

# Indiana School of Real Estate

## September 2016

### EXECUTIVE SUMMARY

#### Balance Sheet:

1. The School's cash balance decreased by \$39,000 during September with an ending balance of \$142,000 mostly due to the transfer to IAR of \$115,000 of which \$108,000 was used to pay down the amount Due to IAR and \$7,000 for the monthly management fee payable to IAR.
2. Prepaid Expense increased by \$15,000 due to invoice from Xenegrade for annual license fee.
3. Accounts Payable had minimal increase of \$1,000.
4. Unearned registration fees decreased by \$4,000 due to recognition of course revenue with September class dates.
5. The amount due to IAR decreased by \$12,000 with an ending balance of \$399,000 which included a pay down of the liability of \$108,000 as mentioned above.

#### Income Statement:

6. The School had net loss for the month of (\$10,000) compared to budgeted net income of \$900.
7. YTD net income is \$145,000 compared to YTD budget of \$8,000. YTD net income is \$10,000 (7%) less than the prior YTD net income.
8. Total revenue for September is above the monthly budget by \$10,000 or 11% at \$100,000 vs budget of \$90,000.
9. Total revenue YTD is above the YTD budget by \$337,000 or 42% at \$1,149,000 vs YTD budget of \$812,000. Compared to the prior year, total revenue YTD is up by \$22,000 or 2%.
10. Total expenses for September are \$110,000 and are over budget by \$21,000 or 23%, mostly due to Instructor Compensation and Technology & Equipment.
11. Total expenses YTD are over budget by \$200,000 or 25%, mostly due to Instructor Compensation, Technology & Equipment, and Curriculum.
12. Compared to the prior year, YTD expenses are up \$32,000 or 3%, mostly due to Instructor Compensation and Facility Costs.

**Indiana School of Real Estate**  
**Balance Sheet (Detail)**  
September 30, 2016

	09/30/2016	08/31/2016	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	141,994	181,236	(39,242)
Total 1000 - Cash Accounts	<u>141,994</u>	<u>181,236</u>	<u>(39,242)</u>
Total Checking/Savings	141,994	181,236	(39,242)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	14,151	11,830	2,321
1210 - Tuition Receivable	5,900	6,175	(275)
Total 1200 - Accounts Receivable	<u>20,051</u>	<u>18,005</u>	<u>2,046</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	18,675	3,248	15,427
1330 - Prepaid Curriculum	113,176	116,832	(3,657)
1350 - Other Deposits	1,559	1,560	0
Total 1300 - Other Current Assets	<u>133,410</u>	<u>121,640</u>	<u>11,770</u>
Total Other Current Assets	<u>153,461</u>	<u>139,645</u>	<u>13,816</u>
Total Current Assets	<u>295,455</u>	<u>320,881</u>	<u>(25,426)</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	107,613	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	(15,745)	(15,746)	0
1680 - Accum. Depreciation - FF&E	(91,429)	(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	30,825	30,825	0
Total 1700 - Capitalized Lease Costs	<u>30,825</u>	<u>30,825</u>	<u>0</u>
Total Other Assets	<u>30,825</u>	<u>30,825</u>	<u>0</u>
<b>Total ASSETS</b>	<b><u>346,266</u></b>	<b><u>371,692</u></b>	<b><u>(25,426)</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	2,116	1,075	1,042
Total Accounts Payable	<u>2,116</u>	<u>1,075</u>	<u>1,042</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)**

September 30, 2016

	09/30/2016	08/31/2016	Difference
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	21,225	25,671	(4,446)
Total 2400 - Deferred Dues & Other Revenue	<u>21,225</u>	<u>25,671</u>	<u>(4,446)</u>
Total Other Current Liabilities	<u>25,759</u>	<u>30,205</u>	<u>(4,446)</u>
Total Current Liabilities	<u>27,875</u>	<u>31,280</u>	<u>(3,404)</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	399,125	411,267	(12,143)
Total 2200 - Intercompany Loans Payable	<u>399,125</u>	<u>411,267</u>	<u>(12,143)</u>
Total - Other Liabilities	<u>399,125</u>	<u>411,267</u>	<u>(12,143)</u>
Total Liabilities	<u>427,000</u>	<u>442,547</u>	<u>(15,547)</u>
<b>NET ASSETS</b>			
3010 - Unrestricted Net Assets	(70,856)	(56,286)	(14,570)
Net Income	(9,878)	(14,569)	4,691
Total Net Assets	<u>(80,734)</u>	<u>(70,855)</u>	<u>(9,879)</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<u><b>346,266</b></u>	<u><b>371,692</b></u>	<u><b>(25,426)</b></u>

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

September 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>
<b>Ordinary Income/Expense</b>						
Gross Profit						
Income						
4000 - Membership Income	87,803	67,710	997,854	609,402	812,533	840,439
4200 - Contract Fees & Event Income	12,104	22,343	106,907	201,088	268,117	276,948
4300 - Royalties, Rent & Product Sales	298	167	1,834	1,499	2,000	2,114
4900 - Other Income	0	0	42,871	0	0	7,879
Total Income	<u>100,205</u>	<u>90,220</u>	<u>1,149,466</u>	<u>811,989</u>	<u>1,082,650</u>	<u>1,127,380</u>
Gross Profit	100,205	90,220	1,149,466	811,989	1,082,650	1,127,380
Expense						
5000 - Personnel Costs	56,350	45,279	532,130	407,500	553,338	508,655
5300 - Travel & Entertainment	276	958	7,391	8,625	11,500	9,639
5600 - Professional Fees	4,006	2,000	22,983	18,000	23,999	16,950
5700 - Technology & Equipment	16,711	3,667	50,157	33,000	44,000	53,655
5900 - Office Costs	10,461	12,392	103,680	111,525	148,700	105,203
6100 - Facility Costs	5,034	3,593	45,415	32,343	43,125	32,775
7100 - Programmatic Costs	17,245	21,431	242,710	192,877	257,169	245,319
Total Expense	<u>110,083</u>	<u>89,320</u>	<u>1,004,466</u>	<u>803,870</u>	<u>1,081,831</u>	<u>972,196</u>
Net Ordinary Income	<u>(9,878)</u>	<u>900</u>	<u>145,000</u>	<u>8,119</u>	<u>819</u>	<u>155,184</u>
<b>Net Income</b>	<b><u>(9,878)</u></b>	<b><u>900</u></b>	<b><u>145,000</u></b>	<b><u>8,119</u></b>	<b><u>819</u></b>	<b><u>155,184</u></b>

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

September 30, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
<b>Gross Profit</b>					
Income					
4000 - Membership Income					
4001 - Registrations -- Members	17,811	35,773	324,603	321,960	429,279
4011 - Registrations -- Non-members	69,992	31,104	673,251	279,942	373,254
4020 - Shared Fees, Local Boards	0	833	0	7,500	10,000
Total 4000 - Membership Income	<u>87,803</u>	<u>67,710</u>	<u>997,854</u>	<u>609,402</u>	<u>812,533</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	10,994	22,343	28,730	201,088	268,117
4210 - Contract Service Fees, Local	1,110	0	78,177	0	0
Total 4200 - Contract Fees & Event In- come	<u>12,104</u>	<u>22,343</u>	<u>106,907</u>	<u>201,088</u>	<u>268,117</u>
4300 - Royalties, Rent & Product Sales					
4300 - Product Sales	298	167	1,834	1,499	2,000
Total 4300 - Royalties, Rent & Product Sales	<u>298</u>	<u>167</u>	<u>1,834</u>	<u>1,499</u>	<u>2,000</u>
4900 - Other Income					
4900 - Other Income	0	0	42,871	0	0
Total 4900 - Other Income	<u>0</u>	<u>0</u>	<u>42,871</u>	<u>0</u>	<u>0</u>
Total Income	<u>100,205</u>	<u>90,220</u>	<u>1,149,466</u>	<u>811,989</u>	<u>1,082,650</u>
Gross Profit	<u>100,205</u>	<u>90,220</u>	<u>1,149,466</u>	<u>811,989</u>	<u>1,082,650</u>
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation					
5010 - Staff Compensation	33,938	32,500	317,782	292,500	390,000
Total 5010 - Compensation	<u>33,938</u>	<u>32,500</u>	<u>317,782</u>	<u>292,500</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	3,749	5,000
Total 5030 - Contract Labor / Temp Help	<u>0</u>	<u>417</u>	<u>200</u>	<u>3,749</u>	<u>5,000</u>
5035 - Instructor Compensation					
5035 - Instructor Compensation	13,635	5,813	130,927	52,313	69,750
Total 5035 - Instructor Compensation	<u>13,635</u>	<u>5,813</u>	<u>130,927</u>	<u>52,313</u>	<u>69,750</u>
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,981	2,375	25,118	21,375	28,500
5115 - Wellness Benefit	96	0	831	0	0
5120 - Dental Insurance	311	292	3,018	2,624	3,500
5125 - Disability Insurance	259	133	2,352	1,201	1,600

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

September 30, 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	1,440	1,000	11,886	9,000	12,000
5160 - Payroll Taxes	3,690	2,166	38,060	19,490	25,988
5170 - Professional Development	0	541	795	4,874	6,500
5180 - Dues & Subscriptions	0	42	874	374	500
Total 5100 - Benefits & Taxes	<u>8,777</u>	<u>6,549</u>	<u>82,934</u>	<u>58,938</u>	<u>78,588</u>
Total 5000 - Personnel Costs	56,350	45,279	532,130	407,500	553,338
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	0	167	1,227	1,500	2,000
5320 - Staff Lodging	0	208	1,001	1,875	2,500
5330 - Staff Mileage	0	167	437	1,500	2,000
5340 - Staff Meals	276	125	3,046	1,125	1,500
5350 - Staff Hospitality	0	208	146	1,875	2,500
5360 - Conference Registration Fees	0	83	1,518	750	1,000
Total 5310 - Staff Travel Costs	<u>276</u>	<u>958</u>	<u>7,375</u>	<u>8,625</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>276</u>	<u>958</u>	<u>7,391</u>	<u>8,625</u>	<u>11,500</u>
5600 - Professional Fees					
5610 - Legal Services	0	84	0	750	999
5620 - Audit & Tax Services	0	83	0	750	1,000
5630 - Accounting Services	4,006	1,833	22,983	16,500	22,000
Total 5600 - Professional Fees	<u>4,006</u>	<u>2,000</u>	<u>22,983</u>	<u>18,000</u>	<u>23,999</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	14,469	2,917	16,613	26,250	35,000
5720 - Equipment Repairs & Maintenance	0	0	100	0	0
5730 - Small Equipment Purchases	0	83	640	750	1,000
5740 - Equipment > \$1000	0	250	1,374	2,250	3,000
5750 - Equipment Lease Payments	560	417	4,469	3,750	5,000
5760 - Software & Licensing Fees	1,682	0	26,961	0	0
Total 5700 - Technology & Equipment	<u>16,711</u>	<u>3,667</u>	<u>50,157</u>	<u>33,000</u>	<u>44,000</u>
5900 - Office Costs					
5910 - Telephone	0	250	0	2,250	3,000
5920 - Postage	0	625	0	5,625	7,500
5925 - Shipping Expense	(252)	458	(3,218)	4,125	5,500
5926 - Sales Tax	(10)	0	69	0	0
5930 - Office Supplies	488	125	2,414	1,125	1,500
5932 - Kitchen Supplies	96	0	639	0	0
5935 - Supplies for Resale	0	84	311	750	1,000
5940 - Printing	0	83	3,530	750	1,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

September 30, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5950 - Liability Insurance	0	83	0	750	1,000
5960 - Licenses and Fees	231	250	1,065	2,250	3,000
5970 - Bank & Credit Card Fees	2,808	3,334	34,971	30,000	40,000
5980 - Miscellaneous	0	0	(1)	0	0
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	63,900	63,900	85,200
<b>Total 5900 - Office Costs</b>	<b>10,461</b>	<b>12,392</b>	<b>103,680</b>	<b>111,525</b>	<b>148,700</b>
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	3,469	44,181	31,219	41,625
6150 - Janitorial-cleaning & supplies	0	41	109	374	500
6170 - Property Insurance	125	83	1,125	750	1,000
<b>Total 6100 - Facility Costs</b>	<b>5,034</b>	<b>3,593</b>	<b>45,415</b>	<b>32,343</b>	<b>43,125</b>
7100 - Programmatic Costs					
7110 - Facility Rental	4,153	3,346	36,036	30,113	40,150
7120 - Catering	0	0	2,720	0	0
7130 - Honorarium/Speaker Fees	0	1,250	5,000	11,250	15,000
7140 - Speaker Travel	4,490	570	20,741	5,130	6,840
7160 - Event Sponsorships	0	209	500	1,875	2,500
7165 - Contract Fees	(1,546)	0	15,069	0	0
7170 - Curriculum	9,580	6,541	120,982	58,875	78,500
7210 - Website Development / Hosting	65	834	1,291	7,500	10,000
7220 - Internet Communications	50	0	1,125	0	0
7225 - Publications	0	0	89	0	0
7230 - Distance Learning Portal	0	5,141	29,195	46,275	61,699
7240 - Video Production & Editing	0	417	0	3,750	5,000
7245 - Live Content Delivery	0	0	2,400	0	0
7260 - Advertising/Marketing	453	417	1,422	3,749	5,000
7270 - Research & Development	0	2,706	0	24,360	32,480
7310 - Other Program Costs	0	0	361	0	0
7700 - Broker Commissions	0	0	5,779	0	0
<b>Total 7100 - Programmatic Costs</b>	<b>17,245</b>	<b>21,431</b>	<b>242,710</b>	<b>192,877</b>	<b>257,169</b>
<b>Total Expense</b>	<b>110,083</b>	<b>89,320</b>	<b>1,004,466</b>	<b>803,870</b>	<b>1,081,831</b>
<b>Net Ordinary Income</b>	<b>(9,878)</b>	<b>900</b>	<b>145,000</b>	<b>8,119</b>	<b>819</b>
<b>Net Income</b>	<b>(9,878)</b>	<b>900</b>	<b>145,000</b>	<b>8,119</b>	<b>819</b>

**Indiana School of Real Estate, LLC**  
Selected Information  
September 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 August 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.