

**Tennessee REALTORS®**  
**BOARD OF DIRECTORS MEETING**  
**Wednesday, February 9, 2022 / 3:30 p.m. CST**  
**Hilton Downtown Nashville**

**MINUTES**

**CALL TO ORDER**

President Travis Close called the meeting of the Board of Directors to order on Wednesday, February 9, 2022, at 3:50 p.m.

**INVOCATION AND PLEDGE OF ALLEGIANCE**

The invocation and Pledge of Allegiance were given by Frances Anderson and Will Sliger respectively.

**CREDENTIALS REPORT**

CEO Angela Shields reported a quorum was present

**ADOPTION OF AGENDA**

The Agenda was adopted as presented

**ADOPTION OF RULES**

President Close stated the Standing Rules are in the Directors' packet and there being no objection, the rules were adopted.

**WELCOME & INTRODUCTIONS**

President Close welcomed all members and guests and introduced the line officers: Sher Powers, President-Elect; Regina Hubbard, First Vice President; Dawne Davis, Treasurer; Ingrid Prather and Katie Townsend, Division 1 Vice Presidents; Robert Morris and Lucy Smith, Division 2 Vice Presidents; Ingrid Prather and Will Sliger, Division 3 Vice Presidents; Alex Bynum, Immediate Past President; Angela Shields, CEO; Leslie Rouda Smith, NAR President; Brian Copeland, NAR Region IV Vice President; Patricia Junkin, Parliamentarian; and Addison Russell, General Counsel.

**APPROVAL OF MINUTES**

The minutes of the October 2021 Board of Directors Meeting were approved as published.

**PRESIDENT'S REMARKS**

President Close gave a presidential report.

**NAR UPDATE**

2022 NAR President, Leslie Rouda Smith shared a few words.  
NAR Region 4 Vice President, Brian Copeland gave NAR report.

## **FINANCIAL REPORT**

Treasurer, Dawne Davis presented financial report and presented the audit letter. Motion made to accept the audit letter provided by the auditors. Seconded. Carried.

## **COMMITTEE AND OTHER REPORTS**

### **Convention Committee**

Chair Jennifer Grayson reported on behalf of the committee reminding everyone of the 2022 Fall Convention in French Lick, IN

### **Diversity and Inclusion Committee**

Chair Shannon Foster Boline gave a brief update on behalf of the committee

### **Governmental Affairs Committee**

Vice Chair Rich Levenson gave an update on behalf of the committee

### **RPAC Trustees**

Chair Karen Randolph gave a RPAC report for information only

### **Residential Forms Committee**

Chair Steven LaMar gave an update on behalf of the committee

### **Nominating Committee**

Vice Chair Hagan Stone presented the slate for the NAR Board of Directors consideration. Motion to approve the following Slate:

#### **SEATS:**

Travis Close 1<sup>st</sup> NAR Director Seat (per policy)

Sally Sparks 2<sup>nd</sup> NAR Director Seat

#### **ALTERNATES:**

Chris Garrett – 1<sup>st</sup> Alternate

#### **\*New Per NAR Bylaws in 2023:**

Penny Cowell, 2023 Medium Board NAR Director Seat

Kathy Dunn, 2023 Small Board NAR Director Seat

*(\*subject to board size on July 31, 2022)*

Motion Seconded. Carried.

**TREEF Trustees**

TREEF President Amy Cannon gave an update on behalf of the Trustees

**NEW BUSINESS**

None

Meeting adjourned at 5 p.m.

Submitted by:

Angela Shields, CEO / Secretary

Tennessee REALTORS® Operating Budget December 31, 2021				
	YTD 2021 ACTUAL	YEARLY BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>INCOME</b>				
State Dues	3,527,687.71	2,865,030.00	662,657.71	123.13%
Credit Card fees	(77,096.23)	(61,650.00)	-15,446.23	125.05%
Interest Income	17,259.20	13,500.00	3,759.20	127.85%
Other (Affinity Programs, Labels, Pins, etc)	12,391.86	12,700.00	-308.14	97.57%
AREA Leadership Tuition	7,990.00	12,586.00	-4,596.00	63.48%
Copyright Licenses	33,916.00	22,500.00	11,416.00	
TNEX Registration fees	18,720.00	56,250.00	-37,530.00	33.28%
Sponsorships	61,000.00	80,000.00	-19,000.00	76.25%
<b>TOTAL OPERATING INCOME</b>	<b>3,601,868.54</b>	<b>3,000,916.00</b>	<b>600,952.54</b>	<b>120.03%</b>
<b>EXPENSES</b>				
<b>General Business</b>				
Building	50,244.36	52,420.00	-2,175.64	95.85%
Taxes and Insurance	66,501.04	68,900.00	-2,398.96	96.52%
Professional Fees	45,140.50	47,460.00	-2,319.50	95.11%
Human Resources	1,247,833.67	1,332,080.00	-84,246.33	93.68%
<b>Subtotal</b>	<b>1,409,719.57</b>	<b>1,500,860.00</b>	<b>-91,140.43</b>	<b>93.93%</b>
<b>Administrative</b>				
General Office Expenses	20,653.24	11,400.00	9,253.24	181.17%
Dues & Subscriptions	4,357.10	2,275.00	2,082.10	191.52%
Committees and Task Forces	1,250.61	4,660.00	-3,409.39	26.84%
Executive Committee Meetings	43,881.60	43,300.00	581.60	101.34%
Officers' Travel (Pres, Pres-elect, 1st VP & T)	46,508.62	112,700.00	-66,191.38	41.27%
TN Leadership Conference	25,000.19	26,000.00	-999.81	96.15%
Leadership Roadshows	0.00	30,000.00	-30,000.00	0.00%
Mbrp Fee - TN Chamber of Commerce	3,000.00	3,000.00	0.00	100.00%
Legal Hotline	63,725.04	64,000.00	-274.96	99.57%
Leadership Initiatives	28,567.50	98,220.00	-69,652.50	29.09%
Booth at MiPIM Conference	0.00	30,000.00	-30,000.00	0.00%
NAR Realtor Relief Fund	305,000.00	15,000.00	290,000.00	2033.33%
Broker's Summit	3,890.33	-	3,890.33	0.00%
DVP's & IPP Travel	1,828.22	12,500.00	-10,671.78	14.63%
National Director Travel	14,744.89	51,000.00	-36,255.11	28.91%
NAR Regional Meeting	3,401.71	5,000.00	-1,598.29	68.03%
NAR Regional Hospitality	9,513.30	15,000.00	-5,486.70	63.42%
Awards & Memorials	9,805.34	12,360.00	-2,554.66	79.33%
Staff Travel & Prof. Development	44,605.53	77,100.00	-32,494.47	57.85%
<b>Subtotal</b>	<b>629,733.22</b>	<b>613,515.00</b>	<b>16,218.22</b>	<b>102.64%</b>

Tennessee REALTORS® Operating Budget December 31, 2021				
	YTD 2021 ACTUAL	YEARLY BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>Education and Professional Develop</b>				
Education Programs/Spring Conference	21,112.50	101,700.00	-80,587.50	20.76%
Business/Other - Spring Conference	650.54	29,200.00	-28,549.46	2.23%
AREA Leadership Program	3,141.49	10,300.00	-7,158.51	30.50%
Staff Travel & Professional Development	599.00	8,475.00	-7,876.00	7.07%
Subtotal	25,503.53	149,675.00	-124,171.47	17.04%
<b>Governmental Affairs</b>				
Dues & Subscriptions	6,789.00	6,450.00	339.00	105.26%
Governmental Affairs Programs & Exp	3,402.50	6,000.00	-2,597.50	56.71%
REALTOR® Advocacy Training	19,328.45	25,000.00	-5,671.55	0.77
Tennessee REALTORS® Day on the Hill	0.00	17,500.00	-17,500.00	0.00%
Lobbying Fees and Expenses	117,431.23	116,975.00	456.23	100.39%
Annual Platinum RPAC Investment	10,000.00	10,000.00	0.00	100.00%
Travel Exp (Gov't Chair & FPCs DC Mtg.)	0.00	1,500.00	-1,500.00	0.00
Staff Travel & Professional Develop	14,345.75	13,150.00	1,195.75	109.09%
Subtotal	171,296.93	196,575.00	-25,278.07	87.14%
<b>Member Engagement</b>				
Online Forms & Support	0.00	-	0.00	0.00%
AE Education Program	600.00	10,000.00	-9,400.00	6.00%
Forms Committees	0.00	2,900.00	-2,900.00	0.00%
Staff Travel & Professional Development	3,407.37	8,100.00	-4,692.63	0.00%
Subtotal	4,007.37	21,000.00	-16,992.63	0.00%
<b>Communications</b>				
Dues & Subscriptions	1,536.69	850.00	686.69	180.79%
Communication Platforms	31,542.76	60,101.00	-28,558.24	52.48%
Realtor® Branding	2,546.39	75,400.00	-72,853.61	3.38%
Staff Travel & Professional Development	8,031.25	11,540.00	-3,508.75	69.59%
Subtotal	43,657.09	147,891.00	-104,233.91	29.52%
<b>Technology</b>				
Equipment Maintenance	6,114.67	-	-	-
Online Forms & Support	280,786.68	281,000.00	-213.32	99.92%
Document Archiving	3,966.29	11,000.00	-7,033.71	0.00%
Internet Site & Services	28,157.76	18,800.00	9,357.76	149.78%
Domains	215.34	-	215.34	0.00%
Technology Resources	60,431.72	51,500.00	8,931.72	117.34%
Contracted IT Charges	23,693.73	-	23,693.73	0.00%
Webinars, Webcast Streaming	9,346.86	1,850.00	7,496.86	505.24%
Staff Travel & Professional Development	1,709.06	7,250.00	-5,540.94	23.57%
Subtotal	414,422.11	371,400.00	43,022.11	111.58%
<b>TOTAL OPERATING EXPENSES</b>	<b>2,698,339.82</b>	<b>3,000,916.00</b>	<b>-302,576.18</b>	<b>89.92%</b>
<b>NET OPERATING INCOME</b>	<b>903,528.72</b>	<b>0.00</b>	<b>903,528.72</b>	<b>0.00%</b>

Tennessee REALTORS® Operating Budget December 31, 2021				
	YTD 2021 ACTUAL	YEARLY BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>RESTRICTED INCOME/EXPENSE</b>				
Issues Mobilization Assessment	537,510.00	408,000.00	129,510.00	131.74%
Issues Mobilization Interest Income	4,958.20	5,280.00	-321.80	93.91%
<b>TOTAL RESTRICTED INCOME</b>	<b>542,468.20</b>	<b>413,280.00</b>	<b>129,188.20</b>	<b>131.26%</b>
Issues Mobilization Expenditures	77,025.00	-	77,025.00	0.00%
<b>NET RESTRICTED</b>	<b>465,443.20</b>	<b>413,280.00</b>	<b>52,163.20</b>	<b>112.62%</b>
<b>OTHER INCOME/EXPENSE</b>				
Convention Income	102,235.00	-		
Convention Expense	-267,866.22	-		
Gain/Loss on Investments	463,419.00	-		
General Reserve. & other	-5,000.00	-		
Depreciation Expense	-88,430.97	-		
Subtotal	204,356.81	-		
<b>NET INCOME</b>	<b>1,573,328.73</b>	<b>413,280.00</b>		

**TENNESSEE REALTORS®****Balance Sheet****December 31, 2021****ASSETS**

Petty Cash	\$25.00	
Checking Account	\$161,529.93	
Operating & General Reserve Accounts	\$5,775,934.13	
<b>Total Operating &amp; General Reserves</b>		<b>\$5,937,489.06</b>

**DESIGNATED FUNDS**

Issues Mobilization Fund	\$5,932,568.31	\$5,932,568.31
Legal Fund	\$101,154.34	\$101,154.34
<b>Designated Reserves:</b>		<b>\$634,757.93</b>
NAR Officer Candidate Account (Region 4)	\$26,592.28	
Building Reserve	\$416,708.65	
PPP Reserve	\$191,457.00	
<b>TOTAL DESIGNATED FUNDS</b>		<b>\$6,668,480.58</b>

**PERMANENT RESERVES**

Accounts Receivable & Prepaid Expenses	\$122,472.84	\$122,472.84
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<b>Subtotal Assets</b>		<b>\$14,501,618.48</b>
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Office Furnishings & Equipment	\$418,831.12	
Real Estate	\$3,261,598.16	
Accumulated Depreciation	-\$1,524,497.15	
<b>Total</b>		<b>\$2,155,932.13</b>

<b>Total Assets</b>		<b>\$16,657,550.61</b>
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**LIABILITIES AND EQUITY**

Liabilities	\$2,582,844.07	
PPP Loan	\$191,457.00	
Equity	\$13,883,249.54	
<b>Total Liabilities and Equity</b>		<b>\$16,657,550.61</b>

**TENNESSEE REALTORS®  
OPERATING BUDGET  
DECEMBER 30, 2021  
MAJOR VARIANCE EXPLANATION**

**INCOME**

State Dues (up). Budgeted for 27,000 members: actual 33,947  
Issues Mob (up). Budgeted for 27,000 members: actual 33,947  
Credit Card fees (up). Based on number paying thru eCommerce, membership is up  
Sponsorships (down). Low because of still being in the COVID cycle  
Area Tuition (down). Due to classes disrupted by COVID; some students moved to 2022  
TNEX Registration (down). Budgeted to be in person

**EXPENSES**

*Administration*

Generally, down due to still being in the COVID cycle; limited travel and in person events  
Made a special anniversary donation to the Realtor Relief Fund

*Education and Professional Develop*

Education Programs/Spring Conf (down) Low due to not being in person (virtual)

*Member Engagement*

Down due to limited travel and events meeting virtual not in person

*Technology*

Webinars, Webcast Streaming (up). Increased Zoom usage due to COVID-19





# BELLENFANT

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Tennessee Association of Realtors, Inc.  
Nashville, Tennessee

### *Opinion*

We have audited the accompanying financial statements of Tennessee Association of Realtors, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Tennessee Association of Realtors, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Tennessee Association of Realtors, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Tennessee Association of Realtors, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### *Auditor's Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

Exercise professional judgment and maintain professional skepticism throughout the audit.

Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Tennessee Association of Realtors, Inc.'s internal control. Accordingly, no such opinion is expressed.

Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Tennessee Association of Realtors, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Bellenfant, PLLC*

Nashville, Tennessee

February 6, 2022