RESIDENTIAL REAL ESTATE COUNCIL

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2025 AND 2024

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YEARS ENDED DECEMBER 31, 2025 AND 2024

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Residential Real Estate Council
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Residential Real Estate Council, which comprise the statements of financial position as of December 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Residential Real Estate Council as of December 31, 2025 and 2024, and the changes in its net assets and its 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 generally accepted auditing standards in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Residential Real Estate Council 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 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 Residential Real Estate Council's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' 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 auditors' 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 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 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 Residential Real Estate Council'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 Residential Real Estate Council'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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Oak Brook, Illinois
June 17, 2026

RESIDENTIAL REAL ESTATE COUNCIL
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2025 AND 2024

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 929,796	$ 1,914,053
Investments	18,076,538	18,068,086
Accounts Receivable:		
Accounts Receivable - Educational Courses	42,470	71,127
Other Accounts Receivable	377	1,605
Accrued Interest	25,698	46,198
Prepaid Expenses and Other Assets	315,469	401,530
Property and Equipment, Net	981,169	1,317,446
Right-of-Use Lease Asset	572,335	798,685
Total Assets	$ 20,943,852	$ 22,618,730
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 265,318	$ 591,543
Investment Line of Credit	2,209,000	2,810,000
Lease Liability	939,160	1,298,307
Unearned Income	3,109,368	3,085,327
Total Liabilities	6,522,846	7,785,177
NET ASSETS WITHOUT DONOR RESTRICTION	14,421,006	14,833,553
Total Liabilities and Net Assets	$ 20,943,852	$ 22,618,730

See accompanying Notes to Financial Statements.

RESIDENTIAL REAL ESTATE COUNCIL
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
REVENUES AND OTHER SUPPORT		
Member and Volunteer Services	$ 3,642,632	$ 4,150,259
State and Regional	665,231	954,382
Professional Development	1,051,364	1,117,741
Marketing and Communications	93,197	57,871
Governance and Committees	32,060	36,092
Total Revenues and Other Support	5,484,484	6,316,345
EXPENSES		
Program Services:		
Member and Volunteer Services	909,786	1,022,714
State and Regional	1,002,024	1,260,467
Professional Development	1,606,778	1,474,680
Communications	798,994	899,005
Total Program Services	4,317,582	4,656,866
Supporting Services:		
Governance and Committees	1,183,461	1,268,754
Strategic Initiatives	2,316,672	2,338,285
Administration	367,341	524,053
Total Supporting Services	3,867,474	4,131,092
Total Expenses	8,185,056	8,787,958
DEFICIT OF REVENUES AND OTHER SUPPORT OVER EXPENSES	(2,700,572)	(2,471,613)
NONOPERATING GAINS		
Investment Income, Net	697,141	441,415
Realized Gains on Sale of Investments, Net	1,132,262	1,754,599
Unrealized Gains on Investments, Net	458,622	108,081
Total Nonoperating Gains	2,288,025	2,304,095
CHANGE IN NET ASSETS WITHOUT DONOR RESTRICTION	(412,547)	(167,518)
Net Assets Without Donor Restriction - Beginning of Year	14,833,553	15,001,071
NET ASSETS WITHOUT DONOR RESTRICTION - END OF YEAR	$ 14,421,006	$ 14,833,553

See accompanying Notes to Financial Statements.

RESIDENTIAL REAL ESTATE COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2025

	Program Services					Supporting Services				
	Member and Volunteer Services	State and Regional	Professional Development	Communications	Total Program Services	Governance and Committees	Strategic Initiatives	Administration	Total Supporting Services	Total Expenses
Advertising and Promotion	$ -	$ 14,091	$ 375	$ 104,627	$ 119,093	$ -	$ -	$ -	$ -	$ 119,093
Depreciation and Amortization	708	551	1,111	355	2,725	1,245	330,491	1,816	333,552	336,277
Facilities and Meetings	5,855	177,728	329,614	1,654	514,851	126,627	28,247	2,120	156,994	671,845
Interest	-	-	-	-	-	-	167,462	-	167,462	167,462
Legal	452	352	709	227	1,740	34,448	652	1,161	36,261	38,001
Maintenance and Repairs	10,516	8,186	16,509	5,272	40,483	18,501	15,176	27,013	60,690	101,173
Other	129,992	26,073	24,314	1,352	181,731	28,047	3,387	6,028	37,462	219,193
Printing, Products, and Production	108,296	39,918	6,305	345,575	500,094	1,023	50	89	1,162	501,256
Professional Services	142,587	104,375	237,236	30,317	514,515	69,220	393,936	111,552	574,708	1,089,223
Rent	39,297	39,644	302,646	21,920	403,507	116,056	48,129	85,671	249,856	653,363
Salaries and Fringes	316,338	304,508	495,881	158,352	1,275,079	555,725	1,245,995	21,276	1,822,996	3,098,075
Shipping and Postage	68,496	313	2,832	39,356	110,997	5,751	58	103	5,912	116,909
Supplies and Periodicals	446	4,354	644	3,205	8,649	877	842	1,054	2,773	11,422
Taxes	434	321	647	207	1,609	725	668	1,058	2,451	4,060
Technology Services	49,206	60,726	142,357	80,822	333,111	70,936	59,984	103,574	234,494	567,605
Travel	35,281	219,255	42,644	4,810	301,990	150,849	18,879	-	169,728	471,718
Utilities	1,882	1,629	2,954	943	7,408	3,431	2,716	4,826	10,973	18,381
Total Expenses	$ 909,786	$ 1,002,024	$ 1,606,778	$ 798,994	$ 4,317,582	$ 1,183,461	$ 2,316,672	$ 367,341	$ 3,867,474	$ 8,185,056

See accompanying Notes to Financial Statements.

RESIDENTIAL REAL ESTATE COUNCIL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2024

	Program Services					Supporting Services				
	Member and Volunteer Services	State and Regional	Professional Development	Communications	Total Program Services	Governance and Committees	Strategic Initiatives	Administration	Total Supporting Services	Total Expenses
Advertising and Promotion	$ 22,027	$ 3,138	$ -	$ 110,067	$ 135,232	$ 755	$ -	$ -	$ 755	$ 135,987
Depreciation and Amortization	1,096	820	1,631	531	4,078	1,636	298,627	3,061	303,324	307,402
Facilities and Meetings	10,873	274,371	251,175	4,286	540,705	137,368	7,444	2,916	147,728	688,433
Interest	-	-	-	-	-	-	176,392	-	176,392	176,392
Legal	15,705	11,752	23,362	7,607	58,426	29,361	22,184	43,851	95,396	153,822
Maintenance and Repairs	14,281	10,687	21,849	6,917	53,734	21,310	20,173	39,877	81,360	135,094
Other	125,022	36,143	40,096	34,385	235,646	36,590	5,046	9,974	51,610	287,256
Printing, Products, and Production	150,000	65,213	502	388,059	603,774	692	106	209	1,007	604,781
Professional Services	130,717	143,664	218,417	23,504	516,302	138,749	319,590	92,609	550,948	1,067,250
Rent	45,982	43,348	237,472	27,066	353,868	132,679	57,054	97,952	287,685	641,553
Salaries and Fringes	346,019	327,205	514,642	167,568	1,355,434	516,212	1,335,755	118,923	1,970,890	3,326,324
Shipping and Postage	77,530	433	4,204	53,455	135,622	6,567	9	18	6,594	142,216
Supplies and Periodicals	465	4,881	1,526	4,177	11,049	1,051	728	1,298	3,077	14,126
Taxes	2,415	1,807	3,592	1,170	8,984	3,603	3,773	6,742	14,118	23,102
Technology Services	44,415	52,373	120,712	53,973	271,473	52,230	85,759	97,393	235,382	506,855
Travel	33,083	282,127	30,904	14,746	360,860	185,031	1,289	621	186,941	547,801
Utilities	3,084	2,505	4,596	1,494	11,679	4,920	4,356	8,609	17,885	29,564
Total Expenses	$ 1,022,714	$ 1,260,467	$ 1,474,680	$ 899,005	$ 4,656,866	$ 1,268,754	$ 2,338,285	$ 524,053	$ 4,131,092	$ 8,787,958

See accompanying Notes to Financial Statements.

RESIDENTIAL REAL ESTATE COUNCIL
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2025 AND 2024

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (412,547)	$ (167,518)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	336,277	307,402
Noncash Lease Activity	(132,797)	(121,816)
Net Realized Gain on Investments	(1,132,262)	(1,754,599)
Net Unrealized Gain on Investments	(458,622)	(108,081)
Bad Debt Expense	1,114	52,411
Effects of Changes in Operating Assets and Liabilities:		
Accounts Receivable	28,771	46,265
Accrued Interest	20,500	(2,003)
Prepaid Expenses and Other Assets	86,061	(93,945)
Accounts Payable and Accrued Expenses	(326,225)	(54,606)
Unearned Income	24,041	(207,565)
Net Cash Used by Operating Activities	(1,965,689)	(2,104,055)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	-	(63,009)
Purchases of Investments	(18,077,331)	(10,174,493)
Proceeds from Sale of Investments	19,659,763	12,251,048
Net Cash Provided by Investing Activities	1,582,432	2,013,546
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings (Repayments) on Investment Line of Credit, Net	(601,000)	200,093
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(984,257)	109,584
Cash and Cash Equivalents - Beginning of Year	1,914,053	1,804,469
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 929,796	$ 1,914,053
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid During the Year for Taxes	$ 2,000	$ 19,400
Cash Paid During the Year for Interest	$ 167,462	$ 176,392

See accompanying Notes to Financial Statements.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

The Residential Real Estate Council (RRC) was incorporated on November 13, 2001, in the state of Illinois. RRC is one of the largest nonprofit affiliates of the National Association of REALTORS® (NAR), and is a professional network of approximately 18,000 residential real estate professionals in the U.S. and overseas. RRC provides real estate agents with local tools, resources, and strategies that they need to help them guide buyers and sellers through the residential sales process. RRC offers a host of educational programs including classroom courses, self-paced e-learning, live webinars, archived recordings, and events to help members stay ahead in this competitive and changing environment. RRC awards the prestigious CRS Designation to experienced REALTORS® who have completed advanced professional training and demonstrated outstanding professional achievement in residential real estate.

The primary sources of revenue are from member and volunteer services, professional development, marketing and communications, and governance and committees. RRC's fiscal year ends on December 31.

Significant accounting policies followed by RRC are presented below.

Use of Estimates in Preparing Financial Statements

The preparation of financial statements in conformity 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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Financial Statement Presentation

Financial statement presentation follows accounting principles generally accepted in the United States of America for nonprofit organizations. Accounting principles generally accepted in the United States of America require RRC to report information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions. Net assets are generally reported as net assets without donor restrictions unless assets are received from donors with explicit stipulations that limit the use of the asset. In addition, RRC is required to present a statement of cash flows. There are no net assets with donor restrictions.

Basis of Accounting

The financial statements of RRC have been prepared using the accrual basis of accounting.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

RRC considers all liquid investments with a maturity of three months or less when purchased to be cash equivalents. At December 31, 2025 and 2024, cash equivalents consist of interest earning money market accounts. RRC's cash deposits in financial institutions are insured by the Federal Deposit Insurance Corporation (FDIC) subject to certain limitations and conditions. At times, cash balances may exceed federal insured limits; however, RRC has not experienced any losses in such accounts and limits its exposure to credit risk by maintaining its cash and cash equivalents in highly reputable financial institutions. Cash and cash equivalents in excess of the insured limit were approximately $339,000 and $1,396,000 as of December 31, 2025 and 2024, respectively.

Investments

RRC carries investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values on the statements of financial position. All gains and losses are included in the change in net assets in the statements of activities.

Accounts Receivable

Accounts receivable are uncollateralized customer obligations which generally require payment when incurred. The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management's best estimate of amounts that will not be collected.

The allowance for credit losses is increased by provisions charged to expense and reduced by accounts charged off, net of recoveries. The allowance is maintained at a level considered adequate to provide for potential account losses based on management's evaluation of the anticipated impact on the balance of current economic conditions, changes in the character and size of the balance, past and expected future loss experience, and other pertinent factors. It is RRC's policy to charge off uncollectible receivables when management determines the receivable will not be collected. No allowance has been recorded as of December 31, 2025 and 2024. Accounts receivable balances at the beginning of 2023 were $138,109 and $33,299 for educational courses and other activities, respectively.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided using the straight-line method over the following estimated useful lives:

Leasehold Improvements	5 to 10 Years
Computer Equipment	2 to 5 Years
Fixtures and Office Equipment	3 to 5 Years

Additions and betterments of $1,000 or more with a useful life greater than one year are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed as incurred.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

RRC evaluates its long-lived assets for any events or changes in circumstances which indicate the carrying amount of such assets may not be fully recoverable. RRC evaluates the recoverability of long-lived assets by measuring the carrying amount of such assets against the estimated undiscounted future cash flows associated with them. At the time such evaluation indicates that the future undiscounted cash flows of certain long-lived assets are not sufficient to recover the carrying value of such assets, the assets are adjusted to their fair values.

Revenue Recognition

Membership and Volunteer Services

Dues are collected annually from members. The membership period for existing members who joined prior to 2025 is January 1 and ends on December 31. Effective during 2024, the membership period for new and reinstated members begins the month joined and is active for the following 12 months. At renewal, these members are invoiced on their anniversary date. Revenues recognized during a period relate to dues earned for that period of membership. Dues collected in advance are recorded as unearned income and recognized ratably as revenue over the membership period.

State and Regional

This includes revenues generated by RRC local communities. Activities generating revenues include membership dues, marketing and other promotions, and educational programs. Amounts collected in advance of activities are recorded as unearned income and recognized as revenue in the period it relates.

Professional Development

Registrations are collected for the annual meeting, trainings, and other educational programs. Amounts collected in advance of events or services provided are reflected as unearned income.

Marketing and Communications

This includes revenues from marketing and other promotions. Amounts collected in advance of events or services provided are reflected as unearned income.

Governance and Committees

Registrations and royalties are collected for the annual convention. Amounts collected in advance of events or services provided are reflected as unearned income.

Leases

RRC leases an office facility. RRC determines if an arrangement is a lease at inception. Leases are included in right-of-use (ROU) assets and lease liability in the statement of financial position.

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

ROU assets represent RRC's right to use an underlying asset for the lease term and lease liabilities represent RRC's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The operating lease ROU asset also includes any lease payments made and excludes lease incentives. Lease terms may include options to extend or terminate the lease when it is reasonably certain that RRC will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease term.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, RRC has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of all lease liabilities.

Allocation of Functional Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, interest, and office and occupancy, as well as salaries and benefits, which are allocated on the basis of estimates of time and effort.

Advertising

RRC expenses advertising costs as incurred. Advertising expense was $119,093 and $135,987 for the years ended December 31, 2025 and 2024, respectively.

Measure of Operations

RRC's deficit of revenues and other support over expenses as presented on the statements of activities includes all operating revenues and expenses that are an integral part of its program and supporting activities and other nonoperating funds to support current operating activities. The measure of operations excludes investment return on its investment account.

Income Taxes

RRC is exempt from federal and state income taxes under Section 501(c)(6) of the Internal Revenue Code. RRC is subject to income taxes on its unrelated business income. Income tax expense was $2,000 and $19,400 for the years ended December 31, 2025 and 2024, respectively.

RRC has adopted the requirements for accounting for uncertain tax positions. RRC determined that it is not required to record a liability related to uncertain tax positions for the years ended December 31, 2025 and 2024.

Reclassification

Certain amounts have been reclassified for the year ended December 31, 2025 to conform to the presentation for the year ended December 31, 2025. The reclassifications had no impact on previously reported net assets.

NOTE 2 LIQUIDITY

As part of RRC's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, RRC has an investment line of credit of $5,000,000 which it could draw on (see Note 8). If needed, liquidations of RRC's investments would be limited to the total investment portfolio less amounts drawn against the investment line of credit. The following reflects RRC's financial assets as of the statement of financial position date.

	2025	2024
Financial Assets:		
Cash and Cash Equivalents	$ 929,796	$ 1,914,053
Investments, Net of Investment Line of Credit	15,867,538	15,258,086
Accounts Receivable - Educational Courses	42,470	71,127
Other Accounts Receivable, Net	377	1,605
Accrued Interest	25,698	46,198
Total Financial Assets Available Within One Year to Meet Cash Needs for General Expenditures	$ 16,865,879	$ 17,291,069

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS

In determining fair value, RRC uses various valuation approaches within the fair value measurement framework. Fair value measurements are determined based on the assumptions that market participants would use in pricing an asset or liability. The fair value measurement framework establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available.

It also defines levels within the hierarchy based on the reliability of inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices for identical assets or liabilities in active markets;

Level 2 – Valuations based on quoted prices for similar assets or liabilities or identical assets or liabilities in less active markets, such as dealer or broker markets; and

Level 3 – Valuations derived from valuation techniques in which one or more significant inputs or significant value drivers are unobservable, such as pricing models, discounted cash flow models, and similar techniques not based on market, exchange, dealer, or broker-traded transactions.

NOTE 3 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

The fair values of assets measured on a recurring basis at December 31 are as follows:

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
December 31, 2025				
Investments:				
Fixed Income Bonds	$ 3,722,358	$ -	$ 3,722,358	$ -
Fixed Income Mutual Funds	920,223	920,223	-	-
Equities	12,703,673	12,703,673	-	-
Mutual Funds	178,933	178,933	-	-
Total Investments at Fair Value	17,525,187	$ 13,802,829	$ 3,722,358	$ -
Money Market Funds	551,351			
Total Investments	$ 18,076,538			

	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Other Unobservable Inputs (Level 3)
December 31, 2024				
Investments:				
Fixed Income Bonds	$ 4,551,895	$ -	$ 4,551,895	$ -
Fixed Income Mutual Funds	985,572	985,572	-	-
Equities	12,133,263	12,133,263	-	-
Mutual Funds	181,373	181,373	-	-
Total Investments at Fair Value	17,852,103	$ 13,300,208	$ 4,551,895	$ -
Money Market Funds	215,983			
Total Investments	$ 18,068,086			

Fair value for Level 1 investments includes investments in equities and mutual funds that are measured by reference to quoted market transactions that are listed on a national market or exchange, and are valued at the last sales price, or if there is no sale and the market is still considered active, at the last transaction price before year-end. Fair value of Level 2 investments includes fixed income investments and are determined by reference to quoted market transactions in a less active market for assets similar to those held to support the underlying assets. The carrying amounts of all other assets and liabilities reflected in the statements of financial position for financial instruments approximates their respective fair value due to the short-term maturities of those instruments. There have been no changes in valuation techniques and related inputs.

NOTE 4 INVESTMENTS

The composition of investments held by RRC is summarized below. Investments are recorded at fair value based on quoted market prices as of the years ended December 31:

December 31, 2025	Cost	Fair Value	Unrealized Appreciation (Depreciation)
Money Market Funds	$ 551,351	$ 551,351	$ -
Fixed Income Bonds	3,760,840	3,722,358	(38,482)
Fixed Income Mutual Funds	912,718	920,223	7,505
Equities	9,928,163	12,703,673	2,775,510
Mutual Funds	174,669	178,933	4,264
Total	$ 15,327,741	$ 18,076,538	$ 2,748,797
December 31, 2024			
Money Market Funds	$ 215,983	$ 215,983	$ -
Fixed Income Bonds	4,739,669	4,551,895	(187,774)
Fixed Income Mutual Funds	1,026,518	985,572	(40,946)
Equities	9,608,741	12,133,263	2,524,522
Mutual Funds	187,000	181,373	(5,627)
Total	$ 15,777,911	$ 18,068,086	$ 2,290,175

NOTE 5 PROPERTY AND EQUIPMENT

Property and equipment, at cost, is as follows at December 31:

	2025	2024
Leasehold Improvements	$ 1,196,079	$ 1,196,079
Computer Equipment	961,582	961,582
Fixtures and Office Equipment	299,020	299,020
Total, at Cost	2,456,681	2,456,681
Less: Accumulated Depreciation and Amortization	1,475,512	1,139,235
Total Property and Equipment, Net	$ 981,169	$ 1,317,446

NOTE 6 RETIREMENT PLANS

RRC has a 401(k) savings plan for the benefit of its employees. Employees are eligible to participate the month after hire, if over 21 years of age. Employees can contribute up to 50% of their salary subject to Internal Revenue Service (IRS) contribution limits and nondiscrimination testing requirements. After a year of service, RRC will contribute 50 cents for every dollar the employee contributes, up to 6% of eligible earnings. RRC contributed $47,348 and $51,386 to the plan during the years ended December 31, 2025 and 2024, respectively.

NOTE 6 RETIREMENT PLANS (CONTINUED)

RRC also provides a defined contribution pension plan for the benefit of its employees. RRC contributes an amount equal to 7% of pay, including overtime and commissions but excluding incentive pay and special allowances, such as moving expenses or bonuses. As of 2021, new employees are not eligible to join this plan. Employees a part of this plan prior to 2021 continue to receive the employer contribution. Employees are fully vested in this plan after six years of service. RRC contributed $100,032 and $98,968 to the plan during the years ended December 31, 2025 and 2024, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

RRC is an affiliated council of the NAR. The role of an affiliate is to serve and support the REALTOR® community with educational, informational, and network resources necessary to build the professional competence on which the public has come to rely on for all aspects of the real estate market. In order to be a member of RRC, the individual must also be a member of NAR and have the designation as a residential specialist.

A services agreement exists between the two related parties, which terminates at the end of each calendar year and is subject to a one-year renewal. The services agreement states that NAR will provide certain payroll and benefits services as a condition of RRC to participate in NAR's pension and 401(k) benefits plans.

RRC paid NAR a management fee for these services of $39,547 and $39,018 during the years ended December 31, 2025 and 2024, respectively, in addition to reimbursements for RRC's share of benefits and payroll related fees. Amounts due to NAR as of December 31, 2025 and 2024 totaled $67,001 and $74,184, respectively.

RRC also leases its office space from NAR (see Note 10). Total expense recognized relating to this lease agreement was $320,862 and $330,358 during the years ended December 31, 2025 and 2024, respectively.

NOTE 8 INVESTMENT LINE OF CREDIT

RRC has an investment line of credit of which $2,209,000 and $2,810,000 was utilized as of December 31, 2025 and 2024, respectively. Amounts drawn against the investment line of credit are payable on demand and bear interest at the 30-day average Secured Overnight Financing Rate (3.79% and 4.53% as of December 31, 2025 and 2024, respectively), plus 160 basis points. The investment line of credit remains in effect for so long as the obligations remain unpaid or any capacity to borrow remains available to RRC. The borrowing limit is $5,000,000 and amounts available to draw are based upon the composition of the investment portfolio held with the financial institution. The investment line of credit is collateralized by RRC's investments.

NOTE 9 REVENUE AND UNEARNED INCOME

The following table shows RRC's revenue disaggregated according to the timing of the transfer of goods or services:

	2025	2024
Revenue Recognized at a Point in Time:		
Member and Volunteer Services	$ 474,687	$ 453,434
State and Regional	233,831	385,072
Professional Development	1,051,364	1,117,741
Marketing and Communications	93,197	57,871
Governance and Committees	32,060	36,092
Total	$ 1,885,139	$ 2,050,210
Revenue Recognized over Time:		
Member and Volunteer Services	$ 3,167,945	$ 3,696,825
State and Regional	431,400	569,310
Total	$ 3,599,345	$ 4,266,135

As of December 31, unearned income consisted of the following amounts:

	2025	2024	2023
Member and Volunteer Services	$ 2,782,069	$ 2,735,685	$ 2,926,688
State and Regional	41,245	66,107	55,944
Professional Development	286,054	283,535	310,260
Total	$ 3,109,368	$ 3,085,327	$ 3,292,892

NOTE 10 LEASES

RRC leases office facilities under a long-term, non-cancelable lease agreement. The lease expires in 2028. The facility lease provides for increases in future minimum annual rental payments with monthly payments starting at $22,681 and increasing to $29,593 over the term. Additionally, the agreements generally require RRC to pay real estate taxes, insurance, and repairs. RRC received a $790,161 tenant improvement allowance, which was used to construct the new office space and is being amortized over the term of the lease.

The following tables provide quantitative information concerning RRC's facility lease as of December 31:

	2025	2024
Lease Costs	$ 244,347	$ 244,347
Other Information:		
Operating Cash Flows	$ 377,144	$ 366,163
Weighted-Average Remaining Lease Term	2.4 Years	3.4 Years
Weighted-Average Discount Rate	1.63%	1.63%

NOTE 10 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of December 31, 2025 is as follows:

Year Ending December 31,	Amount
2026	$ 388,458
2027	400,112
2028	168,760
Undiscounted Cash Flows	957,330
Less: Imputed Interest	(18,170)
Total Present Value	$ 939,160
Short-Term Lease Liabilities	$ 376,459
Long-Term Lease Liabilities	562,701
Total	$ 939,160

NOTE 11 COMMITMENTS AND CONTINGENCIES

Meetings and Events

RRC contracts with various hotels and convention centers in advance for its meetings and events. RRC would be obligated for certain charges in the event a cancellation occurred. The number of charges would vary depending on the date of the cancellation and terms of the contract.

Employment Agreement

RRC has an employment agreement with its chief executive officer. RRC is contingently liable for these benefits only under certain events which are not deemed probable; accordingly, no liability has been recognized in the accompanying statements of financial position.

NOTE 12 SUBSEQUENT EVENTS

Management evaluated subsequent events through June 17, 2026, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2025, but prior to June 17, 2026, that provided additional evidence about conditions that existed at December 31, 2025, have been recognized in the financial statements for the year ended December 31, 2025. Events or transactions that provided evidence about conditions that did not exist at December 31, 2025, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2025.