

# Indiana School of Real Estate May 2016

## EXECUTIVE SUMMARY

### Balance Sheet:

1. The School's cash balance increased by \$12,000 during May with an ending balance of \$185,000, due to cash receipts being in excess of cash disbursements.
2. The amount due to IAR decreased by \$39,000 with an ending balance of \$437,000. During the month, ISRE made a payment to IAR of \$115,000.
3. Overall, liabilities decreased by \$17,000, mostly due to a decrease in the amount due to IAR.

### Income Statement:

4. The School had net income for the month of \$38,000 compared to a budgeted net income of \$900. YTD net income is \$91,000 compared to YTD budget of \$4,500. YTD net income is \$24,000 (21%) less than the prior YTD net income.
5. Total revenue for May is above the monthly budget by \$58,000 or 64% at \$148,000 vs budget of \$90,000.
6. Total revenue YTD is above the YTD budget by \$183,000 or 41% at \$634,000 vs YTD budget of \$451,000. Compared to the prior year, total revenue YTD is up by \$21,000 or 3%.
7. Total expenses for May are over budget by \$21,000 or 24%, mostly due to Instructor Compensation which is in line with revenues being over budget for the month.
8. Total expenses YTD are over budget by \$96,000 or 22%, mostly due to Instructor Compensation and Programmatic Costs - with revenues being over budget, there are more classes being taught and more expenses incurred for curriculum, etc.
9. Compared to the prior year, YTD expenses are up \$45,000 or 9%, with most categories being higher than last year.

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

May 31, 2016

	05/31/2016	04/30/2016	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	184,701	172,950	11,752
Total 1000 - Cash Accounts	<u>184,701</u>	<u>172,950</u>	<u>11,752</u>
Total Checking/Savings	<u>184,701</u>	<u>172,950</u>	<u>11,752</u>
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	6,580	14,957	(8,378)
1210 - Tuition Receivable	9,543	6,352	3,191
Total 1200 - Accounts Receivable	<u>16,123</u>	<u>21,309</u>	<u>(5,187)</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	11,296	15,243	(3,947)
1330 - Prepaid Curriculum	122,047	117,311	4,736
1350 - Other Deposits	1,560	1,559	0
Total 1300 - Other Current Assets	<u>134,903</u>	<u>134,113</u>	<u>789</u>
Total Other Current Assets	<u>151,026</u>	<u>155,422</u>	<u>(4,398)</u>
Total Current Assets	<u>335,727</u>	<u>328,372</u>	<u>7,354</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	19,546	19,547	0
1630 - Furniture, Fixtures & Equipmen	107,614	107,614	0
Total 1605 - Land, Buildings & Equipment	<u>127,160</u>	<u>127,161</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(15,746)	(15,746)	0
1680 - Accum. Depreciation - FF&E	(91,428)	(91,429)	0
Total 1655 - Accumulated Depreciation	<u>(107,174)</u>	<u>(107,175)</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	16,500	12,975
Total 1700 - Capitalized Lease Costs	<u>29,475</u>	<u>16,500</u>	<u>12,975</u>
Total Other Assets	<u>29,475</u>	<u>16,500</u>	<u>12,975</u>
<b>Total ASSETS</b>	<b><u>385,188</u></b>	<b><u>364,858</u></b>	<b><u>20,329</u></b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	24,907	8,220	16,687
Total Accounts Payable	<u>24,907</u>	<u>8,220</u>	<u>16,687</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)**

May 31, 2016

	05/31/2016	04/30/2016	Difference
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	53,328	48,576	4,752
Total 2400 - Deferred Dues & Other Revenue	53,328	48,576	4,752
Total Other Current Liabilities	57,862	53,110	4,752
Total Current Liabilities	82,769	61,330	21,439
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	437,114	475,755	(38,641)
Total 2200 - Intercompany Loans Payable	437,114	475,755	(38,641)
Total - Other Liabilities	437,114	475,755	(38,641)
Total Liabilities	519,883	537,085	(17,202)
<b>NET ASSETS</b>			
3010 - Unrestricted Net Assets	(172,227)	(175,815)	3,588
Net Income	37,532	3,588	33,943
Total Net Assets	(134,695)	(172,227)	37,531
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b>385,188</b>	<b>364,858</b>	<b>20,329</b>

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

May 31, 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>Income</b>						
4000 - Tuition Revenue	134,212	67,711	548,006	338,562	812,533	434,539
4200 - Contract Fees & Event Income	3,918	22,343	57,654	111,716	268,117	172,226
4300- Royalties, Rent & Product Sales	394	167	1,224	831	2,000	1,013
Total Income	<u>147,926</u>	<u>90,221</u>	<u>634,104</u>	<u>451,109</u>	<u>1,082,650</u>	<u>612,718</u>
<b>Expense</b>						
5000 - Personnel Costs	66,438	45,277	300,199	226,384	553,338	242,371
5300 - Travel & Entertainment	1,322	958	4,142	4,791	11,500	4,706
5600 - Professional Fees	2,075	2,000	10,139	10,000	23,999	9,510
5700 - Technology & Equipment	3,135	3,667	15,896	18,334	44,000	40,472
5900 - Office Costs	11,609	12,392	60,091	61,958	148,700	56,336
6100 - Facility Costs	5,034	3,593	25,279	17,968	43,125	18,235
7100 - Programmatic Costs	20,781	21,431	127,319	107,154	257,169	125,980
Total Expense	<u>110,394</u>	<u>89,318</u>	<u>543,065</u>	<u>446,589</u>	<u>1,081,831</u>	<u>497,610</u>
Net Ordinary Income	<u>37,532</u>	<u>903</u>	<u>91,039</u>	<u>4,520</u>	<u>819</u>	<u>115,108</u>
<b>Net Income</b>	<b><u>37,532</u></b>	<b><u>903</u></b>	<b><u>91,039</u></b>	<b><u>4,520</u></b>	<b><u>819</u></b>	<b><u>115,108</u></b>

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

May 31, 2016

	<u>1 Month Actual</u>	<u>1 Month Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
<b>Ordinary Income/Expense</b>					
Income					
4000 - Tuition Revenue					
4001 - Registrations -- Members	64,584	35,773	146,174	178,868	429,279
4011 - Registrations -- Non-members	69,628	31,105	401,832	155,526	373,254
4020 - Shared Fees, Local Boards	0	833	0	4,168	10,000
Total 4000 - Tuition Revenue	<u>134,212</u>	<u>67,711</u>	<u>548,006</u>	<u>338,562</u>	<u>812,533</u>
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	(1,351)	22,343	9,225	111,716	268,117
4210 - Contract Service Fees, Local	5,269	0	48,429	0	0
Total 4200 - Contract Fees & Event In- come	<u>3,918</u>	<u>22,343</u>	<u>57,654</u>	<u>111,716</u>	<u>268,117</u>
4300- Royalties, Rent & Product Sales					
4300 - Product Sales	394	167	1,224	831	2,000
Total 4300 - Royalties, Rent & Product Sales	<u>394</u>	<u>167</u>	<u>1,224</u>	<u>831</u>	<u>2,000</u>
4900 - Other Income	<u>9,402</u>	<u>0</u>	<u>27,220</u>	<u>0</u>	<u>0</u>
Total Income	<u>147,926</u>	<u>90,221</u>	<u>634,104</u>	<u>451,109</u>	<u>1,082,650</u>
Expense					
5000 - Personnel Costs					
5010 - Compensation	35,409	32,500	175,280	162,500	390,000
5020 - Bonus Pool	0	0	286	0	10,000
5030 - Contract Labor / Temp Help	0	416	200	2,081	5,000
5035 - Instructor Compensation	20,928	5,813	76,772	29,063	69,750
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,797	2,375	13,989	11,875	28,500
5115 - Wellness Benefit	92	0	459	0	0
5120 - Dental Insurance	342	291	1,710	1,456	3,500
5125 - Disability Insurance	262	134	1,308	669	1,600
5130 - Retirement Benefits	1,224	1,000	6,142	5,000	12,000
5160 - Payroll Taxes	4,585	2,166	22,459	10,826	25,988
5170 - Professional Development	0	541	795	2,708	6,500
5180 - Dues & Subscriptions	799	41	799	206	500
Total 5100 - Benefits & Taxes	<u>10,101</u>	<u>6,548</u>	<u>47,661</u>	<u>32,740</u>	<u>78,588</u>
Total 5000 - Personnel Costs	<u>66,438</u>	<u>45,277</u>	<u>300,199</u>	<u>226,384</u>	<u>553,338</u>
5300 - Travel & Entertainment					

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

May 31, 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	220	167	768	833	2,000
5320 - Staff Lodging	438	208	1,000	1,042	2,500
5330 - Staff Mileage	132	167	372	833	2,000
5340 - Staff Meals	532	125	1,391	625	1,500
5350 - Staff Hospitality	0	208	0	1,042	2,500
5360 - Conference Registration Fees	0	83	595	416	1,000
Total 5310 - Staff Travel Costs	<u>1,322</u>	<u>958</u>	<u>4,126</u>	<u>4,791</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>1,322</u>	<u>958</u>	<u>4,142</u>	<u>4,791</u>	<u>11,500</u>
5600 - Professional Fees					
5610 - Legal Services	0	84	0	417	999
5620 - Audit & Tax Services	0	83	0	417	1,000
5630 - Accounting Services	2,075	1,833	10,139	9,166	22,000
Total 5600 - Professional Fees	<u>2,075</u>	<u>2,000</u>	<u>10,139</u>	<u>10,000</u>	<u>23,999</u>
5700 - Technology & Equipment					
5710 - Technology Consulting Service	0	2,917	1,286	14,584	35,000
5720 - Equipment Repairs & Maintenance	0	0	100	0	0
5730 - Small Equipment Purchases	0	83	537	416	1,000
5740 - Equipment > \$1000	0	250	0	1,250	3,000
5750 - Equipment Lease Payments	699	417	2,536	2,084	5,000
5760 - Software & Licensing Fees	2,436	0	11,437	0	0
Total 5700 - Technology & Equipment	<u>3,135</u>	<u>3,667</u>	<u>15,896</u>	<u>18,334</u>	<u>44,000</u>
5900 - Office Costs					
5910 - Telephone	0	250	0	1,250	3,000
5920 - Postage	0	625	0	3,125	7,500
5925 - Shipping Expense	(511)	458	(2,563)	2,291	5,500
5926 - Sales Tax	(24)	0	99	0	0
5930 - Office Supplies	438	125	1,505	625	1,500
5932 - Kitchen Supplies	125	0	373	0	0
5935 - Supplies for Resale	(5)	84	(5)	417	1,000
5940 - Printing	0	83	3,531	416	1,000
5950 - Liability Insurance	0	83	0	417	1,000
5960 - Licenses and Fees	77	250	354	1,250	3,000
5970 - Bank & Credit Card Fees	4,409	3,334	21,297	16,667	40,000
5980 - Miscellaneous	0	0	0	0	0

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

May 31, 2016

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	35,500	35,500	85,200
Total 5900 - Office Costs	11,609	12,392	60,091	61,958	148,700
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	3,469	24,545	17,344	41,625
6150 - Janitorial-cleaning & supplies	0	41	109	208	500
6170 - Property Insurance	125	83	625	416	1,000
Total 6100 - Facility Costs	5,034	3,593	25,279	17,968	43,125
7100 - Programmatic Costs					
7110 - Facility Rental	1,444	3,346	17,906	16,730	40,150
7120 - Catering	0	0	609	0	0
7130 - Honorarium/Speaker Fees	0	1,250	5,000	6,250	15,000
7140 - Speaker Travel	3,256	570	11,568	2,850	6,840
7160 - Event Sponsorships	0	209	500	1,041	2,500
7165 - Contract Fees	0	0	4,080	0	0
7170 - Curriculum	12,381	6,541	68,244	32,709	78,500
7210 - Website Development / Hosting	65	834	1,031	4,166	10,000
7220 - Internet Communications	50	0	550	0	0
7225 - Publications	0	0	89	0	0
7230 - Distance Learning Portal	2,788	5,141	13,779	25,708	61,699
7240 - Video Production & Editing	0	417	0	2,084	5,000
7260 - Advertising/Marketing	0	417	743	2,083	5,000
7270 - Research & Development	0	2,706	0	13,533	32,480
7310 - Other Program Costs	0	0	90	0	0
7700 - Broker Commissions	797	0	3,130	0	0
Total 7100 - Programmatic Costs	20,781	21,431	127,319	107,154	257,169
Total Expense	110,394	89,318	543,065	446,589	1,081,831
Net Ordinary Income	37,532	903	91,039	4,520	819
<b>Net Income</b>	<b>37,532</b>	<b>903</b>	<b>91,039</b>	<b>4,520</b>	<b>819</b>

**Indiana School of Real Estate, LLC**  
Selected Information  
May 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 April 30, 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.