

Indiana Association of Realtors

February 2016

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances increased during February by \$1,391,000, with ending balance of \$3,452,000 due to payments received for 2016 dues and application fees.
- Accounts receivable increased by \$4,000 due to Realist billings for February.
- Dues receivable decreased by \$7,000 due to payments received in February for 2015 dues/SAPP.
- Prepaid expenses decreased by \$13,000 due to amortization of expenses during the month.
- The amounts Due from One Forty Three LLC increased by \$26,000 during the month due to a transfer of cash from IAR. Balance at month end was \$3,087,000.
- The amount Due from ISRE decreased by \$25,000 during the month resulting in an ending balance of \$473,000. There was a payment of \$92,400 from ISRE to IAR during the month.
- IAR investments increased by \$23,000, and RDF investments increased by \$6,000 during the month mostly due to unrealized gains.
- Accounts payable increased by \$56,000 from the prior month due mostly to invoices for the Legislative conference held earlier in the month.
- Dues payable increased from \$1,274,000 to \$2,633,000 in February due to 2016 dues collected during the month. This balance will be amortized over the remaining months in 2016 and recognized as income.

Income Statement

- Net income of \$109,000 was recorded for the month, which represents net income from operations of \$80,000 and investment income of \$29,000. February's net income is higher than budgeted net income of \$54,000 by \$56,000.
- Net income YTD was \$22,000 vs a budgeted net loss of (\$47,000). Net loss YTD from the prior year was (\$19,000).
- Membership income for the current month was \$417,000, which is above the monthly budget of \$392,000 by \$25,000. Membership income YTD was \$554,000, which is above the YTD budget of \$534,000 by \$20,000. Membership income for current year is \$2,500 less than the prior year (less than 1%).
- Total income for the month was \$430,000, which is above the monthly budget of \$403,000 by \$27,000. The over budget position is mostly due to Membership Income.
- Total income YTD was \$580,000, which is above the YTD budget of \$560,000 by \$20,000.
- Total income YTD was also above the prior year YTD income of \$575,000 by \$5,000.
- Total expenses for the month are \$350,000, which are under budget by \$2,000 or less than 1%.
- Total expenses YTD are \$590,000 and are under budget by \$21,000 or 3%.
- Expenses YTD are below the prior year by \$51,000 or 8%, mostly due to programmatic costs – 2015 expenses included costs for forms and issues research that did not occur in Jan-Feb of current year.

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

February 29, 2016

	02/29/2016	01/31/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	3,452,361	2,061,344	1,391,017
Total Checking/Savings	3,452,361	2,061,344	1,391,017
Other Current Assets			
1200 - Accounts Receivable	25,405	28,680	(3,275)
1300 - Other Current Assets	80,458	93,287	(12,829)
Total Other Current Assets	105,863	121,967	(16,104)
Total Current Assets	3,558,224	2,183,311	1,374,913
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	43,481	43,482	0
Total Fixed Assets	43,481	43,482	0
Other Assets			
1203 - Intercompany Loans Receivable	3,560,179	3,559,358	819
1500 - Investments	3,321,802	3,268,665	53,138
Total Other Assets	6,881,981	6,828,023	53,957
Total ASSETS	10,483,686	9,054,816	1,428,870
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	152,874	96,496	56,378
Total Accounts Payable	152,874	96,496	56,378
Other Current Liabilities			
2025 - Other Current Liabilities	72,536	165,336	(92,800)
2100 - Payroll Liabilities	267,801	267,801	0
2400 - Deferred Dues & Other Revenue	2,633,455	1,277,548	1,355,907
Total Other Current Liabilities	2,973,792	1,710,685	1,263,107
Total Current Liabilities	3,126,666	1,807,181	1,319,485
Total Liabilities	3,126,666	1,807,181	1,319,485
NET ASSETS			
3010 - Unrestricted Net Assets	5,689,397	5,807,494	(118,097)
3020 - REALTORS Defense Fund	1,558,238	1,527,633	30,605
Net Income	109,385	(87,492)	196,877
Total Net Assets	7,357,020	7,247,635	109,385
Total LIABILITIES & NET ASSETS	10,483,686	9,054,816	1,428,870

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

February 29, 2016

	02/29/2016	01/31/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1000-IAR. - Bill.com Clearing Account - IAR	105	0	105
1010 - Petty Cash	120	120	0
1020 - IAR Checking	2,527,905	1,025,704	1,502,200
1029 - First Merchants Checking	15,203	765,099	(749,895)
1040 - Transmittal Checking Account	35,391	120,066	(84,675)
1050 - PayPal	515	3,175	(2,660)
1110 - First Merchants CDARS	750,000	0	750,000
1118 - REALTORS Federal Credit Union	266,017	266,017	0
1125 - IAR-Prof Standards Escrow	15,000	15,000	0
1199 - Cash Owed (to) by RDF	(157,895)	(133,837)	(24,058)
Total 1000 - Cash Accounts	<u>3,452,361</u>	<u>2,061,344</u>	<u>1,391,017</u>
Total Checking/Savings	3,452,361	2,061,344	1,391,017
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	13,380	9,676	3,704
1211 - Dues Receivable	11,976	18,945	(6,969)
1250 - Employee Advances	49	59	(10)
Total 1200 - Accounts Receivable	<u>25,405</u>	<u>28,680</u>	<u>(3,275)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	68,905	81,734	(12,829)
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>80,458</u>	<u>93,287</u>	<u>(12,829)</u>
Total Other Current Assets	<u>105,863</u>	<u>121,967</u>	<u>(16,104)</u>
Total Current Assets	<u>3,558,224</u>	<u>2,183,311</u>	<u>1,374,913</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1630 - Furniture, Fixtures & Equipmen	249,422	249,422	0
Total 1605 - Land, Buildings & Equipment	<u>249,422</u>	<u>249,422</u>	<u>0</u>
1655 - Accumulated Depreciation			
1680 - Accum. Depreciation - FF&E	(205,941)	(205,940)	0
Total 1655 - Accumulated Depreciation	<u>(205,941)</u>	<u>(205,940)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>43,481</u>	<u>43,482</u>	<u>0</u>
Total Fixed Assets	<u>43,481</u>	<u>43,482</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1203 - Due From 143 LLC	3,087,130	3,061,220	25,908
1260 - Due from ISRE	473,049	498,138	(25,089)
Total - 1203 - Intercompany Loans Receivable	<u>3,560,179</u>	<u>3,559,358</u>	<u>819</u>
1500 - Investments			
1510 - SEI Investments	1,728,068	1,705,413	22,656
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,400,220	1,393,796	6,424
1599 - Cash Owed by (to) IAR	157,895	133,837	24,058
Total 1520 - Realtor's Defense Fund Assets	<u>1,558,115</u>	<u>1,527,633</u>	<u>30,482</u>

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

February 29, 2016

	02/29/2016	01/31/2016	Difference
1530 - Cambridge Ventures L.P.	94,458	94,458	0
1540 - Alerus - 457(b) Investments	166,895	166,895	0
1810 - Investment in ISRE	(225,734)	(225,734)	0
Total 1500 - Investments	<u>3,321,802</u>	<u>3,268,665</u>	53,138
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	<u>0</u>	<u>0</u>	0
Total Other Assets	<u>6,881,981</u>	<u>6,828,023</u>	53,957
Total ASSETS	<u>10,483,686</u>	<u>9,054,816</u>	<u>1,428,870</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	152,874	96,496	56,378
Total Accounts Payable	<u>152,874</u>	<u>96,496</u>	56,378
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	37,145	45,270	(8,125)
2080 - RPAC Payable	35,391	120,066	(84,675)
Total 2025 - Other Current Liabilities	<u>72,536</u>	<u>165,336</u>	(92,800)
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	100,906	100,906	0
2130 - 401(k) Payable	0	0	0
2150 - 457 Plan Liabilities	166,895	166,895	0
Total 2100 - Payroll Liabilities	<u>267,801</u>	<u>267,801</u>	0
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	2,633,455	1,274,123	1,359,332
2420 - Misc. Prepaid Receipts	0	3,425	(3,425)
Total 2400 - Deferred Dues & Other Revenue	<u>2,633,455</u>	<u>1,277,548</u>	1,355,907
Total Other Current Liabilities	<u>2,973,792</u>	<u>1,710,685</u>	1,263,107
Total Current Liabilities	<u>3,126,666</u>	<u>1,807,181</u>	1,319,485
Total Liabilities	<u>3,126,666</u>	<u>1,807,181</u>	1,319,485
NET ASSETS			
3010 - Unrestricted Net Assets	5,689,397	5,807,494	(118,097)
3020 - REALTORS Defense Fund	1,558,238	1,527,633	30,605
Net Income	109,385	(87,492)	196,877
Total Net Assets	<u>7,357,020</u>	<u>7,247,635</u>	109,385
Total LIABILITIES & NET ASSETS	<u>10,483,686</u>	<u>9,054,816</u>	<u>1,428,870</u>

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>Prior YTD Actual</u>
Ordinary Income/Expense						
Income						
4000 - Membership Income	417,038	391,833	554,442	534,167	3,441,400	556,934
4200 - Contract Fees & Event Income	4,390	2,500	9,920	8,500	70,000	3,475
4300- Royalties, Rent & Product Sales	1,119	1,250	1,118	2,500	15,000	430
4900 - Other Income	7,300	7,642	14,640	15,283	101,700	14,450
Total Income	<u>429,847</u>	<u>403,225</u>	<u>580,120</u>	<u>560,450</u>	<u>3,628,100</u>	<u>575,289</u>
Expense						
5000 - Personnel Costs	153,932	160,318	282,828	296,637	1,734,824	262,989
5300 - Travel & Entertainment	13,119	25,375	20,723	35,274	245,647	18,351
5600 - Professional Fees	38,114	36,383	50,819	61,167	304,499	49,621
5700 - Technology & Equipment	39,248	46,417	84,686	92,833	557,000	102,210
5900 - Office Costs	7,768	4,780	18,523	13,661	72,048	18,694
6100 - Facility Costs	11,145	7,484	22,293	14,969	322,169	20,940
7100 - Programmatic Costs	86,321	70,592	110,549	97,133	640,423	168,829
Total Expense	<u>349,647</u>	<u>351,349</u>	<u>590,421</u>	<u>611,674</u>	<u>3,876,610</u>	<u>641,634</u>
Net Ordinary Income	80,200	51,876	(10,301)	(51,224)	(248,510)	(66,345)
Other Income/Expense						
Other Income						
4800 - Investment Income	29,185	2,084	32,193	4,166	24,999	46,951
Total Other Income	<u>29,185</u>	<u>2,084</u>	<u>32,193</u>	<u>4,166</u>	<u>24,999</u>	<u>46,951</u>
Net Other Income	<u>29,185</u>	<u>2,084</u>	<u>32,193</u>	<u>4,166</u>	<u>24,999</u>	<u>46,951</u>
Net Income	<u>109,385</u>	<u>53,960</u>	<u>21,892</u>	<u>(47,058)</u>	<u>(223,511)</u>	<u>(19,394)</u>

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4000 - Membership Income					
4002 - Membership Dues	333,954	330,000	436,601	435,000	2,824,523
4020 - Shared Fees, Local Boards	46,207	7,500	53,401	15,000	90,000
4021 - State Application Fee	0	18,333	16,212	36,667	220,000
4030 - RDF Dues	36,877	36,000	48,228	47,500	306,877
Total 4000 - Membership Income	<u>417,038</u>	<u>391,833</u>	<u>554,442</u>	<u>534,167</u>	<u>3,441,400</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	1,000	2,500	1,000	5,000	30,000
4201 - Registration Income	3,390	0	8,920	3,500	40,000
Total 4200 - Contract Fees & Event Income	<u>4,390</u>	<u>2,500</u>	<u>9,920</u>	<u>8,500</u>	<u>70,000</u>
4300- Royalties, Rent & Product Sales					
4301 - Royalty Income	1,119	1,250	1,118	2,500	15,000
Total 4300 - Royalties, Rent & Product Sales	<u>1,119</u>	<u>1,250</u>	<u>1,118</u>	<u>2,500</u>	<u>15,000</u>
4900 - Other Income					
4900 - Other Income	200	0	440	0	10,000
4910 - RECP Income	7,100	7,100	14,200	14,200	85,200
4920 - Professional Standards Income	0	542	0	1,083	6,500
Total 4900 - Other Income	<u>7,300</u>	<u>7,642</u>	<u>14,640</u>	<u>15,283</u>	<u>101,700</u>
Total Income	429,847	403,225	580,120	560,450	3,628,100
Expense					
5000 - Personnel Costs					
5010 - Compensation	101,105	109,381	202,079	218,762	1,312,575
5020 - Bonus Pool	24,000	24,000	24,000	24,000	99,000
5030 - Contract Labor / Temp Help	1,200	458	1,200	917	5,500
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	6,451	8,334	11,908	16,666	100,000
5115 - Wellness Benefit	747	166	845	334	2,000
5120 - Dental Insurance	613	667	1,160	1,333	8,000
5125 - Disability Insurance	1,043	1,250	1,874	2,500	15,000
5130 - Retirement Benefits	4,211	5,000	9,177	10,000	60,000
5140 - Post-Employment Benefits	1,762	1,667	3,524	3,333	20,000
5150 - Workers Compensation Insuranc	425	583	850	1,167	7,000
5160 - Payroll Taxes	10,396	6,667	20,728	13,333	80,000
5170 - Professional Development	0	395	250	792	4,750
5180 - Dues & Subscriptions	1,979	1,750	5,233	3,500	20,999

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Total 5100 - Benefits & Taxes	<u>27,627</u>	<u>26,479</u>	<u>55,549</u>	<u>52,958</u>	<u>317,749</u>
Total 5000 - Personnel Costs	<u>153,932</u>	<u>160,318</u>	<u>282,828</u>	<u>296,637</u>	<u>1,734,824</u>
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	611	1,042	877	1,583	14,500
5320 - Staff Lodging	836	4,367	851	6,033	43,499
5330 - Staff Mileage	340	1,220	803	2,167	13,150
5340 - Staff Meals	928	2,025	2,415	3,650	25,199
5350 - Staff Hospitality	415	1,684	415	2,767	17,750
5360 - Conference Registration Fees	0	0	0	0	8,600
Total 5310 - Staff Travel Costs	<u>3,130</u>	<u>10,338</u>	<u>5,361</u>	<u>16,200</u>	<u>122,698</u>
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	299	841	1,170	1,433	19,850
5420 - Board / Volunteer Lodging	3,614	4,696	5,464	5,841	49,250
5430 - Board / Volunteer Mileage	1,197	1,559	1,695	2,317	13,599
5440 - Board / Volunteer Meals	4,395	6,300	5,502	7,300	24,750
5450 - Board / Volunteer Hospitality	484	1,474	1,081	1,850	8,500
5460 - Conference Registration Fees	0	167	450	333	7,000
Total 5410 - Leadership Travel	<u>9,989</u>	<u>15,037</u>	<u>15,362</u>	<u>19,074</u>	<u>122,949</u>
Total 5300 Travel & Entertainment	<u>13,119</u>	<u>25,375</u>	<u>20,723</u>	<u>35,274</u>	<u>245,647</u>
5600 - Professional Fees					
5610 - Legal Services	98	2,042	2,056	4,084	24,499
5620 - Audit & Tax Services	14,200	13,300	15,900	15,000	27,500
5630 - Accounting Services	17,652	11,666	20,693	23,333	140,000
5640 - Other Consulting Services	4,664	7,875	9,170	15,750	94,500
5650 - President's Stipend	1,500	1,500	3,000	3,000	18,000
Total 5600 - Professional Fees	<u>38,114</u>	<u>36,383</u>	<u>50,819</u>	<u>61,167</u>	<u>304,499</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	38,558	44,334	81,639	88,666	532,000
5720 - Equipment Repairs & Maintenance	0	83	0	167	1,000
5730 - Small Equipment Purchases	36	500	118	1,000	6,000
5740 - Equipment > \$1000	0	833	0	1,667	10,000
5750 - Equipment Lease Payments	575	459	968	916	5,500
5760 - Software & Licensing Fees	79	208	1,961	417	2,500
Total 5700 - Technology & Equipment	<u>39,248</u>	<u>46,417</u>	<u>84,686</u>	<u>92,833</u>	<u>557,000</u>
5900 - Office Costs					
5910 - Telephone	5,907	2,083	9,178	4,167	25,000

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5920 - Postage	0	134	201	266	1,600
5925 - Shipping Expense	0	0	58	0	0
5930 - Office Supplies	41	521	329	1,042	6,250
5932 - Kitchen Supplies	269	250	655	500	3,000
5934 - Bathroom Supplies	0	83	0	167	1,000
5940 - Printing	46	392	461	783	4,699
5950 - Liability Insurance	202	625	385	1,250	7,500
5960 - Licenses and Fees	0	166	0	333	2,000
5970 - Bank & Credit Card Fees	1,048	317	6,934	4,736	18,499
5980 - Miscellaneous	255	209	322	417	2,500
Total 5900 - Office Costs	7,768	4,780	18,523	13,661	72,048
6100 - Facility Costs					
6110 - Office Rent & Parking	10,406	7,401	21,043	14,803	88,816
6115 - Other temp office costs	0	0	0	0	227,353
6120 - Utilities	116	0	232	0	0
6170 - Property Insurance	623	83	1,018	166	1,000
6180 - Property Taxes	0	0	0	0	5,000
Total 6100 - Facility Costs	11,145	7,484	22,293	14,969	322,169
7100 - Programmatic Costs					
7110 - Facility Rental	8,548	1,708	8,548	1,917	7,000
7120 - Catering	54,686	28,217	54,686	30,383	94,250
7130 - Honorarium/Speaker Fees	2,735	10,667	4,235	12,334	37,000
7140 - Speaker Travel	0	2,841	1,124	3,183	7,600
7150 - Plaques & Awards	2,630	0	3,625	0	7,000
7160 - Event Sponsorships	540	1,042	5,540	2,083	12,500
7210 - Website Development / Hosting	1,200	2,917	3,250	5,834	34,999
7215 - Clipping Service	0	250	0	500	3,000
7220 - Internet Communications	941	833	2,656	1,666	10,000
7225 - Publications	2,691	1,554	5,907	2,109	7,650
7240 - Video Production & Editing	0	1,500	1,150	1,500	3,000
7250 - Media / Public Relations Proj	10	500	10	500	500
7260 - Advertising/Marketing	220	0	220	0	0
7310 - Other Program Costs	11,620	13,813	19,098	25,624	150,250
7320 - Grants	0	0	0	0	32,500
7330 - Electronic Forms	0	0	0	0	161,175
7410 - Marketing Research	0	2,083	0	4,167	25,000
7420 - Outreach	500	583	500	1,167	7,000
7430 - Legislative Issues	0	417	0	833	5,000
7440 - Issue Research	0	0	0	0	15,000
7450 - Legislative Advocacy	0	1,667	0	3,333	19,999

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Total 7100 - Programmatic Costs	86,321	70,592	110,549	97,133	640,423
Total Expense	349,647	351,349	590,421	611,674	3,876,610
Net Ordinary Income	80,200	51,876	(10,301)	(51,224)	(248,510)
Other Income/Expense					
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	2,263	2,084	4,857	4,166	24,999
4815 - Unrealized Gains/Losses	26,922	0	(9,714)	0	0
4820 - Realized Gains/Losses	0	0	41,077	0	0
4830 - Investment Management Fees	0	0	(4,027)	0	0
Total 4800 - Investment Income	29,185	2,084	32,193	4,166	24,999
Total Other Income	29,185	2,084	32,193	4,166	24,999
Net Other Income	29,185	2,084	32,193	4,166	24,999
Net Income	109,385	53,960	21,892	(47,058)	(223,511)

Indiana Association of Realtors, Inc.
Selected Information
February 2016 Financial Statements

The monthly financial statements for Indiana Association of Realtors are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements have not been subjected to an audit, review, or compilation engagement; and no assurance is provided on them.

The accompanying financial statements include the following departures from accounting principles generally accepted in the United States of America:

- 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.
- The Balance Sheet includes a comparison with the period ended January 31, 2016 for additional meaningful data for management and the board.
- 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.
- Budget information is presented without notes on significant assumptions used in developing the budget.

The effects of these departures have not been determined.