



**BELLENFANT**

CERTIFIED PUBLIC ACCOUNTANTS & ADVISORS

Professional Accounting & Consulting Services

**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, 2024, 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, 2024, 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 3, 2025

**Tennessee REALTORS®**  
**Operating Budget**  
**December 31, 2024**

	YTD 2024 ACTUAL	2024 BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>INCOME</b>				
State Dues	3,885,719.26	3,454,500.00	431,219.26	112.48%
Credit Card fees	(90,395.11)	(83,981.00)	-6,414.11	107.64%
Interest Income	321,473.19	206,675.00	114,798.19	155.55%
Other (Affinity Programs, Labels, Pins, etc.)	21,594.87	20,300.00	1,294.87	106.38%
AREA Leadership Tuition	15,283.00	17,980.00	-2,697.00	85.00%
Copyright Licenses	39,322.00	40,000.00	-678.00	98.31%
Sponsorships	82,860.00	85,000.00	-2,140.00	97.48%
<b>TOTAL OPERATING INCOME</b>	<b>4,275,857.21</b>	<b>3,740,474.00</b>	<b>535,383.21</b>	<b>114.31%</b>
<b>EXPENSES</b>				
<b>General Business</b>				
Building	74,801.33	55,975.00	18,826.33	133.63%
Taxes and Insurance	69,273.81	71,800.00	-2,526.19	96.48%
Professional Fees	52,999.27	49,900.00	3,099.27	106.21%
Human Resources	1,608,029.86	1,831,604.00	-223,574.14	87.79%
<b>Subtotal</b>	<b>1,805,104.27</b>	<b>2,009,279.00</b>	<b>-204,174.73</b>	<b>89.84%</b>
<b>Administrative-Leadership</b>				
Officers' Travel (Pres, Pres-elect, 1st VP & Treas)	104,363.49	99,650.00	4,713.49	104.73%
DVP's & IPP Travel	13,596.41	22,000.00	-8,403.59	61.80%
National Director Travel	52,887.12	40,000.00	12,887.12	132.22%
Executive Committee Meetings	70,331.32	50,400.00	19,931.32	139.55%
Leadership Initiatives	12,287.80	82,000.00	-69,712.20	14.99%
Leadership Roadshows	25,821.20	26,000.00	-178.80	99.31%
<b>Subtotal</b>	<b>279,287.34</b>	<b>320,050.00</b>	<b>-40,762.66</b>	<b>87.26%</b>
<b>Administrative-Staff</b>				
General Office Expenses	18,658.42	20,840.00	-2,181.58	89.53%
Dues & Subscriptions	2,490.00	2,700.00	-210.00	92.22%
Committees and Task Forces	2,012.14	2,300.00	-287.86	87.48%
NAR Realtor Relief Fund	100,000.00	20,000.00	80,000.00	500.00%
Booth at MiPIM Conference	56,193.32	42,500.00	13,693.32	132.22%
TN Chamber of Commerce	3,500.00	3,000.00	500.00	116.67%
Awards & Memorials	16,132.22	24,000.00	-7,867.78	67.22%
Staff Travel & Prof. Development	85,444.76	83,300.00	2,144.76	102.57%
<b>Subtotal</b>	<b>284,430.86</b>	<b>198,640.00</b>	<b>85,790.86</b>	<b>143.19%</b>

**Tennessee REALTORS®**  
**Operating Budget**  
**December 31, 2024**

	YTD 2024 ACTUAL	2024 BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>Professional Development &amp; Conferences</b>				
AREA Leadership Program	35,647.61	22,450.00	13,197.61	158.79%
TNEX Spring Conference(net of Reg Fees)	114,482.47	59,550.00	54,932.47	192.25%
THDA Housing Conference	2,725.00	-	2,725.00	0.00%
NAR Region 4 Programs	24,827.77	23,000.00	1,827.77	107.95%
TN Sights	45,575.81	19,000.00	26,575.81	239.87%
Fall Convention(net of Reg Fees)	247,908.86	131,000.00	116,908.86	189.24%
Leadership & Advocacy	64,523.71	63,000.00	1,523.71	102.42%
AE Education Program	9,872.11	10,000.00	-127.89	98.72%
Staff Travel & Professional Development	13,439.59	18,775.00	-5,335.41	71.58%
<b>Subtotal</b>	<b>559,002.93</b>	<b>346,775.00</b>	<b>212,227.93</b>	<b>161.20%</b>
<b>Governmental Affairs</b>				
Dues & Subscriptions	10,643.33	7,500.00	3,143.33	141.91%
Governmental Affairs Programs & Exp	2,878.57	4,750.00	-1,871.43	60.60%
Tennessee REALTORS® Day on the Hill	22,818.65	22,000.00	818.65	103.72%
Lobbying Fees and Expenses	114,225.00	117,325.00	-3,100.00	97.36%
Annual Platinum RPAC Investment	10,000.00	10,000.00	0.00	100.00%
Travel Exp (Gov'tl Chair & FPCs DC Mtg.)	0.00	1,500.00	-1,500.00	0.00%
Staff Travel & Professional Develop	16,545.40	13,550.00	2,995.40	122.11%
<b>Subtotal</b>	<b>177,110.95</b>	<b>176,625.00</b>	<b>485.95</b>	<b>100.28%</b>
<b>Professional Standards &amp; Risk Management</b>				
Panel Expenses & Materials	8,492.22	3,400.00	5,092.22	249.77%
CasePro Annual License & Training	16,470.00	16,875.00	-405.00	97.60%
Forms Committees	728.34	2,400.00	-1,671.66	30.35%
Legal Hotline	63,725.04	64,000.00	-274.96	99.57%
Staff Travel & Professional Development	6,875.07	10,250.00	-3,374.93	67.07%
<b>Subtotal</b>	<b>96,290.67</b>	<b>96,925.00</b>	<b>-634.33</b>	<b>99.35%</b>
<b>Communications</b>				
Dues & Subscriptions	4,546.55	850.00	3,696.55	534.89%
Communication Platforms	7,868.33	18,200.00	-10,331.67	43.23%
Realtor® Branding	33,036.34	61,000.00	-27,963.66	54.16%
Staff Travel & Professional Development	9,570.91	11,540.00	-1,969.09	82.94%
<b>Subtotal</b>	<b>55,022.13</b>	<b>91,590.00</b>	<b>-36,567.87</b>	<b>60.07%</b>

<b>Tennessee REALTORS®</b>				
<b>Operating Budget</b>				
<b>December 31, 2024</b>				
	YTD 2024 ACTUAL	2024 BUDGET	BUDGET VARIANCE	PERCENT TO BUDGET
<b>Technology</b>				
Technology Operations	140,332.04	121,340.00	18,992.04	115.65%
Technology Production	-	8,000.00	-8,000.00	0.00%
Transaction Desk	377,426.71	360,000.00	17,426.71	104.84%
Document Archiving	0.00	4,000.00	-4,000.00	0.00%
Staff Travel & Professional Development	1,880.00	7,250.00	-5,370.00	25.93%
<b>Subtotal</b>	<b>519,638.75</b>	<b>500,590.00</b>	<b>19,048.75</b>	<b>103.81%</b>
<b>TOTAL OPERATING EXPENSES</b>	<b>3,775,887.90</b>	<b>3,740,474.00</b>	<b>35,413.90</b>	<b>100.95%</b>
<b>NET OPERATING INCOME</b>	<b>499,969.31</b>	<b>0.00</b>	<b>499,969.31</b>	<b>0.00%</b>
<b>RESTRICTED INCOME/EXPENSE</b>				
Issues Mobilization Assessment	579,550.00	493,500.00	86,050.00	117.44%
Issues Mobilization Interest Income	54,565.89	64,000.00	-9,434.11	85.26%
<b>TOTAL RESTRICTED INCOME</b>	<b>634,115.89</b>	<b>557,500.00</b>	<b>76,615.89</b>	<b>113.74%</b>
Issues Mobilization Expenditures	134,895.00	-	134,895.00	0.00%
<b>NET RESTRICTED</b>	<b>499,220.89</b>	<b>557,500.00</b>	<b>-58,279.11</b>	<b>89.55%</b>
<b>OTHER INCOME/EXPENSE</b>				
Gain/(Loss) on Investments	352,817.00	-	352,817.00	0.00%
Investment Income	380,900.00	-	380,900.00	0.00%
General Reserve. & other	0.00	-	0.00	0.00%
Depreciation Expense	-129,388.91	-	-129,388.91	0.00%
<b>Subtotal</b>	<b>604,328.09</b>	<b>-</b>	<b>604,328.09</b>	<b>0.00%</b>
<b>NET INCOME</b>	<b>1,603,518.29</b>	<b>557,500.00</b>	<b>1,046,018.29</b>	<b>287.63%</b>

**TENNESSEE REALTORS®****Balance Sheet****December 31, 2024**


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<b>ASSETS</b>		
Petty Cash	\$25.00	
Checking Account	\$316,482.32	
Operating & General Reserve Accounts	\$7,970,003.73	
<b>Total Operating &amp; General Reserves</b>		<b>\$8,286,511.05</b>
<b>DESIGNATED FUNDS</b>		
Issues Mobilization Fund	\$8,070,870.78	\$8,070,870.78
Legal Fund	\$112,008.61	\$112,008.61
<b>Designated Reserves:</b>		<b>\$421,879.18</b>
NAR Officer Candidate Region 4	\$25,205.44	
TN NAR Officer's Reserve	\$26,851.58	
Building Reserve	\$369,822.16	
<b>TOTAL DESIGNATED FUNDS</b>		<b>\$8,604,758.57</b>
<b>PERMANENT RESERVES</b>		
		<b>\$1,930,902.00</b>
<b>Accounts Receivable &amp; Prepaid Expenses</b>	<b>\$168,497.78</b>	<b>\$168,497.78</b>
<b>Subtotal Assets</b>		<b>\$18,990,669.40</b>
Office Furnishings & Equipment	\$462,329.89	
Vehicles	\$183,908.72	
Real Estate	\$3,314,912.34	
Accumulated Depreciation	-\$1,857,715.11	
<b>Total</b>		<b>\$2,103,435.84</b>
<b>Total Assets</b>		<b>\$21,094,105.24</b>
<b>LIABILITIES AND EQUITY</b>		
Liabilities	\$2,793,714.04	
Equity	\$18,300,391.20	
<b>Total Liabilities and Equity</b>		<b>\$21,094,105.24</b>

**TENNESSEE REALTORS®**  
**OPERATING BUDGET**  
**December 31, 2024**

**MAJOR VARIANCE EXPLANATION**

**INCOME**

State Dues (up) Budgeted for 32,900 members: actual 35,159  
Issues Mobilization (up) Budgeted for 32,900 members: actual 35,159  
Interest Income (up) We have been able to negotiate favorable rates

**EXPENSES**

*General Business*

Building (up) New landscaping, alarm repairs and higher than expected utilities

*Administrative*

NAR Relief Fund – Additional contribution due to Hurricane Helene/TN

*Professional Develop and Conferences*

Education Programs/AREA (up) due higher food costs and speakers' fees

TNEX (up) Food and AV costs more than expected

TN Sights (up) Food and AV costs more than expected

Fall Convention (up) Attendance lower than expected Food/AV costs higher

*Governmental Affairs*

Dues & Subscriptions (up) due to Aristotle enhancements

*Professional Standards*

Panel Expenses (up) final payment on training

*Communications*

Dues & Subscriptions (up) due to new subscriptions not budgeted