

Indiana School of Real Estate

June 2016

EXECUTIVE SUMMARY

Balance Sheet:

1. The School's cash balance increased by \$55,000 during June with an ending balance of \$239,000, due to cash receipts being in excess of cash disbursements.
2. The amount due to IAR increased by \$9,000 with an ending balance of \$446,000. During the month, ISRE made a payment to IAR of \$107,000.
3. Overall, liabilities decreased by \$32,000, mostly due to a decrease in Unearned Registration Fees.

Income Statement:

4. The School had net income for the month of \$96,000 compared to a budgeted net income of \$900. YTD net income is \$186,000 compared to YTD budget of \$5,000. YTD net income is \$58,000 (24%) less than the prior YTD net income.
5. Total revenue for June is above the monthly budget by \$160,000 or 177% at \$250,000 vs budget of \$90,000.
6. Total revenue YTD is above the YTD budget by \$343,000 or 63% at \$884,000 vs YTD budget of \$541,000. Compared to the prior year, total revenue YTD is down by \$1,000 or less than 1%.
7. Total expenses for June are over budget by \$65,000 or 72%, mostly due to Instructor Compensation and Curriculum, which are in line with revenues being over budget for the month.
8. Total expenses YTD are over budget by \$162,000 or 30%, mostly due to Instructor Compensation and Curriculum, as stated above for the current month.
9. Compared to the prior year, YTD expenses are up \$57,000 or 9%, mostly due to personnel costs and curriculum.

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

June 30, 2016

	06/30/2016	05/31/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	239,464	184,701	54,762
Total 1000 - Cash Accounts	<u>239,464</u>	<u>184,701</u>	<u>54,762</u>
Total Checking/Savings	239,464	184,701	54,762
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	19,097	6,580	12,517
1210 - Tuition Receivable	11,575	9,543	2,033
Total 1200 - Accounts Receivable	<u>30,672</u>	<u>16,123</u>	<u>14,550</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	6,644	11,296	(4,652)
1330 - Prepaid Curriculum	121,742	122,047	(306)
1350 - Other Deposits	1,559	1,560	0
Total 1300 - Other Current Assets	<u>129,945</u>	<u>134,903</u>	<u>(4,958)</u>
Total Other Current Assets	<u>160,617</u>	<u>151,026</u>	<u>9,592</u>
Total Current Assets	<u>400,081</u>	<u>335,727</u>	<u>64,354</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	19,546	19,546	0
1630 - Furniture, Fixtures & Equipmen	107,614	107,614	0
Total 1605 - Land, Buildings & Equipment	<u>127,160</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	(91,428)	(91,428)	0
Total 1655 - Accumulated Depreciation	<u>(107,174)</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	29,475	29,475	0
Total 1700 - Capitalized Lease Costs	<u>29,475</u>	<u>29,475</u>	<u>0</u>
Total Other Assets	<u>29,475</u>	<u>29,475</u>	<u>0</u>
Total ASSETS	<u>449,542</u>	<u>385,188</u>	<u>64,354</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	11,905	25,701	(13,796)
Total Accounts Payable	<u>11,905</u>	<u>25,701</u>	<u>(13,796)</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)**

June 30, 2016

	06/30/2016	05/31/2016	Difference
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	26,847	53,328	(26,481)
Total 2400 - Deferred Dues & Other Revenue	<u>26,847</u>	<u>53,328</u>	<u>(26,481)</u>
Total Other Current Liabilities	<u>31,381</u>	<u>57,862</u>	<u>(26,481)</u>
Total Current Liabilities	<u>43,286</u>	<u>83,563</u>	<u>(40,277)</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	445,658	437,114	8,544
Total 2200 - Intercompany Loans Payable	<u>445,658</u>	<u>437,114</u>	<u>8,544</u>
Total - Other Liabilities	<u>445,658</u>	<u>437,114</u>	<u>8,544</u>
Total Liabilities	<u>488,944</u>	<u>520,677</u>	<u>(31,733)</u>
NET ASSETS			
3010 - Unrestricted Net Assets	(135,489)	(172,227)	36,737
Net Income	96,087	36,738	59,350
Total Net Assets	<u>(39,402)</u>	<u>(135,489)</u>	<u>96,087</u>
Total LIABILITIES & NET ASSETS	<u>449,542</u>	<u>385,188</u>	<u>64,354</u>

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

June 30, 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>
Income						
4000 - Tuition Revenue	206,228	67,710	754,234	406,272	812,533	610,667
4200 - Contract Fees & Event Income	29,486	22,343	87,141	134,059	268,117	266,189
4300- Royalties, Rent & Product Sales	214	167	1,437	998	2,000	1,202
Total Income	<u>250,144</u>	<u>90,220</u>	<u>884,249</u>	<u>541,329</u>	<u>1,082,650</u>	<u>884,904</u>
Expense						
5000 - Personnel Costs	75,691	45,279	375,892	271,663	553,338	338,909
5300 - Travel & Entertainment	1,449	958	5,590	5,750	11,500	5,386
5600 - Professional Fees	2,125	2,000	12,264	12,000	23,999	9,510
5700 - Technology & Equipment	3,728	3,667	19,624	22,000	44,000	44,918
5900 - Office Costs	12,697	12,392	72,788	74,350	148,700	68,863
6100 - Facility Costs	5,034	3,593	30,313	21,562	43,125	21,930
7100 - Programmatic Costs	53,333	21,431	181,446	128,585	257,169	151,461
Total Expense	<u>154,057</u>	<u>89,320</u>	<u>697,917</u>	<u>535,910</u>	<u>1,081,831</u>	<u>640,977</u>
Net Ordinary Income	<u>96,087</u>	<u>900</u>	<u>186,332</u>	<u>5,419</u>	<u>819</u>	<u>243,927</u>
Net Income	<u>96,087</u>	<u>900</u>	<u>186,332</u>	<u>5,419</u>	<u>819</u>	<u>243,927</u>

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

June 30, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Ordinary Income/Expense					
Income					
4000 - Tuition Revenue					
4001 - Registrations -- Members	147,545	35,773	293,719	214,641	429,279
4011 - Registrations -- Non-members	58,683	31,104	460,515	186,630	373,254
4020 - Shared Fees, Local Boards	0	833	0	5,001	10,000
Total 4000 - Tuition Revenue	<u>206,228</u>	<u>67,710</u>	<u>754,234</u>	<u>406,272</u>	<u>812,533</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	849	22,343	10,074	134,059	268,117
4210 - Contract Service Fees, Local	28,637	0	77,067	0	0
Total 4200 - Contract Fees & Event In- come	<u>29,486</u>	<u>22,343</u>	<u>87,141</u>	<u>134,059</u>	<u>268,117</u>
4300- Royalties, Rent & Product Sales					
4300 - Product Sales	214	167	1,437	998	2,000
Total 4300 - Royalties, Rent & Product Sales	<u>214</u>	<u>167</u>	<u>1,437</u>	<u>998</u>	<u>2,000</u>
4900 - Other Income	<u>14,216</u>	<u>0</u>	<u>41,437</u>	<u>0</u>	<u>0</u>
Total Income	250,144	90,220	884,249	541,329	1,082,650
Expense					
5000 - Personnel Costs					
5010 - Compensation	36,975	32,500	212,256	195,000	390,000
5020 - Bonus Pool	0	0	286	0	10,000
5030 - Contract Labor / Temp Help	0	417	200	2,498	5,000
5035 - Instructor Compensation	28,570	5,813	105,342	34,875	69,750
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,798	2,375	16,787	14,250	28,500
5115 - Wellness Benefit	91	0	550	0	0
5120 - Dental Insurance	342	292	2,053	1,748	3,500
5125 - Disability Insurance	262	133	1,570	802	1,600
5130 - Retirement Benefits	1,218	1,000	7,358	6,000	12,000
5160 - Payroll Taxes	5,360	2,166	27,821	12,992	25,988
5170 - Professional Development	0	541	795	3,250	6,500
5180 - Dues & Subscriptions	75	42	874	248	500
Total 5100 - Benefits & Taxes	<u>10,146</u>	<u>6,549</u>	<u>57,808</u>	<u>39,290</u>	<u>78,588</u>
Total 5000 - Personnel Costs	<u>75,691</u>	<u>45,279</u>	<u>375,892</u>	<u>271,663</u>	<u>553,338</u>
5300 - Travel & Entertainment					

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

June 30, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5310 - Staff Travel Costs					
5310 - Staff Travel	3	167	770	1,000	2,000
5320 - Staff Lodging	0	208	1,001	1,250	2,500
5330 - Staff Mileage	33	167	404	1,000	2,000
5340 - Staff Meals	344	125	1,735	750	1,500
5350 - Staff Hospitality	146	208	146	1,250	2,500
5360 - Conference Registration Fees	923	83	1,518	500	1,000
Total 5310 - Staff Travel Costs	<u>1,449</u>	<u>958</u>	<u>5,574</u>	<u>5,750</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>1,449</u>	<u>958</u>	<u>5,590</u>	<u>5,750</u>	<u>11,500</u>
5600 - Professional Fees					
5610 - Legal Services	0	84	0	500	999
5620 - Audit & Tax Services	0	83	0	500	1,000
5630 - Accounting Services	2,125	1,833	12,264	11,000	22,000
Total 5600 - Professional Fees	<u>2,125</u>	<u>2,000</u>	<u>12,264</u>	<u>12,000</u>	<u>23,999</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	858	2,917	2,143	17,500	35,000
5720 - Equipment Repairs & Maintenance	0	0	100	0	0
5730 - Small Equipment Purchases	0	83	538	500	1,000
5740 - Equipment > \$1000	0	250	0	1,500	3,000
5750 - Equipment Lease Payments	434	417	2,970	2,500	5,000
5760 - Software & Licensing Fees	2,436	0	13,873	0	0
Total 5700 - Technology & Equipment	<u>3,728</u>	<u>3,667</u>	<u>19,624</u>	<u>22,000</u>	<u>44,000</u>
5900 - Office Costs					
5910 - Telephone	0	250	0	1,500	3,000
5920 - Postage	0	625	0	3,750	7,500
5925 - Shipping Expense	(266)	458	(2,829)	2,750	5,500
5926 - Sales Tax	(14)	0	85	0	0
5930 - Office Supplies	(116)	125	1,389	750	1,500
5932 - Kitchen Supplies	40	0	414	0	0
5935 - Supplies for Resale	0	84	(5)	500	1,000
5940 - Printing	0	83	3,530	500	1,000
5950 - Liability Insurance	0	83	0	500	1,000
5960 - Licenses and Fees	327	250	680	1,500	3,000
5970 - Bank & Credit Card Fees	5,627	3,334	26,925	20,000	40,000
5980 - Miscellaneous	(1)	0	(1)	0	0

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

June 30, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	42,600	42,600	85,200
Total 5900 - Office Costs	<u>12,697</u>	<u>12,392</u>	<u>72,788</u>	<u>74,350</u>	<u>148,700</u>
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	3,469	29,454	20,812	41,625
6150 - Janitorial-cleaning & supplies	0	41	109	250	500
6170 - Property Insurance	125	83	750	500	1,000
Total 6100 - Facility Costs	<u>5,034</u>	<u>3,593</u>	<u>30,313</u>	<u>21,562</u>	<u>43,125</u>
7100 - Programmatic Costs					
7110 - Facility Rental	5,236	3,346	23,142	20,075	40,150
7120 - Catering	92	0	1,495	0	0
7130 - Honorarium/Speaker Fees	0	1,250	5,000	7,500	15,000
7140 - Speaker Travel	2,766	570	14,334	3,420	6,840
7160 - Event Sponsorships	0	209	500	1,250	2,500
7165 - Contract Fees	11,755	0	15,835	0	0
7170 - Curriculum	25,897	6,541	94,141	39,250	78,500
7210 - Website Development / Hosting	65	834	1,096	5,000	10,000
7220 - Internet Communications	50	0	600	0	0
7225 - Publications	0	0	89	0	0
7230 - Distance Learning Portal	3,592	5,141	17,372	30,850	61,699
7240 - Video Production & Editing	0	417	0	2,500	5,000
7245 - Live Content Delivery	2,400	0	2,400	0	0
7260 - Advertising/Marketing	209	417	951	2,500	5,000
7270 - Research & Development	0	2,706	0	16,240	32,480
7310 - Other Program Costs	0	0	91	0	0
7700 - Broker Commissions	1,271	0	4,400	0	0
Total 7100 - Programmatic Costs	<u>53,333</u>	<u>21,431</u>	<u>181,446</u>	<u>128,585</u>	<u>257,169</u>
Total Expense	<u>154,057</u>	<u>89,320</u>	<u>697,917</u>	<u>535,910</u>	<u>1,081,831</u>
Net Ordinary Income	<u>96,087</u>	<u>900</u>	<u>186,332</u>	<u>5,419</u>	<u>819</u>
Net Income	<u>96,087</u>	<u>900</u>	<u>186,332</u>	<u>5,419</u>	<u>819</u>

Indiana School of Real Estate, LLC
Selected Information
June 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 May 31, 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.