Total expenses for the month were \$330,000, and were below the monthly budget of \$337,000 by \$7,000 or 2% mostly due to personnel, professional fees & programmatic costs.
- Total expenses YTD were \$2,798,000 and were over the YTD budget of \$2,726,000 by \$71,000 or 3%, mostly due to issues mobilization expenses charged to RDF programming included in programmatic costs.
- Compared to the prior year, expenses YTD are \$609,000 or 28% higher, mostly due to personnel, facility costs which includes furniture purchases for new office space, and issues mobilization expenses included in programmatic costs.

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

August 31, 2017

	08/31/2017	07/31/2017	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	1,282,793	1,836,717	(553,924)
Total Checking/Savings	<u>1,282,793</u>	<u>1,836,717</u>	<u>(553,924)</u>
Other Current Assets			
1200 - Accounts Receivable	8,251	10,660	(2,409)
1300 - Other Current Assets	81,380	84,267	(2,887)
Total Other Current Assets	<u>89,631</u>	<u>94,927</u>	<u>(5,296)</u>
Total Current Assets	<u>1,372,424</u>	<u>1,931,644</u>	<u>(559,220)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	38,240	38,240	0
Total Fixed Assets	<u>38,240</u>	<u>38,240</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,891,038	5,546,281	344,757
1500 - Investments	3,662,766	3,616,459	46,307
Total Other Assets	<u>9,553,804</u>	<u>9,162,740</u>	<u>391,064</u>
<b>Total ASSETS</b>	<b><u>10,964,468</u></b>	<b><u>11,132,624</u></b>	<b><u>(168,156)</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	29,072	31,807	(2,735)
Total Accounts Payable	<u>29,072</u>	<u>31,807</u>	<u>(2,735)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,112,309	1,098,094	14,215
2100 - Payroll Liabilities	350,920	350,920	0
2400 - Deferred Dues & Other Revenue	1,175,955	1,450,023	(274,068)
Total Other Current Liabilities	<u>2,639,184</u>	<u>2,899,037</u>	<u>(259,853)</u>
Total Current Liabilities	<u>2,668,256</u>	<u>2,930,844</u>	<u>(262,588)</u>
Total Liabilities	<u>2,668,256</u>	<u>2,930,844</u>	<u>(262,588)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,538,120	6,445,692	92,428
3020 - REALTORS Defense Fund	1,663,660	1,634,033	29,627
Net Income	94,432	122,055	(27,623)
Total Net Assets	<u>8,296,212</u>	<u>8,201,780</u>	<u>94,432</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>10,964,468</u></b>	<b><u>11,132,624</u></b>	<b><u>(168,156)</u></b>

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

August 31, 2017

	08/31/2017	07/31/2017	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	197,175	249,648	(52,474)
1029 - First Merchants Checking	769,425	1,269,264	(499,837)
1032 - IAR Checking-ONB	15,681	18,909	(3,229)
1040 - Transmittal Checking Account	27,119	12,905	14,214
1050 - PayPal	7,631	3,852	3,780
1118 - REALTORS Federal Credit Union	271,039	270,717	321
1125 - IAR-Prof Standards Escrow	29,000	28,750	250
1199 - Cash Owed (to) by RDF	(34,397)	(17,448)	(16,949)
Total 1000 - Cash Accounts	<u>1,282,793</u>	<u>1,836,717</u>	<u>(553,924)</u>
Total Checking/Savings	1,282,793	1,836,717	(553,924)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	7,765	10,365	(2,600)
1211 - Dues Receivable	486	295	191
Total 1200 - Accounts Receivable	<u>8,251</u>	<u>10,660</u>	<u>(2,409)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	69,827	72,714	(2,887)
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>81,380</u>	<u>84,267</u>	<u>(2,887)</u>
Total Other Current Assets	<u>89,631</u>	<u>94,927</u>	<u>(5,296)</u>
Total Current Assets	<u>1,372,424</u>	<u>1,931,644</u>	<u>(559,220)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1630 - Furniture, Fixtures & Equipmen	251,927	251,927	0
Total 1605 - Land, Buildings & Equipment	<u>251,927</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>38,240</u>	<u>38,240</u>	<u>0</u>
Total Fixed Assets	<u>38,240</u>	<u>38,240</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1203 - Due From 143 LLC	5,591,048	5,242,220	348,829
1260 - Due from ISRE	299,990	304,061	(4,072)
Total - 1203 - Intercompany Loans Receivable	<u>5,891,038</u>	<u>5,546,281</u>	<u>344,757</u>
1500 - Investments			
1510 - SEI Investments	1,874,365	1,857,685	16,680
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,629,263	1,616,585	12,678
1599 - Cash Owed by (to) IAR	34,397	17,448	16,949
Total 1520 - Realtor's Defense Fund Assets	<u>1,663,660</u>	<u>1,634,033</u>	<u>29,627</u>
1530 - Cambridge Ventures L.P.	101,941	101,941	0
1540 - Alerus - 457(b) Investments	236,760	236,760	0

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

August 31, 2017

	08/31/2017	07/31/2017	Difference
1810 - Investment in ISRE	(213,960)	(213,960)	0
Total 1500 - Investments	<u>3,662,766</u>	<u>3,616,459</u>	<u>46,307</u>
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>9,553,804</u>	<u>9,162,740</u>	<u>391,064</u>
<b>Total ASSETS</b>	<b><u>10,964,468</u></b>	<b><u>11,132,624</u></b>	<b><u>(168,156)</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	29,072	31,807	(2,735)
Total Accounts Payable	<u>29,072</u>	<u>31,807</u>	<u>(2,735)</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2035 - Line of Credit-ONB	1,000,000	1,000,000	0
2040 - Accrued Payables	83,690	83,690	0
2080 - RPAC Payable	27,119	12,904	14,215
2095 - Prof Stds Escrow Liability	1,500	1,500	0
Total 2025 - Other Current Liabilities	<u>1,112,309</u>	<u>1,098,094</u>	<u>14,215</u>
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	114,161	114,161	0
2150 - 457 Plan Liabilities	236,759	236,759	0
Total 2100 - Payroll Liabilities	<u>350,920</u>	<u>350,920</u>	<u>0</u>
2400 - Deferred Dues & Other Revenue			
2415 - Dues Payable, Odd Year	1,175,955	1,450,023	(274,068)
Total 2400 - Deferred Dues & Other Revenue	<u>1,175,955</u>	<u>1,450,023</u>	<u>(274,068)</u>
Total Other Current Liabilities	<u>2,639,184</u>	<u>2,899,037</u>	<u>(259,853)</u>
Total Current Liabilities	<u>2,668,256</u>	<u>2,930,844</u>	<u>(262,588)</u>
Total Liabilities	<u>2,668,256</u>	<u>2,930,844</u>	<u>(262,588)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,538,120	6,445,692	92,428
3020 - REALTORS Defense Fund	1,663,660	1,634,033	29,627
Net Income	94,432	122,055	(27,623)
Total Net Assets	<u>8,296,212</u>	<u>8,201,780</u>	<u>94,432</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>10,964,468</u></b>	<b><u>11,132,624</u></b>	<b><u>(168,156)</u></b>

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

August 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	382,072	300,000	2,679,111	2,400,000	3,600,000	2,513,601
4200 - Contract Fees & Event Income	6,660	42	15,950	13,836	70,500	21,085
4300 - Royalties, Rent & Product Sales	1,785	417	8,123	3,336	5,000	6,058
4900 - Other Income	7,350	8,475	238,744	67,800	101,700	69,093
Total Income	<u>397,867</u>	<u>308,934</u>	<u>2,941,928</u>	<u>2,484,972</u>	<u>3,777,200</u>	<u>2,609,837</u>
<b>Expense</b>						
5000 - Personnel Costs						
5010 - Compensation	110,551	127,719	903,089	1,021,752	1,532,622	814,923
5020 - Bonus Pool	0	0	28,278	28,000	80,000	24,000
5030 - Contract Labor / Temp Help	0	1,450	5,447	11,600	17,400	9,188
5100 - Benefits & Taxes	33,088	27,128	226,436	217,024	325,524	202,839
Total 5000 - Personnel Costs	<u>143,639</u>	<u>156,297</u>	<u>1,163,250</u>	<u>1,278,376</u>	<u>1,955,546</u>	<u>1,050,950</u>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	3,739	4,355	54,597	55,840	99,450	60,206
5410 - Leadership Travel	1,266	4,753	83,973	79,024	135,250	119,533
Total 5300 Travel & Entertainment	<u>5,005</u>	<u>9,108</u>	<u>138,570</u>	<u>134,864</u>	<u>234,700</u>	<u>179,739</u>
5600 - Professional Fees	13,807	21,333	152,989	198,164	283,500	166,901
5700 - Technology & Equipment	42,347	47,041	397,383	376,328	564,500	338,777
5900 - Office Costs	4,499	8,827	52,180	71,616	106,950	51,736
6100 - Facility Costs	72,201	38,742	273,499	327,936	428,910	88,786
7100 - Programmatic Costs	48,549	55,570	620,041	339,185	513,350	312,436
Total Expense	<u>330,047</u>	<u>336,918</u>	<u>2,797,912</u>	<u>2,726,469</u>	<u>4,087,456</u>	<u>2,189,325</u>
Net Ordinary Income	<u>67,820</u>	<u>(27,984)</u>	<u>144,016</u>	<u>(241,497)</u>	<u>(310,256)</u>	<u>420,512</u>
<b>Other Income/Expense</b>						
Other Income						
4800 - Investment Income	29,842	2,083	154,200	16,664	25,000	186,592
Total Other Income	<u>29,842</u>	<u>2,083</u>	<u>154,200</u>	<u>16,664</u>	<u>25,000</u>	<u>186,592</u>
Other Expense						
8000 - Interest Expense	3,230	0	12,320	0	0	0
Total Other Expense	<u>3,230</u>	<u>0</u>	<u>12,320</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>26,612</u>	<u>2,083</u>	<u>141,880</u>	<u>16,664</u>	<u>25,000</u>	<u>186,592</u>
<b>Net Income (Loss)</b>	<u><b>94,432</b></u>	<u><b>(25,901)</b></u>	<u><b>285,896</b></u>	<u><b>(224,833)</b></u>	<u><b>(285,256)</b></u>	<u><b>607,104</b></u>

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

August 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
<b>Income</b>					
4000 - Membership Income					
4002 - Membership Dues	285,814	245,344	2,104,800	1,962,752	2,944,128
4020 - Shared Fees, Local Boards	7,765	8,000	61,123	64,000	96,000
4023 - State Application Fee (odd years)	57,369	20,000	283,120	160,000	240,000
4030 - RDF Dues	31,124	26,656	230,068	213,248	319,872
Total 4000 - Membership Income	<u>382,072</u>	<u>300,000</u>	<u>2,679,111</u>	<u>2,400,000</u>	<u>3,600,000</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	0	10,000	30,000
4201 - Registration Income	6,660	42	15,950	3,836	40,500
Total 4200 - Contract Fees & Event Income	<u>6,660</u>	<u>42</u>	<u>15,950</u>	<u>13,836</u>	<u>70,500</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	1,785	417	8,123	3,336	5,000
Total 4300 - Royalties, Rent & Product Sales	<u>1,785</u>	<u>417</u>	<u>8,123</u>	<u>3,336</u>	<u>5,000</u>
4900 - Other Income					
4900 - Other Income	0	833	28,815	6,664	10,000
4901 - Grant Income-Temp Restricted	0	0	142,129	0	0
4910 - RECP Income	7,100	7,100	56,800	56,800	85,200
4920 - Professional Standards Income	250	542	11,000	4,336	6,500
Total 4900 - Other Income	<u>7,350</u>	<u>8,475</u>	<u>238,744</u>	<u>67,800</u>	<u>101,700</u>
Total Income	397,867	308,934	2,941,928	2,484,972	3,777,200
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation	110,551	127,719	903,089	1,021,752	1,532,622
5020 - Bonus Pool	0	0	28,278	28,000	80,000
5030 - Contract Labor / Temp Help	0	1,450	5,447	11,600	17,400
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	8,407	8,605	64,053	68,840	103,262
5115 - Wellness Benefit	231	167	1,504	1,336	2,000
5120 - Dental Insurance	1,118	667	5,848	5,336	8,000
5125 - Disability Insurance	1,225	1,042	7,655	8,336	12,500
5130 - Retirement Benefits	12,280	5,417	47,406	43,336	65,000
5140 - Post-Employment Benefits	1,819	1,250	14,758	10,000	15,000
5150 - Workers Compensation Insuranc	733	583	7,764	4,664	7,000
5160 - Payroll Taxes	6,770	7,772	68,073	62,176	93,262
5170 - Professional Development	0	416	2,206	3,328	5,000
5180 - Dues & Subscriptions	505	1,209	7,169	9,672	14,500

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

August 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	33,088	27,128	226,436	217,024	325,524
Total 5000 - Personnel Costs	143,639	156,297	1,163,250	1,278,376	1,955,546
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	57	730	13,196	11,340	15,750
5320 - Staff Lodging	1,480	855	15,274	16,340	31,750
5330 - Staff Mileage	949	655	5,042	5,740	9,100
5340 - Staff Meals	1,111	1,585	11,923	15,680	27,500
5350 - Staff Hospitality	142	271	1,062	4,668	6,750
5360 - Conference Registration Fees	0	259	8,100	2,072	8,600
Total 5310 - Staff Travel Costs	3,739	4,355	54,597	55,840	99,450
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	270	584	12,547	13,672	19,500
5420 - Board / Volunteer Lodging	382	1,979	35,972	35,832	59,250
5430 - Board / Volunteer Mileage	283	483	4,086	6,364	10,300
5440 - Board / Volunteer Meals	331	1,184	25,628	15,472	27,200
5450 - Board / Volunteer Hospitality	0	439	1,405	7,012	13,750
5460 - Conference Registration Fees	0	84	4,335	672	5,250
Total 5410 - Leadership Travel	1,266	4,753	83,973	79,024	135,250
Total 5300 Travel & Entertainment	5,005	9,108	138,570	134,864	234,700
5600 - Professional Fees					
5610 - Legal Services	3,643	2,750	34,175	22,000	33,000
5620 - Audit & Tax Services	0	0	23,375	27,500	27,500
5630 - Accounting Services	8,664	10,417	83,439	83,336	125,000
5640 - Other Consulting Services	0	6,666	0	53,328	80,000
5650 - President's Stipend	1,500	1,500	12,000	12,000	18,000
Total 5600 - Professional Fees	13,807	21,333	152,989	198,164	283,500
5700 - Technology & Equipment					
5710 - Technology Consulting Service	41,088	44,625	386,045	357,000	535,500
5720 - Equipment Repairs & Maintenance	0	83	414	664	1,000
5730 - Small Equipment Purchases	0	250	121	2,000	3,000
5740 - Equipment > \$1000	0	833	0	6,664	10,000
5750 - Equipment Lease Payments	434	417	3,684	3,336	5,000
5760 - Software & Licensing Fees	825	833	7,119	6,664	10,000
Total 5700 - Technology & Equipment	42,347	47,041	397,383	376,328	564,500
5900 - Office Costs					
5910 - Telephone	1,425	4,374	12,647	34,992	52,500
5920 - Postage	200	116	893	928	1,400

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

August 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	25	8	52	64	100
5930 - Office Supplies	415	300	2,196	2,400	3,600
5932 - Kitchen Supplies	359	333	2,713	2,664	4,000
5934 - Bathroom Supplies	0	83	0	664	1,000
5940 - Printing	0	562	4,172	4,496	6,750
5950 - Liability Insurance	897	1,042	7,969	8,336	12,500
5960 - Licenses and Fees	0	125	22	1,000	1,500
5970 - Bank & Credit Card Fees	1,198	1,667	16,496	13,336	20,000
5980 - Miscellaneous	(20)	217	5,020	2,736	3,600
<b>Total 5900 - Office Costs</b>	<b>4,499</b>	<b>8,827</b>	<b>52,180</b>	<b>71,616</b>	<b>106,950</b>
<b>6100 - Facility Costs</b>					
6110 - Office Rent & Parking	12,600	20,742	87,408	165,936	248,910
6115 - Other temp office costs	59,601	18,000	185,301	162,000	180,000
6180 - Property Taxes	0	0	790	0	0
<b>Total 6100 - Facility Costs</b>	<b>72,201</b>	<b>38,742</b>	<b>273,499</b>	<b>327,936</b>	<b>428,910</b>
<b>7100 - Programmatic Costs</b>					
7110 - Facility Rental	0	167	281	2,211	3,000
7120 - Catering	0	2,917	84,445	87,461	146,000
7130 - Honorarium/Speaker Fees	1,500	1,334	3,500	13,172	23,500
7140 - Speaker Travel	0	332	3,534	3,656	6,000
7150 - Plaques & Awards	1,909	308	4,212	2,714	4,700
7160 - Event Sponsorships	0	521	5,750	4,168	6,250
7210 - Website Development / Hosting	2,875	1,700	24,796	13,600	20,400
7215 - Clipping Service	0	417	0	3,336	5,000
7220 - Internet Communications	2,635	250	19,730	2,000	3,000
7225 - Publications	477	687	5,447	5,496	8,250
7240 - Video Production & Editing	0	84	99	672	1,000
7250 - Media / Public Relations Proj	0	42	0	336	500
7310 - Other Program Costs	0	3,103	341,831	30,699	49,250
7320 - Grants	0	2,791	11,875	22,328	33,500
7330 - Electronic Forms	37,653	36,000	111,041	108,000	144,000
7410 - Marketing Research	0	2,542	0	20,336	30,500
7420 - Outreach	1,500	501	2,000	4,008	6,000
7440 - Issue Research	0	833	1,500	6,664	10,000
7450 - Legislative Advocacy	0	1,041	0	8,328	12,500
<b>Total 7100 - Programmatic Costs</b>	<b>48,549</b>	<b>55,570</b>	<b>620,041</b>	<b>339,185</b>	<b>513,350</b>
<b>Total Expense</b>	<b>330,047</b>	<b>336,918</b>	<b>2,797,912</b>	<b>2,726,469</b>	<b>4,087,456</b>
<b>Net Ordinary Income</b>	<b>67,820</b>	<b>(27,984)</b>	<b>144,016</b>	<b>(241,497)</b>	<b>(310,256)</b>

**Other Income/Expense**



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

August 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	4,251	2,083	31,481	16,664	25,000
4815 - Unrealized Gains/Losses	25,591	0	60,178	0	0
4820 - Realized Gains/Losses	0	0	75,572	0	0
4830 - Investment Management Fees	0	0	(13,031)	0	0
Total 4800 - Investment Income	<u>29,842</u>	<u>2,083</u>	<u>154,200</u>	<u>16,664</u>	<u>25,000</u>
Total Other Income	29,842	2,083	154,200	16,664	25,000
Other Expense					
8000 - Interest Expense	3,230	0	12,320	0	0
Total Other Expense	<u>3,230</u>	<u>0</u>	<u>12,320</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>26,612</u>	<u>2,083</u>	<u>141,880</u>	<u>16,664</u>	<u>25,000</u>
<b>Net Income (Loss)</b>	<b><u>94,432</u></b>	<b><u>(25,901)</u></b>	<b><u>285,896</u></b>	<b><u>(224,833)</u></b>	<b><u>(285,256)</u></b>

**Indiana Association of Realtors, Inc.**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the Eight Months Ended August 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 July 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 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%