

# Indiana School of Real Estate

## April 2017

### EXECUTIVE SUMMARY

#### Balance Sheet:

1. The School's cash balance decreased by \$13,000 during April with an ending balance of \$47,000 mostly due to the transfer to IAR of \$92,000 (\$85,000 to pay down the amount Due to IAR and \$7,000 for IAR management fee).
2. Accounts receivable increased by \$3,000 during the month due to registrations for upcoming CE classes.
3. Accounts Payable increased by \$9,000 mostly due to invoice for Dearborn Financial Publishing for books purchased towards the end of April.
4. Unearned registration fees decreased by \$27,000 due to April course activity. Ending balance of unearned registration fees was \$45,000.
5. The amount Due to IAR decreased by \$10,000 with an ending balance of \$342,000.

#### Income Statement:

6. The School had net income for the month of \$18,000 compared to budgeted net income of \$9,000.
7. YTD, the School had net income of \$25,000 compared to budgeted net income of \$34,000.
8. Compared to the prior year, YTD net income is \$30,000 (54%) lower.
9. Total revenue for April was \$141,000 and was above the monthly budget of \$98,000 by \$43,000 or 44%.
10. YTD revenue was \$463,000 and was above the YTD budget of \$391,000 by \$72,000 or 18%.
11. Compared to the prior year, YTD revenue was \$23,000 (5%) lower.
12. Total expenses for April were \$123,000 and were over budget by \$34,000 or 38%, mostly due to instructor compensation and the monthly management fee paid to IAR included in Office Costs.
13. Total expenses YTD were \$437,000 and were over budget by \$80,000 or 23%, mostly due to instructor compensation, management fee paid to IAR included in Office Costs, and Curriculum.
14. Compared to the prior year, YTD expenses were \$7,000 or 2% higher, mostly due to instructor compensation.

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

April 30, 2017

	04/30/2017	03/31/2017	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	47,286	60,518	(13,231)
Total 1000 - Cash Accounts	47,286	60,518	(13,231)
Total Checking/Savings	47,286	60,518	(13,231)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	510	510	0
1210 - Tuition Receivable	4,699	2,074	2,625
Total 1200 - Accounts Receivable	5,209	2,584	2,625
1300 - Other Current Assets			
1310 - Prepaid Expense	27,420	22,097	5,322
1330 - Prepaid Curriculum	93,068	96,910	(3,842)
1350 - Other Deposits	1,560	1,560	0
Total 1300 - Other Current Assets	122,048	120,567	1,480
Total Other Current Assets	127,257	123,151	4,105
Total Current Assets	174,543	183,669	(9,126)
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	107,613	0
Total 1605 - Land, Buildings & Equipment	127,893	127,893	0
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(2,816)	(2,816)	0
1680 - Accum. Depreciation - FF&E	(96,121)	(96,121)	0
Total 1655 - Accumulated Depreciation	(98,937)	(98,937)	0
Total 1600 - Fixed Assets, Net of Deprec.	28,956	28,956	0
Total Fixed Assets	28,956	28,956	0
Other Assets			
1700 - Capitalized Lease Costs			
1730 - Capitalized Software Costs	30,825	30,825	0
1732 - Accum Amort - Capitalized Software	(5,138)	(5,138)	0
Total 1700 - Capitalized Lease Costs	25,687	25,687	0
Total Other Assets	25,687	25,687	0
<b>Total ASSETS</b>	<b>229,186</b>	<b>238,312</b>	<b>(9,126)</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	12,670	3,503	9,167
Total Accounts Payable	12,670	3,503	9,167
Other Current Liabilities			
2025 - Other Current Liabilities			
2040 - Accrued Payables	1,200	0	1,200

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

April 30, 2017

	04/30/2017	03/31/2017	Difference
2200 - GFC Lease Payable	17,680	17,680	0
Total 2025 - Other Current Liabilities	18,880	17,680	1,200
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	44,508	71,799	(27,291)
Total 2400 - Deferred Dues & Other Revenue	44,508	71,799	(27,291)
Total Other Current Liabilities	63,388	89,479	(26,091)
Total Current Liabilities	76,058	92,982	(16,924)
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	341,727	352,196	(10,469)
Total 2200 - Intercompany Loans Payable	341,727	352,196	(10,469)
Total - Other Liabilities	341,727	352,196	(10,469)
Total Liabilities	417,785	445,178	(27,393)
<b>NET ASSETS</b>			
3010 - Unrestricted Net Assets	(206,866)	(201,492)	(5,374)
Net Income	18,267	(5,374)	23,641
Total Net Assets	(188,599)	(206,866)	18,267
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b>229,186</b>	<b>238,312</b>	<b>(9,126)</b>

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

April 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	113,903	96,999	368,387	387,996	1,163,975	413,794
4200 - Contract Fees & Event Income	26,402	0	92,281	0	0	53,736
4300 - Royalties, Rent & Product Sales	775	417	2,019	1,668	5,000	830
4900 - Other Income	0	417	150	1,668	5,000	17,818
Total Income	<u>141,080</u>	<u>97,833</u>	<u>462,837</u>	<u>391,332</u>	<u>1,173,975</u>	<u>486,178</u>
<b>Expense</b>						
5000 - Personnel Costs	74,656	52,166	249,028	208,664	635,986	233,761
5300 - Travel & Entertainment	312	1,093	2,971	4,372	13,100	2,820
5600 - Professional Fees	1,200	2,283	9,274	10,132	28,400	5,940
5700 - Technology & Equipment	3,857	4,250	12,345	17,000	51,000	10,269
5900 - Office Costs	10,980	4,202	35,708	16,808	50,450	45,121
6100 - Facility Costs	5,234	2,615	20,296	10,460	31,380	20,245
7100 - Programmatic Costs	26,574	22,391	107,854	89,564	277,221	112,391
Total Expense	<u>122,813</u>	<u>89,000</u>	<u>437,476</u>	<u>357,000</u>	<u>1,087,537</u>	<u>430,547</u>
<b>Net Income</b>	<u><b>18,267</b></u>	<u><b>8,833</b></u>	<u><b>25,361</b></u>	<u><b>34,332</b></u>	<u><b>86,438</b></u>	<u><b>55,631</b></u>

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

April 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
<b>Income</b>					
4000 - Membership Income					
4001 - Registrations -- Members	60,289	58,784	160,683	235,136	705,400
4011 - Registrations -- Non-members	53,614	38,215	207,704	152,860	458,575
Total 4000 - Membership Income	113,903	96,999	368,387	387,996	1,163,975
4200 - Contract Fees & Event Income					
4200 - Contract Service Fees, Broker	23,943	0	89,217	0	0
4210 - Contract Service Fees, Local	2,459	0	3,064	0	0
Total 4200 - Contract Fees & Event Income	26,402	0	92,281	0	0
4300 - Royalties, Rent & Product Sales	775	417	2,019	1,668	5,000
4900 - Other Income	0	417	150	1,668	5,000
Total Income	141,080	97,833	462,837	391,332	1,173,975
<b>Expense</b>					
5000 - Personnel Costs					
5010 - Compensation	36,465	32,917	142,888	131,668	395,000
5020 - Bonus Pool	0	0	0	0	10,000
5030 - Contract Labor / Temp Help	0	917	0	3,668	11,000
5035 - Instructor Compensation	27,236	9,333	65,185	37,332	112,000
5100 - Benefits & Taxes					
5110 - Health & Life Insurance	2,837	3,333	11,347	13,332	40,000
5115 - Wellness Benefit	96	0	877	0	0
5120 - Dental Insurance	215	350	859	1,400	4,200
5125 - Disability Insurance	260	250	1,039	1,000	3,000
5130 - Retirement Benefits	1,663	1,250	6,919	5,000	15,000
5160 - Payroll Taxes	5,559	3,232	19,248	12,928	38,786
5170 - Professional Development	0	501	0	2,004	6,000
5180 - Dues & Subscriptions	325	83	666	332	1,000
Total 5100 - Benefits & Taxes	10,955	8,999	40,955	35,996	107,986
Total 5000 - Personnel Costs	74,656	52,166	249,028	208,664	635,986
5300 - Travel & Entertainment					
5310 - Staff Travel Costs					
5310 - Staff Travel	0	167	72	668	2,000
5320 - Staff Lodging	0	292	992	1,168	3,500
5330 - Staff Mileage	13	167	199	668	2,000
5340 - Staff Meals	299	167	816	668	2,000
5350 - Staff Hospitality	0	167	49	668	2,000
5360 - Conference Registration Fees	0	133	795	532	1,600

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

April 30, 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	312	1,093	2,923	4,372	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	312	1,093	2,971	4,372	13,100
5600 - Professional Fees					
5610 - Legal Services	0	83	0	332	1,000
5620 - Audit & Tax Services	0	0	1,000	1,000	1,000
5630 - Accounting Services	1,200	2,200	8,274	8,800	26,400
Total 5600 - Professional Fees	1,200	2,283	9,274	10,132	28,400
5700 - Technology & Equipment					
5710 - Technology Consulting Service	1,833	2,083	4,392	8,332	25,000
5730 - Small Equipment Purchases	136	83	322	332	1,000
5740 - Equipment > \$1000	0	250	0	1,000	3,000
5750 - Equipment Lease Payments	440	417	1,838	1,668	5,000
5760 - Software & Licensing Fees	1,448	1,417	5,793	5,668	17,000
Total 5700 - Technology & Equipment	3,857	4,250	12,345	17,000	51,000
5900 - Office Costs					
5910 - Telephone	134	250	535	1,000	3,000
5920 - Postage	0	125	0	500	1,500
5925 - Shipping Expense	(399)	(130)	(10,524)	(520)	(1,550)
5926 - Sales Tax	(149)	0	(65)	0	0
5930 - Office Supplies	5	125	885	500	1,500
5932 - Kitchen Supplies	37	0	331	0	0
5935 - Supplies for Resale	810	83	1,317	332	1,000
5940 - Printing	0	83	0	332	1,000
5950 - Liability Insurance	0	83	0	332	1,000
5960 - Licenses and Fees	181	250	723	1,000	3,000
5970 - Bank & Credit Card Fees	3,261	3,333	14,106	13,332	40,000
5995 - IAR Management Fee (paid by ISRE)	7,100	0	28,400	0	0
Total 5900 - Office Costs	10,980	4,202	35,708	16,808	50,450
6100 - Facility Costs					
6110 - Office Rent & Parking	4,909	2,490	19,636	9,960	29,880
6150 - Janitorial-cleaning & supplies	325	42	660	168	500
6170 - Property Insurance	0	83	0	332	1,000
Total 6100 - Facility Costs	5,234	2,615	20,296	10,460	31,380
7100 - Programmatic Costs					

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

April 30, 2017

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget
7110 - Facility Rental	3,032	5,397	12,071	21,588	66,895
7120 - Catering	2,069	83	2,358	332	3,125
7130 - Honorarium/Speaker Fees	550	333	2,845	1,332	8,250
7140 - Speaker Travel	2,237	1,666	5,158	6,664	20,000
7160 - Event Sponsorships	0	208	450	832	2,500
7165 - Contract Fees	0	0	1,089	0	0
7170 - Curriculum	15,710	6,275	67,159	25,100	75,300
7210 - Website Development / Hosting	130	1,250	195	5,000	15,000
7220 - Internet Communications	50	0	325	0	0
7230 - Distance Learning Portal	2,796	3,716	8,930	14,864	44,600
7260 - Advertising/Marketing	0	417	7,274	1,668	5,000
7270 - Research & Development	0	2,963	0	11,852	35,551
7310 - Other Program Costs	0	83	0	332	1,000
Total 7100 - Programmatic Costs	<u>26,574</u>	<u>22,391</u>	<u>107,854</u>	<u>89,564</u>	<u>277,221</u>
Total Expense	<u>122,813</u>	<u>89,000</u>	<u>437,476</u>	<u>357,000</u>	<u>1,087,537</u>
<b>Net Income</b>	<b><u>18,267</u></b>	<b><u>8,833</u></b>	<b><u>25,361</u></b>	<b><u>34,332</u></b>	<b><u>86,438</u></b>

**Indiana School of Real Estate, LLC**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the Four Months Ended April 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.
- The Balance Sheet includes a comparison with the period ended March 31, 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.

**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.

**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, 2017, 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%