

**CHICAGO ASSOCIATION OF REALTORS®
AND AFFILIATES**
Chicago, Illinois

CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Chicago Association of REALTORS®
Chicago, Illinois

Opinion

We have audited the consolidated financial statements of Chicago Association of REALTORS® and Affiliates (CAR), which comprise the consolidated statements of financial position as of September 30, 2025 and 2024, and the related consolidated statements of activities, and cash flows for the years then ended, and the related consolidated notes to the financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of CAR as of September 30, 2025 and 2024, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 CAR and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CAR's ability to continue as a going concern for one year from the date the consolidated financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 GAAS 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 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 consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 CAR'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about CAR'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.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statements of financial position, activities, cash flows, and general and administrative expense – natural classification are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations, cash flows, and expenses of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Crowe LLP
Crowe LLP

Chicago, Illinois
February 11, 2026

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Current assets		
Cash and cash equivalents	\$ 8,211,203	\$ 8,111,671
Investments	6,023,291	5,541,568
Prepaid expenses and other current assets	318,718	220,139
Total current assets	<u>14,553,212</u>	<u>13,873,378</u>
Property, equipment and software		
Leasehold improvements	3,053,179	3,022,245
Furniture and office equipment	986,360	876,013
Computer and telephone equipment	410,460	524,087
Computer software	844,813	1,062,009
	<u>5,294,812</u>	<u>5,484,354</u>
Less accumulated depreciation	<u>(4,185,263)</u>	<u>(3,982,373)</u>
Property, equipment and software, net	1,109,549	1,501,981
Right to use office space	292,822	486,778
Right to use office equipment	180,367	230,313
	<u>\$ 16,135,950</u>	<u>\$ 16,092,450</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable	\$ 812,548	\$ 335,138
Accrued expenses	388,295	319,270
Due to National and State Associations	109,293	118,589
Deferred revenue		
Dues	2,781,355	3,038,190
User fees	2,341,377	2,565,606
Other	127,549	133,845
Lease liability for right to use assets - short term	455,404	431,907
Total current liabilities	<u>7,015,821</u>	<u>6,942,545</u>
Lease liability for right to use assets - long term	304,609	760,013
Total liabilities	<u>7,320,430</u>	<u>7,702,558</u>
Net assets		
Without donor restrictions		
Designated	150,273	150,273
Undesignated	8,592,667	8,150,661
Total without donor restrictions	<u>8,742,940</u>	<u>8,300,934</u>
With donor restrictions	72,580	88,958
Total net assets	<u>8,815,520</u>	<u>8,389,892</u>
	<u>\$ 16,135,950</u>	<u>\$ 16,092,450</u>

See accompanying notes to consolidated financial statements.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATED STATEMENTS OF ACTIVITIES
Years Ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Activities without donor restrictions		
Operating activities		
Revenue		
Local dues and fees	\$ 6,178,828	\$ 6,228,281
Listing services	6,736,432	6,752,158
Member professional development	581,763	743,142
Application and other fees	1,163,821	1,191,596
Governance	2,250	3,000
Member events	767,464	695,583
Other member services	211,704	197,789
Contributions	249,565	329,763
Net assets released from restriction	21,783	11,348
Total revenue	<u>15,913,610</u>	<u>16,152,660</u>
Expenses		
Program		
Member services	2,237,593	2,210,386
Listing services	6,681,664	6,465,272
Member professional development	1,495,655	1,852,726
Other member services	57,531	64,996
Member events	2,530,192	2,516,605
Government affairs	141,884	188,956
State and National Association meetings	254,286	304,616
Public relations	1,131,428	1,112,075
Contributions and grants	306,521	155,659
Total program	<u>14,836,754</u>	<u>14,871,291</u>
General and administrative	18,957	36,645
Association governance	1,203,610	1,267,643
Total expenses	<u>16,059,321</u>	<u>16,175,579</u>
Change in net assets from operating activities	<u>(145,711)</u>	<u>(22,919)</u>
Nonoperating revenue (expense)		
Interest and dividend income	470,849	512,724
Gain on investments	363,330	690,838
Loss on disposal of assets	(1,294)	(12,642)
Other expense	(31,287)	(28,245)
Income tax expense	(213,881)	(255,353)
Nonoperating revenue (expense), net	<u>587,717</u>	<u>907,322</u>
Change in net assets without donor restrictions	442,006	884,403
Activities with donor restrictions		
Contributions	5,405	5,930
Release from restriction	<u>(21,783)</u>	<u>(11,348)</u>
Change in net assets with donor restrictions	<u>(16,378)</u>	<u>(5,418)</u>
Change in total net assets	425,628	878,985
Total net assets		
Beginning of year	<u>8,389,892</u>	<u>7,510,907</u>
End of year	<u>\$ 8,815,520</u>	<u>\$ 8,389,892</u>

See accompanying notes to consolidated financial statements.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATED STATEMENTS OF CASH FLOWS
Years ended September 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Change in net assets	\$ 425,628	\$ 878,985
Adjustment to reconcile change in net assets to net cash from operating activities		
Depreciation and amortization	588,819	575,745
Net gain on investments	(363,330)	(690,838)
Net loss on sale of assets	1,294	12,642
Noncash lease expense	243,902	342,936
Changes in		
Prepaid expenses and other current assets	(98,579)	163,807
Accounts, dues, and other payables	468,114	(62,254)
Accrued expenses	69,025	(189,207)
Deferred revenue	(487,360)	70,048
Lease liability	(431,907)	(515,790)
Net cash from operating activities	<u>415,606</u>	<u>586,074</u>
Cash flows from investing activities		
Purchase of property, equipment, and software	(197,681)	(212,680)
Purchase of investments	(118,393)	(113,039)
Net cash from investing activities	<u>(316,074)</u>	<u>(325,719)</u>
Net change in cash and cash equivalents	99,532	260,355
Cash and cash equivalents		
Beginning of year	<u>8,111,671</u>	<u>7,851,316</u>
End of year	<u><u>\$ 8,211,203</u></u>	<u><u>\$ 8,111,671</u></u>
Supplemental disclosure		
Cash paid for taxes	\$ 242,079	\$ 215,672
Noncash recognition of new operating leases	-	259,581

See accompanying notes to consolidated financial statements.

NOTE 1 - NATURE OF OPERATIONS

Chicago Association of REALTORS® (CAR or the Organization) is a membership organization incorporated in Illinois. Chicago Association of REALTORS® is the "Voice for Real Estate™" in Chicago since 1883 and represents approximately 16,400 members from all real estate specialties including commercial sales, development, property management, appraisal, auctions, and residential sales. CAR pursues its purpose by providing members and those interested in the real estate industry the following services:

- Professional service and support from CAR staff, ready and able to answer questions and address concerns;
- Member education and training programs, including a state-approved pre-licensing program, as well as accredited Continuing Education courses;
- Programs and networking events geared toward the various practice areas and specialties of the real estate practitioner, with speakers on relevant topics;
- The opportunity to participate in the Regional Multiple Listing Service;
- Advocacy and lobbying at the local, state, and national levels to protect real estate businesses and that of customers and clients, related to real estate;
- Weekly, quarterly, and annual housing sales data for each of Chicago's 77 neighborhoods and Chicagoland suburbs available via CAR website and by e-mail; and
- Valuable communications tools, such as Chicago Realtor® Magazine and weekly e-blasts as well as representation in the media to publicize and promote our REALTORS®.

CAR and six other REALTOR® organizations, operating in the Chicago metropolitan area, each own 1000 shares of Multiple Listing Service of Northern Illinois, Inc., an Illinois Corporation (MLSNI). Prior to April 2009, MLSNI operated the principal multiple listing service for REALTORS® in the Chicago metropolitan area. However, in 2009, MLSNI consolidated its operations with another multiple listing service to create a new association owned, but broker-controlled, multiple listing service: Midwest Real Estate Data, LLC (MRED). MLSNI owns seven common units out of ten authorized of MRED, which today is the only entity providing REALTORS® with multiple listing services in the Chicago metropolitan area. The REALTOR® organizations elect two seats on MRED's 15-person Board of Managers. The remaining 13 seats are elected by broker firms that have purchased preferred units of MRED. The preferred units of MRED are valued at \$1,000 each and return no value other than their \$1,000 original investment.

CAR owns approximately 14% of MLSNI and does not exercise either control or significant influence over MLSNI or MRED, because of CAR's less than 20% ownership of MLSNI and the preferred unit holders control of 13 out of 15 seats of the Board of Managers of MRED. Accordingly, CAR's investment in MLSNI is recorded at its historical cost basis of \$100. The September 30, 2024, audited financial statements of MRED reported approximately \$20.5 million in common unit members' equity. CAR's portion of MRED's common unit equity is approximately \$2.9 million, which, under generally accepted accounting principles, has not been recorded. The September 30, 2025 audited financial statements of MRED were not available as of the date these financial statements were available to be issued. CAR is only able to recover the additional value of this investment upon dissolution of MRED or upon the majority vote for a special distribution by the Board of Managers, which is controlled by preferred unit holders of MRED.

In October 2021, MLSNI converted its corporate structure to Multiple Listing Service of Northern Illinois, LLC (MLSNI LLC), a limited liability company. The seven founding associations (Founding Members) were granted each 1,000 Class A Units while any qualified new joining associations (Joining Members) will be issued Class B Units. There was one new Joining Members during fiscal year 2025 and no new Joining Members during 2024.

(Continued)

NOTE 1 - NATURE OF OPERATIONS (Continued)

CAR provides its members with access to MRED's multiple listing service through The Chicago Association of REALTORS, Inc. Multiple Listing Service (CAR MLS), incorporated in Delaware. CAR MLS invoices and collects fees from its members who request access to MRED's multiple listing service. CAR MLS utilizes CAR staff, as well as its office at the Central location, for the maintenance and storage of records, as well as for its regularly scheduled meetings.

The Northern Illinois Real Estate Information Network Inc. (NIREIN) is a wholly owned subsidiary of CAR BIS. NIREIN is a vehicle through which CAR's licensed real estate agents may close real estate transactions even if they are not otherwise associated with a real estate brokerage firm licensed in Illinois. Also, within NIREIN, CommercialForum is a subscription-based initiative available to CAR members, or for a fee to practitioners, affiliates or investors interested in connecting for networking and education purposes, as well as to become more engaged on local legislative matters. NIREIN utilizes CAR staff, as well as its office at the Central location, for the maintenance and storage of records, as well as for its regularly scheduled meetings.

Chicago Association of Realtors Business Information Services, Inc. (CAR BIS) is a holding company formed for the purpose of holding CAR's investment in CAR MLS and NIREIN. CAR BIS is a wholly owned subsidiary of CAR.

The Chicago Association of REALTORS® Educational Foundation, Inc. (Foundation) is a not-for-profit Illinois corporation exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation provides awards, grants and scholarships in support of research and higher learning in the real estate field, and seeks opportunities to partner, where possible, with relevant organizations to further the same; the Foundation also actively supports charitable organizations focused on community-building, the eradication of homelessness, and other worthy causes. The Foundation utilizes CAR staff, as well as its office at the Central location, for the maintenance and storage of records, as well as for its regularly scheduled meetings.

The Chicago Association of REALTORS® Political Action Committee (PAC) is a separate entity used to maintain a relationship with government bodies and representatives. The PAC receives its funding from The Realtors Political Action Committee (RPAC). The PAC contributes funds to candidates for local office who support the views and issues important to CAR members and their clients. The PAC utilizes CAR staff, as well as its office at the Central location, for the maintenance and storage of records, as well as for its regularly scheduled meetings.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Consolidated Financial Statements: The accompanying consolidated financial statements reflect the consolidation of the financial statements of CAR, CAR BIS (CAR MLS and NIREIN), Foundation, and PAC. The consolidated financial statements reflect an aggregation of the six organizations' individual financial statements. All intercompany transactions and accounts have been eliminated in consolidation.

Basis of Accounting: The Organization maintains its accounting records and prepares its financial statements on the accrual basis of accounting in accordance with generally accepted accounting principles. The accrual basis of accounting recognizes revenue when earned and expenses when incurred. Contributions are classified based on the existence or absence of donor-imposed restrictions.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation: In accordance with generally accepted accounting principles, CAR reports financial position and activities in two classes of net assets based on the existence or absence of donor-imposed restrictions; net assets without donor restrictions and net assets with donor restrictions. Net assets are generally reported as without donor restrictions unless assets are received from donors with explicit stipulations that limit the use of the asset. As of September 30, 2025 and 2024, there are \$72,580 and \$88,958, respectively, of net assets with donor restrictions for charitable, educational scholarships and events. All remaining net assets are without donor restrictions. The Organization had no donor restrictions of a permanent nature as of September 30, 2025 and 2024.

Operations: Operating results in the statements of activities reflect all transactions increasing or decreasing net assets without donor restrictions except those activities associated with investing activities and income tax expense.

Revenue Recognition: Revenue is reported as an increase in net assets without donor restrictions, unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor restriction or by law. Expirations of the donor-imposed restrictions that simultaneously increase one class of net assets and decrease another are reported as reclassifications between applicable classes of net assets. Contributions with donor restrictions are classified as without donor restrictions if the restrictions are satisfied in the same period in which the contributions are received.

Exchange Transactions

Membership dues, including special assessments, are derived from services the Organization provides to its members. The Organization recognizes revenue for membership services over the applicable membership period. Membership dues received in advance of services are reported as deferred revenue in the consolidated balance sheet.

Other revenue derived from exchange transactions includes sales and services of listing services, publications, products, product services, events, educational courses and meetings, advertising, and subscriptions. The Organization recognizes revenue for other exchange transactions either at the point in time of delivery that a sale occurs or over time as services are rendered. Revenue related to other revenue received in advance of sales and services are reported as deferred revenue in the consolidated balance sheet.

The Organization's receivables represent unconditional rights to consideration from its contracts with its members and customers. Credit terms for customers are generally net 30 days. The Organization carries its accounts receivable at the amount expected to be collected for the services performed. At September 30, 2025 and 2024, receivables included \$0 and \$1,559, respectively, of amounts due from employees, which are being repaid through payroll deductions. Accounts receivable are included in prepaid expenses and other current assets on the consolidated statements of financial position.

The Organization's contract liabilities are presented as deferred revenue in the consolidated statements of net position. Deferred revenue in any period represents the excess of membership dues and other exchange transaction revenue received over amounts recognized as revenue on the consolidated statement of activities. The Organization's membership programs have starting and ending dates that generally coincide with its fiscal year end. Therefore, at year end, deferred revenue represents revenue for future sales and services to be performed during the following fiscal year.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Organization had no costs that were capitalized to obtain or to fulfill a contract with a customer.

Contributions

Private gifts and grants that are not considered exchange transactions, including pledges, are recognized in the period received. Conditional gifts, with a barrier and right of return, are not recognized until the conditions on which they depend are substantially met or explicitly waived by the donor. Contributions of assets other than cash are recorded at estimated fair value. Contributions to be received after one year are discounted at an appropriate rate commensurate with the risks involved. Amortization of discount is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions. An allowance for uncollectible pledges receivable is provided based upon management's judgment, including such factors as prior collection history, type of contribution, and nature of fund-raising activity. Verbal pledges are not recognized until the pledge is acknowledged by the donor in writing or when the contribution is physically received.

Estimates Used in the Preparation of the Financial Statements: The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Significant estimates used in the preparation of these consolidated financial statements include the fair value of investments, the allowance for doubtful accounts, the allocation of general, administrative and other expenses to individual program activities and related entities and useful lives of property, equipment and software. Actual results could differ from those estimates.

Functional Allocation of Expenses: Operating expenses identified directly with a program service area are charged to that area and, where these expenses affect more than one area, they are allocated based on actual hours incurred by employees for each entity and space utilized.

Cash Equivalents: For purposes of the consolidated statement of cash flows, short-term investments, including certificates of deposit, purchased with an original maturity of three months or less are considered to be cash equivalents. Cash equivalents included in the investment portfolio are reported as investments.

Prepaid Expenses and Other Current Assets: Prepaid expenses consist of expenditures made for an event, product or service that will occur or be utilized subsequent to fiscal year end. Prepaids also consist of business aids and supplies, such as textbooks, lockboxes, and keycards, which are reported at the lower of cost or net realizable value, computed using the average cost basis.

Investments: The Organization's investments are accounted for at fair value with realized and unrealized gains and losses reported in the statement of activities. CAR's investment in MLSNI LLC is recorded at its historical cost basis minus impairment, if any, plus or minus changes in fair value resulting from observable price changes in orderly transactions for the identical or a similar investment of the same issuer.

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property, Equipment, and Software: Property, equipment, and software with a useful life of greater than one year are recorded at cost and depreciated or amortized using the straight-line method over the estimated useful lives of the assets. Management has established the useful lives of the assets as follows:

Building	15 years
Building improvements	5 years
Leasehold improvements	2-10 years
Furniture and office equipment	5-10 years
Computer and telephone equipment	3 years
Computer software	2-3 years

Subsequent Events: Subsequent events have been evaluated at February 11, 2026, which is the date the consolidated financial statements were available to be issued.

Income Taxes: Because of the nature of its primary purpose, CAR has been determined by the Internal Revenue Service to be exempt from federal income tax under the provision of Section 501(c)(6) of the Internal Revenue Code, except to the extent of any unrelated business income. CAR had unrelated business income from advertising revenue and imputed interest in 2025 and 2024.

CAR BIS is a taxable corporation. CAR BIS and its wholly owned taxable subsidiaries, CAR MLS and NIREIN, participate in a tax sharing arrangement whereby they have elected to allocate taxes among the members of the group tax return using the separate return method. The allocation of tax expense (benefit) is determined based upon what each consolidated group member's current and deferred tax expense would have been had the member filed a separate return. The tax sharing agreement between CAR BIS and the consolidated tax group members provides that the taxes payable or refundable will be settled on an annual basis in the following manner:

- If CAR BIS tax benefits are used to offset taxes due to taxing authorities, then CAR BIS group member that benefits from the offset will record a capital contribution from the related group member.
- Or, if payments are due to taxing authorities, then the respective CAR BIS group member will make a cash payment to CAR BIS to be paid to the taxing authority. Overpayments made by a group member to a taxing authority will be credited or refunded from CAR BIS to the group member as appropriate.

All intercompany balances related to CAR BIS tax sharing agreement have been eliminated in consolidation.

The Foundation is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Foundation has been determined not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. The Foundation had no unrelated business income during the years ended September 30, 2025 and 2024.

As a separate entity, the PAC files periodic information returns with the State Board of Elections. The PAC is also subject to federal income tax on its interest income. The PAC paid federal income taxes of \$2,325 in fiscal year 2025 and \$1,093 in 2024.

The tax returns for all Organizations for the last three years are open years for purposes of any future IRS or State of Illinois examinations.

(Continued)

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Retirement Plan: CAR maintains a 401(k) plan. This plan allows eligible employees to defer a portion of their wages from federal and state income taxes. CAR has elected to fund the plan pursuant to safe harbor provisions of the Internal Revenue Service regulations. The safe harbor provision requires a 3% employer contribution for all eligible employees. CAR did not provide a discretionary employer contribution of 1% in Fiscal Year 2025 or 2024. The contributions to this plan were \$113,283 and \$119,707 for the years ended September 30, 2025 and 2024, respectively.

NOTE 3 - POOLED CASH AND CONCENTRATION OF CREDIT RISK

The operating accounts of each entity are transferred daily into a parent account. This parent account is utilized primarily to receive dues which are reconciled and recorded to the respective general ledger accounts of CAR and its affiliates. At September 30, 2025 and 2024, the Organization had no deposit accounts in excess of FDIC limits. The Organization regularly monitors its cash and investment balances to minimize risk exposure in the event of a financial institution's failure.

NOTE 4 - INVESTMENTS AND FAIR VALUE

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants as of a given measurement date. Investment valuations are separated into a three-level hierarchy based on the reliability of observable and unobservable inputs as follows:

Level 1 - Valuations are based on quoted prices in active markets for identical assets or liabilities that the entity has the ability to access at the measurement date.

Level 2 - Valuations are based on quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; and model-derived valuations whose significant inputs are observable.

Level 3 - Valuations are based on unobservable inputs for the asset or liability that reflect the reporting entity's own data and assumptions that market participants would use in pricing the asset or liability.

Following is a description of the valuation methodologies used for investments measured at fair value, as well as the general classification of such investments pursuant to the valuation hierarchy.

Mutual funds are valued using quoted market prices for identical assets. Accordingly, these assets are categorized in Level 1 of the fair value hierarchy.

Corporate and U.S. Treasury bills are valued using a spread scale. The spread represents credit risk and is obtained using observable inputs from the new issue market, secondary trading, and dealer quotes. The spreads are then added to a U.S. Treasury Curve. Accordingly, corporate and U.S. Treasury bills are categorized in Level 2 of the fair value hierarchy (income approach).

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 4 - INVESTMENTS AND FAIR VALUE (Continued)

Fair values of investments measured on a recurring basis at September 30, are as follows:

	Quote Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2025
<u>2025</u>				
Mutual funds				
Money Market	\$ 166,504	\$ -	\$ -	\$ 166,504
Large Cap Growth	1,119,662	-	-	1,119,662
Large Cap Value	695,037	-	-	695,037
Small/Mid Cap Growth	204,020	-	-	204,020
Small/Mid Cap Value	365,594	-	-	365,594
International Equity	488,693	-	-	488,693
Equities Blend	74,598	-	-	74,598
Alternative Investments - Commodity	329,739	-	-	329,739
Long-term Bond	214,632	-	-	214,632
Intermediate-term Bond	170,502	-	-	170,502
Short-term Bond	890,659	-	-	890,659
Fixed Income Blend	80,970	-	-	80,970
Corporate bonds	-	917,835	-	917,835
U.S. Treasury bills	-	304,846	-	304,846
	<u>\$ 4,800,610</u>	<u>\$ 1,222,681</u>	<u>\$ -</u>	<u>\$ 6,023,291</u>

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 4 - INVESTMENTS AND FAIR VALUE (Continued)

	Quote Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Balance at September 30, 2024
<u>2024</u>				
Mutual funds				
Money Market	\$ 346,664	\$ -	\$ -	\$ 346,664
Large Cap Growth	990,240	-	-	990,240
Large Cap Value	689,166	-	-	689,166
Small/Mid Cap Growth	194,891	-	-	194,891
Small/Mid Cap Value	374,368	-	-	374,368
International Equity	332,428	-	-	332,428
Equities Blend	72,475	-	-	72,475
Alternative Investments - Commodity	224,443	-	-	224,443
Long-term Bond	227,393	-	-	227,393
Intermediate-term Bond	63,629	-	-	63,629
Short-term Bond	940,554	-	-	940,554
Fixed Income Blend	77,769	-	-	77,769
Corporate bonds	-	484,209	-	484,209
U.S. Treasury bills	-	523,339	-	523,339
	<u>\$ 4,534,020</u>	<u>\$ 1,007,548</u>	<u>\$ -</u>	<u>\$ 5,541,568</u>

NOTE 5 - DESIGNATED ASSETS WITHOUT DONOR RESTRICTIONS

During the years ended September 30, 1998 and 1997, the Board of Directors voted to designate a portion of net assets to be used only with formal Board approval. The amount of the designation was \$10 per dues-paying member.

NOTE 6 - LEASE OBLIGATIONS

CAR entered into a 10-year central office lease effective September 1, 2016, for which the first 11 months of rent are abated. Subsequent months of rent commence at \$24,755 per month and escalate to \$45,198 over the course of the lease prior to expiration in February 2027. CAR had the right to use the space commencing September 1, 2016, in order to build out the space prior to occupying it. The lease includes a tenant incentive allowance totaling \$1,074,790 towards build-out of the space. CAR used a discount rate of 1.57% to compute the net present value of the future minimum lease payments, which was the risk free rate for 10-year treasuries at the commencement date of the lease. There is an optional 5-year renewal term at the end of the lease term. The Organization has not included this in the right of use asset and lease liability as it is not reasonably certain that CAR will renew the lease upon expiration.

CAR entered into a 5-year printer/copier lease effective January 9, 2024. Monthly rental charges are \$4,892 plus applicable taxes. CAR had the right to use the equipment upon delivery. CAR used a discount rate of 3.80% to compute the net present value of the future minimum lease payments, which was the risk free rate for 5-year treasuries at the commencement date of the lease.

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 6 - LEASE OBLIGATIONS (Continued)

The following are the components of total lease costs for the years ended September 30:

	<u>2025</u>	<u>2024</u>
Operating lease cost	\$ 450,834	\$ 477,871
Variable and short term lease cost	<u>76,813</u>	<u>52,305</u>
Total lease cost	<u>\$ 527,647</u>	<u>\$ 530,176</u>

The following is other information for CAR's operating leases at September 30:

	<u>2025</u>	<u>2024</u>
Weighted-average remaining lease term	1.87 years	2.80 years
Weighted-average discount rate	2.10%	2.00%

Future minimum payments under the leases in fiscal years ending September 30 are as follows:

	<u>Office Space</u>	<u>Copier</u>	<u>Total</u>
2026	525,796	58,698	584,494
2027	225,990	58,698	284,688
2028	-	58,698	58,698
2029	-	19,566	19,566
Total lease payments	<u>751,786</u>	<u>195,660</u>	<u>947,446</u>
Less: imputed interest	<u>(172,141)</u>	<u>(15,292)</u>	<u>(187,433)</u>
Lease liabilities	<u>\$ 579,645</u>	<u>\$ 180,368</u>	<u>\$ 760,013</u>

NOTE 7 - COMMITMENTS

CAR has an employment agreement with its Chief Executive Officer (CEO) that continues through April 15, 2028. In addition to providing the same annual compensation and benefits granted to all other CAR employees, the agreement provides for continuation of base pay for up to six months after termination for a reason other than cause or good reason, as defined.

NOTE 8 - REVOLVING CREDIT CARD AGREEMENT

CAR has a \$250,000 revolving credit card agreement, to manage office wide procurement, with a financial institution. Credit is available using credit cards which have been issued to various individuals in the Organization. The Organization repays the balance every month to avoid paying any interest charges. There was no interest expense for the years ended September 30, 2025 and 2024. At September 30, 2025 and 2024, CAR owed \$117,405 and \$107,603, respectively, under this agreement, which is included in accounts payable on the consolidated statements of financial position.

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 9 - RELATED ORGANIZATIONS

The Organization remitted fees for multiple listing services through CAR MLS to MRED totaling \$5,475,492 and \$5,463,347 for the years ended September 30, 2025 and 2024, respectively.

NOTE 10 - INCOME TAXES

CAR's income tax expense for the years ending September 30, 2025 and 2024, is related to CAR unrelated business income tax and net taxable income for CAR BIS. CAR BIS and its wholly owned taxable subsidiaries, CAR MLS and NIREIN, participate in a tax sharing arrangement. The components of CAR BIS income tax expense consist of taxable income generated by CAR MLS, after applying net operating losses generated by NIREIN.

Consolidated tax expense for the fiscal years ended September 30 consisted of the following:

	<u>2025</u>	<u>2024</u>
CAR BIS		
CAR MLS tax expense	\$ 196,050	\$ 240,900
NIREIN net operating loss generated	-	(2,400)
CARPAC Tax Expense	2,325	1,093
CAR unrelated business income tax	<u>15,506</u>	<u>15,760</u>
Total income tax expense	<u>\$ 213,881</u>	<u>\$ 255,353</u>

For the years ended September 30, 2025 and 2024, CAR MLS generated a net taxable income of approximately \$667,000 and \$845,000, respectively, resulting in estimated income tax expense of approximately \$190,000 and \$241,000, respectively. CAR MLS has no material temporary tax differences.

NIREIN generated approximately \$22,000 of net taxable income for the year ending September 30, 2025. NIREIN generated approximately \$9,000 in net operating loss during the year ended September 30, 2024, which was used by CAR MLS to offset its taxable income. The tax-effected amounts are recorded as a distribution from NIREIN to CAR MLS and are eliminated in consolidation.

At September 30, 2025 and 2024, NIREIN had approximately \$403,000 and \$425,000 of loss carryforwards, expiring through 2031. These net operating loss carryforwards were generated prior to fiscal 2015, the year when CAR BIS became a tax group and may only be used to offset taxable income of NIREIN. Due to the uncertainty of realizing the tax benefit of the loss carryforwards, an allowance equal to the tax benefit of the carryforward has been established.

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 11 - PROGRAM EXPENSES BY NATURE

The statements of activities report certain categories of expenses attributable to the programs and supporting functions of CAR. Program Activities include Member Services, Professional Development, Networking Events, Advocacy and the costs of other charitable programs. The table below presents these functional expenses by their natural classification for the year ended September 30, 2025.

	Program Activities	Supporting Activities		
	<u>Total</u>	<u>Management & General</u>	<u>Association Governance</u>	<u>Total</u>
Employee costs	\$ 3,432,188	\$ 1,255,454	\$ 462,687	\$ 5,150,329
Professional fees	44,627	432,744	32,870	510,241
Facilities and related	68,007	517,754	-	585,761
Depreciation	-	588,819	-	588,819
Office operations	63,726	852,046	964	916,736
Bank and credit card fees	372,832	29,466	-	402,298
Advertising and marketing	144,472	638	-	145,110
Direct program costs	<u>7,472,560</u>	<u>-</u>	<u>287,467</u>	<u>7,760,027</u>
Total expenses	<u>\$ 11,598,412</u>	<u>\$ 3,676,921</u>	<u>\$ 783,988</u>	<u>\$ 16,059,321</u>

The table below presents these functional expenses by their natural classification for the year ended September 30, 2024.

	Program Activities	Supporting Activities		
	<u>Total</u>	<u>Management & General</u>	<u>Association Governance</u>	<u>Total</u>
Employee costs	\$ 3,602,150	\$ 1,177,313	\$ 517,677	\$ 5,297,140
Professional fees	92,734	422,361	17,400	532,495
Facilities and related	113,946	480,199	-	594,145
Depreciation	-	575,745	-	575,745
Office operations	59,527	845,307	326	905,160
Bank and credit card fees	374,996	24,795	-	399,791
Advertising and marketing	165,841	13,633	-	179,474
Direct program costs	<u>7,371,523</u>	<u>-</u>	<u>320,106</u>	<u>7,691,629</u>
Total expenses	<u>\$ 11,780,717</u>	<u>\$ 3,539,353</u>	<u>\$ 855,509</u>	<u>\$ 16,175,579</u>

The functional expense schedules above represent expenses prior to the direct allocation of supporting activities to programmatic activities. The Statement of Activities reflects management's allocation of indirect activities to programmatic activities. The allocations of certain categories of expenses attributable to more than one program or supporting function are described in Note 2.

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2025 and 2024

NOTE 12 - LIQUIDITY AND AVAILABILITY

CAR's financial assets available within one year of the statement of financial position date for general expenditure are as follows:

	<u>2025</u>	<u>2024</u>
Cash and cash equivalents	\$ 8,211,203	\$ 8,111,671
Investments	6,023,291	5,541,568
Less designated and restricted net assets	<u>(222,853)</u>	<u>(239,231)</u>
	<u>\$ 14,011,641</u>	<u>\$ 13,414,008</u>

As part of CAR's liquidity management, CAR invests its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the organization has a formal reserve policy requiring CAR to maintain minimum operating reserves equal to 50% of operating expenses.

SUPPLEMENTARY INFORMATION

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2025
(with comparative totals for 2024)

	2025						2024	
	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Total</u>	<u>Consolidated</u>
ASSETS								
Current assets								
Cash and cash equivalents	\$ 1,681,583	\$ 5,895,033	\$ 7,576,616	\$ 417,001	\$ 217,586	\$ -	\$ 8,211,203	\$ 8,111,671
Investments	3,097,234	1,885,892	4,983,126	1,040,165	-	-	6,023,291	5,541,568
Prepaid expenses and other current assets	271,453	43,326	314,779	3,939	-	-	318,718	220,139
Total current assets	5,050,270	7,824,251	12,874,521	1,461,105	217,586	-	14,553,212	13,873,378
Property, equipment, and software								
Leasehold improvements	3,053,179	-	3,053,179	-	-	-	3,053,179	3,022,245
Furniture and office equipment	986,360	-	986,360	-	-	-	986,360	876,013
Computer and telephone equipment	410,460	-	410,460	-	-	-	410,460	524,087
Computer software	844,813	-	844,813	-	-	-	844,813	1,062,009
	5,294,812	-	5,294,812	-	-	-	5,294,812	5,484,354
Less accumulated depreciation	(4,185,263)	-	(4,185,263)	-	-	-	(4,185,263)	(3,982,373)
Property, equipment, and software, net	1,109,549	-	1,109,549	-	-	-	1,109,549	1,501,981
Right to use office space	292,822	-	292,822	-	-	-	292,822	486,778
Right to use office equipment	180,367	-	180,367	-	-	-	180,367	230,313
	\$ 6,633,008	\$ 7,824,251	\$ 14,457,259	\$ 1,461,105	\$ 217,586	\$ -	\$ 16,135,950	\$ 16,092,450

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
September 30, 2025
(with comparative totals for 2024)

	2025						2024
	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
LIABILITIES AND NET ASSETS							
Current liabilities							
Accounts payable	\$ 332,548	\$ 480,000	\$ 812,548		\$ -	\$ -	\$ 812,548
Accrued expenses	300,506	51,000	351,506	36,789	-	-	388,295
Due to National and State Associations	109,258	35	109,293	-	-	-	109,293
Deferred revenue							
Dues	2,546,445	234,910	2,781,355	-	-	-	2,781,355
User fees	-	2,341,377	2,341,377	-	-	-	2,341,377
Other	127,549	-	127,549	-	-	-	127,549
Lease liability for right to use assets - short term	455,404	-	455,404	-	-	-	455,404
Total current liabilities	3,871,710	3,107,322	6,979,032	36,789	-	-	7,015,821
Lease liability for right to use assets - long term	304,609	-	304,609	-	-	-	304,609
Total liabilities	4,176,319	3,107,322	7,283,641	36,789	-	-	7,320,430
Net assets							
Without donor restrictions							
Designated	150,273	-	150,273	-	-	-	150,273
Undesignated	2,306,416	4,716,929	7,023,345	1,351,736	217,586	-	8,592,667
Total without donor restrictions	2,456,689	4,716,929	7,173,618	1,351,736	217,586	-	8,742,940
With donor restrictions	-	-	-	72,580	-	-	72,580
Total net assets	2,456,689	4,716,929	7,173,618	1,424,316	217,586	-	8,815,520
	<u>\$ 6,633,008</u>	<u>\$ 7,824,251</u>	<u>\$ 14,457,259</u>	<u>\$ 1,461,105</u>	<u>\$ 217,586</u>	<u>\$ -</u>	<u>\$ 16,135,950</u>
							<u>\$ 16,092,450</u>

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025						2024
	CAR	CAR BIS	Subtotal	Foundation	PAC	Eliminations	Consolidated
Activities without donor restrictions							
Operating activities							
Revenue							
Local dues and fees	\$ 5,640,718	\$ 538,110	\$ 6,178,828	\$ -	\$ -	\$ -	\$ 6,228,281
Listing services	-	6,736,432	6,736,432	-	-	-	6,752,158
Member professional development	584,013	-	584,013	-	-	(2,250)	743,142
Application and other fees	1,029,966	133,855	1,163,821	-	-	-	1,191,596
Governance	47,580	-	47,580	-	-	(45,330)	3,000
Member events	587,506	179,958	767,464	-	-	-	695,583
Other member services	211,704	-	211,704	-	-	-	197,789
Contributions	31,479	-	31,479	176,501	41,585	-	329,763
Net assets released from restriction	-	-	-	21,783	-	-	11,348
Total revenue	8,132,966	7,588,355	15,721,321	198,284	41,585	(47,580)	16,152,660
Expenses							
Program							
Member services	2,198,826	38,767	2,237,593	-	-	-	2,210,386
Listing services	-	6,681,664	6,681,664	-	-	-	6,465,272
Member professional development	1,495,655	-	1,495,655	-	-	-	1,852,726
Other member services	57,531	-	57,531	-	-	-	64,996
Member events	2,190,583	339,609	2,530,192	-	-	-	2,516,605
Government affairs	141,884	-	141,884	-	-	-	188,956
State and National Association meetings	254,286	-	254,286	-	-	-	304,616
Public relations	1,103,982	27,446	1,131,428	-	-	-	1,112,075
Contributions and grants	-	68,000	68,000	199,521	39,000	-	155,659
Total program	7,442,747	7,155,486	14,598,233	199,521	39,000	-	14,871,291
General and administrative	-	-	-	58,866	7,671	(47,580)	36,645
Association governance	1,197,425	-	1,197,425	6,185	-	-	1,267,643
Total expenses	8,640,172	7,155,486	15,795,658	264,572	46,671	(47,580)	16,175,579
Change in net assets from operating activities	(507,206)	432,869	(74,337)	(66,288)	(5,086)	-	(22,919)

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025							2024
	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Total</u>	<u>Consolidated</u>
Nonoperating revenue (expenses)								
Interest and dividend income	\$ 155,870	\$ 269,466	\$ 425,336	\$ 37,363	\$ 8,150	\$ -	\$ 470,849	\$ 512,724
Gain on investments	200,673	92,834	293,507	69,823	-	-	363,330	690,838
Gain (loss) on disposal of assets	(1,294)	-	(1,294)	-	-	-	(1,294)	(12,642)
Other revenue/(expense)	(8,187)	(14,422)	(22,609)	(8,678)	-	-	(31,287)	(28,245)
Income tax expense	(15,506)	(196,050)	(211,556)	-	(2,325)	-	(213,881)	(255,353)
Nonoperating revenue (expense), net	<u>331,556</u>	<u>151,828</u>	<u>483,384</u>	<u>98,508</u>	<u>5,825</u>	<u>-</u>	<u>587,717</u>	<u>907,322</u>
Change in net assets without donor restrictions	(175,650)	584,697	409,047	32,220	739	-	442,006	884,403
Activities with donor restrictions								
Contributions	-	-	-	5,405	-	-	5,405	5,930
Release from restriction	<u>-</u>	<u>-</u>	<u>-</u>	<u>(21,783)</u>	<u>-</u>	<u>-</u>	<u>(21,783)</u>	<u>(11,348)</u>
Change in net assets with donor restrictions	<u>-</u>	<u>-</u>	<u>-</u>	<u>(16,378)</u>	<u>-</u>	<u>-</u>	<u>(16,378)</u>	<u>(5,418)</u>
Change in total net assets	(175,650)	584,697	409,047	15,842	739	-	425,628	878,985
Total net assets								
Beginning of year	<u>2,632,339</u>	<u>4,132,232</u>	<u>6,764,571</u>	<u>1,408,474</u>	<u>216,847</u>	<u>-</u>	<u>8,389,892</u>	<u>7,510,907</u>
End of year	<u>\$ 2,456,689</u>	<u>\$ 4,716,929</u>	<u>\$ 7,173,618</u>	<u>\$ 1,424,316</u>	<u>\$ 217,586</u>	<u>\$ -</u>	<u>\$ 8,815,520</u>	<u>\$ 8,389,892</u>

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025						2024
	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Consolidated</u>
Cash flows from operating activities							
Change in net assets	\$ (175,650)	\$ 584,697	\$ 409,047	\$ 15,842	\$ 739	\$ -	\$ 878,985
Adjustment to reconcile change in net assets to net cash from operating activities:							
Depreciation and amortization	588,819	-	588,819	-	-	-	575,745
Net gain on investments	(200,673)	(92,834)	(293,507)	(69,823)	-	-	(690,838)
Net loss (gain) on sale of assets	1,294	-	1,294	-	-	-	12,642
Noncash lease expense	243,902	-	243,902	-	-	-	342,936
Changes in:							
Prepaid expenses and current other assets	601,113	(34,143)	566,970	(2,916)	-	(662,633)	163,807
Accounts, dues, and other payables	(6,326)	(183,193)	(189,519)	(5,000)	-	662,633	(62,254)
Accrued expenses	17,638	29,048	46,686	22,339	-	-	(189,207)
Deferred revenue	(251,051)	(236,309)	(487,360)	-	-	-	70,048
Lease liability	(431,907)	-	(431,907)	-	-	-	(515,790)
Net cash from operating activities	387,159	67,266	454,425	(39,558)	739	-	586,074
Cash flows from investing activities							
Purchase of property, equipment, and software	(197,681)	-	(197,681)	-	-	-	(212,680)
Purchase of investments	(54,088)	(46,255)	(100,343)	(18,050)	-	-	(113,039)
Net cash from investing activities	(251,769)	(46,255)	(298,024)	(18,050)	-	-	(325,719)
Net change in cash and cash equivalents	135,390	21,011	156,401	(57,608)	739	-	260,355
Cash and cash equivalents							
Beginning of year	1,546,193	5,874,022	7,420,215	474,609	216,847	-	7,851,316
End of year	<u>\$ 1,681,583</u>	<u>\$ 5,895,033</u>	<u>\$ 7,576,616</u>	<u>\$ 417,001</u>	<u>\$ 217,586</u>	<u>\$ -</u>	<u>\$ 8,111,671</u>

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF GENERAL AND ADMINISTRATIVE
EXPENSE – NATURAL CLASSIFICATION
Year Ended September 30, 2025

	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 4,147,990	\$ 613,930	\$ 4,761,920	\$ -	\$ -	\$ -	\$ 4,761,920
Temporary help	100,167	7,664	107,831	-	-	-	107,831
Staff services allocation	-	-	-	41,680	3,650	(45,330)	-
Total employee costs	<u>4,248,157</u>	<u>621,594</u>	<u>4,869,751</u>	<u>41,680</u>	<u>3,650</u>	<u>(45,330)</u>	<u>4,869,751</u>
Staff training and employee related	217,806	20,501	238,307	645	-	-	238,952
Advertising and marketing	144,473	-	144,473	637	-	-	145,110
Bank and credit card charges	211,160	180,911	392,071	7,549	2,678	-	402,298
Computer supplies and related expense	572,008	78,762	650,770	-	-	-	650,770
Depreciation and amortization	512,882	75,937	588,819	-	-	-	588,819
Dues and subscriptions	40,345	1,281	41,626	-	-	-	41,626
Insurance	70,378	11,413	81,791	-	-	-	81,791
Maintenance and repairs	40,096	4,269	44,365	-	-	-	44,365
Office supplies and related expense	26,285	3,503	29,788	-	-	-	29,788
Postage and delivery	20,715	634	21,349	-	-	-	21,349
Professional fees	427,075	73,468	500,543	8,355	1,343	-	510,241
Rent, utilities, and real estate tax	480,368	63,278	543,646	-	-	(2,250)	541,396
Telephone	116,214	16,824	133,038	-	-	-	133,038
	<u>7,127,962</u>	<u>1,152,375</u>	<u>8,280,337</u>	<u>58,866</u>	<u>7,671</u>	<u>(47,580)</u>	<u>8,299,294</u>
Less expenses allocated to specific programs	<u>(7,127,962)</u>	<u>(1,152,375)</u>	<u>(8,280,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,280,337)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,866</u>	<u>\$ 7,671</u>	<u>\$ (47,580)</u>	<u>\$ 18,957</u>

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF GENERAL AND ADMINISTRATIVE
EXPENSE – NATURAL CLASSIFICATION
Year Ended September 30, 2024

	<u>CAR</u>	<u>CAR BIS</u>	<u>Subtotal</u>	<u>Foundation</u>	<u>PAC</u>	<u>Eliminations</u>	<u>Total</u>
Salaries, taxes and benefits	\$ 4,464,388	\$ 545,292	\$ 5,009,680	\$ -	\$ -	\$ -	\$ 5,009,680
Temporary help	46,690	7,108	53,798	-	-	-	53,798
Staff services allocation	-	-	-	45,014	3,466	(48,480)	-
Total employee costs	<u>4,511,078</u>	<u>552,400</u>	<u>5,063,478</u>	<u>45,014</u>	<u>3,466</u>	<u>(48,480)</u>	<u>5,063,478</u>
Staff training and employee related	169,369	12,432	181,801	924	-	-	182,725
Advertising and marketing	163,026	2,817	165,843	13,633	-	-	179,476
Bank and credit card charges	207,218	183,018	390,236	6,750	2,803	-	399,789
Computer supplies and related expense	570,370	62,234	632,604	-	-	-	632,604
Depreciation and amortization	513,597	62,148	575,745	-	-	-	575,745
Dues and subscriptions	50,198	1,346	51,544	-	-	-	51,544
Insurance	73,868	11,242	85,110	-	-	-	85,110
Maintenance and repairs	43,261	5,376	48,637	-	-	-	48,637
Office supplies and related expense	25,626	2,626	28,252	-	-	-	28,252
Postage and delivery	14,103	436	14,539	-	-	-	14,539
Professional fees	460,273	57,288	517,561	13,353	1,582	-	532,496
Rent, utilities, and real estate tax	500,438	47,473	547,911	-	-	(2,400)	545,511
Telephone	128,899	15,236	144,135	-	-	-	144,135
	<u>7,431,324</u>	<u>1,016,072</u>	<u>8,447,396</u>	<u>79,674</u>	<u>7,851</u>	<u>(50,880)</u>	<u>8,484,041</u>
Less expenses allocated to specific programs	<u>(7,431,324)</u>	<u>(1,016,072)</u>	<u>(8,447,396)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,447,396)</u>
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 79,674</u>	<u>\$ 7,851</u>	<u>\$ (50,880)</u>	<u>\$ 36,645</u>

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION – CAR BIS
September 30, 2025
(With comparative totals for 2024)

	2025					2024
	<u>CAR BIS</u>	<u>MLS</u>	<u>NIREIN</u>	<u>Eliminations</u>	<u>CAR BIS Consolidated</u>	<u>Consolidated</u>
ASSETS						
Current assets						
Cash and cash equivalents	\$ -	\$ 5,895,033	\$ -	\$ -	\$ 5,895,033	\$ 5,874,022
Accounts Receivable-intercompany	-	671,988	-	(671,988)	-	-
Investments	-	1,885,892	-	-	1,885,892	1,746,803
Prepaid expenses and other current assets	-	20,111	23,215	-	43,326	9,183
Total current assets	-	8,473,024	23,215	(671,988)	7,824,251	7,630,008
Total assets	\$ -	\$ 8,473,024	\$ 23,215	\$ (671,988)	\$ 7,824,251	\$ 7,630,008
LIABILITIES AND NET ASSETS						
Current liabilities						
Accounts payable	\$ -	\$ 480,000		\$ -	\$ 480,000	\$ 560
Intercompany payable	-	-	671,988	(671,988)	-	662,633
Accrued Expenses	-	53,472	(2,472)	-	51,000	21,952
Due to National and State Associations	-	-	35	-	35	35
Deferred revenue						
Dues	-	185,050	49,860	-	234,910	246,990
User fees	-	2,341,377	-	-	2,341,377	2,565,606
Total current liabilities	-	3,059,899	719,411	(671,988)	3,107,322	3,497,776
Total liabilities	-	3,059,899	719,411	(671,988)	3,107,322	3,497,776
Net assets						
Without donor restrictions	-	5,413,125	(696,196)	-	4,716,929	4,132,232
With donor restrictions	-	-	-	-	-	-
Total net assets	-	5,413,125	(696,196)	-	4,716,929	4,132,232
Total liabilities and net assets	\$ -	\$ 8,473,024	\$ 23,215	\$ (671,988)	\$ 7,824,251	\$ 7,630,008

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – CAR BIS
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025					2024
	CAR BIS	MLS	NIREIN	Eliminations	CAR BIS Consolidated	Consolidated
Activities without donor restrictions						
Operating activities						
Revenue						
Local dues and fees	\$ -	\$ 444,150	\$ 93,960	\$ -	\$ 538,110	\$ 489,968
Listing services	-	6,650,356	86,076	-	6,736,432	6,297,645
Application and other fees	-	133,855	-	-	133,855	114,868
Member events	-	179,958	-	-	179,958	176,785
Total revenue	-	7,408,319	180,036	-	7,588,355	7,079,266
Expenses						
Program						
Member services	-	-	38,767	-	38,767	27,744
Listing services	-	6,621,351	60,313	-	6,681,664	6,159,861
Member events	-	308,391	31,218	-	339,609	457,098
Public Relations	-	27,446	-	-	27,446	89,531
Contributions and grants	-	68,000	-	-	68,000	47,000
Total program	-	7,025,188	130,298	-	7,155,486	6,781,234
General and administrative	-	-	-	-	-	-
Total expenses	-	7,025,188	130,298	-	7,155,486	6,781,234
Change in net assets						
from operating activities	-	383,131	49,738	-	432,869	298,032

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF ACTIVITIES – CAR BIS
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025					2024
	<u>CAR BIS</u>	<u>MLS</u>	<u>NIREIN</u>	<u>Eliminations</u>	<u>CAR BIS Consolidated</u>	<u>Consolidated</u>
Nonoperating revenue (expenses)						
Interest and dividend income (expense)	\$ -	\$ 297,146	\$ (27,680)	\$ -	\$ 269,466	\$ 182,990
Gain on investments	-	92,834	-	-	92,834	82,292
Other expense	-	(14,422)	-	-	(14,422)	(11,919)
Income tax expense	-	(196,050)	-	-	(196,050)	(135,076)
Nonoperating revenue (expense), net	-	179,508	(27,680)	-	151,828	118,287
Change in net assets	-	562,639	22,058	-	584,697	416,319
Total net assets						
Beginning of year	-	4,850,486	(718,254)	-	4,132,232	2,930,026
Change in net assets	-	562,639	22,058	-	584,697	416,319
End of year	\$ -	\$ 5,413,125	\$ (696,196)	\$ -	\$ 4,716,929	\$ 3,346,345

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF CASH FLOWS – CAR BIS
Year Ended September 30, 2025
(with comparative totals for 2024)

	2025					2024
	<u>CAR BIS</u>	<u>MLS</u>	<u>NIREIN</u>	<u>Eliminations</u>	<u>CAR BIS Consolidated</u>	<u>Consolidated</u>
Cash flows from operating activities						
Change in net assets	\$ -	\$ 562,639	\$ 22,058	\$ -	\$ 584,697	\$ 785,887
Adjustment to reconcile change in net assets to net cash from operating activities:						
Net gain on investments	-	(92,834)	-	-	(92,834)	(188,897)
Changes in:						
Prepaid expenses and current other assets	-	(11,472)	(22,671)	-	(34,143)	18,085
Accounts payable - intercompany	-	(671,988)	-	-	(671,988)	-
Accounts, dues, and other payables	-	480,000	8,795	-	488,795	(16,368)
Accrued expenses	-	39,050	(10,002)	-	29,048	48,501
Deferred revenue	-	(238,129)	1,820	-	(236,309)	40,205
Net cash from operating activities	-	67,266	-	-	67,266	687,413
Cash flows from investing activities						
Purchase of investments	-	(46,255)	-	-	(46,255)	(41,798)
Net cash from investing activities	-	(46,255)	-	-	(46,255)	(41,798)
Net change in cash and cash equivalents	-	21,011	-	-	21,011	645,615
Cash and cash equivalents						
Beginning of year	-	5,874,022	-	-	5,874,022	5,228,407
End of year	<u>\$ -</u>	<u>\$ 5,895,033</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,895,033</u>	<u>\$ 5,874,022</u>

See accompanying Independent Auditor's Report.

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSE –
NATURAL CLASSIFICATION - CAR BIS
Year Ended September 30, 2025

	2025				
	<u>CAR BIS</u>	<u>MLS</u>	<u>NIREIN</u>	<u>Eliminations</u>	<u>CAR BIS Consolidated</u>
Salaries and wages	\$ -	\$ 590,242	\$ 23,688	\$ -	\$ 613,930
Temporary help	-	7,664	-	-	7,664
Total employee costs	-	597,906	23,688	-	621,594
Staff training and employee related	-	19,626	875	-	20,501
Advertising and marketing	-	-	-	-	-
Bank and credit card charges	-	174,456	6,455	-	180,911
Computer supplies and related expense	-	75,727	3,035	-	78,762
Depreciation and amortization	-	73,011	2,926	-	75,937
Dues and subscriptions	-	1,233	48	-	1,281
Insurance	-	10,539	874	-	11,413
Maintenance and repairs	-	4,106	163	-	4,269
Office supplies and related expense	-	3,365	138	-	3,503
Postage and delivery	-	578	56	-	634
Professional fees	-	62,280	11,188	-	73,468
Rent, utilities and real estate tax	-	60,929	2,349	-	63,278
Telephone	-	16,171	653	-	16,824
	-	1,099,927	52,448	-	1,152,375
Less expenses allocated to specific programs	-	(1,099,927)	(52,448)	-	(1,152,375)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

(Continued)

CHICAGO ASSOCIATION OF REALTORS® AND AFFILIATES
CONSOLIDATING STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSE –
NATURAL CLASSIFICATION - CAR BIS
Year Ended September 30, 2024

	2024				
	<u>CAR BIS</u>	<u>MLS</u>	<u>NIREIN</u>	<u>Eliminations</u>	<u>CAR BIS Consolidated</u>
Salaries and wages	\$ -	\$ 520,779	\$ 24,513	\$ -	\$ 545,292
Temporary help	-	6,502	606	-	7,108
Total employee costs	-	527,281	25,119	-	552,400
Staff training and employee related	-	11,826	606	-	12,432
Advertising and marketing	-	67	2,750	-	2,817
Bank and credit card charges	-	177,269	5,749	-	183,018
Computer supplies and related expense	-	59,312	2,922	-	62,234
Depreciation and amortization	-	59,312	2,836	-	62,148
Dues and subscriptions	-	1,287	59	-	1,346
Insurance	-	10,069	1,173	-	11,242
Maintenance and repairs	-	5,141	235	-	5,376
Office supplies and related expense	-	2,509	117	-	2,626
Postage and delivery	-	416	20	-	436
Professional fees	-	53,068	4,220	-	57,288
Rent, utilities and real estate tax	-	45,401	2,072	-	47,473
Telephone	-	14,524	712	-	15,236
	-	967,482	48,590	-	1,016,072
Less expenses allocated to specific programs	-	(967,482)	(48,590)	-	(1,016,072)
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

See accompanying Independent Auditor's Report.