

# Indiana School of Real Estate June 2017

## EXECUTIVE SUMMARY

### Balance Sheet:

1. The School's cash balance increased by \$31,000 during June with an ending balance of \$77,000.
2. Accounts Receivable decreased by \$10,000 due to payments received in June.
3. Prepaid expenses decreased by \$6,000 due to amortization for the month.
4. Accounts Payable increased by \$4,000 with an ending balance of \$9,000.
5. Unearned registration fees decreased by \$43,000 due to courses held in June. Ending balance of unearned registration fees was \$20,000.
6. The amount Due to IAR decreased by \$11,000, with an ending balance of \$317,000, mostly due to transfer to IAR during the month.

### Income Statement:

7. The School had net income for the month of \$67,000 compared to budgeted net income of \$9,000.
8. YTD, the School had net income of \$117,000 compared to budgeted net income of \$52,000.
9. Compared to the prior year, YTD net income is \$71,000 or (38%) lower.
10. Total revenue for June was \$199,000 and was above the monthly budget of \$98,000 by \$101,000 or 104%.
11. YTD revenue was \$807,000 and was above the YTD budget of \$587,000 by \$220,000 or 38%.
12. Compared to the prior year, YTD revenue was \$77,000 (9%) lower.
13. Total expenses for June were \$132,000 and were over budget by \$43,000 or 49%, mostly due to instructor compensation and travel, the monthly management fee paid to IAR included in Office Costs, and Contract Fees paid for CE co-sponsorship agreements.
14. Total expenses YTD were \$690,000 and were over budget by \$155,000 or 29%, mostly due to instructor compensation and travel, management fee paid to IAR included in Office Costs, Curriculum, and Contract Fees.
15. Compared to the prior year, YTD expenses were \$6,000 or 1% lower, mostly due to curriculum expenses.

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

June 30, 2017

	06/30/2017	05/31/2017	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	76,676	45,701	30,975
Total 1000 - Cash Accounts	<u>76,676</u>	<u>45,701</u>	<u>30,975</u>
Total Checking/Savings	<u>76,676</u>	<u>45,701</u>	<u>30,975</u>
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	16,955	24,475	(7,520)
1210 - Tuition Receivable	2,569	4,699	(2,130)
Total 1200 - Accounts Receivable	<u>19,524</u>	<u>29,174</u>	<u>(9,650)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	18,442	23,019	(4,577)
1330 - Prepaid Curriculum	97,279	98,459	(1,180)
1350 - Other Deposits	1,559	1,560	0
Total 1300 - Other Current Assets	<u>117,280</u>	<u>123,038</u>	<u>(5,757)</u>
Total Other Current Assets	<u>136,804</u>	<u>152,212</u>	<u>(15,407)</u>
Total Current Assets	<u>213,480</u>	<u>197,913</u>	<u>15,568</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	20,280	20,280	0
1630 - Furniture, Fixtures & Equipmen	107,614	107,613	0
Total 1605 - Land, Buildings & Equipment	<u>127,894</u>	<u>127,893</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(2,817)	(2,816)	0
1680 - Accum. Depreciation - FF&E	(96,121)	(96,121)	0
Total 1655 - Accumulated Depreciation	<u>(98,938)</u>	<u>(98,937)</u>	<u>0</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>28,956</u>	<u>28,956</u>	<u>0</u>
Total Fixed Assets	<u>28,956</u>	<u>28,956</u>	<u>0</u>
Other Assets			
1700 - Capitalized Lease Costs			
1730 - Capitalized Software Costs	30,825	30,825	0
1732 - Accum Amort - Capitalized Software	(5,137)	(5,138)	0
Total 1700 - Capitalized Lease Costs	<u>25,688</u>	<u>25,687</u>	<u>0</u>
Total Other Assets	<u>25,688</u>	<u>25,687</u>	<u>0</u>
<b>Total ASSETS</b>	<b><u>268,124</u></b>	<b><u>252,556</u></b>	<b><u>15,568</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	9,155	5,494	3,661
Total Accounts Payable	<u>9,155</u>	<u>5,494</u>	<u>3,661</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	1,500	1,900	(400)

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

June 30, 2017

	06/30/2017	05/31/2017	Difference
2200 - GFC Lease Payable	17,680	17,680	0
Total 2025 - Other Current Liabilities	19,180	19,580	(400)
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	19,824	63,182	(43,358)
Total 2400 - Deferred Dues & Other Revenue	19,824	63,182	(43,358)
Total Other Current Liabilities	39,004	82,762	(43,758)
Total Current Liabilities	48,159	88,256	(40,097)
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	316,569	327,825	(11,256)
Total 2200 - Intercompany Loans Payable	316,569	327,825	(11,256)
Total - Other Liabilities	316,569	327,825	(11,256)
Total Liabilities	364,728	416,081	(51,353)
<b>NET ASSETS</b>			
3010 - Unrestricted Net Assets	(163,525)	(188,599)	25,074
Net Income	66,921	25,074	41,847
Total Net Assets	(96,604)	(163,525)	66,921
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b>268,124</b>	<b>252,556</b>	<b>15,568</b>

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	181,415	96,999	651,018	581,994	1,163,975	754,234
4200 - Contract Fees & Event Income	16,925	0	152,912	0	0	87,141
4300 - Royalties, Rent & Product Sales	749	417	3,070	2,502	5,000	1,437
4900 - Other Income	30	417	190	2,502	5,000	41,437
Total Income	<u>199,119</u>	<u>97,833</u>	<u>807,190</u>	<u>586,998</u>	<u>1,173,975</u>	<u>884,249</u>
<b>Expense</b>						
5000 - Personnel Costs	75,017	52,166	386,620	312,996	635,986	375,892
5300 - Travel & Entertainment	670	1,093	4,963	6,558	13,100	5,590
5600 - Professional Fees	1,151	2,283	13,949	14,698	28,400	10,140
5700 - Technology & Equipment	2,219	4,250	16,436	25,500	51,000	15,936
5900 - Office Costs	11,972	4,202	67,612	25,212	50,450	69,427
6100 - Facility Costs	4,939	2,615	30,144	15,690	31,380	30,313
7100 - Programmatic Costs	36,230	22,391	170,110	134,346	277,221	188,453
Total Expense	<u>132,198</u>	<u>89,000</u>	<u>689,834</u>	<u>535,000</u>	<u>1,087,537</u>	<u>695,751</u>
<b>Net Income (Loss)</b>	<u><b>66,921</b></u>	<u><b>8,833</b></u>	<u><b>117,356</b></u>	<u><b>51,998</b></u>	<u><b>86,438</b></u>	<u><b>188,498</b></u>

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
<b>Income</b>					
4000 - Membership Income					
4001 - Registrations -- Members	141,336	58,784	370,498	352,704	705,400
4011 - Registrations -- Non-members	40,079	38,215	280,520	229,290	458,575
Total 4000 - Membership Income	<u>181,415</u>	<u>96,999</u>	<u>651,018</u>	<u>581,994</u>	<u>1,163,975</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	16,925	0	129,918	0	0
4210 - Contract Service Fees, Local	0	0	22,994	0	0
Total 4200 - Contract Fees & Event Income	<u>16,925</u>	<u>0</u>	<u>152,912</u>	<u>0</u>	<u>0</u>
4300 - Royalties, Rent & Product Sales	749	417	3,070	2,502	5,000
4900 - Other Income	30	417	190	2,502	5,000
Total Income	<u>199,119</u>	<u>97,833</u>	<u>807,190</u>	<u>586,998</u>	<u>1,173,975</u>
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation	38,322	32,917	218,167	197,502	395,000
5020 - Bonus Pool	(10)	0	(10)	0	10,000
5030 - Contract Labor / Temp Help	0	917	0	5,502	11,000
5035 - Instructor Compensation	25,828	9,333	107,108	55,998	112,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,837	3,333	17,022	19,998	40,000
5115 - Wellness Benefit	96	0	1,068	0	0
5120 - Dental Insurance	215	350	1,289	2,100	4,200
5125 - Disability Insurance	259	250	1,559	1,500	3,000
5130 - Retirement Benefits	1,821	1,250	10,402	7,500	15,000
5160 - Payroll Taxes	5,500	3,232	29,200	19,392	38,786
5170 - Professional Development	0	501	0	3,006	6,000
5180 - Dues & Subscriptions	149	83	815	498	1,000
Total 5100 - Benefits & Taxes	<u>10,877</u>	<u>8,999</u>	<u>61,355</u>	<u>53,994</u>	<u>107,986</u>
Total 5000 - Personnel Costs	<u>75,017</u>	<u>52,166</u>	<u>386,620</u>	<u>312,996</u>	<u>635,986</u>
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	16	167	537	1,002	2,000
5320 - Staff Lodging	373	292	1,738	1,752	3,500
5330 - Staff Mileage	45	167	459	1,002	2,000
5340 - Staff Meals	236	167	1,336	1,002	2,000
5350 - Staff Hospitality	0	167	98	1,002	2,000
5360 - Conference Registration Fees	0	133	795	798	1,600

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
Total 5310 - Staff Travel Costs	670	1,093	4,963	6,558	13,100
Total 5300 Travel & Entertainment	670	1,093	4,963	6,558	13,100
5600 - Professional Fees					
5610 - Legal Services	0	83	0	498	1,000
5620 - Audit & Tax Services	0	0	1,000	1,000	1,000
5630 - Accounting Services	1,151	2,200	12,949	13,200	26,400
Total 5600 - Professional Fees	1,151	2,283	13,949	14,698	28,400
5700 - Technology & Equipment					
5710 - Technology Consulting Service	234	2,083	4,627	12,498	25,000
5730 - Small Equipment Purchases	0	83	322	498	1,000
5740 - Equipment > \$1000	0	250	0	1,500	3,000
5750 - Equipment Lease Payments	536	417	2,797	2,502	5,000
5760 - Software & Licensing Fees	1,449	1,417	8,690	8,502	17,000
Total 5700 - Technology & Equipment	2,219	4,250	16,436	25,500	51,000
5900 - Office Costs					
5910 - Telephone	133	250	802	1,500	3,000
5920 - Postage	0	125	0	750	1,500
5925 - Shipping Expense	(433)	(130)	(2,396)	(780)	(1,550)
5926 - Sales Tax	(12)	0	(85)	0	0
5930 - Office Supplies	432	125	1,758	750	1,500
5935 - Supplies for Resale	0	83	1,317	498	1,000
5940 - Printing	0	83	0	498	1,000
5950 - Liability Insurance	0	83	0	498	1,000
5960 - Licenses and Fees	97	250	1,022	1,500	3,000
5970 - Bank & Credit Card Fees	4,595	3,333	22,534	19,998	40,000
5980 - Miscellaneous	60	0	60	0	0
5995 - IAR Management Fee (paid by ISRE)	7,100	0	42,600	0	0
Total 5900 - Office Costs	11,972	4,202	67,612	25,212	50,450
6100 - Facility Costs					
6110 - Office Rent & Parking	4,939	2,490	29,484	14,940	29,880
6150 - Janitorial-cleaning & supplies	0	42	660	252	500
6170 - Property Insurance	0	83	0	498	1,000
Total 6100 - Facility Costs	4,939	2,615	30,144	15,690	31,380
7100 - Programmatic Costs					
7110 - Facility Rental	4,520	5,397	21,245	32,382	66,895
7120 - Catering	426	83	1,287	498	3,125
7130 - Honorarium/Speaker Fees	2,385	333	8,583	1,998	8,250
7140 - Speaker Travel	5,317	1,666	12,241	9,996	20,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

June 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
7160 - Event Sponsorships	0	208	450	1,248	2,500
7165 - Contract Fees	11,240	0	15,569	0	0
7170 - Curriculum	5,145	6,275	82,966	37,650	75,300
7210 - Website Development / Hosting	569	1,250	764	7,500	15,000
7220 - Internet Communications	2,478	0	2,478	0	0
7230 - Distance Learning Portal	4,100	3,716	16,459	22,296	44,600
7260 - Advertising/Marketing	50	417	8,068	2,502	5,000
7270 - Research & Development	0	2,963	0	17,778	35,551
7310 - Other Program Costs	0	83	0	498	1,000
Total 7100 - Programmatic Costs	<u>36,230</u>	<u>22,391</u>	<u>170,110</u>	<u>134,346</u>	<u>277,221</u>
Total Expense	<u>132,198</u>	<u>89,000</u>	<u>689,834</u>	<u>535,000</u>	<u>1,087,537</u>
<b>Net Income (Loss)</b>	<b><u>66,921</u></b>	<b><u>8,833</u></b>	<b><u>117,356</u></b>	<b><u>51,998</u></b>	<b><u>86,438</u></b>

**Indiana School of Real Estate, LLC**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the Six Months Ended June 30, 2017 and Year Ending December 31, 2017**

The accompanying historical financial statements and budgeted financial statements include the following departures from accounting principles generally accepted in the United States of America and the guidelines for presentation of a forecast established by the AICPA:

**Historical**

- 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.
- Certain accruals and adjustments (including depreciation expense) 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.

**Forecast/Budget**

- The forecasted financial statements omit substantially all of the disclosures required by accounting principles generally accepted in the United States of America.
- The forecasted financial information omits the summary of significant accounting policies.

The effects of these departures have not been determined.

**Additional Information**

- The Balance Sheet includes a comparison with the period ended May 31, 2017 for additional meaningful data for management and the board.

**Summary of Significant Assumptions**

These financial forecasts present, to the best of management's knowledge and belief, the School's expected results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of July 14, 2016, the date of these forecasts, of the expected conditions and its expected course of action. The assumptions disclosed herein are those that management believes are significant to the forecasts. There will usually be differences between the forecasted and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

**Statement of Operations Assumptions**

- Revenue is expected to grow at a rate of 8%
- Salaries, benefits, and taxes are expected to increase by 15%
- All other expenses are expected to decrease by an average rate of 10%