

Indiana Association of Realtors Inc.

October 2019

EXECUTIVE SUMMARY

Balance Sheet

- The Association's cash balances decreased during October by \$129,000 with an ending balance of \$1,651,000.
- Accounts receivable was unchanged with an ending balance of \$11,000 – this balance represents amounts due from local associations for Realist services.
- Accrued interest receivable increased by \$6,000 with an ending balance of \$108,000 – this balance represents interest due from One Forty Three LLC related to the note receivable.
- Note Receivable due from One Forty Three remained unchanged with an ending balance of \$1,749,000.
- Prepaid expense decreased by \$15,000 due to expenses amortized for the Stakeholders conference. Ending balance was \$42,000 and will be amortized over future months.
- The amount due from ISRE decreased slightly with an ending balance of \$199,000.
- The amount due from One Forty Three LLC remained unchanged with an ending balance was \$5,540,000.
- The amount due from One Forty Three MT increased by \$1,000 due to insurance for October which was paid by IAR. Ending balance was \$214,000.
- IAR investments increased by \$15,000 during the month due to unrealized gains with an ending balance of \$2,022,000
- RDF investments increased by \$6,000 during the month due to unrealized gains with an ending balance of \$1,671,000. IAR also holds cash for RDF purposes in the amount of \$367,000 – this amount is deducted from cash and equivalents on the balance sheet and added back under the investment section for RDF.
- Alerus 457(b) Investments remained the same with an ending balance of \$318,000 (balance is adjusted at year end). This asset is offset by a corresponding liability.
- Accounts Payable increased by \$138,000 with an ending balance of \$176,000. This increase is due to invoices for stakeholders conference, CoreLogic and ZipLogix.
- Amounts due to ONB:
 - Line of Credit with ONB remained unchanged with an ending balance of \$1,049,000.
 - Note Payable with ONB decreased by \$11,000 with an ending balance of \$586,000 due to loan payments made in October.
 - See Note Receivable from One Forty Three LLC in the asset section which offsets these amounts due to ONB.
- The ending balance in accrued payables was \$8,000 which represents accrued PTO recorded for the 2018 audit – this balance will be adjusted annually as part of the audit.
- RPAC Payable (Transmittal) increased by \$14,000 due to cash activity during the month. These funds represent personal RPAC contributions (net of amounts vetted back to NAR) that are due to RPAC. This amount is also included in cash and equivalents on the balance sheet, and therefore, nets to zero on IAR's balance sheet.
- RPAC Payable (contributions) for odd and even years increased by net amount of \$12,000 with a total ending balance of \$14,000. These funds represent RPAC contributions collected in October with 2019 and 2020 dues payments and will be remitted to RPAC in November.
- Dues payable (even year) increased by \$108,000 which represents 2020 dues collected in October. This will be recorded as income next year.

Indiana Association of Realtors Inc.

October 2019

EXECUTIVE SUMMARY (continued)

- Dues payable (odd year) decreased by \$344,000, from \$1,041,000 to \$697,000 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.

Income Statement

- Net loss of (\$13,000) was recorded for the month, which represents net ordinary loss of (\$36,000) and net investment income (net of interest expense) of \$23,000. Budgeted net income for October was \$30,000.
- YTD net income was \$1,380,000, which represents net ordinary income of \$1,078,000 and net investment income of \$302,000. Budgeted net income YTD was \$224,000.
- Compared to the prior year
 - a. YTD net ordinary income was \$258,000 higher than the prior YTD net ordinary income of \$819,000 – this increase is due to higher dues revenue in 2019.
 - b. YTD net investment income was \$386,000 higher due to unrealized gains on investments in 2019.
- Total income for October was \$419,000, which was above the monthly budget of \$351,000 by \$68,000 or 19%.
- Total income YTD was \$4,237,000, which was above the YTD budget of \$3,560,000 by \$677,000 or 19%.
- Compared to the prior year, total YTD income was higher by \$281,000 (7%) than the prior YTD income of \$3,957,000.
- Total expenses for the month were \$455,000, and were above the monthly budget of \$324,000 by \$131,000 or 40% - over budget due to travel/entertainment, technology, office costs and programmatic costs.
 - a. Technology expenses are over budget due to two months of CoreLogic (October and Sept) included in October as the September invoice was received late.
 - b. Programmatic costs are over budget due to timing of Stakeholder conference expenses – YTD total is under budget
- YTD expenses were \$3,160,000, and were below the YTD budget of \$3,357,000 by \$197,000 or 6%, mostly due to personnel and programmatic costs.
- Compared to the prior year, YTD expenses were higher by \$22,500 or 1%.

Indiana Association of Realtors, Inc.
Balance Sheet (Summary)
October 31, 2019

	10/31/2019	09/30/2019	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts	1,650,673	1,779,328	(128,655)
Total Checking/Savings	<u>1,650,673</u>	<u>1,779,328</u>	<u>(128,655)</u>
Other Current Assets			
1200 - Accounts Receivable	1,871,755	1,866,011	5,744
1300 - Other Current Assets	42,283	56,952	(14,668)
Total Other Current Assets	<u>1,914,038</u>	<u>1,922,963</u>	<u>(8,924)</u>
Total Current Assets	<u>3,564,711</u>	<u>3,702,291</u>	<u>(137,579)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.	348,860	348,859	0
Total Fixed Assets	<u>348,860</u>	<u>348,859</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable	5,952,362	5,951,347	1,015
1500 - Investments	4,195,975	4,156,000	39,974
1700 - Capitalized Loan and Lease Costs	3,133	3,133	0
Total Other Assets	<u>10,151,470</u>	<u>10,110,480</u>	<u>40,989</u>
Total ASSETS	<u>14,065,041</u>	<u>14,161,630</u>	<u>(96,590)</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	176,300	38,722	137,578
Total Accounts Payable	<u>176,300</u>	<u>38,722</u>	<u>137,578</u>
Other Current Liabilities			
2025 - Other Current Liabilities	1,787,314	1,772,885	14,429
2100 - Payroll Liabilities	366,667	366,667	0
2400 - Deferred Dues & Other Revenue	820,908	1,056,694	(235,786)
Total Other Current Liabilities	<u>2,974,889</u>	<u>3,196,246</u>	<u>(221,357)</u>
Total Current Liabilities	<u>3,151,189</u>	<u>3,234,968</u>	<u>(83,779)</u>
Total Liabilities	<u>3,151,189</u>	<u>3,234,968</u>	<u>(83,779)</u>
EQUITY			
Member Capital			
Undesignated	8,761,141	8,814,258	(53,117)
Board Designated	2,152,711	2,112,404	40,306
Total Member Capital	<u>10,913,852</u>	<u>10,926,662</u>	<u>(12,811)</u>
Total Equity	<u>10,913,852</u>	<u>10,926,662</u>	<u>(12,811)</u>
Total LIABILITIES & EQUITY	<u>14,065,041</u>	<u>14,161,630</u>	<u>(96,590)</u>

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

October 31, 2019

	10/31/2019	09/30/2019	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1020 - IAR Checking-Regions	1,840,728	1,946,964	(106,237)
1029 - First Merchants Checking	10,357	10,362	(4)
1032 - IAR Checking-ONB	21,774	38,529	(16,755)
1040 - Transmittal Checking Account	130,347	116,882	13,465
1118 - REALTORS Federal Credit Union	86	86	0
1125 - IAR-Prof Standards Escrow	14,500	14,500	0
1199 - Cash Owed (to) by RDF	(367,119)	(347,995)	(19,124)
Total 1000 - Cash Accounts	<u>1,650,673</u>	<u>1,779,328</u>	<u>(128,655)</u>
Total Checking/Savings	1,650,673	1,779,328	(128,655)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	11,337	11,276	61
1211 - Dues Receivable	3,595	3,594	0
1245 - Accrued Interest Receivable	107,584	101,901	5,683
1270 - Note Receivable	1,749,239	1,749,240	0
Total 1200 - Accounts Receivable	<u>1,871,755</u>	<u>1,866,011</u>	<u>5,744</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	41,695	56,364	(14,668)
1340 - Postage Deposits	588	588	0
Total 1300 - Other Current Assets	<u>42,283</u>	<u>56,952</u>	<u>(14,668)</u>
Total Other Current Assets	<u>1,914,038</u>	<u>1,922,963</u>	<u>(8,924)</u>
Total Current Assets	<u>3,564,711</u>	<u>3,702,291</u>	<u>(137,579)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1625 - Leasehold improvements-IAR	16,335	16,335	0
1630 - Furniture, Fixtures & Equipmen	411,406	411,405	0
Total 1605 - Land, Buildings & Equipment	<u>427,741</u>	<u>427,740</u>	<u>0</u>
1672 - Accum. Depreciation - Improvem	(2,199)	(2,199)	0
1680 - Accum. Depreciation - FF&E	(76,682)	(76,682)	0
Total 1655 - Accumulated Depreciation	<u>(78,881)</u>	<u>(78,881)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>348,860</u>	<u>348,859</u>	<u>0</u>
Total Fixed Assets	<u>348,860</u>	<u>348,859</u>	<u>0</u>
Other Assets			
1203 - Intercompany Loans Receivable			
1260 - Due from ISRE	198,728	199,106	(378)
1203 - Due From 143 LLC	5,539,670	5,539,670	0
1206 - Due From 143 MT	213,964	212,571	1,393
Total - 1203 - Intercompany Loans Receivable	<u>5,952,362</u>	<u>5,951,347</u>	<u>1,015</u>
1500 - Investments			
1510 - SEI Investments	2,022,420	2,007,713	14,706
1520 - Realtor's Defense Fund Assets			
1525 - Realtors Defense Fund Invest	1,671,443	1,665,300	6,144
1599 - Cash Owed by (to) IAR	367,119	347,995	19,124
Total 1520 - Realtor's Defense Fund Assets	<u>2,038,562</u>	<u>2,013,295</u>	<u>25,268</u>
1540 - Alerus - 457(b) Investments	318,199	318,198	0

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

October 31, 2019

	10/31/2019	09/30/2019	Difference
1810 - Investment in ISRE	(195,489)	(195,489)	0
1820 - Investment in 143 MM	12,283	12,283	0
Total 1500 - Investments	<u>4,195,975</u>	<u>4,156,000</u>	39,974
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs	4,000	4,000	0
1716 - Accum Amort - Capitalized Loan Costs	(867)	(867)	0
Total 1700 - Capitalized Loan and Lease Costs	<u>3,133</u>	<u>3,133</u>	0
Total Other Assets	<u>10,151,470</u>	<u>10,110,480</u>	40,989
Total ASSETS	<u>14,065,041</u>	<u>14,161,630</u>	<u>(96,590)</u>
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	176,300	38,722	137,578
Total Accounts Payable	<u>176,300</u>	<u>38,722</u>	137,578
Other Current Liabilities			
2025 - Other Current Liabilities			
2036 - Line of Credit-ONB (\$1.3mil)	1,049,239	1,049,239	0
2037 - Note Payable-ONB (\$700K)	585,696	596,583	(10,887)
2040 - Accrued Payables	7,691	7,691	0
2080 - RPAC Payable (Transmittal)	130,347	116,882	13,465
2081 - RPAC Payable (Contributions)-odd years	1,766	1,990	(224)
2082 - RPAC Payable (Contributions)-even years	12,075	0	12,075
2095 - Prof Stds Escrow Liability	500	500	0
Total 2025 - Other Current Liabilities	<u>1,787,314</u>	<u>1,772,885</u>	14,429
2100 - Payroll Liabilities			
2110 - FSA Plan Payable	767	767	0
2120 - Post Retirement Benefit Obliga	47,702	47,702	0
2150 - 457 Plan Liabilities	318,198	318,198	0
Total 2100 - Payroll Liabilities	<u>366,667</u>	<u>366,667</u>	0
2400 - Deferred Dues & Other Revenue			
2410 - Dues Payable, Even Year	123,463	15,271	108,192
2415 - Dues Payable, Odd Year	697,445	1,041,423	(343,978)
Total 2400 - Deferred Dues & Other Revenue	<u>820,908</u>	<u>1,056,694</u>	(235,786)
Total Other Current Liabilities	<u>2,974,889</u>	<u>3,196,246</u>	(221,357)
Total Current Liabilities	<u>3,151,189</u>	<u>3,234,968</u>	(83,779)
Total Liabilities	<u>3,151,189</u>	<u>3,234,968</u>	(83,779)
EQUITY			
Member Capital			
Undesignated	8,761,141	8,814,258	(53,117)
Board Designated			
3020 - RDF Investments	2,038,561	2,013,294	25,267
3021 - RPAC (Contributions)	13,841	1,990	11,851
3022 - Local Legislative Issues	95,764	92,925	2,838
3023 - RDF Issues (RPAC opt outs)	4,545	4,195	350
Total Board Designated	<u>2,152,711</u>	<u>2,112,404</u>	40,306
Total Member Capital	<u>10,913,852</u>	<u>10,926,662</u>	(12,811)
Total Equity	<u>10,913,852</u>	<u>10,926,662</u>	(12,811)

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

October 31, 2019

	<u>10/31/2019</u>	<u>09/30/2019</u>	<u>Difference</u>
Total LIABILITIES & EQUITY	<u>14,065,041</u>	<u>14,161,630</u>	<u>(96,590)</u>

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

October 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	408,203	343,208	4,019,591	3,432,084	4,118,500	3,816,717
4200 - Contract Fees & Event Income	3,660	0	34,345	30,500	30,500	24,645
4300 - Royalties, Rent & Product Sales	20	583	6,261	5,834	7,000	16,309
4900 - Other Income	7,100	7,642	177,114	91,416	106,700	98,841
Total Income	<u>418,983</u>	<u>351,433</u>	<u>4,237,311</u>	<u>3,559,834</u>	<u>4,262,700</u>	<u>3,956,512</u>
Expense						
5000 - Personnel Costs	137,481	157,355	1,431,060	1,603,552	1,988,262	1,478,122
5300 - Travel & Entertainment	20,652	9,310	186,698	170,305	249,350	159,371
5600 - Professional Fees	13,692	17,979	181,381	179,792	215,750	185,803
5700 - Technology & Equipment	108,171	50,342	584,936	540,916	654,100	558,911
5900 - Office Costs	14,605	6,226	100,455	77,998	91,700	97,409
6100 - Facility Costs	18,739	20,133	187,104	202,334	243,600	191,268
7100 - Programmatic Costs	141,448	62,365	488,104	582,113	665,480	466,312
Total Expense	<u>454,788</u>	<u>323,710</u>	<u>3,159,738</u>	<u>3,357,010</u>	<u>4,108,242</u>	<u>3,137,196</u>
Net Income (Loss) from Operations	<u>(35,805)</u>	<u>27,723</u>	<u>1,077,573</u>	<u>202,824</u>	<u>154,458</u>	<u>819,316</u>
Other Income/Expense						
Other Income	28,862	2,083	372,791	20,834	25,000	(42,093)
Other Expense	5,868	0	70,333	0	4,990	41,760
Net Other Income (Expense)	<u>22,994</u>	<u>2,083</u>	<u>302,458</u>	<u>20,834</u>	<u>20,010</u>	<u>(83,853)</u>
Net Income (Loss)	<u>(12,811)</u>	<u>29,806</u>	<u>1,380,031</u>	<u>223,658</u>	<u>174,468</u>	<u>735,463</u>

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

October 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior Year Actual
Income						
4000 - Membership Income						
4002 - Membership Dues	330,654	277,816	3,177,118	2,778,160	3,333,792	3,036,917
4020 - Shared Fees, Local Boards	7,257	8,000	81,392	80,000	96,000	79,558
4021 - State Application Fee (even years)	0	0	0	0	0	365,824
4023 - State Application Fee (odd years)	34,800	20,000	372,200	200,000	240,000	0
4030 - RDF Dues	32,303	30,184	310,363	301,840	362,208	331,388
4035 - RDF Issues Income	350	333	3,645	3,334	4,000	150
4040 - Local Legislative Issues Income	2,839	6,875	74,873	68,750	82,500	2,880
Total 4000 - Membership Income	408,203	343,208	4,019,591	3,432,084	4,118,500	3,816,717
4200 - Contract Fees & Event Income						
4101 - Sponsorship Income	500	0	4,500	10,000	10,000	5,500
4201 - Registration Income	3,160	0	29,845	20,500	20,500	19,145
Total 4200 - Contract Fees & Event Income	3,660	0	34,345	30,500	30,500	24,645
4300 - Royalties, Rent & Product Sales						
4301 - Royalty Income	20	583	6,261	5,834	7,000	16,309
Total 4300 - Royalties, Rent & Product Sales	20	583	6,261	5,834	7,000	16,309
4900 - Other Income						
4900 - Other Income	0	42	101,614	416	500	19,091
4901 - Grant Income	0	0	0	15,000	15,000	5,000
4910 - RECP Income	7,100	7,100	71,000	71,000	85,200	71,000
4920 - Professional Standards Income	0	500	4,500	5,000	6,000	3,750
Total 4900 - Other Income	7,100	7,642	177,114	91,416	106,700	98,841
Total Income	418,983	351,433	4,237,311	3,559,834	4,262,700	3,956,512
Expense						
5000 - Personnel Costs						
5010 - Compensation	123,002	125,883	1,157,622	1,260,514	1,512,280	1,183,832
5020 - Bonus Pool	0	0	34,400	30,000	100,000	29,205
5030 - Contract Labor / Temp Help	2,400	2,200	12,000	20,800	25,200	0
5100 - Benefits & Taxes						
5110 - Health & Life Insurance	4,179	8,740	41,363	87,161	104,641	72,449
5115 - Wellness Benefit	15	417	1,743	4,166	5,000	1,890
5120 - Dental Insurance	509	750	4,504	7,500	9,000	6,110
5125 - Disability Insurance	586	458	6,046	4,584	5,500	3,868
5130 - Retirement Benefits	4,097	5,542	58,159	55,416	66,500	53,354
5140 - Post-Employment Benefits	(4,899)	1,333	4,896	13,334	16,000	14,157
5150 - Workers Compensation Insuranc	665	750	6,684	7,500	9,000	6,303

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

October 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior Year Actual
5160 - Payroll Taxes	5,878	8,740	78,787	87,161	104,641	82,893
5170 - Professional Development	175	375	6,815	3,750	4,500	8,476
5180 - Dues & Subscriptions	874	2,167	18,041	21,666	26,000	15,585
Total 5100 - Benefits & Taxes	12,079	29,272	227,038	292,238	350,782	265,085
Total 5000 - Personnel Costs	137,481	157,355	1,431,060	1,603,552	1,988,262	1,478,122
5300 - Travel & Entertainment						
5310 - Staff Travel Costs						
5310 - Staff Travel	913	750	17,517	12,825	17,050	13,337
5320 - Staff Lodging	6,526	958	27,298	21,984	32,400	19,966
5330 - Staff Mileage	2,313	1,085	8,663	11,080	13,750	8,305
5340 - Staff Meals	339	1,442	9,806	17,916	22,600	14,020
5350 - Staff Hospitality	0	184	922	2,332	3,200	2,144
5360 - Conference Registration Fees	0	659	4,550	6,582	10,900	4,780
Total 5310 - Staff Travel Costs	10,091	5,078	68,756	72,719	99,900	62,552
5410 - Leadership Travel						
5410 - Board / Volunteer Travel	1,292	308	18,018	13,084	20,000	18,280
5420 - Board / Volunteer Lodging	5,550	1,624	46,403	47,052	68,300	41,236
5430 - Board / Volunteer Mileage	1,738	626	7,141	7,748	10,000	4,503
5440 - Board / Volunteer Meals	1,670	1,156	33,263	23,038	34,350	24,914
5450 - Board / Volunteer Hospitality	311	335	11,767	4,830	6,500	4,076
5460 - Conference Registration Fees	0	183	1,350	1,834	10,300	3,810
Total 5410 - Leadership Travel	10,561	4,232	117,942	97,586	149,450	96,819
Total 5300 Travel & Entertainment	20,652	9,310	186,698	170,305	249,350	159,371
5600 - Professional Fees						
5610 - Legal Services	1,306	3,250	21,640	32,500	39,000	33,099
5620 - Audit & Tax Services	1,075	2,187	23,840	21,876	26,250	39,468
5630 - Accounting Services	9,811	10,417	120,813	104,166	125,000	98,236
5640 - Other Consulting Services	0	625	88	6,250	7,500	0
5650 - President's Stipend	1,500	1,500	15,000	15,000	18,000	15,000
Total 5600 - Professional Fees	13,692	17,979	181,381	179,792	215,750	185,803
5700 - Technology & Equipment						
5710 - Technology Consulting Service	99,007	47,876	510,229	516,248	624,500	491,180
5720 - Equipment Repairs & Maintenance	0	83	0	834	1,000	756
5730 - Small Equipment Purchases	438	125	3,316	1,250	1,500	3,585
5740 - Equipment > \$1000	6,929	375	36,676	3,750	4,500	41,077
5750 - Equipment Lease Payments	807	833	18,261	8,334	10,000	7,835
5760 - Software & Licensing Fees	990	1,050	16,454	10,500	12,600	14,478
Total 5700 - Technology & Equipment	108,171	50,342	584,936	540,916	654,100	558,911

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

October 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior Year Actual
5900 - Office Costs						
5910 - Telephone	3,032	2,083	28,792	20,834	25,000	35,942
5920 - Postage	175	146	1,008	1,458	1,750	1,037
5925 - Shipping Expense	27	8	429	84	100	18
5930 - Office Supplies	134	396	5,299	3,958	4,750	7,259
5932 - Kitchen Supplies	365	375	6,562	3,750	4,500	3,337
5940 - Printing	73	459	4,235	4,582	5,500	8,705
5950 - Liability Insurance	771	1,167	8,955	11,666	14,000	9,938
5960 - Licenses and Fees	0	125	2,817	1,250	1,500	0
5970 - Bank & Credit Card Fees	4,340	1,000	32,085	24,750	28,000	25,933
5976 - Bad Debt Expense	0	0	32	0	0	0
5980 - Miscellaneous	(90)	467	4,463	5,666	6,600	5,240
5990 - Tax Expense	5,778	0	5,778	0	0	0
Total 5900 - Office Costs	14,605	6,226	100,455	77,998	91,700	97,409
6100 - Facility Costs						
6110 - Office Rent & Parking	18,739	20,133	185,477	201,334	241,600	190,389
6130 - Building Maintenance & Repair	0	0	150	0	0	0
6180 - Property Taxes	0	0	1,477	1,000	2,000	879
Total 6100 - Facility Costs	18,739	20,133	187,104	202,334	243,600	191,268
7100 - Programmatic Costs						
7110 - Facility Rental	7,200	542	10,200	5,416	6,500	7,600
7120 - Catering	41,739	4,584	97,103	125,328	146,500	122,004
7130 - Honorarium/Speaker Fees	11,250	1,541	28,646	22,918	26,000	17,661
7140 - Speaker Travel	0	395	226	5,060	5,850	3,885
7150 - Plaques & Awards	0	541	10,795	6,418	7,500	5,177
7160 - Event Sponsorships	343	834	10,415	8,332	10,000	7,471
7170 - Curriculum	0	42	0	416	500	678
7210 - Website Development / Hosting	1,651	2,574	13,029	25,732	30,880	15,817
7220 - Internet Communications	1,446	2,833	13,402	28,334	34,000	39,798
7225 - Publications	2,878	667	12,314	10,666	12,000	11,396
7240 - Video Production & Editing	0	167	1,050	1,666	2,000	749
7250 - Media / Public Relations Proj	0	42	0	416	500	0
7310 - Other Program Costs	31,251	4,729	118,741	75,788	86,250	58,892
7320 - Grants	0	2,791	0	27,918	33,500	17,500
7330 - Electronic Forms	41,690	37,500	162,261	150,000	150,000	156,184
7410 - Marketing Research	0	583	(7,000)	5,834	7,000	0
7420 - Outreach	2,000	459	6,922	4,586	5,500	1,500
7430 - Legislative Issues	0	0	0	61,875	82,500	0
7440 - Issue Research	0	708	0	7,080	8,500	0

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

October 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior Year Actual
7450 - Legislative Advocacy	0	833	10,000	8,330	10,000	0
Total 7100 - Programmatic Costs	141,448	62,365	488,104	582,113	665,480	466,312
Total Expense	454,788	323,710	3,159,738	3,357,010	4,108,242	3,137,196
Net Income (Loss) from Operations	(35,805)	27,723	1,077,573	202,824	154,458	819,316
Other Income/Expense						
Other Income						
4800 - Investment Income						
4810 - Interest & Dividend Income	7,679	2,083	82,038	20,834	25,000	43,629
4811 - Interest Income (notes payable)	5,683	0	56,270	0	0	37,775
4815 - Unrealized Gains/Losses	19,669	0	248,575	0	0	(84,221)
4820 - Realized Gains/Losses	352	0	3,748	0	0	(21,990)
4830 - Investment Management Fees	(4,521)	0	(17,840)	0	0	(17,286)
Total 4800 - Investment Income	28,862	2,083	372,791	20,834	25,000	(42,093)
Total Other Income	28,862	2,083	372,791	20,834	25,000	(42,093)
Other Expense						
8000 - Interest Expense	5,868	0	67,901	0	0	41,327
8100 - Priority Return-Twain	0	0	2,432	0	4,990	433
Total Other Expense	5,868	0	70,333	0	4,990	41,760
Net Other Income (Expense)	22,994	2,083	302,458	20,834	20,010	(83,853)
Net Income (Loss)	(12,811)	29,806	1,380,031	223,658	174,468	735,463

Indiana Association of Realtors, Inc.
Statement of Cash Flows
Year To Date 10/31/2019

OPERATING ACTIVITIES

Net Income	<u>1,380,031</u>
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	4,624
1203 - Due From 143 LLC	(115,752)
1206 - Due From 143 MT	(213,964)
1211 - Dues Receivable	31,508
1220 - Other Receivables	300
1260 - Due from ISRE	127,973
1310 - Prepaid Expense	(18,577)
1540 - Alerus - 457(b) Investments	(45,090)
2010 - Accounts Payable	71,601
2040 - Accrued Payables	(7,800)
2080 - RPAC Payable (Transmittal)	115,403
2081 - RPAC Payable (Contributions)-odd years	(60,559)
2082 - RPAC Payable (Contributions)-even years	12,075
2095 - Prof Stds Escrow Liability	(500)
2110 - FSA Plan Payable	(1,681)
2150 - 457 Plan Liabilities	45,090
2410 - Dues Payable, Even Year	123,463
2415 - Dues Payable, Odd Year	(240,466)
2430 - Unearned Registration Fees	(1,870)
Net cash provided by Operating Activities	<u>1,205,809</u>
INVESTING ACTIVITIES	
1510 - SEI Investments	(182,428)
1525 - Realtors Defense Fund Invest	(99,343)
1599 - Cash Owed by (to) IAR	(107,261)
Net Cash provided by Investing Activities	<u>(389,032)</u>
FINANCING ACTIVITIES	
1270 - Note Receivable	(74,969)
1245 - Accrued Interest Receivable	(56,269)
2036 - Line of Credit-ONB (\$1.3mil)	74,968
2037 - Note Payable-ONB (\$700K)	(104,396)
Net cash provided by Financing Activities	<u>(160,666)</u>
Net cash change for period	656,112
Cash at beginning of period	<u>994,561</u>
Cash at end of period	<u><u>1,650,673</u></u>

Indiana Association of Realtors, Inc.
Historical and Budgeted Financial Statements
Selected Information

For the ten months ended October 31, 2019 and the year ending December 31, 2019

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.
- The financial statements omit the activity of fully owned subsidiaries which include the Realtor® Building and real estate school.
- 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 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, 2019 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 July, 2019, 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

- Budgeted revenue from members is expected to remain in line with the prior year budget, 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
- All other expenses are expected to increase by 4% over the prior year budget.