

Indiana Association of Realtors

March 2016

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during March by \$325,000, with ending balance of \$3,126,000 due to disbursements for the month being in excess of cash receipts.
- Accounts receivable decreased by \$6,000 due to membership dues collected in March.
- Prepaid expenses increased by \$11,000 due to payments made for insurance and the new website.
- The amounts Due from One Forty Three LLC increased by \$1,000 during the month due to expenses paid by IAR. Balance at month end was \$3,088,000.
- The amount Due from ISRE decreased by \$10,000 during the month resulting in an ending balance of \$463,000. There was a payment of \$88,000 from ISRE to IAR during the month.
- IAR investments increased by \$39,000, and RDF investments increased by \$23,000 during the month mostly due to unrealized gains.
- Accounts payable decreased by \$95,000 from the prior month due mostly to invoices for the Legislative conference being paid in March.
- Dues payable decreased from \$2,633,000 to \$2,365,000 in March due to the amortization of dues received in prior months. This balance will be amortized over the remaining months in 2016 and recognized as income.

Income Statement

- Net income of \$106,000 was recorded for the month, which represents net income from operations of \$44,000 and investment income of \$62,000. March's net income is higher than budgeted net income of (\$14,000) by \$120,000.
- Net income YTD was \$127,000 vs a budgeted net loss of (\$61,000). Net income YTD from the prior year was \$30,000.
- Membership income for the current month was \$319,000, which is above the monthly budget of \$291,000 by \$28,000. Membership income YTD was \$873,000, which is above the YTD budget of \$825,000 by \$48,000. Membership income for current year is \$17,000 higher than the prior year or 2%.
- Total income for the month was \$323,000, which is above the monthly budget of \$302,000 by \$21,000. The over budget position is mostly due to Membership Income.
- Total income YTD was \$903,000, which is above the YTD budget of \$863,000 by \$41,000.
- Total income YTD was also above the prior year YTD income of \$883,000 by \$21,000.
- Total expenses for the month are \$279,000, which are under budget by \$39,000 or 12%, which is mostly due to Personnel Costs, Technology & Equipment and Programmatic Costs being under budget.
- Registration Income has a negative balance for March due to Legislative Conference income related to Professional Standards and Ethics courses being transferred to ISRE.
- Total expenses YTD are \$870,000 and are under budget by \$59,000 or 6%, mostly due to Personnel Costs, Technology & Equipment and Programmatic Costs being under budget.
- Expenses YTD are below the prior year by \$37,000 or 4%, mostly due to Professional Fees, Technology & Equipment and Programmatic Costs being less than the prior YTD.
- 2015 expenses included costs for issues research that did not occur in Jan-March of current year.

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

March 31, 2016

	03/31/2016	02/29/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	3,125,770	3,450,768	(324,998)
Total Checking/Savings	<u>3,125,770</u>	<u>3,450,768</u>	<u>(324,998)</u>
Other Current Assets			
1200 - Accounts Receivable	19,062	25,404	(6,342)
1300 - Other Current Assets	91,631	80,458	11,172
Total Other Current Assets	<u>110,693</u>	<u>105,862</u>	<u>4,830</u>
Total Current Assets	<u>3,236,463</u>	<u>3,556,630</u>	<u>(320,168)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	43,481	43,482	0
Total Fixed Assets	<u>43,481</u>	<u>43,482</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	3,551,152	3,560,184	(9,032)
1500 - Investments	3,408,071	3,321,802	86,269
Total Other Assets	<u>6,959,223</u>	<u>6,881,986</u>	<u>77,237</u>
Total ASSETS	<u>10,239,167</u>	<u>10,482,098</u>	<u>(242,931)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	57,604	152,874	(95,270)
Total Accounts Payable	<u>57,604</u>	<u>152,874</u>	<u>(95,270)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	78,640	71,916	6,724
2100 - Payroll Liabilities	275,308	267,801	7,507
2400 - Deferred Dues & Other Revenue	2,365,419	2,633,455	(268,037)
Total Other Current Liabilities	<u>2,719,367</u>	<u>2,973,172</u>	<u>(253,806)</u>
Total Current Liabilities	<u>2,776,971</u>	<u>3,126,046</u>	<u>(349,076)</u>
Total Liabilities	<u>2,776,971</u>	<u>3,126,046</u>	<u>(349,076)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	5,758,613	5,689,397	69,217
3020 - REALTORS Defense Fund	1,597,438	1,558,238	39,200
Net Income	106,145	108,417	(2,272)
Total Net Assets	<u>7,462,196</u>	<u>7,356,052</u>	<u>106,145</u>
Total LIABILITIES & NET ASSETS	<u>10,239,167</u>	<u>10,482,098</u>	<u>(242,931)</u>

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

March 31, 2016

	03/31/2016	02/29/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking	2,211,448	2,526,416	(314,969)
1029 - First Merchants Checking	15,204	15,204	1
1040 - Transmittal Checking Account	42,114	35,390	6,724
1050 - PayPal	500	516	(15)
1110 - First Merchants CDARS	750,000	750,000	0
1118 - REALTORS Federal Credit Union	265,656	266,017	(362)
1125 - IAR-Prof Standards Escrow	15,000	15,000	0
1199 - Cash Owed (to) by RDF	(174,272)	(157,895)	(16,377)
Total 1000 - Cash Accounts	<u>3,125,770</u>	<u>3,450,768</u>	<u>(324,998)</u>
Total Checking/Savings	3,125,770	3,450,768	(324,998)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	14,626	13,380	1,246
1211 - Dues Receivable	4,388	11,976	(7,588)
1250 - Employee Advances	48	48	0
Total 1200 - Accounts Receivable	<u>19,062</u>	<u>25,404</u>	<u>(6,342)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	80,078	68,905	11,172
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>91,631</u>	<u>80,458</u>	<u>11,172</u>
Total Other Current Assets	<u>110,693</u>	<u>105,862</u>	<u>4,830</u>
Total Current Assets	<u>3,236,463</u>	<u>3,556,630</u>	<u>(320,168)</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	3,088,038	3,087,129	909
1260 - Due from ISRE	463,114	473,055	(9,941)
Total - 1203 - Intercompany Loans Receivable	<u>3,551,152</u>	<u>3,560,184</u>	<u>(9,032)</u>
1500 - Investments			
1510 - SEI Investments	1,767,508	1,728,069	39,439
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,423,166	1,400,219	22,946
1599 - Cash Owed by (to) IAR	174,272	157,895	16,377
Total 1520 - Realtor's Defense Fund Assets	<u>1,597,438</u>	<u>1,558,114</u>	<u>39,323</u>
1530 - Cambridge Ventures L.P.	94,458	94,458	0

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

March 31, 2016

	03/31/2016	02/29/2016	Difference
1540 - Alerus - 457(b) Investments	174,401	166,895	7,507
1810 - Investment in ISRE	(225,734)	(225,734)	0
Total 1500 - Investments	<u>3,408,071</u>	<u>3,321,802</u>	<u>86,269</u>
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>6,959,223</u>	<u>6,881,986</u>	<u>77,237</u>
Total ASSETS	<u>10,239,167</u>	<u>10,482,098</u>	<u>(242,931)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	57,604	152,874	(95,270)
Total Accounts Payable	<u>57,604</u>	<u>152,874</u>	<u>(95,270)</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	36,525	36,525	0
2080 - RPAC Payable	42,115	35,391	6,724
Total 2025 - Other Current Liabilities	<u>78,640</u>	<u>71,916</u>	<u>6,724</u>
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	100,907	100,906	0
2130 - 401(k) Payable	0	0	0
2150 - 457 Plan Liabilities	174,401	166,895	7,507
Total 2100 - Payroll Liabilities	<u>275,308</u>	<u>267,801</u>	<u>7,507</u>
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	2,365,419	2,633,455	(268,037)
Total 2400 - Deferred Dues & Other Revenue	<u>2,365,419</u>	<u>2,633,455</u>	<u>(268,037)</u>
Total Other Current Liabilities	<u>2,719,367</u>	<u>2,973,172</u>	<u>(253,806)</u>
Total Current Liabilities	<u>2,776,971</u>	<u>3,126,046</u>	<u>(349,076)</u>
Total Liabilities	<u>2,776,971</u>	<u>3,126,046</u>	<u>(349,076)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	5,758,613	5,689,397	69,217
3020 - REALTORS Defense Fund	1,597,438	1,558,238	39,200
Net Income	106,145	108,417	(2,272)
Total Net Assets	<u>7,462,196</u>	<u>7,356,052</u>	<u>106,145</u>
Total LIABILITIES & NET ASSETS	<u>10,239,167</u>	<u>10,482,098</u>	<u>(242,931)</u>

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

March 31, 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	318,816	290,726	873,258	824,893	3,441,400	855,582
4200 - Contract Fees & Event Income	(2,990)	2,500	6,929	11,000	70,000	3,475
4300- Royalties, Rent & Product Sales	0	1,250	1,119	3,750	15,000	430
4900 - Other Income	7,288	7,642	21,927	22,925	101,700	23,139
Total Income	<u>323,114</u>	<u>302,118</u>	<u>903,233</u>	<u>862,568</u>	<u>3,628,100</u>	<u>882,626</u>
Expense						
5000 - Personnel Costs	129,640	136,318	412,467	432,955	1,734,824	381,878
5300 - Travel & Entertainment	17,549	9,900	39,140	45,174	245,647	32,615
5600 - Professional Fees	26,415	23,083	77,234	84,250	304,499	95,926
5700 - Technology & Equipment	40,107	46,417	124,794	139,250	557,000	144,285
5900 - Office Costs	6,459	4,667	25,080	18,327	72,048	25,958
6100 - Facility Costs	11,440	7,484	33,734	22,454	322,169	33,356
7100 - Programmatic Costs	47,384	89,960	157,932	187,094	640,423	193,234
Total Expense	<u>278,994</u>	<u>317,829</u>	<u>870,381</u>	<u>929,504</u>	<u>3,876,610</u>	<u>907,252</u>
Net Ordinary Income	44,120	(15,711)	32,852	(66,936)	(248,510)	(24,626)
Other Income/Expense						
Other Income						
4800 - Investment Income	62,024	2,083	94,217	6,250	24,999	54,495
Total Other Income	<u>62,024</u>	<u>2,083</u>	<u>94,217</u>	<u>6,250</u>	<u>24,999</u>	<u>54,495</u>
Net Other Income	<u>62,024</u>	<u>2,083</u>	<u>94,217</u>	<u>6,250</u>	<u>24,999</u>	<u>54,495</u>
Net Income	<u>106,144</u>	<u>(13,628)</u>	<u>127,069</u>	<u>(60,686)</u>	<u>(223,511)</u>	<u>29,869</u>

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

March 31, 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	266,477	238,955	703,078	673,955	2,824,523
4020 - Shared Fees, Local Boards	23,297	7,500	76,697	22,500	90,000
4021 - State Application Fee	0	18,333	16,212	55,000	220,000
4030 - RDF Dues	29,042	25,938	77,271	73,438	306,877
Total 4000 - Membership Income	<u>318,816</u>	<u>290,726</u>	<u>873,258</u>	<u>824,893</u>	<u>3,441,400</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	2,500	1,000	7,500	30,000
4201 - Registration Income	(2,880)	0	6,039	3,500	40,000
4220 - Contract Service Fees, IAR	(110)	0	(110)	0	0
Total 4200 - Contract Fees & Event Income	<u>(2,990)</u>	<u>2,500</u>	<u>6,929</u>	<u>11,000</u>	<u>70,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	0	1,250	1,119	3,750	15,000
Total 4300 - Royalties, Rent & Product Sales	<u>0</u>	<u>1,250</u>	<u>1,119</u>	<u>3,750</u>	<u>15,000</u>
4900 - Other Income					
4900 - Other Income	188	0	627	0	10,000
4910 - RECP Income	7,100	7,100	21,300	21,300	85,200
4920 - Professional Standards Income	0	542	0	1,625	6,500
Total 4900 - Other Income	<u>7,288</u>	<u>7,642</u>	<u>21,927</u>	<u>22,925</u>	<u>101,700</u>
Total Income	323,114	302,118	903,233	862,568	3,628,100
Expense					
5000 - Personnel Costs					
5010 - Compensation	101,052	109,381	303,129	328,143	1,312,575
5020 - Bonus Pool	0	0	24,000	24,000	99,000
5030 - Contract Labor / Temp Help	2,400	458	3,600	1,375	5,500
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	5,953	8,334	17,862	25,000	100,000
5115 - Wellness Benefit	241	166	1,086	500	2,000
5120 - Dental Insurance	581	667	1,741	2,000	8,000
5125 - Disability Insurance	616	1,250	2,490	3,750	15,000
5130 - Retirement Benefits	4,211	5,000	13,388	15,000	60,000
5140 - Post-Employment Benefits	1,802	1,667	5,326	5,000	20,000
5150 - Workers Compensation Insuranc	311	583	1,161	1,750	7,000
5160 - Payroll Taxes	7,984	6,667	28,712	20,000	80,000
5170 - Professional Development	1,000	395	1,250	1,187	4,750

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

March 31, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5180 - Dues & Subscriptions	3,489	1,750	8,722	5,250	20,999
Total 5100 - Benefits & Taxes	<u>26,188</u>	<u>26,479</u>	<u>81,738</u>	<u>79,437</u>	<u>317,749</u>
Total 5000 - Personnel Costs	129,640	136,318	412,467	432,955	1,734,824
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	1,949	542	3,474	2,125	14,500
5320 - Staff Lodging	2,261	1,667	3,112	7,700	43,499
5330 - Staff Mileage	494	945	1,517	3,112	13,150
5340 - Staff Meals	1,958	1,625	4,374	5,275	25,199
5350 - Staff Hospitality	23	1,084	437	3,850	17,750
5360 - Conference Registration Fees	270	0	270	0	8,600
Total 5310 - Staff Travel Costs	<u>6,955</u>	<u>5,863</u>	<u>13,184</u>	<u>22,062</u>	<u>122,698</u>
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	2,084	591	3,255	2,025	19,850
5420 - Board / Volunteer Lodging	808	1,146	6,271	6,988	49,250
5430 - Board / Volunteer Mileage	474	759	2,169	3,075	13,599
5440 - Board / Volunteer Meals	8,240	1,000	13,742	8,299	24,750
5450 - Board / Volunteer Hospitality	(1,012)	374	69	2,225	8,500
5460 - Conference Registration Fees	0	167	450	500	7,000
Total 5410 - Leadership Travel	<u>10,594</u>	<u>4,037</u>	<u>25,956</u>	<u>23,112</u>	<u>122,949</u>
Total 5300 Travel & Entertainment	<u>17,549</u>	<u>9,900</u>	<u>39,140</u>	<u>45,174</u>	<u>245,647</u>
5600 - Professional Fees					
5610 - Legal Services	157	2,042	2,213	6,125	24,499
5620 - Audit & Tax Services	0	0	15,900	15,000	27,500
5630 - Accounting Services	17,653	11,666	38,346	35,000	140,000
5640 - Other Consulting Services	7,105	7,875	16,275	23,625	94,500
5650 - President's Stipend	1,500	1,500	4,500	4,500	18,000
Total 5600 - Professional Fees	<u>26,415</u>	<u>23,083</u>	<u>77,234</u>	<u>84,250</u>	<u>304,499</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	39,255	44,334	120,894	133,000	532,000
5720 - Equipment Repairs & Maintenance	0	83	0	250	1,000
5730 - Small Equipment Purchases	185	500	303	1,500	6,000
5740 - Equipment > \$1000	0	833	0	2,500	10,000
5750 - Equipment Lease Payments	423	459	1,391	1,375	5,500
5760 - Software & Licensing Fees	244	208	2,206	625	2,500
Total 5700 - Technology & Equipment	<u>40,107</u>	<u>46,417</u>	<u>124,794</u>	<u>139,250</u>	<u>557,000</u>
5900 - Office Costs					

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

March 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5910 - Telephone	3,601	2,083	12,779	6,250	25,000
5920 - Postage	248	134	448	400	1,600
5925 - Shipping Expense	14	0	72	0	0
5930 - Office Supplies	461	521	797	1,563	6,250
5932 - Kitchen Supplies	245	250	993	750	3,000
5934 - Bathroom Supplies	0	83	0	250	1,000
5940 - Printing	276	392	736	1,175	4,699
5950 - Liability Insurance	182	625	568	1,875	7,500
5960 - Licenses and Fees	0	166	0	500	2,000
5970 - Bank & Credit Card Fees	816	204	7,749	4,940	18,499
5980 - Miscellaneous	616	209	938	624	2,500
Total 5900 - Office Costs	6,459	4,667	25,080	18,327	72,048
6100 - Facility Costs					
6110 - Office Rent & Parking	10,446	7,401	31,489	22,204	88,816
6115 - Other temp office costs	0	0	0	0	227,353
6120 - Utilities	119	0	351	0	0
6170 - Property Insurance	875	83	1,894	250	1,000
6180 - Property Taxes	0	0	0	0	5,000
Total 6100 - Facility Costs	11,440	7,484	33,734	22,454	322,169
7100 - Programmatic Costs					
7110 - Facility Rental	3,797	208	12,345	2,125	7,000
7120 - Catering	0	2,167	54,686	32,550	94,250
7130 - Honorarium/Speaker Fees	0	1,667	4,235	14,000	37,000
7140 - Speaker Travel	0	341	1,124	3,525	7,600
7150 - Plaques & Awards	858	0	4,482	0	7,000
7160 - Event Sponsorships	500	1,042	6,040	3,125	12,500
7210 - Website Development / Hosting	1,625	2,917	4,875	8,750	34,999
7215 - Clipping Service	0	250	0	750	3,000
7220 - Internet Communications	1,340	833	3,997	2,500	10,000
7225 - Publications	277	554	6,184	2,663	7,650
7240 - Video Production & Editing	0	0	1,150	1,500	3,000
7250 - Media / Public Relations Proj	0	0	10	500	500
7260 - Advertising/Marketing	873	0	1,093	0	0
7310 - Other Program Costs	900	11,813	19,997	37,437	150,250
7320 - Grants	0	8,125	0	8,125	32,500
7330 - Electronic Forms	37,214	40,293	37,214	40,294	161,175
7410 - Marketing Research	0	2,084	0	6,250	25,000
7420 - Outreach	0	583	500	1,750	7,000
7430 - Legislative Issues	0	417	0	1,250	5,000
7440 - Issue Research	0	15,000	0	15,000	15,000

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

March 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
7450 - Legislative Advocacy	0	1,666	0	5,000	19,999
Total 7100 - Programmatic Costs	<u>47,384</u>	<u>89,960</u>	<u>157,932</u>	<u>187,094</u>	<u>640,423</u>
Total Expense	<u>278,994</u>	<u>317,829</u>	<u>870,381</u>	<u>929,504</u>	<u>3,876,610</u>
Net Ordinary Income	<u>44,120</u>	<u>(15,711)</u>	<u>32,852</u>	<u>(66,936)</u>	<u>(248,510)</u>
Other Income/Expense					
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	1,833	2,083	6,689	6,250	24,999
4815 - Unrealized Gains/Losses	60,191	0	50,478	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	<u>62,024</u>	<u>2,083</u>	<u>94,217</u>	<u>6,250</u>	<u>24,999</u>
Total Other Income	<u>62,024</u>	<u>2,083</u>	<u>94,217</u>	<u>6,250</u>	<u>24,999</u>
Net Other Income	<u>62,024</u>	<u>2,083</u>	<u>94,217</u>	<u>6,250</u>	<u>24,999</u>
Net Income	<u>106,144</u>	<u>(13,628)</u>	<u>127,069</u>	<u>(60,686)</u>	<u>(223,511)</u>

Indiana Association of Realtors, Inc.
Selected Information
March 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 February 29, 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.