

Indiana School of Real Estate

February 2016

EXECUTIVE SUMMARY

Balance Sheet:

1. The School's cash balance increased by \$23,000 during February with an ending balance of \$176,000, due to cash receipts being in excess of cash disbursements.
2. The amount due to IAR decreased by \$25,000 during the month due to a payment to IAR of \$92,400. Amount due to IAR at month end was \$473,000.
3. Overall, liabilities decreased by \$3,000, due to the net effect of an increase in Accounts Payable, decrease in Due to IAR, and an increase in Unearned Registration Fees.

Income Statement:

4. The School had net income for the month of \$24,000 compared to a budgeted net income of \$900.
5. Total revenue for February is above the monthly budget by \$31,000 or 35% at \$122,000 vs budget of \$90,000.
6. Total YTD revenue is \$48,000 or 27% above the YTD budget at \$228,000 vs YTD budget of \$180,000. Compared to the prior year, total revenue YTD is up by \$3,000 or 1%.
7. Total expenses for February are over budget by \$8,000 or 9%, mostly due to Instructor Compensation being over budget – with revenues over budget, it makes sense that instructor costs would also be over budget.
8. Total expenses YTD are over budget by \$9,000 or 5%, mostly due to Instructor Compensation. Compared to the prior year, YTD expenses are up \$23,000 or 14%, mostly due to personnel costs and curriculum.

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

February 29, 2016

	02/29/2016	01/31/2016	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	175,946	153,306	22,641
Total 1000 - Cash Accounts	<u>175,946</u>	<u>153,306</u>	<u>22,641</u>
Total Checking/Savings	175,946	153,306	22,641
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	1,267	8,313	(7,046)
1210 - Tuition Receivable	3,665	1,306	2,358
Total 1200 - Accounts Receivable	<u>4,932</u>	<u>9,619</u>	<u>(4,688)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	22,025	26,931	(4,906)
1330 - Prepaid Curriculum	105,922	98,198	7,724
1350 - Other Deposits	1,559	1,559	0
Total 1300 - Other Current Assets	<u>129,506</u>	<u>126,688</u>	<u>2,818</u>
Total Other Current Assets	<u>134,438</u>	<u>136,307</u>	<u>(1,870)</u>
Total Current Assets	<u>310,384</u>	<u>289,613</u>	<u>20,771</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	19,547	19,547	0
1630 - Furniture, Fixtures & Equipmen	107,614	107,613	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)	(15,745)	0
1680 - Accum. Depreciation - FF&E	(91,429)	(91,429)	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	16,500	16,500	0
Total 1700 - Capitalized Lease Costs	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Total Other Assets	<u>16,500</u>	<u>16,500</u>	<u>0</u>
Total ASSETS	<u>346,870</u>	<u>326,099</u>	<u>20,771</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	14,269	1,562	12,707
Total Accounts Payable	<u>14,269</u>	<u>1,562</u>	<u>12,707</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)**

February 29, 2016

	02/29/2016	01/31/2016	Difference
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	40,331	31,147	9,184
Total 2400 - Deferred Dues & Other Revenue	40,331	31,147	9,184
Total Other Current Liabilities	44,865	35,681	9,184
Total Current Liabilities	59,134	37,243	21,891
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	473,049	498,138	(25,089)
Total 2200 - Intercompany Loans Payable	473,049	498,138	(25,089)
Total - Other Liabilities	473,049	498,138	(25,089)
Total Liabilities	532,183	535,381	(3,198)
NET ASSETS			
3010 - Unrestricted Net Assets	(209,282)	(225,734)	16,452
Net Income	23,969	16,452	7,517
Total Net Assets	(185,313)	(209,282)	23,969
Total LIABILITIES & NET ASSETS	346,870	326,099	20,771

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

February 29, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Tuition Revenue	112,195	67,714	206,410	135,427	812,533	183,337
4200 - Contract Fees & Event Income	7,238	22,344	18,629	44,687	268,117	40,743
4300- Royalties, Rent & Product Sales	299	167	442	330	2,000	530
Total Income	121,518	90,225	228,236	180,444	1,082,650	224,944
Expense						
5000 - Personnel Costs	53,615	45,277	105,001	90,552	553,338	91,737
5300 - Travel & Entertainment	682	958	682	1,917	11,500	355
5600 - Professional Fees	2,124	2,000	3,984	4,000	23,999	3,883
5700 - Technology & Equipment	3,631	3,667	6,435	7,333	44,000	6,891
5900 - Office Costs	13,075	12,392	22,255	24,784	148,700	21,408
6100 - Facility Costs	5,073	3,593	10,107	7,187	43,125	7,300
7100 - Programmatic Costs	19,349	21,431	39,351	42,862	257,169	32,873
Total Expense	97,549	89,318	187,815	178,635	1,081,831	164,447
Net Ordinary Income	23,969	907	40,421	1,809	819	60,497
Net Income	23,969	907	40,421	1,809	819	60,497

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

February 29, 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	20,761	35,774	21,590	71,548	429,279
4011 - Registrations -- Non-members	91,434	31,106	184,820	62,211	373,254
4020 - Shared Fees, Local Boards	0	834	0	1,668	10,000
Total 4000 - Tuition Revenue	<u>112,195</u>	<u>67,714</u>	<u>206,410</u>	<u>135,427</u>	<u>812,533</u>
4200 - Contract Fees & Event Income					
4101 - Sponsorship Income	(500)	0	0	0	0
4200 - Contract Service Fees, Broker	1,050	22,344	2,910	44,687	268,117
4210 - Contract Service Fees, Local	6,688	0	15,719	0	0
Total 4200 - Contract Fees & Event Income	<u>7,238</u>	<u>22,344</u>	<u>18,629</u>	<u>44,687</u>	<u>268,117</u>
4300 - Royalties, Rent & Product Sales					
4300 - Product Sales	299	167	442	330	2,000
Total 4300 - Royalties, Rent & Product Sales	<u>299</u>	<u>167</u>	<u>442</u>	<u>330</u>	<u>2,000</u>
4900 - Other Income	<u>1,786</u>	<u>0</u>	<u>2,755</u>	<u>0</u>	<u>0</u>
Total Income	<u>121,518</u>	<u>90,225</u>	<u>228,236</u>	<u>180,444</u>	<u>1,082,650</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	34,575	32,500	68,266	65,000	390,000
5020 - Bonus Pool	0	0	0	0	10,000
5030 - Contract Labor / Temp Help	0	416	0	833	5,000
5035 - Instructor Compensation	10,078	5,813	18,262	11,625	69,750
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,984	2,375	5,595	4,750	28,500
5115 - Wellness Benefit	91	0	184	0	0
5120 - Dental Insurance	359	291	684	583	3,500
5125 - Disability Insurance	262	134	523	267	1,600
5130 - Retirement Benefits	1,205	1,000	2,377	2,000	12,000
5160 - Payroll Taxes	4,061	2,166	8,315	4,328	25,988
5170 - Professional Development	0	541	795	1,083	6,500
5180 - Dues & Subscriptions	0	41	0	83	500
Total 5100 - Benefits & Taxes	<u>8,962</u>	<u>6,548</u>	<u>18,473</u>	<u>13,094</u>	<u>78,588</u>
Total 5000 - Personnel Costs	<u>53,615</u>	<u>45,277</u>	<u>105,001</u>	<u>90,552</u>	<u>553,338</u>

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

February 29, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	48	167	48	334	2,000
5320 - Staff Lodging	0	208	0	416	2,500
5330 - Staff Mileage	111	167	110	334	2,000
5340 - Staff Meals	237	125	238	250	1,500
5350 - Staff Hospitality	0	208	0	416	2,500
5360 - Conference Registration Fees	270	83	270	167	1,000
Total 5310 - Staff Travel Costs	<u>666</u>	<u>958</u>	<u>666</u>	<u>1,917</u>	<u>11,500</u>
5410 - Leadership Travel					
5410 - Board / Volunteer Travel	16	0	16	0	0
Total 5410 - Leadership Travel	<u>16</u>	<u>0</u>	<u>16</u>	<u>0</u>	<u>0</u>
Total 5300 Travel & Entertainment	<u>682</u>	<u>958</u>	<u>682</u>	<u>1,917</u>	<u>11,500</u>
5600 - Professional Fees					
5610 - Legal Services	0	84	0	167	999
5620 - Audit & Tax Services	0	83	0	166	1,000
5630 - Accounting Services	2,124	1,833	3,984	3,667	22,000
Total 5600 - Professional Fees	<u>2,124</u>	<u>2,000</u>	<u>3,984</u>	<u>4,000</u>	<u>23,999</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	210	2,917	504	5,833	35,000
5720 - Equipment Repairs & Maintenance	100	0	100	0	0
5730 - Small Equipment Purchases	451	83	451	167	1,000
5740 - Equipment > \$1000	0	250	0	500	3,000
5750 - Equipment Lease Payments	575	417	968	833	5,000
5760 - Software & Licensing Fees	2,295	0	4,412	0	0
Total 5700 - Technology & Equipment	<u>3,631</u>	<u>3,667</u>	<u>6,435</u>	<u>7,333</u>	<u>44,000</u>
5900 - Office Costs					
5910 - Telephone	0	250	0	500	3,000
5920 - Postage	0	625	0	1,250	7,500
5925 - Shipping Expense	(574)	458	(1,426)	917	5,500
5926 - Sales Tax	160	0	149	0	0
5930 - Office Supplies	393	125	754	250	1,500
5932 - Kitchen Supplies	68	0	178	0	0
5935 - Supplies for Resale	0	84	0	167	1,000
5940 - Printing	0	83	0	166	1,000
5950 - Liability Insurance	0	83	0	167	1,000
5960 - Licenses and Fees	84	250	167	500	3,000
5970 - Bank & Credit Card Fees	5,845	3,334	8,233	6,667	40,000

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

February 29, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5980 - Miscellaneous	(1)	0	0	0	0
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	14,200	14,200	85,200
Total 5900 - Office Costs	13,075	12,392	22,255	24,784	148,700
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	3,469	9,818	6,937	41,625
6150 - Janitorial-cleaning & supplies	39	41	39	83	500
6170 - Property Insurance	125	83	250	167	1,000
Total 6100 - Facility Costs	5,073	3,593	10,107	7,187	43,125
7100 - Programmatic Costs					
7110 - Facility Rental	3,204	3,346	8,806	6,692	40,150
7120 - Catering	608	0	608	0	0
7130 - Honorarium/Speaker Fees	0	1,250	0	2,500	15,000
7140 - Speaker Travel	285	570	1,430	1,140	6,840
7160 - Event Sponsorships	0	209	500	416	2,500
7170 - Curriculum	9,817	6,541	20,449	13,084	78,500
7210 - Website Development / Hosting	771	834	836	1,666	10,000
7220 - Internet Communications	50	0	100	0	0
7225 - Publications	88	0	89	0	0
7230 - Distance Learning Portal	3,938	5,141	5,387	10,284	61,699
7240 - Video Production & Editing	0	417	0	833	5,000
7260 - Advertising/Marketing	0	417	330	833	5,000
7270 - Research & Development	0	2,706	0	5,414	32,480
7310 - Other Program Costs	0	0	71	0	0
7700 - Broker Commissions	588	0	745	0	0
Total 7100 - Programmatic Costs	19,349	21,431	39,351	42,862	257,169
Total Expense	97,549	89,318	187,815	178,635	1,081,831
Net Ordinary Income	23,969	907	40,421	1,809	819
Net Income	23,969	907	40,421	1,809	819

Indiana School of Real Estate, LLC
Selected Information
February 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 January 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.