

Indiana School of Real Estate

July 2016

EXECUTIVE SUMMARY

Balance Sheet:

1. The School's cash balance decreased by \$28,000 during July with an ending balance of \$212,000, due to cash disbursements being in excess of cash receipts. Disbursements included a transfer to IAR of \$100,000 of which \$93,000 was used to pay down the amount Due to IAR and \$7,000 for the monthly management fee payable to IAR.
2. The amount due to IAR decreased by \$20,000 with an ending balance of \$426,000 which included a pay down of the liability of \$93,000 as mentioned above.
3. Overall, liabilities decreased by \$27,000, due to a decrease in the amount Due to IAR and Unearned Registration Fees.

Income Statement:

4. The School had net loss for the month of (\$19,000) compared to budgeted net income of \$900.
5. YTD net income is \$167,000 compared to YTD budget of \$6,000. YTD net income is \$63,000 (27%) less than the prior YTD net income.
6. Total revenue for July is below the monthly budget by \$11,000 or 12% at \$79,000 vs budget of \$90,000.
7. Total revenue YTD is above the YTD budget by \$332,000 or 53% at \$964,000 vs YTD budget of \$632,000. Compared to the prior year, total revenue YTD is down by \$6,000 or less than 1%.
8. Total expenses for July are over budget by \$9,000 or 10%, mostly due to Personnel Costs and Programmatic Costs-Distance Learning Portal.
9. Total expenses YTD are over budget by \$171,000 or 27%, mostly due to Instructor Compensation and Curriculum.
10. Compared to the prior year, YTD expenses are up \$57,000 or 8%, mostly due to Personnel Costs, Curriculum and Distance Learning Portal.

**Indiana School of Real Estate
Balance Sheet (Detail)**

July 31, 2016

	07/31/2016	06/30/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	211,883	239,464	(27,581)
Total 1000 - Cash Accounts	<u>211,883</u>	<u>239,464</u>	<u>(27,581)</u>
Total Checking/Savings	211,883	239,464	(27,581)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	11,830	19,097	(7,267)
1210 - Tuition Receivable	3,737	11,575	(7,838)
Total 1200 - Accounts Receivable	<u>15,567</u>	<u>30,672</u>	<u>(15,105)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	4,497	6,644	(2,147)
1330 - Prepaid Curriculum	118,754	121,742	(2,988)
1350 - Other Deposits	1,559	1,559	0
Total 1300 - Other Current Assets	<u>124,810</u>	<u>129,945</u>	<u>(5,135)</u>
Total Other Current Assets	<u>140,377</u>	<u>160,617</u>	<u>(20,240)</u>
Total Current Assets	<u>352,260</u>	<u>400,081</u>	<u>(47,821)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	19,547	19,546	0
1630 - Furniture, Fixtures & Equipmen	107,614	107,614	0
Total 1605 - Land, Buildings & Equipment	<u>127,161</u>	<u>127,160</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(15,746)	(15,746)	0
1680 - Accum. Depreciation - FF&E	(91,429)	(91,428)	0
Total 1655 - Accumulated Depreciation	<u>(107,175)</u>	<u>(107,174)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>19,986</u>	<u>19,986</u>	<u>0</u>
Total Fixed Assets	<u>19,986</u>	<u>19,986</u>	<u>0</u>
Other Assets			
1700 - Capitalized Lease Costs			
1730 - Capitalized Software Costs	30,825	29,475	1,350
Total 1700 - Capitalized Lease Costs	<u>30,825</u>	<u>29,475</u>	<u>1,350</u>
Total Other Assets	<u>30,825</u>	<u>29,475</u>	<u>1,350</u>
Total ASSETS	<u>403,071</u>	<u>449,542</u>	<u>(46,471)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	16,895	11,905	4,990
Total Accounts Payable	<u>16,895</u>	<u>11,905</u>	<u>4,990</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2200 - GFC Lease Payable	4,534	4,534	0
Total 2025 - Other Current Liabilities	<u>4,534</u>	<u>4,534</u>	<u>0</u>

**Indiana School of Real Estate
Balance Sheet (Detail)**

July 31, 2016

	07/31/2016	06/30/2016	Difference
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	13,947	26,847	(12,900)
Total 2400 - Deferred Dues & Other Revenue	<u>13,947</u>	<u>26,847</u>	<u>(12,900)</u>
Total Other Current Liabilities	<u>18,481</u>	<u>31,381</u>	<u>(12,900)</u>
Total Current Liabilities	<u>35,376</u>	<u>43,286</u>	<u>(7,910)</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	426,105	445,615	(19,510)
Total 2200 - Intercompany Loans Payable	<u>426,105</u>	<u>445,615</u>	<u>(19,510)</u>
Total - Other Liabilities	<u>426,105</u>	<u>445,615</u>	<u>(19,510)</u>
Total Liabilities	<u>461,481</u>	<u>488,901</u>	<u>(27,420)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	(39,359)	(135,446)	96,087
Net Income	(19,051)	96,087	(115,138)
Total Net Assets	<u>(58,410)</u>	<u>(39,359)</u>	<u>(19,051)</u>
Total LIABILITIES & NET ASSETS	<u>403,071</u>	<u>449,542</u>	<u>(46,471)</u>

**Indiana School of Real Estate
Budget Performance (Summary)**

July 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>	<u>Prior YTD Actual</u>
Ordinary Income/Expense						
Gross Profit						
Income						
4000 - Membership Income	77,889	67,710	832,123	473,982	812,533	694,225
4200 - Contract Fees & Event Income	0	22,343	87,141	156,402	268,117	266,993
4300 - Royalties, Rent & Product Sales	99	167	1,536	1,165	2,000	1,522
4900 - Other Income	1,364	0	42,800	0	0	7,129
Total Income	<u>79,352</u>	<u>90,220</u>	<u>963,600</u>	<u>631,549</u>	<u>1,082,650</u>	<u>969,869</u>
Gross Profit	79,352	90,220	963,600	631,549	1,082,650	969,869
Expense						
5000 - Personnel Costs	49,866	45,279	425,757	316,942	553,338	396,257
5300 - Travel & Entertainment	1,186	958	6,776	6,708	11,500	7,915
5600 - Professional Fees	2,582	2,000	14,845	14,000	23,999	9,510
5700 - Technology & Equipment	4,385	3,667	24,010	25,667	44,000	46,856
5900 - Office Costs	10,234	12,392	83,022	86,741	148,700	84,473
6100 - Facility Costs	5,034	3,593	35,347	25,156	43,125	25,545
7100 - Programmatic Costs	25,116	21,431	206,519	150,016	257,169	168,914
Total Expense	<u>98,403</u>	<u>89,320</u>	<u>796,276</u>	<u>625,230</u>	<u>1,081,831</u>	<u>739,470</u>
Net Ordinary Income	<u>(19,051)</u>	<u>900</u>	<u>167,324</u>	<u>6,319</u>	<u>819</u>	<u>230,399</u>
Net Income	<u>(19,051)</u>	<u>900</u>	<u>167,324</u>	<u>6,319</u>	<u>819</u>	<u>230,399</u>

**Indiana School of Real Estate
Budget Performance (Detail)**

July 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Gross Profit					
Income					
4000 - Membership Income					
4001 - Registrations -- Members	2,927	35,773	296,646	250,414	429,279
4011 - Registrations -- Non-members	74,962	31,104	535,477	217,734	373,254
4020 - Shared Fees, Local Boards	0	833	0	5,834	10,000
Total 4000 - Membership Income	<u>77,889</u>	<u>67,710</u>	<u>832,123</u>	<u>473,982</u>	<u>812,533</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	0	22,343	10,074	156,402	268,117
4210 - Contract Service Fees, Local	0	0	77,067	0	0
Total 4200 - Contract Fees & Event In- come	<u>0</u>	<u>22,343</u>	<u>87,141</u>	<u>156,402</u>	<u>268,117</u>
4300 - Royalties, Rent & Product Sales					
4300 - Product Sales	99	167	1,536	1,165	2,000
Total 4300 - Royalties, Rent & Product Sales	<u>99</u>	<u>167</u>	<u>1,536</u>	<u>1,165</u>	<u>2,000</u>
4900 - Other Income					
4900 - Other Income	1,364	0	42,800	0	0
Total 4900 - Other Income	<u>1,364</u>	<u>0</u>	<u>42,800</u>	<u>0</u>	<u>0</u>
Total Income	<u>79,352</u>	<u>90,220</u>	<u>963,600</u>	<u>631,549</u>	<u>1,082,650</u>
Gross Profit	<u>79,352</u>	<u>90,220</u>	<u>963,600</u>	<u>631,549</u>	<u>1,082,650</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation					
5010 - Staff Compensation	37,197	32,500	249,451	227,500	390,000
Total 5010 - Compensation	<u>37,197</u>	<u>32,500</u>	<u>249,451</u>	<u>227,500</u>	<u>390,000</u>
5020 - Bonus Pool					
5020 - Bonus Pool	0	0	287	0	10,000
Total 5020 - Bonus Pool	<u>0</u>	<u>0</u>	<u>287</u>	<u>0</u>	<u>10,000</u>
5030 - Contract Labor / Temp Help					
5030 - Contract Labor / Temp Help	0	417	200	2,915	5,000
Total 5030 - Contract Labor / Temp Help	<u>0</u>	<u>417</u>	<u>200</u>	<u>2,915</u>	<u>5,000</u>
5035 - Instructor Compensation					
5035 - Instructor Compensation	4,305	5,813	109,647	40,688	69,750
Total 5035 - Instructor Compensation	<u>4,305</u>	<u>5,813</u>	<u>109,647</u>	<u>40,688</u>	<u>69,750</u>
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,798	2,375	19,585	16,625	28,500
5115 - Wellness Benefit	91	0	641	0	0
5120 - Dental Insurance	343	292	2,395	2,040	3,500
5125 - Disability Insurance	261	133	1,832	935	1,600

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

**Indiana School of Real Estate
Budget Performance (Detail)**

July 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5130 - Retirement Benefits	1,646	1,000	9,005	7,000	12,000
5160 - Payroll Taxes	3,225	2,166	31,045	15,158	25,988
5170 - Professional Development	0	541	795	3,791	6,500
5180 - Dues & Subscriptions	0	42	874	290	500
Total 5100 - Benefits & Taxes	<u>8,364</u>	<u>6,549</u>	<u>66,172</u>	<u>45,839</u>	<u>78,588</u>
Total 5000 - Personnel Costs	49,866	45,279	425,757	316,942	553,338
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	450	167	1,220	1,167	2,000
5320 - Staff Lodging	0	208	1,001	1,458	2,500
5330 - Staff Mileage	0	167	404	1,167	2,000
5340 - Staff Meals	736	125	2,471	875	1,500
5350 - Staff Hospitality	0	208	146	1,458	2,500
5360 - Conference Registration Fees	0	83	1,518	583	1,000
Total 5310 - Staff Travel Costs	<u>1,186</u>	<u>958</u>	<u>6,760</u>	<u>6,708</u>	<u>11,500</u>
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	0	0	16	0	0
Total 5410 - Leadership Travel	<u>0</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>
Total 5300 Travel & Entertainment	<u>1,186</u>	<u>958</u>	<u>6,776</u>	<u>6,708</u>	<u>11,500</u>
5600 - Professional Fees					
5610 - Legal Services	0	84	0	584	999
5620 - Audit & Tax Services	0	83	0	583	1,000
5630 - Accounting Services	2,582	1,833	14,845	12,833	22,000
Total 5600 - Professional Fees	<u>2,582</u>	<u>2,000</u>	<u>14,845</u>	<u>14,000</u>	<u>23,999</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	0	2,917	2,144	20,417	35,000
5720 - Equipment Repairs & Maintenance	0	0	100	0	0
5730 - Small Equipment Purchases	102	83	640	583	1,000
5740 - Equipment > \$1000	1,374	250	1,374	1,750	3,000
5750 - Equipment Lease Payments	495	417	3,466	2,917	5,000
5760 - Software & Licensing Fees	2,414	0	16,286	0	0
Total 5700 - Technology & Equipment	<u>4,385</u>	<u>3,667</u>	<u>24,010</u>	<u>25,667</u>	<u>44,000</u>
5900 - Office Costs					
5910 - Telephone	0	250	0	1,750	3,000
5920 - Postage	0	625	0	4,375	7,500
5925 - Shipping Expense	71	458	(2,757)	3,208	5,500
5926 - Sales Tax	(7)	0	78	0	0
5930 - Office Supplies	305	125	1,692	875	1,500
5932 - Kitchen Supplies	0	0	414	0	0
5935 - Supplies for Resale	316	84	311	583	1,000
5940 - Printing	0	83	3,530	584	1,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

**Indiana School of Real Estate
Budget Performance (Detail)**

July 31, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5950 - Liability Insurance	0	83	0	583	1,000
5960 - Licenses and Fees	77	250	757	1,750	3,000
5970 - Bank & Credit Card Fees	2,372	3,334	29,297	23,333	40,000
5980 - Miscellaneous	0	0	0	0	0
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	49,700	49,700	85,200
Total 5900 - Office Costs	10,234	12,392	83,022	86,741	148,700
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	3,469	34,363	24,282	41,625
6150 - Janitorial-cleaning & supplies	0	41	109	291	500
6170 - Property Insurance	125	83	875	583	1,000
Total 6100 - Facility Costs	5,034	3,593	35,347	25,156	43,125
7100 - Programmatic Costs					
7110 - Facility Rental	4,228	3,346	27,370	23,421	40,150
7120 - Catering	0	0	1,495	0	0
7130 - Honorarium/Speaker Fees	0	1,250	5,000	8,750	15,000
7140 - Speaker Travel	1,672	570	15,963	3,990	6,840
7160 - Event Sponsorships	0	209	500	1,458	2,500
7165 - Contract Fees	20	0	15,855	0	0
7170 - Curriculum	7,518	6,541	101,660	45,792	78,500
7210 - Website Development / Hosting	65	834	1,161	5,833	10,000
7220 - Internet Communications	50	0	650	0	0
7225 - Publications	0	0	88	0	0
7230 - Distance Learning Portal	10,107	5,141	27,479	35,992	61,699
7240 - Video Production & Editing	0	417	0	2,917	5,000
7245 - Live Content Delivery	0	0	2,400	0	0
7260 - Advertising/Marketing	19	417	970	2,916	5,000
7270 - Research & Development	0	2,706	0	18,947	32,480
7310 - Other Program Costs	270	0	361	0	0
7700 - Broker Commissions	1,167	0	5,567	0	0
Total 7100 - Programmatic Costs	25,116	21,431	206,519	150,016	257,169
Total Expense	98,403	89,320	796,276	625,230	1,081,831
Net Ordinary Income	(19,051)	900	167,324	6,319	819
Net Income	(19,051)	900	167,324	6,319	819

Indiana School of Real Estate, LLC
Selected Information
July 2016 Financial Statements

The monthly financial statements for Indiana School of Real Estate are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). These financial statements have not been subjected to an audit, review, or compilation engagement; and no assurance is provided on them.

The accompanying financial statements include the following departures from accounting principles generally accepted in the United States of America:

- The financial statements omit substantially all of the disclosures and the statement of cash flows required by accounting principles generally accepted in the United States of America.
- The Balance Sheet includes a comparison with the period ended June 30, 2016 for additional meaningful data for management and the board.
- Certain accruals and adjustments are made on an annual basis in preparation for the organization's annual audit.
- The Budget Performance reports do not report changes in net assets among unrestricted, temporarily restricted and permanently restricted in accordance with GAAP.
- Budget information is presented without notes on significant assumptions used in developing the budget.

The effects of these departures have not been determined.