

Indiana Association of Realtors

July 2016

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during July by \$249,000 with ending balance of \$2,315,000 due to disbursements for the month being in excess of cash receipts.
- Accounts receivable remained steady at \$13,000 for Realist services and dues.
- Prepaid expenses increased by \$2,000 due to the net difference of new prepaid expenses less amortization for the month.
- The amounts Due from One Forty Three LLC increased by \$1,000 during the month due to insurance expenses paid by IAR. Balance at month end was \$3,217,000.
- The amount Due from ISRE decreased by \$20,000 during the month resulting in an ending balance of \$426,000. There was a payment of \$93,000 from ISRE to IAR during the month.
- IAR investments increased by \$20,000 for the month with an ending balance of \$1,840,000 and RDF investments increased by \$10,000 with an ending balance of \$1,464,000.
- Accounts payable decreased by \$37,000 due to payment of various invoices during the month.
- Dues payable decreased by \$261,000, from \$1,633,000 to \$1,373,000, in July due to the amortization of dues received in July and prior months. This balance will be amortized over the remaining months in 2016 and recognized as income.

Income Statement

- Net income of \$142,000 was recorded for the month, which represents net income from operations of \$111,000 and investment income of \$30,000. July's net income is higher than budgeted net income of \$50,000 by \$92,000.
- Net income YTD was \$501,000 vs a budgeted net loss of (\$209,000), resulting in a positive variance of \$710,000. Net income YTD in the prior year was \$256,000.
- Membership income for the current month was \$340,000, which is above the monthly budget of \$291,000 by \$49,000 or 17%. Membership income YTD was \$2,185,000, which is above the YTD budget of \$1,988,000 by \$197,000 or 10%. Membership income for current YTD is \$90,000 higher than the prior year or 4%.
- Total income for the month was \$347,000, which is above the monthly budget of \$302,000 by \$45,000 or 15%. The over budget position is due to membership dues and SAPP.
- Total income YTD was \$2,260,000, which is above the YTD budget of \$2,081,000 by \$179,000 or 9%.
- Total income YTD was above the prior year YTD income of \$2,253,000 by \$7,000 or less than 1%.
- Total expenses for the month are \$236,000, which are under budget by \$18,000 or 7%, which is mostly due to the net difference of Personnel and Programmatic Costs being under budget, and Travel expenses being over budget.
- Total expenses YTD are \$1,969,000 and are under budget by \$336,000 or 15%, due to the majority of categories being under budget – the YTD budget includes \$227,000 of Temporary Office Costs in anticipation of moving to the new building which is postponed until 2017.
- Expenses YTD are below the prior year by \$75,000 or 4%.

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

July 31, 2016

	07/31/2016	06/30/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	2,315,099	2,563,716	(248,617)
Total Checking/Savings	<u>2,315,099</u>	<u>2,563,716</u>	<u>(248,617)</u>
Other Current Assets			
1200 - Accounts Receivable	12,510	12,975	(465)
1300 - Other Current Assets	73,692	71,861	1,832
Total Other Current Assets	<u>86,202</u>	<u>84,836</u>	<u>1,367</u>
Total Current Assets	<u>2,401,301</u>	<u>2,648,552</u>	<u>(247,250)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	43,482	43,481	0
Total Fixed Assets	<u>43,482</u>	<u>43,481</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	3,642,777	3,661,380	(18,602)
1500 - Investments	3,541,687	3,496,108	45,578
Total Other Assets	<u>7,184,464</u>	<u>7,157,488</u>	<u>26,976</u>
Total ASSETS	<u>9,629,247</u>	<u>9,849,521</u>	<u>(220,274)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	73,343	110,630	(37,287)
Total Accounts Payable	<u>73,343</u>	<u>110,630</u>	<u>(37,287)</u>
Other Current Liabilities			
2025 - Other Current Liabilities	71,626	135,647	(64,021)
2100 - Payroll Liabilities	275,308	275,308	0
2400 - Deferred Dues & Other Revenue	1,372,658	1,633,345	(260,687)
Total Other Current Liabilities	<u>1,719,592</u>	<u>2,044,300</u>	<u>(324,708)</u>
Total Current Liabilities	<u>1,792,935</u>	<u>2,154,930</u>	<u>(361,995)</u>
Total Liabilities	<u>1,792,935</u>	<u>2,154,930</u>	<u>(361,995)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	6,036,270	5,954,776	81,494
3020 - REALTORS Defense Fund	1,658,321	1,632,923	25,398
Net Income	141,721	106,892	34,829
Total Net Assets	<u>7,836,312</u>	<u>7,694,591</u>	<u>141,721</u>
Total LIABILITIES & NET ASSETS	<u>9,629,247</u>	<u>9,849,521</u>	<u>(220,274)</u>

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

July 31, 2016

	07/31/2016	06/30/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1010 - Petty Cash	120	120	0
1020 - IAR Checking	1,425,613	1,595,065	(169,452)
1029 - First Merchants Checking	766,035	765,844	191
1040 - Transmittal Checking Account	35,102	99,122	(64,020)
1050 - PayPal	500	500	0
1118 - REALTORS Federal Credit Union	267,404	267,144	260
1125 - IAR-Prof Standards Escrow	15,000	15,000	0
1199 - Cash Owed (to) by RDF	(194,675)	(179,079)	(15,596)
Total 1000 - Cash Accounts	<u>2,315,099</u>	<u>2,563,716</u>	<u>(248,617)</u>
Total Checking/Savings	2,315,099	2,563,716	(248,617)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	9,751	10,016	(265)
1211 - Dues Receivable	2,759	2,959	(200)
Total 1200 - Accounts Receivable	<u>12,510</u>	<u>12,975</u>	<u>(465)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	62,139	60,308	1,832
1340 - Postage Deposits	588	588	0
1350 - Other Deposits	10,965	10,965	0
Total 1300 - Other Current Assets	<u>73,692</u>	<u>71,861</u>	<u>1,832</u>
Total Other Current Assets	<u>86,202</u>	<u>84,836</u>	<u>1,367</u>
Total Current Assets	<u>2,401,301</u>	<u>2,648,552</u>	<u>(247,250)</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	(205,940)	(205,941)	0
Total 1655 - Accumulated Depreciation	<u>(205,940)</u>	<u>(205,941)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>43,482</u>	<u>43,481</u>	<u>0</u>
Total Fixed Assets	<u>43,482</u>	<u>43,481</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1203 - Due From 143 LLC	3,216,672	3,215,764	908
1260 - Due from ISRE	426,105	445,616	(19,510)
Total - 1203 - Intercompany Loans Receivable	<u>3,642,777</u>	<u>3,661,380</u>	<u>(18,602)</u>
1500 - Investments			
1510 - SEI Investments	1,840,241	1,820,059	20,181
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,463,646	1,453,845	9,801
1599 - Cash Owed by (to) IAR	194,675	179,079	15,596
Total 1520 - Realtor's Defense Fund Assets	<u>1,658,321</u>	<u>1,632,924</u>	<u>25,397</u>
1530 - Cambridge Ventures L.P.	94,458	94,458	0
1540 - Alerus - 457(b) Investments	174,401	174,401	0
1810 - Investment in ISRE	(225,734)	(225,734)	0

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

July 31, 2016

	07/31/2016	06/30/2016	Difference
Total 1500 - Investments	3,541,687	3,496,108	45,578
1700 - Capitalized Lease Costs			
Total 1700 - Capitalized Lease Costs	0	0	0
Total Other Assets	7,184,464	7,157,488	26,976
Total ASSETS	9,629,247	9,849,521	(220,274)
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	73,343	110,630	(37,287)
Total Accounts Payable	73,343	110,630	(37,287)
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	36,525	36,525	0
2080 - RPAC Payable	35,101	99,122	(64,021)
Total 2025 - Other Current Liabilities	71,626	135,647	(64,021)
2100 - Payroll Liabilities			
2115 - HSA Payable	0	0	0
2120 - Post Retirement Benefit Obliga	100,907	100,907	0
2130 - 401(k) Payable	0	0	0
2150 - 457 Plan Liabilities	174,401	174,401	0
Total 2100 - Payroll Liabilities	275,308	275,308	0
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	1,372,658	1,633,345	(260,687)
Total 2400 - Deferred Dues & Other Revenue	1,372,658	1,633,345	(260,687)
Total Other Current Liabilities	1,719,592	2,044,300	(324,708)
Total Current Liabilities	1,792,935	2,154,930	(361,995)
Total Liabilities	1,792,935	2,154,930	(361,995)
NET ASSETS			
3010 - Unrestricted Net Assets	6,036,270	5,954,776	81,494
3020 - REALTORS Defense Fund	1,658,321	1,632,923	25,398
Net Income	141,721	106,892	34,829
Total Net Assets	7,836,312	7,694,591	141,721
Total LIABILITIES & NET ASSETS	9,629,247	9,849,521	(220,274)

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

July 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	340,061	290,723	2,185,199	1,987,786	3,441,400	2,095,661
4200 - Contract Fees & Event Income	0	2,500	7,040	21,000	70,000	3,475
4300 - Royalties, Rent & Product Sales	0	1,250	6,058	8,750	15,000	2,933
4900 - Other Income	7,200	7,642	61,493	63,492	101,700	150,873
Total Income	<u>347,261</u>	<u>302,115</u>	<u>2,259,790</u>	<u>2,081,028</u>	<u>3,628,100</u>	<u>2,252,942</u>
Expense						
5000 - Personnel Costs	128,020	136,318	920,234	978,229	1,734,824	883,786
5300 - Travel & Entertainment	22,933	9,900	165,430	138,848	245,647	149,316
5600 - Professional Fees	22,393	23,083	156,201	189,083	304,499	205,323
5700 - Technology & Equipment	42,098	46,417	300,008	324,914	557,000	317,567
5900 - Office Costs	6,799	4,565	59,418	36,738	72,048	53,887
6100 - Facility Costs	11,156	7,485	77,629	282,246	322,169	79,832
7100 - Programmatic Costs	2,575	26,541	289,697	354,778	640,424	353,421
Total Expense	<u>235,974</u>	<u>254,309</u>	<u>1,968,617</u>	<u>2,304,836</u>	<u>3,876,611</u>	<u>2,043,132</u>
Net Ordinary Income	111,287	47,806	291,173	(223,808)	(248,511)	209,810
Other Income/Expense						
Other Income						
4800 - Investment Income	30,434	2,083	210,011	14,583	25,000	46,480
Total Other Income	<u>30,434</u>	<u>2,083</u>	<u>210,011</u>	<u>14,583</u>	<u>25,000</u>	<u>46,480</u>
Net Other Income	<u>30,434</u>	<u>2,083</u>	<u>210,011</u>	<u>14,583</u>	<u>25,000</u>	<u>46,480</u>
Net Income	<u>141,721</u>	<u>49,889</u>	<u>501,184</u>	<u>(209,225)</u>	<u>(223,511)</u>	<u>256,290</u>

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

July 31, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Ordinary Income/Expense					
Income					
4000 - Membership Income					
4002 - Membership Dues	258,401	238,952	1,722,083	1,629,763	2,824,523
4020 - Shared Fees, Local Boards	7,199	7,500	51,091	52,500	90,000
4021 - State Application Fee (even years)	46,200	18,333	223,696	128,333	220,000
4030 - RDF Dues	28,261	25,938	188,329	177,190	306,877
Total 4000 - Membership Income	<u>340,061</u>	<u>290,723</u>	<u>2,185,199</u>	<u>1,987,786</u>	<u>3,441,400</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	0	2,500	1,000	17,500	30,000
4201 - Registration Income	0	0	6,040	3,500	40,000
Total 4200 - Contract Fees & Event Income	<u>0</u>	<u>2,500</u>	<u>7,040</u>	<u>21,000</u>	<u>70,000</u>
4300 - Royalties, Rent & Product Sales					
4301 - Royalty Income	0	1,250	6,058	8,750	15,000
Total 4300 - Royalties, Rent & Product Sales	<u>0</u>	<u>1,250</u>	<u>6,058</u>	<u>8,750</u>	<u>15,000</u>
4900 - Other Income					
4900 - Other Income	100	0	1,803	10,000	10,000
4901 - Grant Income-Temp Restricted	0	0	9,990	0	0
4910 - RECP Income	7,100	7,100	49,700	49,700	85,200
4920 - Professional Standards Income	0	542	0	3,792	6,500
Total 4900 - Other Income	<u>7,200</u>	<u>7,642</u>	<u>61,493</u>	<u>63,492</u>	<u>101,700</u>
Total Income	347,261	302,115	2,259,790	2,081,028	3,628,100
Expense					
5000 - Personnel Costs					
5010 - Compensation	104,852	109,381	711,121	765,667	1,312,575
5020 - Bonus Pool	0	0	24,000	24,000	99,000
5030 - Contract Labor / Temp Help	0	458	6,630	3,208	5,500
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	6,013	8,334	41,677	58,334	100,000
5115 - Wellness Benefit	98	166	2,630	1,166	2,000
5120 - Dental Insurance	580	667	4,063	4,667	8,000
5125 - Disability Insurance	830	1,250	6,024	8,750	15,000
5130 - Retirement Benefits	4,479	5,000	31,516	35,000	60,000
5140 - Post-Employment Benefits	1,803	1,667	12,536	11,667	20,000
5150 - Workers Compensation Insuranc	449	583	2,960	4,083	7,000
5160 - Payroll Taxes	6,428	6,667	55,519	46,666	80,000
5170 - Professional Development	0	395	1,840	2,771	4,750

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

July 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5180 - Dues & Subscriptions	2,488	1,750	19,718	12,250	20,999
Total 5100 - Benefits & Taxes	<u>23,168</u>	<u>26,479</u>	<u>178,483</u>	<u>185,354</u>	<u>317,749</u>
Total 5000 - Personnel Costs	128,020	136,318	920,234	978,229	1,734,824
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	2,404	542	11,446	9,292	14,500
5320 - Staff Lodging	3,055	1,667	17,014	26,766	43,499
5330 - Staff Mileage	2,308	945	6,551	8,045	13,150
5340 - Staff Meals	1,405	1,625	9,969	13,975	25,199
5350 - Staff Hospitality	0	1,084	1,552	11,283	17,750
5360 - Conference Registration Fees	500	0	8,680	2,725	8,600
Total 5310 - Staff Travel Costs	<u>9,672</u>	<u>5,863</u>	<u>55,212</u>	<u>72,086</u>	<u>122,698</u>
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	289	591	12,975	11,892	19,850
5420 - Board / Volunteer Lodging	9,849	1,146	45,455	26,171	49,250
5430 - Board / Volunteer Mileage	852	759	5,076	7,708	13,599
5440 - Board / Volunteer Meals	1,820	1,000	41,936	15,400	24,750
5450 - Board / Volunteer Hospitality	451	374	3,406	4,424	8,500
5460 - Conference Registration Fees	0	167	1,370	1,167	7,000
Total 5410 - Leadership Travel	<u>13,261</u>	<u>4,037</u>	<u>110,218</u>	<u>66,762</u>	<u>122,949</u>
Total 5300 Travel & Entertainment	22,933	9,900	165,430	138,848	245,647
5600 - Professional Fees					
5610 - Legal Services	5,079	2,042	10,439	14,292	24,499
5620 - Audit & Tax Services	0	0	22,075	27,500	27,500
5630 - Accounting Services	11,128	11,666	78,498	81,666	140,000
5640 - Other Consulting Services	4,686	7,875	34,689	55,125	94,500
5650 - President's Stipend	1,500	1,500	10,500	10,500	18,000
Total 5600 - Professional Fees	<u>22,393</u>	<u>23,083</u>	<u>156,201</u>	<u>189,083</u>	<u>304,499</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	40,099	44,333	291,673	310,331	532,000
5720 - Equipment Repairs & Maintenance	0	84	748	583	1,000
5730 - Small Equipment Purchases	0	500	304	3,500	6,000
5740 - Equipment > \$1000	1,374	833	1,373	5,833	10,000
5750 - Equipment Lease Payments	495	458	3,466	3,209	5,500
5760 - Software & Licensing Fees	130	209	2,444	1,458	2,500
Total 5700 - Technology & Equipment	<u>42,098</u>	<u>46,417</u>	<u>300,008</u>	<u>324,914</u>	<u>557,000</u>
5900 - Office Costs					

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

July 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	4,007	2,083	22,943	14,583	25,000
5920 - Postage	0	133	591	934	1,600
5930 - Office Supplies	290	521	2,325	3,645	6,250
5932 - Kitchen Supplies	277	250	2,636	1,750	3,000
5934 - Bathroom Supplies	0	84	0	584	1,000
5940 - Printing	0	391	1,039	2,741	4,699
5950 - Liability Insurance	183	625	16,264	4,375	7,500
5960 - Licenses and Fees	0	167	0	1,167	2,000
5970 - Bank & Credit Card Fees	789	103	10,631	5,501	18,499
5980 - Miscellaneous	1,253	208	2,989	1,458	2,500
Total 5900 - Office Costs	6,799	4,565	59,418	36,738	72,048
6100 - Facility Costs					
6110 - Office Rent & Parking	10,406	7,402	71,556	51,810	88,816
6115 - Other temp office costs	0	0	0	227,353	227,353
6120 - Utilities	119	0	828	0	0
6170 - Property Insurance	631	83	4,418	583	1,000
6180 - Property Taxes	0	0	827	2,500	5,000
Total 6100 - Facility Costs	11,156	7,485	77,629	282,246	322,169
7100 - Programmatic Costs					
7110 - Facility Rental	86	208	15,505	2,958	7,000
7120 - Catering	0	2,167	59,564	53,317	94,250
7130 - Honorarium/Speaker Fees	0	1,666	18,735	20,666	37,000
7140 - Speaker Travel	0	342	1,666	4,892	7,600
7150 - Plaques & Awards	0	0	4,582	0	7,000
7160 - Event Sponsorships	0	1,042	6,040	7,291	12,500
7210 - Website Development / Hosting	1,625	2,916	11,375	20,417	34,999
7215 - Clipping Service	0	250	0	1,750	3,000
7220 - Internet Communications	92	834	11,962	5,833	10,000
7225 - Publications	635	554	8,598	4,880	7,650
7240 - Video Production & Editing	0	0	1,150	1,500	3,000
7250 - Media / Public Relations Proj	115	0	125	500	500
7260 - Advertising/Marketing	0	0	1,092	0	0
7310 - Other Program Costs	22	11,812	20,421	85,687	150,250
7320 - Grants	0	0	15,625	16,250	32,500
7330 - Electronic Forms	0	0	72,757	80,587	161,175
7410 - Marketing Research	0	2,084	0	14,584	25,000
7420 - Outreach	0	583	500	4,083	7,000
7430 - Legislative Issues	0	417	0	2,916	5,000
7440 - Issue Research	0	0	40,000	15,000	15,000
7450 - Legislative Advocacy	0	1,666	0	11,667	20,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

July 31, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 7100 - Programmatic Costs	2,575	26,541	289,697	354,778	640,424
Total Expense	235,974	254,309	1,968,617	2,304,836	3,876,611
Net Ordinary Income	111,287	47,806	291,173	(223,808)	(248,511)
Other Income/Expense					
Other Income					
4800 - Investment Income					
4810 - Interest & Dividend Income	7,662	2,083	22,602	14,583	25,000
4815 - Unrealized Gains/Losses	(22,683)	0	108,396	0	0
4820 - Realized Gains/Losses	49,548	0	91,194	0	0
4830 - Investment Management Fees	(4,093)	0	(12,181)	0	0
Total 4800 - Investment Income	30,434	2,083	210,011	14,583	25,000
Total Other Income	30,434	2,083	210,011	14,583	25,000
Net Other Income	30,434	2,083	210,011	14,583	25,000
Net Income	141,721	49,889	501,184	(209,225)	(223,511)

Indiana Association of Realtors, Inc.
Selected Information
July 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 June 30, 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.