

Indiana School of Real Estate

March 2019

EXECUTIVE SUMMARY

Balance Sheet:

1. The School's cash balance decreased by \$5,000 during March with an ending balance of \$56,000.
2. Prepaid expenses decreased by \$11,000 due to amortization of expenses for the month.
3. Unearned registration fees decreased by \$21,000 due to courses held in March. The ending balance was \$35,000 which represents courses that have been paid for with start dates after March.
4. The amount Due to IAR decreased by \$10,000 during the month with an ending balance of \$284,000.

Income Statement:

5. The School had net income for the month of \$4,000 compared to budgeted net income of \$1,000.
6. YTD, the School had net income of \$52,000 compared to budgeted net income of \$2,500.
7. Compared to the prior year, YTD net income was \$22,000 lower, due to decreased income in 2019.
8. Total revenue for March was \$133,000 and was above the monthly budget of \$107,000 by \$25,000 or 24%.
9. YTD revenue was \$368,000 vs budgeted YTD of \$322,000 – over budget by \$46,000 or 14%.
10. Compared to the prior year, YTD total revenue was lower by \$29,000 or 7%.
11. Total expenses for March were \$129,000 vs budget of \$106,000 – over budget by \$22,000 or 22% mostly due to speaker fees and curriculum – there was a large volume of books purchased in March which will be utilized over the next several months.
12. Total expenses YTD were \$315,000 vs budget of \$319,000 – under budget by \$4,000 or 1%. While curriculum expenses were over budget due to large volume of books purchased in March, personnel costs and technology/equipment were under budget.
13. Compared to the prior year, YTD expenses were lower by \$7,500 or 2% mostly due to personnel costs.

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

March 31, 2019

	03/31/2019	02/28/2019	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	55,884	60,895	(5,011)
Total 1000 - Cash Accounts	<u>55,884</u>	<u>60,895</u>	<u>(5,011)</u>
Total Checking/Savings	55,884	60,895	(5,011)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	9,578	6,030	3,548
1210 - Tuition Receivable	5,292	4,745	547
Total 1200 - Accounts Receivable	<u>14,870</u>	<u>10,775</u>	<u>4,095</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	26,988	34,604	(7,615)
1330 - Prepaid Curriculum	91,549	95,297	(3,749)
1350 - Other Deposits	1,560	1,560	0
Total 1300 - Other Current Assets	<u>120,097</u>	<u>131,461</u>	<u>(11,364)</u>
Total Other Current Assets	<u>134,967</u>	<u>142,236</u>	<u>(7,269)</u>
Total Current Assets	<u>190,851</u>	<u>203,131</u>	<u>(12,280)</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	29,485	29,485	0
1630 - Furniture, Fixtures & Equipmen	29,176	29,176	0
Total 1605 - Land, Buildings & Equipment	<u>58,661</u>	<u>58,661</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(21,413)	(19,661)	(1,752)
1680 - Accum. Depreciation - FF&E	(21,409)	(20,134)	(1,275)
Total 1655 - Accumulated Depreciation	<u>(42,822)</u>	<u>(39,795)</u>	<u>(3,027)</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>15,839</u>	<u>18,866</u>	<u>(3,027)</u>
Total Fixed Assets	<u>15,839</u>	<u>18,866</u>	<u>(3,027)</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1730 - Capitalized Software Costs	30,825	30,825	0
1732 - Accum Amort - Capitalized Software	(26,971)	(25,687)	(1,284)
Total 1700 - Capitalized Loan and Lease Costs	<u>3,854</u>	<u>5,138</u>	<u>(1,284)</u>
Total Other Assets	<u>3,854</u>	<u>5,138</u>	<u>(1,284)</u>
Total ASSETS	<u>210,544</u>	<u>227,135</u>	<u>(16,591)</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	19,982	10,198	9,783
Total Accounts Payable	<u>19,982</u>	<u>10,198</u>	<u>9,783</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2200 - GFC Lease Payable	10,601	10,602	0

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

March 31, 2019

	<u>03/31/2019</u>	<u>02/28/2019</u>	<u>Difference</u>
2040 - Accrued Payables	5,082	5,082	0
Total 2025 - Other Current Liabilities	<u>15,683</u>	<u>15,684</u>	<u>0</u>
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	34,828	55,506	(20,678)
Total 2400 - Deferred Dues & Other Revenue	<u>34,828</u>	<u>55,506</u>	<u>(20,678)</u>
Total Other Current Liabilities	<u>50,511</u>	<u>71,190</u>	<u>(20,678)</u>
Total Current Liabilities	<u>70,493</u>	<u>81,388</u>	<u>(10,895)</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	283,727	293,554	(9,827)
Total 2200 - Intercompany Loans Payable	<u>283,727</u>	<u>293,554</u>	<u>(9,827)</u>
Total - Other Liabilities	<u>283,727</u>	<u>293,554</u>	<u>(9,827)</u>
Total Liabilities	<u>354,220</u>	<u>374,942</u>	<u>(20,722)</u>
NET ASSETS			
Without Donor Restrictions			
Undesignated	(143,676)	(147,807)	4,131
Total Without Donor Restrictions	<u>(143,676)</u>	<u>(147,807)</u>	<u>4,131</u>
Total Net Assets	<u>(143,676)</u>	<u>(147,807)</u>	<u>4,131</u>
Total LIABILITIES & NET ASSETS	<u>210,544</u>	<u>227,135</u>	<u>(16,591)</u>

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

March 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	128,274	95,536	325,119	286,609	1,146,433	339,598
4200 - Contract Fees & Event Income	3,548	11,662	30,009	34,976	139,934	56,327
4300 - Royalties, Rent & Product Sales	823	42	1,401	122	500	512
4900 - Other Income	10	0	11,206	0	0	20
Total Income	<u>132,655</u>	<u>107,240</u>	<u>367,735</u>	<u>321,707</u>	<u>1,286,867</u>	<u>396,457</u>
Expense						
5000 - Personnel Costs	55,337	56,974	153,041	170,917	693,683	178,129
5300 - Travel & Entertainment	249	793	791	2,363	9,500	721
5600 - Professional Fees	3,128	2,325	8,891	6,975	27,900	6,928
5700 - Technology & Equipment	2,369	6,312	6,963	18,936	75,744	10,910
5900 - Office Costs	11,043	11,274	30,702	33,840	135,306	35,512
6100 - Facility Costs	7,683	4,955	14,427	14,865	59,460	11,802
7100 - Programmatic Costs	48,715	23,500	101,107	71,232	284,982	78,888
Total Expense	<u>128,524</u>	<u>106,133</u>	<u>315,922</u>	<u>319,128</u>	<u>1,286,575</u>	<u>322,890</u>
Net Income (Loss)	<u>4,131</u>	<u>1,107</u>	<u>51,813</u>	<u>2,579</u>	<u>292</u>	<u>73,567</u>

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

March 31, 2019

	<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 03/31/2018</u>
Income						
4000 - Membership Income						
4001 - Registrations -- Members	55,549	46,882	117,118	140,647	562,585	109,928
4011 - Registrations -- Non-members	72,725	48,654	208,001	145,962	583,848	229,670
Total 4000 - Membership Income	<u>128,274</u>	<u>95,536</u>	<u>325,119</u>	<u>286,609</u>	<u>1,146,433</u>	<u>339,598</u>
4200 - Contract Fees & Event Income						
4200 - Contract Service Fees, Broker	3,548	8,041	22,936	24,115	96,484	50,117
4210 - Contract Service Fees, Local	0	3,621	7,073	10,861	43,450	6,210
Total 4200 - Contract Fees & Event Income	<u>3,548</u>	<u>11,662</u>	<u>30,009</u>	<u>34,976</u>	<u>139,934</u>	<u>56,327</u>
4300 - Royalties, Rent & Product Sales	823	42	1,401	122	500	512
4900 - Other Income	10	0	11,206	0	0	20
Total Income	<u>132,655</u>	<u>107,240</u>	<u>367,735</u>	<u>321,707</u>	<u>1,286,867</u>	<u>396,457</u>
Expense						
5000 - Personnel Costs						
5010 - Compensation	26,725	33,750	80,258	101,250	405,000	112,147
5020 - Bonus Pool	0	0	0	0	10,000	0
5030 - Contract Labor / Temp Help	0	167	0	497	2,000	1,249
5035 - Instructor Compensation	19,587	14,083	45,870	42,253	169,000	38,590
5100 - Benefits & Taxes						
5110 - Health & Life Insurance	3,132	3,083	9,404	9,253	37,000	5,774
5115 - Wellness Benefit	84	42	254	122	500	304
5120 - Dental Insurance	314	333	944	1,003	4,000	584
5125 - Disability Insurance	191	267	572	797	3,200	553
5130 - Retirement Benefits	1,251	1,688	3,772	5,058	20,250	5,160
5160 - Payroll Taxes	4,043	3,415	11,631	10,248	40,983	13,768
5170 - Professional Development	0	83	0	253	1,000	0
5180 - Dues & Subscriptions	10	63	336	183	750	0
Total 5100 - Benefits & Taxes	<u>9,025</u>	<u>8,974</u>	<u>26,913</u>	<u>26,917</u>	<u>107,683</u>	<u>26,143</u>
Total 5000 - Personnel Costs	<u>55,337</u>	<u>56,974</u>	<u>153,041</u>	<u>170,917</u>	<u>693,683</u>	<u>178,129</u>
5300 - Travel & Entertainment						
5310 - Staff Travel Costs						
5310 - Staff Travel	0	167	0	497	2,000	11
5320 - Staff Lodging	0	167	0	497	2,000	0
5330 - Staff Mileage	43	125	149	375	1,500	217
5340 - Staff Meals	206	167	642	497	2,000	155
5350 - Staff Hospitality	0	125	0	375	1,500	48

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

March 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD 03/31/2018
5360 - Conference Registration Fees	0	42	0	122	500	290
Total 5310 - Staff Travel Costs	249	793	791	2,363	9,500	721
Total 5300 Travel & Entertainment	249	793	791	2,363	9,500	721
5600 - Professional Fees						
5610 - Legal Services	0	42	0	122	500	0
5620 - Audit & Tax Services	0	83	1,000	253	1,000	0
5630 - Accounting Services	3,128	2,200	7,891	6,600	26,400	6,928
Total 5600 - Professional Fees	3,128	2,325	8,891	6,975	27,900	6,928
5700 - Technology & Equipment						
5710 - Technology Consulting Service	0	3,750	0	11,250	45,000	3,120
5730 - Small Equipment Purchases	0	83	0	253	1,000	172
5740 - Equipment > \$1000	0	250	0	750	3,000	0
5750 - Equipment Lease Payments	611	600	1,690	1,800	7,200	2,373
5760 - Software & Licensing Fees	1,758	1,629	5,273	4,883	19,544	5,245
Total 5700 - Technology & Equipment	2,369	6,312	6,963	18,936	75,744	10,910
5900 - Office Costs						
5910 - Telephone	0	83	0	253	1,000	267
5920 - Postage	0	125	0	375	1,500	0
5925 - Shipping Expense	900	83	240	253	1,000	(1,322)
5926 - Sales Tax	(81)	0	(101)	0	0	230
5930 - Office Supplies	367	250	461	750	3,000	1,706
5935 - Supplies for Resale	0	83	0	253	1,000	0
5940 - Printing	0	42	10	122	500	0
5950 - Liability Insurance	0	83	0	253	1,000	0
5960 - Licenses and Fees	97	208	472	628	2,500	1,427
5970 - Bank & Credit Card Fees	2,660	3,217	8,320	9,653	38,606	11,904
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	21,300	21,300	85,200	21,300
Total 5900 - Office Costs	11,043	11,274	30,702	33,840	135,306	35,512
6100 - Facility Costs						
6110 - Office Rent & Parking	3,372	3,372	10,116	10,112	40,460	11,802
6150 - Janitorial-cleaning & supplies	0	167	0	497	2,000	0
6510 - Amortization	3,036	1,083	3,036	3,253	13,000	0
6520 - Depreciation Expense	1,275	333	1,275	1,003	4,000	0
Total 6100 - Facility Costs	7,683	4,955	14,427	14,865	59,460	11,802
7100 - Programmatic Costs						
7110 - Facility Rental	5,030	4,224	14,614	12,668	50,684	10,422

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

March 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD 03/31/2018
7120 - Catering	3,504	526	4,007	1,566	6,300	552
7130 - Honorarium/Speaker Fees	6,125	1,209	6,175	3,619	14,500	8,495
7140 - Speaker Travel	628	1,667	1,881	4,997	20,000	4,254
7160 - Event Sponsorships	499	167	999	497	2,000	450
7165 - Contract Fees	1,083	333	1,250	1,003	4,000	810
7170 - Curriculum	24,605	8,031	51,646	24,094	96,373	45,139
7175 - Licensing-Big Broker	0	0	797	750	3,000	0
7210 - Website Development / Hosting	2,446	1,250	7,600	3,750	15,000	480
7230 - Distance Learning Portal	2,320	5,177	8,058	15,532	62,125	5,545
7260 - Advertising/Marketing	2,475	833	3,510	2,503	10,000	2,631
7310 - Other Program Costs	0	83	570	253	1,000	110
Total 7100 - Programmatic Costs	48,715	23,500	101,107	71,232	284,982	78,888
Total Expense	128,524	106,133	315,922	319,128	1,286,575	322,890
Net Income (Loss)	4,131	1,107	51,813	2,579	292	73,567

Indiana School of Real Estate
Statement of Cash Flows
Year To Date 03/31/2019

OPERATING ACTIVITIES

Net Income	51,813
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	(4,348)
1210 - Tuition Receivable	(5,125)
1310 - Prepaid Expense	18,856
1330 - Prepaid Curriculum	7,578
2010 - Accounts Payable	9,337
2211 - Due to IAR (from ISRE)	(42,973)
2430 - Unearned Registration Fees	(4,107)
Net cash provided by Operating Activities	31,031

INVESTING ACTIVITIES

1670 - Accum. Amortization- Capital Lease	1,752
1680 - Accum. Depreciation - FF&E	1,275
Net Cash provided by Investing Activities	3,027

FINANCING ACTIVITIES

1732 - Accum Amort - Capitalized Software	1,284
Net cash provided by Financing Activities	1,284

Net cash change for period	35,342
Cash at beginning of period	20,542
Cash at end of period	55,884

Indiana School of Real Estate, LLC
Historical and Budgeted Financial Statements
Selected Information

For the three months ended March 31, 2019 and Year Ending December 31, 2019

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 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 with donor restrictions and without donor restrictions 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 February 28, 2019 for additional meaningful data for management.

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, 2019, 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 based on expected % of market share for various courses as follows:
 - Pre-licensing – 55% of total market share (decrease of 18% from prior year actual)
 - Continuing Education – 25% of total market share (increase of 27% from prior year actual)
 - Contract Service fees – decrease of 20% from prior year actual
 - Overall, total revenue is expected to decrease by 1% from prior year actual
- Salaries, benefits, and taxes are expected to remain steady from the prior year with fluctuations of less than 5%
- Curriculum expenses are expected to decrease by 15%, due to certain courses being fully amortized in 2019
- Expenses associated with distance learning portals are expected to increase by 48% due to increased sales of customized learning portals
- All other expenses are expected to remain steady with fluctuations of less than 10%.