

Indiana Association of Realtors

September 2018

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during September by \$201,000 due to payment of invoices and payroll for the month, with ending balance of \$722,000.
- Receivables increased by \$121,000 with an ending balance of \$1,336,000. The increase is due to accrued interest income and an increase in the Note Receivable, both due from One Forty Three LLC.
- The amount Due from ISRE decreased by \$17,000 during the month with an ending balance of \$270,000.
- The amount Due from One Forty Three LLC was unchanged with an ending balance \$5,407,000.
- IAR investments decreased slightly during the month with an ending balance of \$1,886,000 and RDF investments decreased by \$2,000 with an ending balance of \$1,569,000.
- Accounts Payable increased slightly with an ending balance of \$96,000.
- Lines of Credit with ONB increased by \$128,000 as funds were drawn down to cover construction invoices for the Realtor® Building. Ending balances were \$582,000 and \$700,000. See offsetting Note Receivable from One Forty Three LLC in assets.
- Dues payable decreased by \$318,000, from \$1,291,000 to \$974,000 due to amortization of dues revenue for September. The balance in this account will be amortized over the remaining months of the year and recognized as income. Also, \$23,000 of 2019 dues was collected in September.

Income Statement

- Net income of \$74,000 was recorded for the month, which represents net ordinary income of \$77,000, SEI net investment loss of (\$3,000), and net interest expense related to notes receivable/loans payable of less than \$1,000. Budgeted net income for September was \$6,000.
- YTD net income was \$522,000, which represents net ordinary income of \$555,000, SEI net investment loss of (\$30,000), and net interest expense related to notes receivable/loans payable of (\$3,000). Budgeted net income YTD was \$177,000.
- Compared to the prior year, net income was \$336,000 higher than the prior YTD net income of \$189,000 – 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 September was \$383,000, which was above the monthly budget of \$365,000 by \$18,000 or 5%.
- Total income YTD was \$3,401,000, which was above the YTD budget of \$3,044,000 by \$357,000 or 12%.
- Compared to the prior year, total YTD income was \$90,000 higher (3%) than the prior YTD income of \$3,311,000.
- Total expenses for the month were \$306,000, and were below the monthly budget of \$360,000 by \$55,000 or 15%, mostly due to compensation, technology and catering.
- YTD expenses were \$2,846,000, and were below the YTD budget of \$2,886,000 by \$40,000 or 1% due to compensation, travel, facility and programmatic costs.
- Compared to the prior year, YTD expenses were \$386,000 lower (12%), mostly due to prior year RDF expenses mentioned above and furniture purchased in the prior year for the new offices.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
September 30, 2018

	09/30/2018	08/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	722,400	923,366	(200,966)
Total Checking/Savings	<u>722,400</u>	<u>923,366</u>	<u>(200,966)</u>
Other Current Assets			
1200 - Accounts Receivable	1,335,698	1,214,583	121,115
1300 - Other Current Assets	46,811	42,034	4,777
Total Other Current Assets	<u>1,382,509</u>	<u>1,256,617</u>	<u>125,892</u>
Total Current Assets	<u>2,104,909</u>	<u>2,179,983</u>	<u>(75,074)</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	5,676,839	5,694,015	(17,177)
1500 - Investments	3,741,018	3,724,162	16,856
1700 - Capitalized Loan and Lease Costs	3,934	3,934	0
Total Other Assets	<u>9,421,791</u>	<u>9,422,111</u>	<u>(321)</u>
Total ASSETS	<u>11,870,197</u>	<u>11,945,592</u>	<u>(75,395)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	96,386	94,979	1,408
Total Accounts Payable	<u>96,386</u>	<u>94,979</u>	<u>1,408</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,325,192	1,181,371	143,820
2100 - Payroll Liabilities	408,132	408,635	(503)
2400 - Deferred Dues & Other Revenue	996,873	1,291,304	(294,431)
Total Other Current Liabilities	<u>2,730,197</u>	<u>2,881,310</u>	<u>(151,114)</u>
Total Current Liabilities	<u>2,826,583</u>	<u>2,976,289</u>	<u>(149,706)</u>
Total Liabilities	<u>2,826,583</u>	<u>2,976,289</u>	<u>(149,706)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	7,157,451	7,067,099	90,352
3020 - REALTORS Defense Fund	1,811,852	1,794,447	17,405
Net Income	74,311	107,757	(33,446)
Total Net Assets	<u>9,043,614</u>	<u>8,969,303</u>	<u>74,311</u>
Total LIABILITIES & NET ASSETS	<u>11,870,197</u>	<u>11,945,592</u>	<u>(75,395)</u>

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

September 30, 2018

	09/30/2018	08/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	857,271	1,049,604	(192,333)
1029 - First Merchants Checking	10,411	10,411	0
1032 - IAR Checking-ONB	18,024	18,024	0
1040 - Transmittal Checking Account	38,768	25,368	13,400
1050 - PayPal	1,934	4,425	(2,491)
1118 - REALTORS Federal Credit Union	86	86	0
1125 - IAR-Prof Standards Escrow	39,150	39,150	0
1199 - Cash Owed (to) by RDF	(243,364)	(223,822)	(19,542)
Total 1000 - Cash Accounts	<u>722,400</u>	<u>923,366</u>	<u>(200,966)</u>
Total Checking/Savings	722,400	923,366	(200,966)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	3,943	14,575	(10,632)
1211 - Dues Receivable	11,803	11,803	0
1220 - Other Receivables	900	1,000	(100)
1245 - Accrued Interest Receivable	36,953	32,951	4,002
1270 - Note Receivable	1,282,099	1,154,254	127,845
Total 1200 - Accounts Receivable	<u>1,335,698</u>	<u>1,214,583</u>	<u>121,115</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	46,223	41,446	4,777
1340 - Postage Deposits	588	588	0
Total 1300 - Other Current Assets	<u>46,811</u>	<u>42,034</u>	<u>4,777</u>
Total Other Current Assets	<u>1,382,509</u>	<u>1,256,617</u>	<u>125,892</u>
Total Current Assets	<u>2,104,909</u>	<u>2,179,983</u>	<u>(75,074)</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	270,337	287,513	(17,177)
1203 - Due From 143 LLC	5,406,502	5,406,502	0
Total - 1203 - Intercompany Loans Receivable	<u>5,676,839</u>	<u>5,694,015</u>	<u>(17,177)</u>
1500 - Investments			
1510 - SEI Investments	1,886,360	1,886,909	(550)
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,568,488	1,570,626	(2,136)
1599 - Cash Owed by (to) IAR	243,364	223,822	19,542
Total 1520 - Realtor's Defense Fund Assets	<u>1,811,852</u>	<u>1,794,448</u>	<u>17,406</u>
1540 - Alerus - 457(b) Investments	302,394	302,393	0

Indiana Association of Realtors, Inc.

Balance Sheet (Detail)

September 30, 2018

	09/30/2018	08/31/2018	Difference
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	<u>3,741,018</u>	<u>3,724,162</u>	16,856
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(66)	(66)	0
Total 1700 - Capitalized Loan and Lease Costs	<u>3,934</u>	<u>3,934</u>	0
Total Other Assets	<u>9,421,791</u>	<u>9,422,111</u>	(321)
Total ASSETS	<u>11,870,197</u>	<u>11,945,592</u>	<u>(75,395)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	96,386	94,979	1,408
Total Accounts Payable	<u>96,386</u>	<u>94,979</u>	1,408
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	582,099	454,254	127,845
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2080 - RPAC Payable (Transmittal)	38,768	25,367	13,400
2081 - RPAC Payable (Dues assessment)	2,575	0	2,575
2095 - Prof Stds Escrow Liability	1,750	1,750	0
Total 2025 - Other Current Liabilities	<u>1,325,192</u>	<u>1,181,371</u>	143,820
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	(559)	(56)	(503)
2120 - Post Retirement Benefit Obliga	106,297	106,297	0
2150 - 457 Plan Liabilities	302,394	302,394	0
Total 2100 - Payroll Liabilities	<u>408,132</u>	<u>408,635</u>	(503)
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	973,801	1,291,304	(317,503)
2415 - Dues Payable, Odd Year	23,072	0	23,072
Total 2400 - Deferred Dues & Other Revenue	<u>996,873</u>	<u>1,291,304</u>	(294,431)
Total Other Current Liabilities	<u>2,730,197</u>	<u>2,881,310</u>	(151,114)
Total Current Liabilities	<u>2,826,583</u>	<u>2,976,289</u>	(149,706)
Total Liabilities	<u>2,826,583</u>	<u>2,976,289</u>	(149,706)
NET ASSETS			
3010 - Unrestricted Net Assets	7,157,451	7,067,099	90,352
3020 - REALTORS Defense Fund	1,811,852	1,794,447	17,405
Net Income	74,311	107,757	(33,446)
Total Net Assets	<u>9,043,614</u>	<u>8,969,303</u>	74,311
Total LIABILITIES & NET ASSETS	<u>11,870,197</u>	<u>11,945,592</u>	<u>(75,395)</u>

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

September 30, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	364,798	324,254	3,277,476	2,918,278	4,032,000	3,036,772
4200 - Contract Fees & Event Income	5,100	31,542	23,140	41,874	42,000	17,940
4300 - Royalties, Rent & Product Sales	30	583	8,808	5,251	7,000	8,184
4900 - Other Income	13,549	8,766	91,641	78,902	105,200	248,594
Total Income	383,477	365,145	3,401,065	3,044,305	4,186,200	3,311,490
Expense						
5000 - Personnel Costs						
5010 - Compensation	123,266	137,500	1,076,210	1,112,500	1,525,000	1,015,549
5020 - Bonus Pool	0	0	29,205	29,000	100,000	28,278
5030 - Contract Labor / Temp Help	0	167	0	1,499	2,000	5,447
5100 - Benefits & Taxes	21,334	26,751	242,737	240,747	321,000	246,575
Total 5000 - Personnel Costs	144,600	164,418	1,348,152	1,383,746	1,948,000	1,295,849
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	4,982	6,961	58,017	59,867	91,250	59,752
5410 - Leadership Travel	9,310	14,552	94,216	114,944	175,850	98,959
Total 5300 Travel & Entertainment	14,292	21,513	152,233	174,811	267,100	158,711
5600 - Professional Fees	12,651	15,459	168,592	166,623	213,000	168,156
5700 - Technology & Equipment	45,380	58,174	508,473	473,578	648,100	459,275
5900 - Office Costs	4,870	5,263	78,539	52,861	78,150	56,614
6100 - Facility Costs	18,773	22,071	173,365	198,637	264,850	399,563
7100 - Programmatic Costs	65,748	74,084	416,542	435,623	571,750	693,896
Total Expense	306,314	360,982	2,845,896	2,885,879	3,990,950	3,232,064
Net Ordinary Income	77,163	4,163	555,169	158,426	195,250	79,426
Other Income/Expense						
Other Income						
4800 - Investment Income	1,837	2,083	2,991	18,751	25,000	122,071
Total Other Income	1,837	2,083	2,991	18,751	25,000	122,071
Other Expense						
8000 - Interest Expense	4,689	0	36,158	0	0	15,549
8100 - Priority Return-Twain	0	0	432	0	0	0
Total Other Expense	4,689	0	36,590	0	0	15,549
Net Other Income (Expense)	(2,852)	2,083	(33,599)	18,751	25,000	106,522
Net Income (Loss)	74,311	6,246	521,570	177,177	220,250	185,948

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

September 30, 2018

	<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	305,481	267,221	2,622,963	2,404,983	3,333,792
4020 - Shared Fees, Local Boards	0	8,000	63,476	72,000	96,000
4021 - State Application Fee (even years)	25,600	20,000	304,224	180,000	240,000
4030 - RDF Dues	33,202	29,033	286,298	261,295	362,208
4035 - RDF Issues Income	515	0	515	0	0
Total 4000 - Membership Income	<u>364,798</u>	<u>324,254</u>	<u>3,277,476</u>	<u>2,918,278</u>	<u>4,032,000</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	3,000	5,000	5,500	10,000	10,000
4201 - Registration Income	2,100	26,542	17,640	31,874	32,000
Total 4200 - Contract Fees & Event Income	<u>5,100</u>	<u>31,542</u>	<u>23,140</u>	<u>41,874</u>	<u>42,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	30	583	8,808	5,251	7,000
Total 4300 - Royalties, Rent & Product Sales	<u>30</u>	<u>583</u>	<u>8,808</u>	<u>5,251</u>	<u>7,000</u>
4900 - Other Income					
4900 - Other Income	1,449	0	18,991	0	0
4901 - Grant Income-Temp Restricted	5,000	833	5,000	7,501	10,000
4910 - RECP Income	7,100	7,100	63,900	63,900	85,200
4920 - Professional Standards Income	0	833	3,750	7,501	10,000
Total 4900 - Other Income	<u>13,549</u>	<u>8,766</u>	<u>91,641</u>	<u>78,902</u>	<u>105,200</u>
Total Income	<u>383,477</u>	<u>365,145</u>	<u>3,401,065</u>	<u>3,044,305</u>	<u>4,186,200</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	123,266	137,500	1,076,210	1,112,500	1,525,000
5020 - Bonus Pool	0	0	29,205	29,000	100,000
5030 - Contract Labor / Temp Help	0	167	0	1,499	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	6,334	8,417	67,153	75,749	101,000
5115 - Wellness Benefit	32	417	1,857	3,749	5,000
5120 - Dental Insurance	561	583	5,618	5,251	7,000
5125 - Disability Insurance	397	500	3,470	4,500	6,000
5130 - Retirement Benefits	5,341	5,542	47,434	49,874	66,500
5140 - Post-Employment Benefits	1,223	1,875	12,934	16,875	22,500
5150 - Workers Compensation Insuranc	630	750	5,673	6,750	9,000
5160 - Payroll Taxes	6,509	6,667	77,765	59,999	80,000
5170 - Professional Development	35	417	6,655	3,749	5,000
5180 - Dues & Subscriptions	272	1,583	14,178	14,251	19,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

September 30, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	21,334	26,751	242,737	240,747	321,000
Total 5000 - Personnel Costs	144,600	164,418	1,348,152	1,383,746	1,948,000
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	837	1,167	12,859	11,999	17,500
5320 - Staff Lodging	2,764	2,479	19,011	19,313	30,750
5330 - Staff Mileage	892	709	7,671	6,623	9,250
5340 - Staff Meals	489	1,939	12,223	14,933	20,750
5350 - Staff Hospitality	0	83	2,143	1,751	2,500
5360 - Conference Registration Fees	0	584	4,110	5,248	10,500
Total 5310 - Staff Travel Costs	4,982	6,961	58,017	59,867	91,250
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	0	1,209	17,644	16,373	23,500
5420 - Board / Volunteer Lodging	6,425	7,541	40,743	51,877	77,500
5430 - Board / Volunteer Mileage	702	1,480	4,365	10,810	14,250
5440 - Board / Volunteer Meals	1,965	2,654	23,961	26,888	41,850
5450 - Board / Volunteer Hospitality	218	1,585	3,693	8,245	11,000
5460 - Conference Registration Fees	0	83	3,810	751	7,750
Total 5410 - Leadership Travel	9,310	14,552	94,216	114,944	175,850
Total 5300 Travel & Entertainment	14,292	21,513	152,233	174,811	267,100
5600 - Professional Fees					
5610 - Legal Services	3,197	2,917	28,331	26,249	35,000
5620 - Audit & Tax Services	1,350	0	39,468	27,500	27,500
5630 - Accounting Services	6,604	10,417	87,293	93,749	125,000
5640 - Other Consulting Services	0	625	0	5,625	7,500
5650 - President's Stipend	1,500	1,500	13,500	13,500	18,000
Total 5600 - Professional Fees	12,651	15,459	168,592	166,623	213,000
5700 - Technology & Equipment					
5710 - Technology Consulting Service	43,166	55,167	448,370	446,499	612,000
5720 - Equipment Repairs & Maintenance	0	83	756	751	1,000
5730 - Small Equipment Purchases	372	625	3,232	5,625	7,500
5740 - Equipment > \$1000	0	83	41,077	751	1,000
5750 - Equipment Lease Payments	851	833	7,124	7,501	10,000
5760 - Software & Licensing Fees	991	1,383	7,914	12,451	16,600
Total 5700 - Technology & Equipment	45,380	58,174	508,473	473,578	648,100
5900 - Office Costs					
5910 - Telephone	1,760	1,708	28,494	15,376	20,500
5920 - Postage	0	129	964	1,163	1,550

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

September 30, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	0	8	3	76	100
5930 - Office Supplies	38	334	5,218	2,998	4,000
5932 - Kitchen Supplies	49	333	2,593	3,001	4,000
5940 - Printing	0	625	8,662	5,625	7,500
5950 - Liability Insurance	735	1,042	9,203	9,374	12,500
5960 - Licenses and Fees	0	125	0	1,125	1,500
5970 - Bank & Credit Card Fees	1,974	500	22,153	9,000	20,000
5980 - Miscellaneous	314	459	1,249	5,123	6,500
Total 5900 - Office Costs	4,870	5,263	78,539	52,861	78,150
6100 - Facility Costs					
6110 - Office Rent & Parking	18,773	22,071	171,652	198,637	264,850
6130 - Building Maintenance & Repair	0	0	834	0	0
6180 - Property Taxes	0	0	879	0	0
Total 6100 - Facility Costs	18,773	22,071	173,365	198,637	264,850
7100 - Programmatic Costs					
7110 - Facility Rental	0	250	3,500	2,250	3,000
7120 - Catering	26,197	39,959	122,004	117,623	148,500
7130 - Honorarium/Speaker Fees	0	6,749	17,660	23,253	28,500
7140 - Speaker Travel	0	1,375	3,886	5,375	6,500
7150 - Plaques & Awards	0	1,188	4,631	4,686	6,000
7160 - Event Sponsorships	0	542	7,471	4,874	6,500
7170 - Curriculum	0	125	0	1,125	1,500
7210 - Website Development / Hosting	2,435	2,500	25,800	22,500	30,000
7220 - Internet Communications	3,377	2,458	37,553	22,126	29,500
7225 - Publications	2,556	625	10,887	17,125	19,000
7240 - Video Production & Editing	0	126	749	1,122	1,500
7250 - Media / Public Relations Proj	0	42	0	374	500
7310 - Other Program Costs	31,183	12,813	48,554	53,811	78,250
7320 - Grants	0	2,791	17,500	25,127	33,500
7330 - Electronic Forms	0	0	116,347	111,375	148,500
7410 - Marketing Research	0	541	0	4,877	6,500
7420 - Outreach	0	459	0	4,123	5,500
7440 - Issue Research	0	708	0	6,376	8,500
7450 - Legislative Advocacy	0	833	0	7,501	10,000
Total 7100 - Programmatic Costs	65,748	74,084	416,542	435,623	571,750
Total Expense	306,314	360,982	2,845,896	2,885,879	3,990,950
Net Ordinary Income	77,163	4,163	555,169	158,426	195,250

Other Income/Expense

Other Income

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

September 30, 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	4,349	2,083	39,042	18,751	25,000
4811 - Interest Income (notes payable)	4,002	0	33,452	0	0
4815 - Unrealized Gains/Losses	(9,787)	0	(29,130)	0	0
4820 - Realized Gains/Losses	3,273	0	(27,414)	0	0
4830 - Investment Management Fees	0	0	(12,959)	0	0
Total 4800 - Investment Income	<u>1,837</u>	<u>2,083</u>	<u>2,991</u>	<u>18,751</u>	<u>25,000</u>
Total Other Income	1,837	2,083	2,991	18,751	25,000
Other Expense					
8000 - Interest Expense	4,689	0	36,158	0	0
8100 - Priority Return-Twain	0	0	432	0	0
Total Other Expense	<u>4,689</u>	<u>0</u>	<u>36,590</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>(2,852)</u>	<u>2,083</u>	<u>(33,599)</u>	<u>18,751</u>	<u>25,000</u>
Net Income (Loss)	<u>74,311</u>	<u>6,246</u>	<u>521,570</u>	<u>177,177</u>	<u>220,250</u>

Indiana Association of Realtors, Inc.
Statement of Cash Flows
Year To Date 09/30/2018

OPERATING ACTIVITIES

Net Income	521,570
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	12,900
1203 - Due From 143 LLC	(183,971)
1204 - Due From 143 LLC (P-ship)	33,008
1211 - Dues Receivable	35,388
1220 - Other Receivables	1,150
1260 - Due from ISRE	135,463
1310 - Prepaid Expense	(10,490)
1350 - Other Deposits	10,965
1390 - Revenue Clearing Account	0
1540 - Alerus - 457(b) Investments	(33,766)
1630 - Furniture, Fixtures & Equipmen	(16,755)
2010 - Accounts Payable	(94,255)
2020 - Rent Payable	(9,536)
2040 - Accrued Payables	(39,700)
2080 - RPAC Payable (Transmittal)	(69,498)
2081 - RPAC Payable (Dues assessment)	2,575
2095 - Prof Stds Escrow Liability	1,500
2110 - FSA Plan Payable	(909)
2150 - 457 Plan Liabilities	33,766
2410 - Dues Payable, Even Year	110,090
2415 - Dues Payable, Odd Year	23,072
Net cash provided by Operating Activities	462,567

INVESTING ACTIVITIES

1510 - SEI Investments	15,398
1525 - Realtors Defense Fund Invest	15,498
1599 - Cash Owed by (to) IAR	(158,812)
Net Cash provided by Investing Activities	(127,916)

FINANCING ACTIVITIES

2045 - Accrued Interest Payable	(3,398)
1270 - Note Receivable	(282,099)
1245 - Accrued Interest Receivable	(33,453)
Net cash provided by Financing Activities	(318,950)

Net cash change for period	15,702
Cash at beginning of period	424,599
Cash at end of period	722,400

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the nine months ended September 30, 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 August 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%

Upcoming Changes to Financial Statement Presentation for Not-for-Profit Entities:

Effective with the annual Audited Financial Statements for the year ended December 31, 2018, and effective with monthly interim financial statements beginning with the month ended January 31, 2019, following is a summary of changes in how the organization's financial statements will be impacted due to Accounting Standards Update (ASU) 2016-14 issued by the Financial Accounting Standards Board (FASB):

- Disclose how the organization will meet its general operating expenses for the next year from cash/other available assets and have sufficient operating reserves
- Net Asset categories will be reduced from three to two. New categories will be named:
 - With Donor Restrictions
 - Without Donor Restrictions
- All accounts that are currently "Permanently Restricted" and still have accumulated losses that create a negative Unrestricted balance (i.e. accounts that are "underwater") will have the total net amount of the account shown in the "With Donor Restrictions" classification. The original endowment amounts gifted (or minimum account levels stipulated by donors) will also need to be disclosed.