

Indiana School of Real Estate

March 2017

EXECUTIVE SUMMARY

Balance Sheet:

1. The School's cash balance increased by \$22,000 during March with an ending balance of \$61,000 mostly due to cash receipts for the month, net of the transfer to IAR in the amount of \$95,000 (\$88,000 to pay down the amount Due to IAR and \$7,000 for IAR management fee).
2. Accounts receivable decreased by \$4,000 during the month due to payments received.
3. Prepaid Expenses decreased by \$4,000 due to amortization of curriculum and other expenses.
4. Accounts Payable decreased by \$7,000 due to payment of multiple invoices at the end of March.
5. Unearned registration fees increased by \$26,000 due to March revenue received for courses occurring in March 2017 or later. Ending balance of unearned registration fees was \$72,000.
6. The amount Due to IAR increased slightly with an ending balance of \$352,000, as the net amount of new intercompany charges offset the monthly transfer of \$88,000 to IAR.

Income Statement:

7. The School had net loss for the month of (\$5,000) compared to budgeted net income of \$8,000.
8. YTD, the School had net income of \$7,000 compared to budgeted net income of \$25,000.
9. Compared to the prior year, YTD net income is \$45,000 or 86% lower.
10. Total revenue for March was \$100,000 and was above the monthly budget of \$98,000 by \$2,000 or 2%.
11. YTD revenue was \$322,000 and was above the YTD budget of \$293,000 by \$28,000 or 10%.
12. Compared to the prior year, YTD revenue was \$31,000 or 9% lower.
13. Total expenses for March were \$106,000 and were over budget by \$16,000 or 17%, mostly due to instructor compensation and the monthly management fee paid to IAR included in Office Costs.
14. Total expenses YTD were \$315,000 and were over budget by \$47,000 or 17%, mostly due to instructor compensation, the monthly management fee paid to IAR included in Office Costs, and monthly amortization of curriculum expenses.
15. Compared to the prior year, YTD expenses were \$14,000 or 5% higher, mostly due to personnel and curriculum.

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

March 31, 2017

	03/31/2017	02/28/2017	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	60,518	38,764	21,754
Total 1000 - Cash Accounts	<u>60,518</u>	<u>38,764</u>	<u>21,754</u>
Total Checking/Savings	60,518	38,764	21,754
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	510	1,074	(564)
1210 - Tuition Receivable	2,074	5,106	(3,032)
Total 1200 - Accounts Receivable	<u>2,584</u>	<u>6,180</u>	<u>(3,596)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	22,097	28,659	(6,563)
1330 - Prepaid Curriculum	96,910	94,115	2,796
1350 - Other Deposits	1,560	1,559	0
Total 1300 - Other Current Assets	<u>120,567</u>	<u>124,333</u>	<u>(3,767)</u>
Total Other Current Assets	<u>123,151</u>	<u>130,513</u>	<u>(7,363)</u>
Total Current Assets	<u>183,669</u>	<u>169,277</u>	<u>14,391</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	107,613	107,614	0
Total 1605 - Land, Buildings & Equipment	<u>127,893</u>	<u>127,894</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(2,816)	(2,817)	0
1680 - Accum. Depreciation - FF&E	(96,121)	(96,121)	0
Total 1655 - Accumulated Depreciation	<u>(98,937)</u>	<u>(98,938)</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	(5,138)	(5,137)	0
Total 1700 - Capitalized Lease Costs	<u>25,687</u>	<u>25,688</u>	<u>0</u>
Total Other Assets	<u>25,687</u>	<u>25,688</u>	<u>0</u>
Total ASSETS	<u>238,312</u>	<u>223,921</u>	<u>14,391</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	3,503	10,479	(6,976)
Total Accounts Payable	<u>3,503</u>	<u>10,479</u>	<u>(6,976)</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2200 - GFC Lease Payable	17,680	17,680	0

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

March 31, 2017

	03/31/2017	02/28/2017	Difference
Total 2025 - Other Current Liabilities	17,680	17,680	0
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	71,799	45,331	26,468
Total 2400 - Deferred Dues & Other Revenue	71,799	45,331	26,468
Total Other Current Liabilities	89,479	63,011	26,468
Total Current Liabilities	92,982	73,490	19,492
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	352,196	351,922	274
Total 2200 - Intercompany Loans Payable	352,196	351,922	274
Total - Other Liabilities	352,196	351,922	274
Total Liabilities	445,178	425,412	19,766
NET ASSETS			
3010 - Unrestricted Net Assets	(201,492)	(192,758)	(8,734)
Net Income	(5,374)	(8,733)	3,359
Total Net Assets	(206,866)	(201,491)	(5,375)
Total LIABILITIES & NET ASSETS	238,312	223,921	14,391

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

March 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	78,476	96,999	254,484	290,997	1,163,975	309,904
4200 - Contract Fees & Event Income	21,322	0	65,879	0	0	33,303
4300 - Royalties, Rent & Product Sales	347	417	1,243	1,251	5,000	699
4900 - Other Income	30	417	150	1,251	5,000	8,405
Total Income	<u>100,175</u>	<u>97,833</u>	<u>321,756</u>	<u>293,499</u>	<u>1,173,975</u>	<u>352,311</u>
Expense						
5000 - Personnel Costs	61,145	52,166	174,370	156,498	635,986	165,996
5300 - Travel & Entertainment	275	1,093	2,660	3,279	13,100	2,164
5600 - Professional Fees	2,228	3,283	8,074	7,849	28,400	3,984
5700 - Technology & Equipment	4,443	4,250	8,488	12,750	51,000	7,345
5900 - Office Costs	4,659	4,202	24,727	12,606	50,450	34,665
6100 - Facility Costs	9,968	2,615	15,062	7,845	31,380	15,167
7100 - Programmatic Costs	22,831	22,391	81,281	67,173	277,221	70,947
Total Expense	<u>105,549</u>	<u>90,000</u>	<u>314,662</u>	<u>268,000</u>	<u>1,087,537</u>	<u>300,268</u>
Net Income	<u>(5,374)</u>	<u>7,833</u>	<u>7,094</u>	<u>25,499</u>	<u>86,438</u>	<u>52,043</u>

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

March 31, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
4000 - Membership Income					
4001 - Registrations -- Members	42,820	58,784	100,394	176,352	705,400
4011 - Registrations -- Non-members	35,656	38,215	154,090	114,645	458,575
Total 4000 - Membership Income	<u>78,476</u>	<u>96,999</u>	<u>254,484</u>	<u>290,997</u>	<u>1,163,975</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	21,302	0	65,274	0	0
4210 - Contract Service Fees, Local	20	0	605	0	0
Total 4200 - Contract Fees & Event Income	<u>21,322</u>	<u>0</u>	<u>65,879</u>	<u>0</u>	<u>0</u>
4300 - Royalties, Rent & Product Sales	347	417	1,243	1,251	5,000
4900 - Other Income	30	417	150	1,251	5,000
Total Income	<u>100,175</u>	<u>97,833</u>	<u>321,756</u>	<u>293,499</u>	<u>1,173,975</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	36,059	32,917	106,422	98,751	395,000
5020 - Bonus Pool	0	0	0	0	10,000
5030 - Contract Labor / Temp Help	0	917	0	2,751	11,000
5035 - Instructor Compensation	14,646	9,333	37,949	27,999	112,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,838	3,333	8,510	9,999	40,000
5115 - Wellness Benefit	573	0	781	0	0
5120 - Dental Insurance	215	350	645	1,050	4,200
5125 - Disability Insurance	260	250	779	750	3,000
5130 - Retirement Benefits	1,619	1,250	5,254	3,750	15,000
5160 - Payroll Taxes	4,610	3,232	13,690	9,696	38,786
5170 - Professional Development	0	501	0	1,503	6,000
5180 - Dues & Subscriptions	325	83	340	249	1,000
Total 5100 - Benefits & Taxes	<u>10,440</u>	<u>8,999</u>	<u>29,999</u>	<u>26,997</u>	<u>107,986</u>
Total 5000 - Personnel Costs	<u>61,145</u>	<u>52,166</u>	<u>174,370</u>	<u>156,498</u>	<u>635,986</u>
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	21	167	73	501	2,000
5320 - Staff Lodging	0	292	992	876	3,500
5330 - Staff Mileage	33	167	186	501	2,000
5340 - Staff Meals	221	167	517	501	2,000
5350 - Staff Hospitality	0	167	49	501	2,000
5360 - Conference Registration Fees	0	133	795	399	1,600

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

March 31, 2017

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Total 5310 - Staff Travel Costs	275	1,093	2,612	3,279	13,100
5410 - Leadership Travel					
5440 - Board / Volunteer Meals	0	0	48	0	0
Total 5410 - Leadership Travel	0	0	48	0	0
Total 5300 Travel & Entertainment	275	1,093	2,660	3,279	13,100
5600 - Professional Fees					
5610 - Legal Services	0	83	0	249	1,000
5620 - Audit & Tax Services	1,000	1,000	1,000	1,000	1,000
5630 - Accounting Services	1,228	2,200	7,074	6,600	26,400
Total 5600 - Professional Fees	2,228	3,283	8,074	7,849	28,400
5700 - Technology & Equipment					
5710 - Technology Consulting Service	2,560	2,083	2,559	6,249	25,000
5730 - Small Equipment Purchases	0	83	186	249	1,000
5740 - Equipment > \$1000	0	250	0	750	3,000
5750 - Equipment Lease Payments	435	417	1,398	1,251	5,000
5760 - Software & Licensing Fees	1,448	1,417	4,345	4,251	17,000
Total 5700 - Technology & Equipment	4,443	4,250	8,488	12,750	51,000
5900 - Office Costs					
5910 - Telephone	134	250	401	750	3,000
5920 - Postage	0	125	0	375	1,500
5925 - Shipping Expense	(7,688)	(130)	(10,125)	(390)	(1,550)
5926 - Sales Tax	(14)	0	84	0	0
5930 - Office Supplies	645	125	880	375	1,500
5932 - Kitchen Supplies	113	0	294	0	0
5935 - Supplies for Resale	317	83	507	249	1,000
5940 - Printing	0	83	0	249	1,000
5950 - Liability Insurance	0	83	0	249	1,000
5960 - Licenses and Fees	181	250	542	750	3,000
5970 - Bank & Credit Card Fees	3,871	3,333	10,844	9,999	40,000
5995 - IAR Management Fee (paid by ISRE)	7,100	0	21,300	0	0
Total 5900 - Office Costs	4,659	4,202	24,727	12,606	50,450
6100 - Facility Costs					
6110 - Office Rent & Parking	9,818	2,490	14,727	7,470	29,880
6150 - Janitorial-cleaning & supplies	150	42	335	126	500
6170 - Property Insurance	0	83	0	249	1,000
Total 6100 - Facility Costs	9,968	2,615	15,062	7,845	31,380
7100 - Programmatic Costs					

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

March 31, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
7110 - Facility Rental	3,032	5,397	9,041	16,191	66,895
7120 - Catering	288	83	288	249	3,125
7130 - Honorarium/Speaker Fees	1,620	333	2,295	999	8,250
7140 - Speaker Travel	2,399	1,666	2,921	4,998	20,000
7160 - Event Sponsorships	0	208	450	624	2,500
7165 - Contract Fees	0	0	1,089	0	0
7170 - Curriculum	12,213	6,275	51,449	18,825	75,300
7210 - Website Development / Hosting	0	1,250	65	3,750	15,000
7220 - Internet Communications	50	0	275	0	0
7230 - Distance Learning Portal	3,229	3,716	6,134	11,148	44,600
7260 - Advertising/Marketing	0	417	7,274	1,251	5,000
7270 - Research & Development	0	2,963	0	8,889	35,551
7310 - Other Program Costs	0	83	0	249	1,000
Total 7100 - Programmatic Costs	<u>22,831</u>	<u>22,391</u>	<u>81,281</u>	<u>67,173</u>	<u>277,221</u>
Total Expense	<u>105,549</u>	<u>90,000</u>	<u>314,662</u>	<u>268,000</u>	<u>1,087,537</u>
Net Income	<u>(5,374)</u>	<u>7,833</u>	<u>7,094</u>	<u>25,499</u>	<u>86,438</u>

Indiana School of Real Estate, LLC
Selected Information
March 2017 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 February 28, 2017 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.