

# Indiana Association of Realtors

## October 2018

### EXECUTIVE SUMMARY

#### Balance Sheet

- The Association's cash balances increased during October by \$129,000 due to remainder of 2018 dues paid by MIBOR and also 2019 dues received. Ending cash balance was \$851,000.
- Receivables increased by \$11,000 with an ending balance of \$1,347,000. The increase is due to accrued interest income due from One Forty Three LLC and Realist billings for October.
- The amount Due from ISRE decreased by \$5,000 during the month with an ending balance of \$265,000.
- The amount Due from One Forty Three LLC was unchanged with an ending balance \$5,407,000.
- IAR investments decreased by \$38,000 during the month due to unrealized losses, with an ending balance of \$1,849,000 and RDF investments decreased by \$12,000 with an ending balance of \$1,557,000.
- Accounts Payable increased by \$48,000 mostly due to the quarterly invoice from Ziplogix with an ending balance of \$144,000.
- Lines of Credit with ONB remained unchanged during October with ending balances of \$582,000 and \$700,000. See offsetting Note Receivable from One Forty Three LLC in assets.
- RPAC Payable for dues assessment increased by \$9,000 with an ending balance of \$12,000 – these funds represent RPAC contributions collected with 2019 dues payments and will be remitted to RPAC on a monthly basis.
- Dues payable decreased by \$297,000, from \$974,000 to \$676,000 due to amortization of dues revenue for October. The balance in this account will be amortized over the remaining months of the year and recognized as income. Also, \$130,000 of 2019 dues was collected in September and October which is deferred income to be recognized next year.

#### Income Statement

- Net income of \$216,000 was recorded for the month, which represents net ordinary income of \$264,000 and net investment loss of (\$48,000). Budgeted net income for October was \$133,000.
- YTD net income was \$738,000, which represents net ordinary income of \$819,000 and net investment loss of (\$82,000). Budgeted net income YTD was \$311,000.
- Compared to the prior year, net income was \$568,000 higher than the prior YTD net income of \$170,000 – 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 October was \$555,000, which was above the monthly budget of \$475,000 by \$81,000 or 17%.
- Total income YTD was \$3,957,000, which was above the YTD budget of \$3,519,000 by \$438,000 or 12%.
- Compared to the prior year, total YTD income was \$321,000 higher (9%) than the prior YTD income of \$3,636,000.
- Total expenses for the month were \$291,000, and were below the monthly budget of \$343,000 by \$52,000 or 15%, mostly due to compensation, technology, and website.
- YTD expenses were \$3,137,000, and were below the YTD budget of \$3,229,000 by \$92,000 or 3% due to compensation, travel, facility and programmatic costs.
- Compared to the prior year, YTD expenses were \$437,000 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)**  
October 31, 2018

	10/31/2018	09/30/2018	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	851,193	722,400	128,792
Total Checking/Savings	<u>851,193</u>	<u>722,400</u>	<u>128,792</u>
Other Current Assets			
1200 - Accounts Receivable	1,346,676	1,335,698	10,979
1300 - Other Current Assets	32,821	46,811	(13,990)
Total Other Current Assets	<u>1,379,497</u>	<u>1,382,509</u>	<u>(3,011)</u>
Total Current Assets	<u>2,230,690</u>	<u>2,104,909</u>	<u>125,781</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	343,498	343,497	0
Total Fixed Assets	<u>343,498</u>	<u>343,497</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,671,553	5,676,839	(5,284)
1500 - Investments	3,725,042	3,741,018	(15,977)
1700 - Capitalized Loan and Lease Costs	3,934	3,934	0
Total Other Assets	<u>9,400,529</u>	<u>9,421,791</u>	<u>(21,261)</u>
<b>Total ASSETS</b>	<b><u>11,974,717</u></b>	<b><u>11,870,197</u></b>	<b><u>104,520</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	144,336	96,386	47,950
Total Accounts Payable	<u>144,336</u>	<u>96,386</u>	<u>47,950</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,354,186	1,325,192	28,994
2100 - Payroll Liabilities	409,320	408,132	1,188
2400 - Deferred Dues & Other Revenue	807,270	996,873	(189,603)
Total Other Current Liabilities	<u>2,570,776</u>	<u>2,730,197</u>	<u>(159,421)</u>
Total Current Liabilities	<u>2,715,112</u>	<u>2,826,583</u>	<u>(111,471)</u>
Total Liabilities	<u>2,715,112</u>	<u>2,826,583</u>	<u>(111,471)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	7,209,919	7,157,451	52,468
3020 - REALTORS Defense Fund	1,833,695	1,811,852	21,843
Net Income	215,991	74,311	141,680
Total Net Assets	<u>9,259,605</u>	<u>9,043,614</u>	<u>215,991</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>11,974,717</u></b>	<b><u>11,870,197</u></b>	<b><u>104,520</u></b>

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

October 31, 2018

	10/31/2018	09/30/2018	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking-Regions	1,000,933	857,271	143,663
1029 - First Merchants Checking	10,413	10,411	0
1032 - IAR Checking-ONB	18,023	18,024	0
1040 - Transmittal Checking Account	59,263	38,768	20,495
1050 - PayPal	0	1,934	(1,935)
1118 - REALTORS Federal Credit Union	86	86	0
1125 - IAR-Prof Standards Escrow	39,150	39,150	0
1199 - Cash Owed (to) by RDF	(276,795)	(243,364)	(33,431)
Total 1000 - Cash Accounts	<u>851,193</u>	<u>722,400</u>	<u>128,792</u>
Total Checking/Savings	851,193	722,400	128,792
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	10,798	3,943	6,856
1211 - Dues Receivable	11,804	11,803	0
1220 - Other Receivables	700	900	(200)
1245 - Accrued Interest Receivable	41,275	36,953	4,323
1270 - Note Receivable	1,282,099	1,282,099	0
Total 1200 - Accounts Receivable	<u>1,346,676</u>	<u>1,335,698</u>	<u>10,979</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	32,233	46,223	(13,990)
1340 - Postage Deposits	588	588	0
Total 1300 - Other Current Assets	<u>32,821</u>	<u>46,811</u>	<u>(13,990)</u>
Total Other Current Assets	<u>1,379,497</u>	<u>1,382,509</u>	<u>(3,011)</u>
Total Current Assets	<u>2,230,690</u>	<u>2,104,909</u>	<u>125,781</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1630 - Furniture, Fixtures & Equipmen	381,111	381,110	0
Total 1605 - Land, Buildings & Equipment	<u>381,111</u>	<u>381,110</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>343,498</u>	<u>343,497</u>	<u>0</u>
Total Fixed Assets	<u>343,498</u>	<u>343,497</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	265,052	270,337	(5,284)
1203 - Due From 143 LLC	5,406,501	5,406,502	0
Total - 1203 - Intercompany Loans Receivable	<u>5,671,553</u>	<u>5,676,839</u>	<u>(5,284)</u>
1500 - Investments			
1510 - SEI Investments	1,848,541	1,886,360	(37,820)
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,556,900	1,568,488	(11,588)
1599 - Cash Owed by (to) IAR	276,795	243,364	33,431
Total 1520 - Realtor's Defense Fund Assets	<u>1,833,695</u>	<u>1,811,852</u>	<u>21,843</u>
1540 - Alerus - 457(b) Investments	302,394	302,394	0

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

October 31, 2018

	10/31/2018	09/30/2018	Difference
1810 - Investment in ISRE	(271,871)	(271,871)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	<u>3,725,042</u>	<u>3,741,018</u>	<u>(15,977)</u>
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>	<u>0</u>
Total Other Assets	<u>9,400,529</u>	<u>9,421,791</u>	<u>(21,261)</u>
<b>Total ASSETS</b>	<b><u>11,974,717</u></b>	<b><u>11,870,197</u></b>	<b><u>104,520</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	144,336	96,386	47,950
Total Accounts Payable	<u>144,336</u>	<u>96,386</u>	<u>47,950</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	582,099	582,099	0
2037 - Note Payable-ONB (\$700K)	700,000	700,000	0
2080 - RPAC Payable (Transmittal)	59,262	38,768	20,494
2081 - RPAC Payable (Dues assessment)	11,825	2,575	9,250
2095 - Prof Stds Escrow Liability	1,000	1,750	(750)
Total 2025 - Other Current Liabilities	<u>1,354,186</u>	<u>1,325,192</u>	<u>28,994</u>
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	628	(559)	1,188
2120 - Post Retirement Benefit Obliga	106,298	106,297	0
2150 - 457 Plan Liabilities	302,394	302,394	0
Total 2100 - Payroll Liabilities	<u>409,320</u>	<u>408,132</u>	<u>1,188</u>
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	676,302	973,801	(297,499)
2415 - Dues Payable, Odd Year	130,368	23,072	107,296
2430 - Unearned Registration Fees	600	0	600
Total 2400 - Deferred Dues & Other Revenue	<u>807,270</u>	<u>996,873</u>	<u>(189,603)</u>
Total Other Current Liabilities	<u>2,570,776</u>	<u>2,730,197</u>	<u>(159,421)</u>
Total Current Liabilities	<u>2,715,112</u>	<u>2,826,583</u>	<u>(111,471)</u>
Total Liabilities	<u>2,715,112</u>	<u>2,826,583</u>	<u>(111,471)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	7,209,919	7,157,451	52,468
3020 - REALTORS Defense Fund	1,833,695	1,811,852	21,843
Net Income	215,991	74,311	141,680
Total Net Assets	<u>9,259,605</u>	<u>9,043,614</u>	<u>215,991</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>11,974,717</u></b>	<b><u>11,870,197</u></b>	<b><u>104,520</u></b>

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

October 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	539,242	465,214	3,816,717	3,383,492	4,032,000	3,371,719
4200 - Contract Fees & Event Income	1,505	42	24,645	41,916	42,000	18,625
4300 - Royalties, Rent & Product Sales	7,500	583	16,309	5,834	7,000	8,254
4900 - Other Income	7,200	8,766	98,841	87,668	105,200	237,303
<b>Total Income</b>	<b>555,447</b>	<b>474,605</b>	<b>3,956,512</b>	<b>3,518,910</b>	<b>4,186,200</b>	<b>3,635,901</b>
<b>Expense</b>						
5000 - Personnel Costs						
5010 - Compensation	107,622	137,500	1,183,832	1,250,000	1,525,000	1,129,728
5020 - Bonus Pool	0	0	29,205	29,000	100,000	28,278
5030 - Contract Labor / Temp Help	0	167	0	1,666	2,000	5,447
5100 - Benefits & Taxes	22,348	26,751	265,085	267,498	321,000	270,842
<b>Total 5000 - Personnel Costs</b>	<b>129,970</b>	<b>164,418</b>	<b>1,478,122</b>	<b>1,548,164</b>	<b>1,948,000</b>	<b>1,434,295</b>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs	4,535	4,461	62,552	64,328	91,250	67,999
5410 - Leadership Travel	2,604	6,552	96,819	121,496	175,850	107,672
<b>Total 5300 Travel &amp; Entertainment</b>	<b>7,139</b>	<b>11,013</b>	<b>159,371</b>	<b>185,824</b>	<b>267,100</b>	<b>175,671</b>
5600 - Professional Fees	17,210	15,459	185,803	182,082	213,000	185,040
5700 - Technology & Equipment	50,438	58,174	558,911	531,752	648,100	509,701
5900 - Office Costs	18,037	5,763	96,576	58,624	78,150	72,795
6100 - Facility Costs	18,737	22,071	192,101	220,708	264,850	434,133
7100 - Programmatic Costs	49,769	66,459	466,312	502,082	571,750	762,904
<b>Total Expense</b>	<b>291,300</b>	<b>343,357</b>	<b>3,137,196</b>	<b>3,229,236</b>	<b>3,990,950</b>	<b>3,574,539</b>
<b>Net Ordinary Income</b>	<b>264,147</b>	<b>131,248</b>	<b>819,316</b>	<b>289,674</b>	<b>195,250</b>	<b>61,362</b>
<b>Other Income/Expense</b>						
Other Income						
4800 - Investment Income	(45,084)	2,083	(42,093)	20,834	25,000	126,852
<b>Total Other Income</b>	<b>(45,084)</b>	<b>2,083</b>	<b>(42,093)</b>	<b>20,834</b>	<b>25,000</b>	<b>126,852</b>
Other Expense						
8000 - Interest Expense	3,072	0	39,229	0	0	18,674
8100 - Priority Return-Twain	0	0	433	0	0	0
<b>Total Other Expense</b>	<b>3,072</b>	<b>0</b>	<b>39,662</b>	<b>0</b>	<b>0</b>	<b>18,674</b>
<b>Net Other Income (Expense)</b>	<b>(48,156)</b>	<b>2,083</b>	<b>(81,755)</b>	<b>20,834</b>	<b>25,000</b>	<b>108,178</b>
<b>Net Income (Loss)</b>	<b>215,991</b>	<b>133,331</b>	<b>737,561</b>	<b>310,508</b>	<b>220,250</b>	<b>169,540</b>

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

October 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
<b>Income</b>					
4000 - Membership Income					
4002 - Membership Dues	413,954	394,367	3,036,917	2,799,350	3,333,792
4020 - Shared Fees, Local Boards	16,082	8,000	79,558	80,000	96,000
4021 - State Application Fee (even years)	61,600	20,000	365,824	200,000	240,000
4030 - RDF Dues	45,091	42,847	331,388	304,142	362,208
4035 - RDF Issues Income	2,515	0	3,030	0	0
Total 4000 - Membership Income	<u>539,242</u>	<u>465,214</u>	<u>3,816,717</u>	<u>3,383,492</u>	<u>4,032,000</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	0	5,500	10,000	10,000
4201 - Registration Income	1,505	42	19,145	31,916	32,000
Total 4200 - Contract Fees & Event Income	<u>1,505</u>	<u>42</u>	<u>24,645</u>	<u>41,916</u>	<u>42,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	7,500	583	16,309	5,834	7,000
Total 4300 - Royalties, Rent & Product Sales	<u>7,500</u>	<u>583</u>	<u>16,309</u>	<u>5,834</u>	<u>7,000</u>
4900 - Other Income					
4900 - Other Income	100	0	19,091	0	0
4901 - Grant Income-Temp Restricted	0	833	5,000	8,334	10,000
4910 - RECP Income	7,100	7,100	71,000	71,000	85,200
4920 - Professional Standards Income	0	833	3,750	8,334	10,000
Total 4900 - Other Income	<u>7,200</u>	<u>8,766</u>	<u>98,841</u>	<u>87,668</u>	<u>105,200</u>
Total Income	555,447	474,605	3,956,512	3,518,910	4,186,200
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation	107,622	137,500	1,183,832	1,250,000	1,525,000
5020 - Bonus Pool	0	0	29,205	29,000	100,000
5030 - Contract Labor / Temp Help	0	167	0	1,666	2,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	5,297	8,417	72,449	84,166	101,000
5115 - Wellness Benefit	32	417	1,890	4,166	5,000
5120 - Dental Insurance	492	583	6,110	5,834	7,000
5125 - Disability Insurance	398	500	3,868	5,000	6,000
5130 - Retirement Benefits	5,920	5,542	53,354	55,416	66,500
5140 - Post-Employment Benefits	1,223	1,875	14,157	18,750	22,500
5150 - Workers Compensation Insuranc	631	750	6,303	7,500	9,000
5160 - Payroll Taxes	5,127	6,667	82,893	66,666	80,000
5170 - Professional Development	1,821	417	8,476	4,166	5,000
5180 - Dues & Subscriptions	1,407	1,583	15,585	15,834	19,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

October 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5100 - Benefits & Taxes	22,348	26,751	265,085	267,498	321,000
Total 5000 - Personnel Costs	129,970	164,418	1,478,122	1,548,164	1,948,000
<b>5300 - Travel &amp; Entertainment</b>					
<b>5310 - Staff Travel Costs</b>					
5310 - Staff Travel	478	667	13,337	12,666	17,500
5320 - Staff Lodging	955	979	19,966	20,292	30,750
5330 - Staff Mileage	635	709	8,305	7,332	9,250
5340 - Staff Meals	1,797	1,439	14,020	16,372	20,750
5350 - Staff Hospitality	0	83	2,144	1,834	2,500
5360 - Conference Registration Fees	670	584	4,780	5,832	10,500
Total 5310 - Staff Travel Costs	4,535	4,461	62,552	64,328	91,250
<b>5410 - Leadership Travel</b>					
5410 - Board / Volunteer Travel	636	709	18,280	17,082	23,500
5420 - Board / Volunteer Lodging	493	2,541	41,236	54,418	77,500
5430 - Board / Volunteer Mileage	138	980	4,503	11,790	14,250
5440 - Board / Volunteer Meals	954	1,654	24,914	28,542	41,850
5450 - Board / Volunteer Hospitality	383	585	4,076	8,830	11,000
5460 - Conference Registration Fees	0	83	3,810	834	7,750
Total 5410 - Leadership Travel	2,604	6,552	96,819	121,496	175,850
Total 5300 Travel & Entertainment	7,139	11,013	159,371	185,824	267,100
<b>5600 - Professional Fees</b>					
5610 - Legal Services	4,767	2,917	33,099	29,166	35,000
5620 - Audit & Tax Services	0	0	39,468	27,500	27,500
5630 - Accounting Services	10,943	10,417	98,236	104,166	125,000
5640 - Other Consulting Services	0	625	0	6,250	7,500
5650 - President's Stipend	1,500	1,500	15,000	15,000	18,000
Total 5600 - Professional Fees	17,210	15,459	185,803	182,082	213,000
<b>5700 - Technology &amp; Equipment</b>					
5710 - Technology Consulting Service	42,810	55,167	491,180	501,666	612,000
5720 - Equipment Repairs & Maintenance	0	83	756	834	1,000
5730 - Small Equipment Purchases	353	625	3,585	6,250	7,500
5740 - Equipment > \$1000	0	83	41,077	834	1,000
5750 - Equipment Lease Payments	712	833	7,835	8,334	10,000
5760 - Software & Licensing Fees	6,563	1,383	14,478	13,834	16,600
Total 5700 - Technology & Equipment	50,438	58,174	558,911	531,752	648,100
<b>5900 - Office Costs</b>					
5910 - Telephone	7,448	1,708	35,942	17,084	20,500
5920 - Postage	73	129	1,037	1,292	1,550

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

October 31, 2018

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5925 - Shipping Expense	15	8	18	84	100
5930 - Office Supplies	1,208	334	6,426	3,332	4,000
5932 - Kitchen Supplies	744	333	3,336	3,334	4,000
5940 - Printing	43	625	8,706	6,250	7,500
5950 - Liability Insurance	734	1,042	9,938	10,416	12,500
5960 - Licenses and Fees	0	125	0	1,250	1,500
5970 - Bank & Credit Card Fees	3,780	1,000	25,932	10,000	20,000
5980 - Miscellaneous	3,992	459	5,241	5,582	6,500
<b>Total 5900 - Office Costs</b>	<b>18,037</b>	<b>5,763</b>	<b>96,576</b>	<b>58,624</b>	<b>78,150</b>
<b>6100 - Facility Costs</b>					
6110 - Office Rent & Parking	18,737	22,071	190,389	220,708	264,850
6130 - Building Maintenance & Repair	0	0	833	0	0
6180 - Property Taxes	0	0	879	0	0
<b>Total 6100 - Facility Costs</b>	<b>18,737</b>	<b>22,071</b>	<b>192,101</b>	<b>220,708</b>	<b>264,850</b>
<b>7100 - Programmatic Costs</b>					
7110 - Facility Rental	4,100	250	7,600	2,500	3,000
7120 - Catering	0	6,959	122,004	124,582	148,500
7130 - Honorarium/Speaker Fees	0	1,749	17,661	25,002	28,500
7140 - Speaker Travel	0	375	3,885	5,750	6,500
7150 - Plaques & Awards	545	438	5,177	5,124	6,000
7160 - Event Sponsorships	0	542	7,471	5,416	6,500
7170 - Curriculum	678	125	678	1,250	1,500
7210 - Website Development / Hosting	(9,983)	2,500	15,817	25,000	30,000
7220 - Internet Communications	2,245	2,458	39,798	24,584	29,500
7225 - Publications	509	625	11,396	17,750	19,000
7240 - Video Production & Editing	0	126	749	1,248	1,500
7250 - Media / Public Relations Proj	0	42	0	416	500
7310 - Other Program Costs	10,339	7,813	58,892	61,624	78,250
7320 - Grants	0	2,791	17,500	27,918	33,500
7330 - Electronic Forms	39,836	37,125	156,184	148,500	148,500
7410 - Marketing Research	0	541	0	5,418	6,500
7420 - Outreach	1,500	459	1,500	4,582	5,500
7440 - Issue Research	0	708	0	7,084	8,500
7450 - Legislative Advocacy	0	833	0	8,334	10,000
<b>Total 7100 - Programmatic Costs</b>	<b>49,769</b>	<b>66,459</b>	<b>466,312</b>	<b>502,082</b>	<b>571,750</b>
<b>Total Expense</b>	<b>291,300</b>	<b>343,357</b>	<b>3,137,196</b>	<b>3,229,236</b>	<b>3,990,950</b>
<b>Net Ordinary Income</b>	<b>264,147</b>	<b>131,248</b>	<b>819,316</b>	<b>289,674</b>	<b>195,250</b>

**Other Income/Expense**

Other Income



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

October 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	4,587	2,083	43,629	20,834	25,000
4811 - Interest Income (notes payable)	4,323	0	37,775	0	0
4815 - Unrealized Gains/Losses	(55,091)	0	(84,221)	0	0
4820 - Realized Gains/Losses	5,424	0	(21,990)	0	0
4830 - Investment Management Fees	(4,327)	0	(17,286)	0	0
Total 4800 - Investment Income	<u>(45,084)</u>	<u>2,083</u>	<u>(42,093)</u>	<u>20,834</u>	<u>25,000</u>
Total Other Income	(45,084)	2,083	(42,093)	20,834	25,000
Other Expense					
8000 - Interest Expense	3,072	0	39,229	0	0
8100 - Priority Return-Twain	0	0	433	0	0
Total Other Expense	<u>3,072</u>	<u>0</u>	<u>39,662</u>	<u>0</u>	<u>0</u>
Net Other Income (Expense)	<u>(48,156)</u>	<u>2,083</u>	<u>(81,755)</u>	<u>20,834</u>	<u>25,000</u>
<b>Net Income (Loss)</b>	<b><u>215,991</u></b>	<b><u>133,331</u></b>	<b><u>737,561</u></b>	<b><u>310,508</u></b>	<b><u>220,250</u></b>

Indiana Association of Realtors, Inc.  
Statement of Cash Flows  
Year To Date 10/31/2018

OPERATING ACTIVITIES

Net Income	737,561
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	6,044
1203 - Due From 143 LLC	(183,971)
1204 - Due From 143 LLC (P-ship)	33,008
1211 - Dues Receivable	35,388
1220 - Other Receivables	1,350
1260 - Due from ISRE	140,747
1310 - Prepaid Expense	3,501
1350 - Other Deposits	10,965
1390 - Revenue Clearing Account	0
1540 - Alerus - 457(b) Investments	(33,766)
2010 - Accounts Payable	(46,306)
2020 - Rent Payable	(9,535)
2040 - Accrued Payables	(39,700)
2080 - RPAC Payable (Transmittal)	(49,004)
2081 - RPAC Payable (Dues assessment)	11,825
2095 - Prof Stds Escrow Liability	750
2110 - FSA Plan Payable	279
2150 - 457 Plan Liabilities	33,766
2410 - Dues Payable, Even Year	(187,409)
2415 - Dues Payable, Odd Year	130,368
2430 - Unearned Registration Fees	600
Net cash provided by Operating Activities	596,461

INVESTING ACTIVITIES

1510 - SEI Investments	53,217
1525 - Realtors Defense Fund Invest	27,087
1599 - Cash Owed by (to) IAR	(192,243)
1630 - Furniture, Fixtures & Equipmen	(16,755)
Net Cash provided by Investing Activities	(128,694)

FINANCING ACTIVITIES

2045 - Accrued Interest Payable	(3,398)
1270 - Note Receivable	(282,099)
1245 - Accrued Interest Receivable	(37,775)
2036 - Line of Credit-ONB (\$1.3mil)	282,099
Net cash provided by Financing Activities	(41,173)

Net cash change for period	426,593
Cash at beginning of period	424,599
Cash at end of period	851,193

**Indiana Association of Realtors, Inc.**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the ten months ended October 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 September 30, 2018 for additional meaningful data for management.

**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.