

Indiana Association of Realtors

November 2018

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during November by \$87,000. Ending cash balance was \$755,000.
- Receivables increased by \$133,000 with an ending balance of \$1,480,000. The increase is due to an increase in the note receivable and accrued interest income due from One Forty Three LLC along with Realist billings to local boards for November.
- The amount Due from ISRE increased by \$7,000 during the month with an ending balance of \$272,000.
- The amount Due from One Forty Three LLC was unchanged with an ending balance \$5,407,000.
- IAR investments increased by \$17,000 during the month due to unrealized gains, with an ending balance of \$1,866,000 and RDF investments increased by \$5,000 with an ending balance of \$1,562,000.
- Accounts Payable decreased by \$28,000 with an ending balance of \$109,000.
- Lines of Credit with ONB increased \$124,000 during the month with ending balances of \$706,000 and \$700,000. See offsetting Note Receivable from One Forty Three LLC in assets.
- RPAC Payable for dues assessment increased by \$15,000 with an ending balance of \$27,000 – these funds represent RPAC contributions collected with 2019 dues payments and will be remitted to RPAC on a monthly basis.
- Dues payable (even year) decreased by \$338,000, from \$676,000 to \$338,000 due to amortization of dues revenue for November. The balance in this account will be amortized over the remaining months of the year and recognized as income.
- Dues payable (odd year) represent 2019 dues collected in 2018. These amounts will be recognized as income in 2019.
- Unearned registration fees represent income collected to date for the legislative conference to be held in early 2019 and will be recognized at that time.

Income Statement

- Net income of \$129,000 was recorded for the month, which represents net ordinary income of \$107,000 and net investment gain of \$22,000. Budgeted net loss for November was \$43,000.
- YTD net income was \$864,000, which represents net ordinary income of \$926,000 and net investment loss of (\$62,000). Budgeted net income YTD was \$267,000.
- Compared to the prior year, net income was \$580,000 higher than the prior YTD net income of \$285,000 – 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 November was \$376,000, which was above the monthly budget of \$334,000 by \$43,000 or 13%.
- Total income YTD was \$4,333,000, which was above the YTD budget of \$3,853,000 by \$480,000 or 12%.
- Compared to the prior year, total YTD income was \$365,000 higher (9%) than the prior YTD income of \$3,968,000.
- Total expenses for the month were \$269,000, and were below the monthly budget of \$379,000 by \$110,000 or 29%, mostly due to compensation, travel & entertainment, and programmatic costs.
- YTD expenses were \$3,406,000, and were below the YTD budget of \$3,608,000 by \$202,000 or 6% due to compensation, travel, facility and programmatic costs.
- Compared to the prior year, YTD expenses were \$401,000 lower (11%), 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)

November 30, 2018

| | 11/30/2018 | 10/31/2018 | Difference |
|--|--------------------------|--------------------------|----------------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1000 - Cash Accounts | 754,576 | 841,334 | (86,758) |
| Total Checking/Savings | <u>754,576</u> | <u>841,334</u> | <u>(86,758)</u> |
| Other Current Assets | | | |
| 1200 - Accounts Receivable | 1,479,902 | 1,346,676 | 133,226 |
| 1300 - Other Current Assets | 29,014 | 32,821 | (3,807) |
| Total Other Current Assets | <u>1,508,916</u> | <u>1,379,497</u> | <u>129,419</u> |
| Total Current Assets | <u>2,263,492</u> | <u>2,220,831</u> | <u>42,661</u> |
| Fixed Assets | | | |
| 1600 - Fixed Assets, Net of Deprec. | 344,691 | 343,497 | 1,194 |
| Total Fixed Assets | <u>344,691</u> | <u>343,497</u> | <u>1,194</u> |
| Other Assets | | | |
| 1203 - Intercompany Loans Receivable | 5,678,848 | 5,671,554 | 7,294 |
| 1500 - Investments | 3,772,190 | 3,725,042 | 47,148 |
| 1700 - Capitalized Loan and Lease Costs | 3,934 | 3,934 | 0 |
| Total Other Assets | <u>9,454,972</u> | <u>9,400,530</u> | <u>54,442</u> |
| Total ASSETS | <u>12,063,155</u> | <u>11,964,858</u> | <u>98,297</u> |
| LIABILITIES & NET ASSETS | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2010 - Accounts Payable | 109,327 | 136,575 | (27,248) |
| Total Accounts Payable | <u>109,327</u> | <u>136,575</u> | <u>(27,248)</u> |
| Other Current Liabilities | | | |
| 2025 - Other Current Liabilities | 1,444,501 | 1,354,186 | 90,315 |
| 2100 - Payroll Liabilities | 409,953 | 409,320 | 633 |
| 2400 - Deferred Dues & Other Revenue | 712,763 | 807,270 | (94,507) |
| Total Other Current Liabilities | <u>2,567,217</u> | <u>2,570,776</u> | <u>(3,559)</u> |
| Total Current Liabilities | <u>2,676,544</u> | <u>2,707,351</u> | <u>(30,807)</u> |
| Total Liabilities | <u>2,676,544</u> | <u>2,707,351</u> | <u>(30,807)</u> |
| NET ASSETS | | | |
| Without Donor Restrictions | | | |
| Undesignated | 7,511,089 | 7,423,297 | 87,792 |
| Board Designated (RDF) | 1,863,747 | 1,833,695 | 30,052 |
| Total Without Donor Restrictions | <u>9,374,836</u> | <u>9,256,992</u> | <u>117,844</u> |
| With Donor Restrictions - RDF Local Issues | 11,775 | 515 | 11,260 |
| Total Net Assets | <u>9,386,611</u> | <u>9,257,507</u> | <u>129,104</u> |
| Total LIABILITIES & NET ASSETS | <u>12,063,155</u> | <u>11,964,858</u> | <u>98,297</u> |

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

November 30, 2018

| | 11/30/2018 | 10/31/2018 | Difference |
|--|------------------|------------------|-----------------|
| ASSETS | | | |
| Current Assets | | | |
| Checking/Savings | | | |
| 1000 - Cash Accounts | | | |
| 1010 - Petty Cash | 120 | 120 | 0 |
| 1020 - IAR Checking-Regions | 986,958 | 1,000,933 | (13,976) |
| 1029 - First Merchants Checking | 10,408 | 10,413 | (4) |
| 1032 - IAR Checking-ONB | 7,636 | 8,164 | (529) |
| 1040 - Transmittal Checking Account | 10,940 | 59,262 | (48,321) |
| 1118 - REALTORS Federal Credit Union | 87 | 87 | 0 |
| 1125 - IAR-Prof Standards Escrow | 40,150 | 39,150 | 1,000 |
| 1199 - Cash Owed (to) by RDF | (301,723) | (276,795) | (24,928) |
| Total 1000 - Cash Accounts | <u>754,576</u> | <u>841,334</u> | <u>(86,758)</u> |
| Total Checking/Savings | 754,576 | 841,334 | (86,758) |
| Other Current Assets | | | |
| 1200 - Accounts Receivable | | | |
| 1200 - Accounts Receivable | 15,999 | 10,798 | 5,201 |
| 1211 - Dues Receivable | 11,803 | 11,804 | 0 |
| 1220 - Other Receivables | 500 | 700 | (200) |
| 1245 - Accrued Interest Receivable | 45,815 | 41,275 | 4,539 |
| 1270 - Note Receivable | 1,405,785 | 1,282,099 | 123,686 |
| Total 1200 - Accounts Receivable | <u>1,479,902</u> | <u>1,346,676</u> | <u>133,226</u> |
| 1300 - Other Current Assets | | | |
| 1310 - Prepaid Expense | 28,426 | 32,233 | (3,807) |
| 1340 - Postage Deposits | 588 | 588 | 0 |
| Total 1300 - Other Current Assets | <u>29,014</u> | <u>32,821</u> | <u>(3,807)</u> |
| Total Other Current Assets | <u>1,508,916</u> | <u>1,379,497</u> | <u>129,419</u> |
| Total Current Assets | <u>2,263,492</u> | <u>2,220,831</u> | <u>42,661</u> |
| Fixed Assets | | | |
| 1600 - Fixed Assets, Net of Deprec. | | | |
| 1630 - Furniture, Fixtures & Equipmen | 382,304 | 381,110 | 1,194 |
| Total 1605 - Land, Buildings & Equipment | <u>382,304</u> | <u>381,110</u> | <u>1,194</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>344,691</u> | <u>343,497</u> | <u>1,194</u> |
| Total Fixed Assets | <u>344,691</u> | <u>343,497</u> | <u>1,194</u> |
| Other Assets | | | |
| 1203 - Intercompany Loans Receivable | | | |
| 1260 - Due from ISRE | 272,346 | 265,052 | 7,294 |
| 1203 - Due From 143 LLC | 5,406,502 | 5,406,502 | 0 |
| Total - 1203 - Intercompany Loans Receivable | <u>5,678,848</u> | <u>5,671,554</u> | <u>7,294</u> |
| 1500 - Investments | | | |
| 1510 - SEI Investments | 1,865,638 | 1,848,541 | 17,097 |
| 1520 - Realtor's Defense Fund Assets | | | |
| 1525 - Realtors Defense Fund Invest | 1,562,023 | 1,556,900 | 5,123 |
| 1599 - Cash Owed by (to) IAR | 301,723 | 276,795 | 24,928 |
| Total 1520 - Realtor's Defense Fund Assets | <u>1,863,746</u> | <u>1,833,695</u> | <u>30,051</u> |
| 1540 - Alerus - 457(b) Investments | 302,394 | 302,394 | 0 |
| 1810 - Investment in ISRE | (271,871) | (271,871) | 0 |

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

November 30, 2018

| | 11/30/2018 | 10/31/2018 | Difference |
|---|--------------------------|--------------------------|----------------------|
| 1820 - Investment in 143 MM | 12,283 | 12,283 | 0 |
| Total 1500 - Investments | <u>3,772,190</u> | <u>3,725,042</u> | 47,148 |
| 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>9,454,972</u> | <u>9,400,530</u> | 54,442 |
| Total ASSETS | <u>12,063,155</u> | <u>11,964,858</u> | <u>98,297</u> |
| LIABILITIES & NET ASSETS | | | |
| Liabilities | | | |
| Current Liabilities | | | |
| Accounts Payable | | | |
| 2010 - Accounts Payable | 109,327 | 136,575 | (27,248) |
| Total Accounts Payable | <u>109,327</u> | <u>136,575</u> | <u>(27,248)</u> |
| Other Current Liabilities | | | |
| 2025 - Other Current Liabilities | | | |
| 2036 - Line of Credit-ONB (\$1.3mil) | 705,785 | 582,099 | 123,687 |
| 2037 - Note Payable-ONB (\$700K) | 700,000 | 700,000 | 0 |
| 2080 - RPAC Payable (Transmittal) | 10,941 | 59,262 | (48,322) |
| 2081 - RPAC Payable (Dues assessment) | 26,775 | 11,825 | 14,950 |
| 2095 - Prof Stds Escrow Liability | 1,000 | 1,000 | 0 |
| Total 2025 - Other Current Liabilities | <u>1,444,501</u> | <u>1,354,186</u> | 90,315 |
| 2100 - Payroll Liabilities | | | |
| 2110 - FSA Plan Payable | 1,261 | 628 | 633 |
| 2120 - Post Retirement Benefit Obliga | 106,298 | 106,298 | 0 |
| 2150 - 457 Plan Liabilities | 302,394 | 302,394 | 0 |
| Total 2100 - Payroll Liabilities | <u>409,953</u> | <u>409,320</u> | 633 |
| 2400 - Deferred Dues & Other Revenue | | | |
| 2410 - Dues Payable, Even Year | 338,383 | 676,302 | (337,919) |
| 2415 - Dues Payable, Odd Year | 373,205 | 130,368 | 242,837 |
| 2430 - Unearned Registration Fees | 1,175 | 600 | 575 |
| Total 2400 - Deferred Dues & Other Revenue | <u>712,763</u> | <u>807,270</u> | (94,507) |
| Total Other Current Liabilities | <u>2,567,217</u> | <u>2,570,776</u> | (3,559) |
| Total Current Liabilities | <u>2,676,544</u> | <u>2,707,351</u> | (30,807) |
| Total Liabilities | <u>2,676,544</u> | <u>2,707,351</u> | (30,807) |
| NET ASSETS | | | |
| Without Donor Restrictions | | | |
| Undesignated | 7,511,089 | 7,423,297 | 87,792 |
| Board Designated (RDF) | 1,863,747 | 1,833,695 | 30,052 |
| Total Without Donor Restrictions | <u>9,374,836</u> | <u>9,256,992</u> | 117,844 |
| With Donor Restrictions - RDF Local Issues | 11,775 | 515 | 11,260 |
| Total Net Assets | <u>9,386,611</u> | <u>9,257,507</u> | 129,104 |
| Total LIABILITIES & NET ASSETS | <u>12,063,155</u> | <u>11,964,858</u> | <u>98,297</u> |

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

November 30, 2018

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget | Prior YTD Actual |
|--|----------------|-----------------|------------------|------------------|------------------|------------------|
| Income | | | | | | |
| 4000 - Membership Income | 367,569 | 324,254 | 4,184,287 | 3,707,746 | 4,032,000 | 3,692,120 |
| 4200 - Contract Fees & Event Income | 500 | 42 | 25,145 | 41,958 | 42,000 | 18,625 |
| 4300 - Royalties, Rent & Product Sales | 65 | 583 | 16,373 | 6,417 | 7,000 | 11,052 |
| 4900 - Other Income | 8,100 | 8,766 | 106,941 | 96,434 | 105,200 | 245,943 |
| Total Income | 376,234 | 333,645 | 4,332,746 | 3,852,555 | 4,186,200 | 3,967,740 |
| Expense | | | | | | |
| 5000 - Personnel Costs | | | | | | |
| 5010 - Compensation | 107,622 | 137,500 | 1,291,454 | 1,387,500 | 1,525,000 | 1,243,580 |
| 5020 - Bonus Pool | 0 | 0 | 29,205 | 29,000 | 100,000 | 28,278 |
| 5030 - Contract Labor / Temp Help | 0 | 167 | 0 | 1,833 | 2,000 | 5,447 |
| 5100 - Benefits & Taxes | 23,419 | 26,751 | 288,504 | 294,249 | 321,000 | 291,447 |
| Total 5000 - Personnel Costs | 131,041 | 164,418 | 1,609,163 | 1,712,582 | 1,948,000 | 1,568,752 |
| 5300 - Travel & Entertainment | | | | | | |
| 5310 - Staff Travel Costs | 3,123 | 22,461 | 65,675 | 86,789 | 91,250 | 72,532 |
| 5410 - Leadership Travel | 13,394 | 47,802 | 110,213 | 169,298 | 175,850 | 118,072 |
| Total 5300 Travel & Entertainment | 16,517 | 70,263 | 175,888 | 256,087 | 267,100 | 190,604 |
| 5600 - Professional Fees | 13,382 | 15,459 | 199,185 | 197,541 | 213,000 | 195,764 |
| 5700 - Technology & Equipment | 65,730 | 58,174 | 624,641 | 589,926 | 648,100 | 511,123 |
| 5900 - Office Costs | 13,578 | 8,263 | 110,987 | 66,887 | 78,150 | 88,447 |
| 6100 - Facility Costs | 19,578 | 22,071 | 210,846 | 242,779 | 264,850 | 429,224 |
| 7100 - Programmatic Costs | 9,035 | 40,334 | 475,346 | 542,416 | 571,750 | 823,481 |
| Total Expense | 268,861 | 378,982 | 3,406,056 | 3,608,218 | 3,990,950 | 3,807,395 |
| Net Ordinary Income | 107,373 | (45,337) | 926,690 | 244,337 | 195,250 | 160,345 |
| Other Income/Expense | | | | | | |
| Other Income | | | | | | |
| 4800 - Investment Income | 27,260 | 2,083 | (14,834) | 22,917 | 25,000 | 146,518 |
| Total Other Income | 27,260 | 2,083 | (14,834) | 22,917 | 25,000 | 146,518 |
| Other Expense | | | | | | |
| 8000 - Interest Expense | 5,529 | 0 | 46,856 | 0 | 0 | 21,903 |
| 8100 - Priority Return-Twain | 0 | 0 | 433 | 0 | 0 | 0 |
| Total Other Expense | 5,529 | 0 | 47,289 | 0 | 0 | 21,903 |
| Net Other Income (Expense) | 21,731 | 2,083 | (62,123) | 22,917 | 25,000 | 124,615 |
| Net Income (Loss) | 129,104 | (43,254) | 864,567 | 267,254 | 220,250 | 284,960 |

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

November 30, 2018

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|----------------|----------------|------------------|------------------|------------------|
| Income | | | | | |
| 4000 - Membership Income | | | | | |
| 4002 - Membership Dues | 307,608 | 267,221 | 3,344,525 | 3,066,571 | 3,333,792 |
| 4020 - Shared Fees, Local Boards | 8,057 | 8,000 | 87,616 | 88,000 | 96,000 |
| 4021 - State Application Fee (even years) | 12,800 | 20,000 | 378,624 | 220,000 | 240,000 |
| 4030 - RDF Dues | 33,389 | 29,033 | 364,777 | 333,175 | 362,208 |
| 4035 - RDF Issues Income | 5,715 | 0 | 8,745 | 0 | 0 |
| Total 4000 - Membership Income | <u>367,569</u> | <u>324,254</u> | <u>4,184,287</u> | <u>3,707,746</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 | 500 | 42 | 19,645 | 31,958 | 32,000 |
| Total 4200 - Contract Fees & Event Income | <u>500</u> | <u>42</u> | <u>25,145</u> | <u>41,958</u> | <u>42,000</u> |
| 4300 - Royalties, Rent & Product Sales | | | | | |
| 4301 - Royalty Income | 65 | 583 | 16,373 | 6,417 | 7,000 |
| Total 4300 - Royalties, Rent & Product Sales | <u>65</u> | <u>583</u> | <u>16,373</u> | <u>6,417</u> | <u>7,000</u> |
| 4900 - Other Income | | | | | |
| 4900 - Other Income | 0 | 0 | 19,091 | 0 | 0 |
| 4901 - Grant Income-Temp Restricted | 0 | 833 | 5,000 | 9,167 | 10,000 |
| 4910 - RECP Income | 7,100 | 7,100 | 78,100 | 78,100 | 85,200 |
| 4920 - Professional Standards Income | 1,000 | 833 | 4,750 | 9,167 | 10,000 |
| Total 4900 - Other Income | <u>8,100</u> | <u>8,766</u> | <u>106,941</u> | <u>96,434</u> | <u>105,200</u> |
| Total Income | 376,234 | 333,645 | 4,332,746 | 3,852,555 | 4,186,200 |
| Expense | | | | | |
| 5000 - Personnel Costs | | | | | |
| 5010 - Compensation | 107,622 | 137,500 | 1,291,454 | 1,387,500 | 1,525,000 |
| 5020 - Bonus Pool | 0 | 0 | 29,205 | 29,000 | 100,000 |
| 5030 - Contract Labor / Temp Help | 0 | 167 | 0 | 1,833 | 2,000 |
| 5100 - Benefits & Taxes | | | | | |
| 5110 - Health & Life Insurance | 4,904 | 8,417 | 77,354 | 92,583 | 101,000 |
| 5115 - Wellness Benefit | 156 | 417 | 2,045 | 4,583 | 5,000 |
| 5120 - Dental Insurance | 377 | 583 | 6,487 | 6,417 | 7,000 |
| 5125 - Disability Insurance | 6,612 | 500 | 10,480 | 5,500 | 6,000 |
| 5130 - Retirement Benefits | 4,049 | 5,542 | 57,403 | 60,958 | 66,500 |
| 5140 - Post-Employment Benefits | 1,223 | 1,875 | 15,380 | 20,625 | 22,500 |
| 5150 - Workers Compensation Insuranc | 630 | 750 | 6,934 | 8,250 | 9,000 |
| 5160 - Payroll Taxes | 4,653 | 6,667 | 87,545 | 73,333 | 80,000 |
| 5170 - Professional Development | 197 | 417 | 8,674 | 4,583 | 5,000 |
| 5180 - Dues & Subscriptions | 618 | 1,583 | 16,202 | 17,417 | 19,000 |

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

November 30, 2018

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|----------------|----------------|------------|------------|---------------|
| Total 5100 - Benefits & Taxes | 23,419 | 26,751 | 288,504 | 294,249 | 321,000 |
| Total 5000 - Personnel Costs | 131,041 | 164,418 | 1,609,163 | 1,712,582 | 1,948,000 |
| 5300 - Travel & Entertainment | | | | | |
| 5310 - Staff Travel Costs | | | | | |
| 5310 - Staff Travel | 120 | 4,167 | 13,457 | 16,833 | 17,500 |
| 5320 - Staff Lodging | 327 | 9,479 | 20,294 | 29,771 | 30,750 |
| 5330 - Staff Mileage | 1,743 | 1,209 | 10,048 | 8,541 | 9,250 |
| 5340 - Staff Meals | 933 | 2,939 | 14,952 | 19,311 | 20,750 |
| 5350 - Staff Hospitality | 0 | 583 | 2,144 | 2,417 | 2,500 |
| 5360 - Conference Registration Fees | 0 | 4,084 | 4,780 | 9,916 | 10,500 |
| Total 5310 - Staff Travel Costs | 3,123 | 22,461 | 65,675 | 86,789 | 91,250 |
| 5410 - Leadership Travel | | | | | |
| 5410 - Board / Volunteer Travel | 2,520 | 5,709 | 20,800 | 22,791 | 23,500 |
| 5420 - Board / Volunteer Lodging | 6,280 | 20,541 | 47,516 | 74,959 | 77,500 |
| 5430 - Board / Volunteer Mileage | 60 | 1,480 | 4,564 | 13,270 | 14,250 |
| 5440 - Board / Volunteer Meals | 2,465 | 11,654 | 27,378 | 40,196 | 41,850 |
| 5450 - Board / Volunteer Hospitality | 0 | 1,585 | 4,076 | 10,415 | 11,000 |
| 5460 - Conference Registration Fees | 2,069 | 6,833 | 5,879 | 7,667 | 7,750 |
| Total 5410 - Leadership Travel | 13,394 | 47,802 | 110,213 | 169,298 | 175,850 |
| Total 5300 Travel & Entertainment | 16,517 | 70,263 | 175,888 | 256,087 | 267,100 |
| 5600 - Professional Fees | | | | | |
| 5610 - Legal Services | 1,340 | 2,917 | 34,439 | 32,083 | 35,000 |
| 5620 - Audit & Tax Services | 1,700 | 0 | 41,168 | 27,500 | 27,500 |
| 5630 - Accounting Services | 8,842 | 10,417 | 107,078 | 114,583 | 125,000 |
| 5640 - Other Consulting Services | 0 | 625 | 0 | 6,875 | 7,500 |
| 5650 - President's Stipend | 1,500 | 1,500 | 16,500 | 16,500 | 18,000 |
| Total 5600 - Professional Fees | 13,382 | 15,459 | 199,185 | 197,541 | 213,000 |
| 5700 - Technology & Equipment | | | | | |
| 5710 - Technology Consulting Service | 64,728 | 55,167 | 555,908 | 556,833 | 612,000 |
| 5720 - Equipment Repairs & Maintenance | 0 | 83 | 756 | 917 | 1,000 |
| 5730 - Small Equipment Purchases | 16 | 625 | 3,601 | 6,875 | 7,500 |
| 5740 - Equipment > \$1000 | 0 | 83 | 41,077 | 917 | 1,000 |
| 5750 - Equipment Lease Payments | 711 | 833 | 8,547 | 9,167 | 10,000 |
| 5760 - Software & Licensing Fees | 275 | 1,383 | 14,752 | 15,217 | 16,600 |
| Total 5700 - Technology & Equipment | 65,730 | 58,174 | 624,641 | 589,926 | 648,100 |
| 5900 - Office Costs | | | | | |
| 5910 - Telephone | 3,886 | 1,708 | 39,828 | 18,792 | 20,500 |
| 5920 - Postage | 0 | 129 | 1,037 | 1,421 | 1,550 |

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

November 30, 2018

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|----------------|-----------------|------------------|------------------|------------------|
| 5925 - Shipping Expense | 106 | 8 | 124 | 92 | 100 |
| 5930 - Office Supplies | 832 | 334 | 8,092 | 3,666 | 4,000 |
| 5932 - Kitchen Supplies | 940 | 333 | 4,276 | 3,667 | 4,000 |
| 5940 - Printing | 0 | 625 | 8,706 | 6,875 | 7,500 |
| 5950 - Liability Insurance | 735 | 1,042 | 10,672 | 11,458 | 12,500 |
| 5960 - Licenses and Fees | 0 | 125 | 0 | 1,375 | 1,500 |
| 5970 - Bank & Credit Card Fees | 6,932 | 3,500 | 32,865 | 13,500 | 20,000 |
| 5980 - Miscellaneous | 147 | 459 | 5,387 | 6,041 | 6,500 |
| Total 5900 - Office Costs | 13,578 | 8,263 | 110,987 | 66,887 | 78,150 |
| 6100 - Facility Costs | | | | | |
| 6110 - Office Rent & Parking | 18,699 | 22,071 | 209,088 | 242,779 | 264,850 |
| 6180 - Property Taxes | 879 | 0 | 1,758 | 0 | 0 |
| Total 6100 - Facility Costs | 19,578 | 22,071 | 210,846 | 242,779 | 264,850 |
| 7100 - Programmatic Costs | | | | | |
| 7110 - Facility Rental | 0 | 250 | 7,600 | 2,750 | 3,000 |
| 7120 - Catering | 652 | 16,959 | 122,656 | 141,541 | 148,500 |
| 7130 - Honorarium/Speaker Fees | 2,600 | 1,749 | 20,261 | 26,751 | 28,500 |
| 7140 - Speaker Travel | 954 | 375 | 4,839 | 6,125 | 6,500 |
| 7150 - Plaques & Awards | 0 | 438 | 5,177 | 5,562 | 6,000 |
| 7160 - Event Sponsorships | 0 | 542 | 7,471 | 5,958 | 6,500 |
| 7170 - Curriculum | 0 | 125 | 677 | 1,375 | 1,500 |
| 7210 - Website Development / Hosting | 1,234 | 2,500 | 17,052 | 27,500 | 30,000 |
| 7220 - Internet Communications | 2,487 | 2,458 | 42,285 | 27,042 | 29,500 |
| 7225 - Publications | 588 | 625 | 11,984 | 18,375 | 19,000 |
| 7240 - Video Production & Editing | 0 | 126 | 749 | 1,374 | 1,500 |
| 7250 - Media / Public Relations Proj | 0 | 42 | 0 | 458 | 500 |
| 7310 - Other Program Costs | 520 | 8,813 | 59,412 | 70,437 | 78,250 |
| 7320 - Grants | 0 | 2,791 | 17,500 | 30,709 | 33,500 |
| 7330 - Electronic Forms | 0 | 0 | 156,183 | 148,500 | 148,500 |
| 7410 - Marketing Research | 0 | 541 | 0 | 5,959 | 6,500 |
| 7420 - Outreach | 0 | 459 | 1,500 | 5,041 | 5,500 |
| 7440 - Issue Research | 0 | 708 | 0 | 7,792 | 8,500 |
| 7450 - Legislative Advocacy | 0 | 833 | 0 | 9,167 | 10,000 |
| Total 7100 - Programmatic Costs | 9,035 | 40,334 | 475,346 | 542,416 | 571,750 |
| Total Expense | 268,861 | 378,982 | 3,406,056 | 3,608,218 | 3,990,950 |
| Net Ordinary Income | 107,373 | (45,337) | 926,690 | 244,337 | 195,250 |

Other Income/Expense

Other Income

4800 - Investment Income

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

November 30, 2018

| | 1 Month Actual | 1 Month Budget | YTD Actual | YTD Budget | Annual Budget |
|--|-----------------------|------------------------|-----------------------|-----------------------|-----------------------|
| 4810 - Interest & Dividend Income | 4,694 | 2,083 | 48,322 | 22,917 | 25,000 |
| 4811 - Interest Income (notes payable) | 4,539 | 0 | 42,314 | 0 | 0 |
| 4815 - Unrealized Gains/Losses | 18,027 | 0 | (66,194) | 0 | 0 |
| 4820 - Realized Gains/Losses | 0 | 0 | (21,990) | 0 | 0 |
| 4830 - Investment Management Fees | 0 | 0 | (17,286) | 0 | 0 |
| Total 4800 - Investment Income | <u>27,260</u> | <u>2,083</u> | <u>(14,834)</u> | <u>22,917</u> | <u>25,000</u> |
| Total Other Income | 27,260 | 2,083 | (14,834) | 22,917 | 25,000 |
| Other Expense | | | | | |
| 8000 - Interest Expense | 5,529 | 0 | 46,856 | 0 | 0 |
| 8100 - Priority Return-Twain | 0 | 0 | 433 | 0 | 0 |
| Total Other Expense | <u>5,529</u> | <u>0</u> | <u>47,289</u> | <u>0</u> | <u>0</u> |
| Net Other Income (Expense) | <u>21,731</u> | <u>2,083</u> | <u>(62,123)</u> | <u>22,917</u> | <u>25,000</u> |
| Net Income (Loss) | <u>129,104</u> | <u>(43,254)</u> | <u>864,567</u> | <u>267,254</u> | <u>220,250</u> |

Indiana Association of Realtors, Inc.
Statement of Cash Flows
Year To Date 11/30/2018

OPERATING ACTIVITIES

| | |
|--|-----------|
| Net Income | 864,567 |
| Adjustments to reconcile Net Income to net cash provided by operations | |
| 1200 - Accounts Receivable | 844 |
| 1203 - Due From 143 LLC | (183,971) |
| 1204 - Due From 143 LLC (P-ship) | 33,008 |
| 1211 - Dues Receivable | 35,388 |
| 1220 - Other Receivables | 1,550 |
| 1260 - Due from ISRE | 133,453 |
| 1310 - Prepaid Expense | 7,307 |
| 1350 - Other Deposits | 10,965 |
| 1390 - Revenue Clearing Account | 0 |
| 1540 - Alerus - 457(b) Investments | (33,766) |
| 2010 - Accounts Payable | (81,314) |
| 2020 - Rent Payable | (9,536) |
| 2040 - Accrued Payables | (39,700) |
| 2080 - RPAC Payable (Transmittal) | (97,324) |
| 2081 - RPAC Payable (Dues assessment) | 26,775 |
| 2095 - Prof Stds Escrow Liability | 750 |
| 2110 - FSA Plan Payable | 911 |
| 2150 - 457 Plan Liabilities | 33,766 |
| 2410 - Dues Payable, Even Year | (525,328) |
| 2415 - Dues Payable, Odd Year | 373,205 |
| 2430 - Unearned Registration Fees | 1,175 |
| Net cash provided by Operating Activities | 552,725 |

INVESTING ACTIVITIES

| | |
|---|-----------|
| 1510 - SEI Investments | 36,120 |
| 1525 - Realtors Defense Fund Invest | 21,963 |
| 1599 - Cash Owed by (to) IAR | (217,171) |
| 1630 - Furniture, Fixtures & Equipmen | (17,948) |
| Net Cash provided by Investing Activities | (177,036) |

FINANCING ACTIVITIES

| | |
|---|-----------|
| 2045 - Accrued Interest Payable | (3,398) |
| 1270 - Note Receivable | (405,785) |
| 1245 - Accrued Interest Receivable | (42,315) |
| 2036 - Line of Credit-ONB (\$1.3mil) | 405,785 |
| Net cash provided by Financing Activities | (45,713) |

| | |
|-----------------------------|---------|
| Net cash change for period | 329,976 |
| Cash at beginning of period | 424,599 |
| Cash at end of period | 754,576 |

**Indiana Association of Realtors, Inc.
Adoption of ASU No. 2016-14 Disclosure
Selected Information**

For the eleven months ended November 30, 2018 and year ending December 31, 2018

Adoption of ASU No. 2016-14

The organization adopted ASU No. 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financials Statements of Not-for-Profit Entities*, and has adjusted the presentation of its financial statements accordingly, applying the changes retrospectively to the comparative period presented. The new standard changes the following aspects of the organization’s financials statements:

- The temporarily restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions
- The unrestricted net asset class has been renamed net assets without donor restrictions.

| | Before Adoption of ASU 2016-14 | | After Adoption of ASU 2016-14 |
|----------------------------------|-----------------------------------|-------------------------|----------------------------------|
| Net Asset Classifications | October 31, 2018 | Reclassification | October 31, 2018 |
| Unrestricted | \$ 7,423,812 | (\$7,423,812) | \$ - |
| Unrestricted-RDF | \$ 1,833,695 | (\$1,833,695) | \$ - |
| Undesignated | \$ - | \$7,423,812 | \$7,423,812 |
| Board Designated-RDF | \$ - | \$1,833,695 | \$1,833,695 |
| Total Net Assets | \$ 9,257,507 | \$ - | \$ 9,257,507 |

| | Before Adoption of ASU 2016-14 | | After Adoption of ASU 2016-14 |
|---|-----------------------------------|-------------------------|----------------------------------|
| Net Asset Classifications | November 30, 2018 | Reclassification | November 30, 2018 |
| Unrestricted | \$ 7,511,089 | (\$ 7,511,089) | \$ - |
| Unrestricted-RDF | \$ 1,863,747 | (\$ 1,863,747) | \$ - |
| Temporarily Restricted-RDF Local Issues | \$ 11,775 | (\$ 11,775) | \$ - |
| Undesignated | \$ - | \$ 7,511,089 | \$ 7,511,089 |
| Board Designated-RDF | \$ - | \$ 1,863,747 | \$ 1,863,747 |
| With Donor Restrictions-RDF Local Issues | \$ - | \$ 11,775 | \$ 11,775 |
| Total Net Assets | \$ 9,386,611 | \$ - | \$ 9,386,611 |

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information
For the eleven months ended November 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 October 31, 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%