

# Indiana School of Real Estate

## April 2019

### EXECUTIVE SUMMARY

#### Balance Sheet:

1. The School's cash balance decreased by \$14,000 during April with an ending balance of \$42,000.
2. Accounts receivable increased by \$5,000 due to various invoices recorded for contract services fees for brokers and local boards.
3. Tuition receivable increased by \$1,000 due to courses ordered in April but not yet paid for.
4. Prepaid expenses decreased by \$2,000 due to amortization of expenses for the month.
5. Accounts Payable decreased by \$7,000 due to payment of various invoices and ended the month with a balance of \$13,000.
6. Unearned registration fees increased by \$4,000 due to courses ordered in April. The ending balance was \$38,000 which represents courses that have been paid for with start dates after April.
7. The amount Due to IAR decreased by \$5,000 during the month with an ending balance of \$278,000.

#### Income Statement:

8. The School had net loss for the month of (\$3,000) compared to budgeted net income of \$1,000.
9. YTD, the School had net income of \$49,000 compared to budgeted net income of \$4,000.
10. Compared to the prior year, YTD net income was \$40,000 lower, due to a decrease in pre-license revenue so far in 2019.
11. Total revenue for April was \$114,000 and was above the monthly budget of \$107,000 by \$6,000 or 6%.
12. YTD revenue was \$481,000 vs budgeted YTD of \$429,000 – over budget by \$52,000 or 12%.
13. Compared to the prior year, YTD total revenue was lower by \$46,000 or 9%, mostly due to a decrease in pre-license revenue.
14. Total expenses for April were \$116,000 vs budget of \$106,000 – over budget by \$10,000 or 10% mostly due to instructor compensation and technology consulting services.
15. Total expenses YTD were \$432,000 vs budget of \$425,000 – over budget by \$7,000 or 2%. The over budget amount is due to curriculum expenses being over budget due to large volume of books purchased in April, net of under budget positions in personnel costs and technology/equipment.
16. Compared to the prior year, YTD expenses were lower by \$7,000 or 2% mostly due to personnel costs being less, net of increases in website development/hosting and advertising/marketing.

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

April 30, 2019

	04/30/2019	03/31/2019	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	42,039	55,884	(13,845)
Total 1000 - Cash Accounts	42,039	55,884	(13,845)
Total Checking/Savings	42,039	55,884	(13,845)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	14,784	9,578	5,207
1210 - Tuition Receivable	6,281	5,292	989
Total 1200 - Accounts Receivable	21,065	14,870	6,196
1300 - Other Current Assets			
1310 - Prepaid Expense	23,399	26,988	(3,591)
1330 - Prepaid Curriculum	92,815	91,549	1,267
1350 - Other Deposits	1,559	1,560	0
Total 1300 - Other Current Assets	117,773	120,097	(2,324)
Total Other Current Assets	138,838	134,967	3,872
Total Current Assets	180,877	190,851	(9,973)
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	29,485	29,485	0
1630 - Furniture, Fixtures & Equipmen	29,177	29,176	0
Total 1605 - Land, Buildings & Equipment	58,662	58,661	0
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(21,997)	(21,413)	(584)
1680 - Accum. Depreciation - FF&E	(21,834)	(21,409)	(425)
Total 1655 - Accumulated Depreciation	(43,831)	(42,822)	(1,009)
Total 1600 - Fixed Assets, Net of Deprec.	14,831	15,839	(1,009)
Total Fixed Assets	14,831	15,839	(1,009)
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1730 - Capitalized Software Costs	30,825	30,825	0
1732 - Accum Amort - Capitalized Software	(27,400)	(26,971)	(428)
Total 1700 - Capitalized Loan and Lease Costs	3,425	3,854	(428)
Total Other Assets	3,425	3,854	(428)
<b>Total ASSETS</b>	<b>199,133</b>	<b>210,544</b>	<b>(11,410)</b>
<b>LIABILITIES &amp; NET ASSETS</b>			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	13,074	19,982	(6,908)
Total Accounts Payable	13,074	19,982	(6,908)
Other Current Liabilities			
2025 - Other Current Liabilities			
2200 - GFC Lease Payable	10,601	10,601	0

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

April 30, 2019

	04/30/2019	03/31/2019	Difference
2040 - Accrued Payables	5,082	5,082	0
Total 2025 - Other Current Liabilities	15,683	15,683	0
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	38,480	34,828	3,652
Total 2400 - Deferred Dues & Other Revenue	38,480	34,828	3,652
Total Other Current Liabilities	54,163	50,511	3,652
Total Current Liabilities	67,237	70,493	(3,256)
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	278,321	283,727	(5,406)
Total 2200 - Intercompany Loans Payable	278,321	283,727	(5,406)
Total - Other Liabilities	278,321	283,727	(5,406)
Total Liabilities	345,558	354,220	(8,662)
<b>NET ASSETS</b>			
Without Donor Restrictions			
Undesignated	(146,425)	(143,676)	(2,748)
Total Without Donor Restrictions	(146,425)	(143,676)	(2,748)
Total Net Assets	(146,425)	(143,676)	(2,748)
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b>199,133</b>	<b>210,544</b>	<b>(11,410)</b>

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

April 30, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4000 - Membership Income	87,020	95,536	412,138	382,145	1,146,433	460,194
4200 - Contract Fees & Event Income	26,519	11,662	56,528	46,638	139,934	67,489
4300 - Royalties, Rent & Product Sales	179	42	1,581	164	500	586
4900 - Other Income	0	0	11,206	0	0	20
Total Income	<u>113,718</u>	<u>107,240</u>	<u>481,453</u>	<u>428,947</u>	<u>1,286,867</u>	<u>528,289</u>
<b>Expense</b>						
5000 - Personnel Costs	60,252	56,974	213,293	227,891	693,683	241,777
5300 - Travel & Entertainment	713	793	1,504	3,156	9,500	819
5600 - Professional Fees	3,080	2,325	11,971	9,300	27,900	9,070
5700 - Technology & Equipment	13,129	6,312	20,093	25,248	75,744	13,011
5900 - Office Costs	9,962	11,274	40,663	45,114	135,306	47,943
6100 - Facility Costs	5,134	4,955	19,561	19,820	59,460	16,049
7100 - Programmatic Costs	24,196	23,500	125,303	94,732	284,982	110,715
Total Expense	<u>116,466</u>	<u>106,133</u>	<u>432,388</u>	<u>425,261</u>	<u>1,286,575</u>	<u>439,384</u>
<b>Net Income (Loss)</b>	<u><b>(2,748)</b></u>	<u><b>1,107</b></u>	<u><b>49,065</b></u>	<u><b>3,686</b></u>	<u><b>292</b></u>	<u><b>88,905</b></u>

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

April 30, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD 04/30/2018
<b>Income</b>						
4000 - Membership Income						
4001 - Registrations -- Members	47,701	46,882	164,819	187,529	562,585	160,605
4011 - Registrations -- Non-members	39,319	48,654	247,319	194,616	583,848	299,589
Total 4000 - Membership Income	87,020	95,536	412,138	382,145	1,146,433	460,194
4200 - Contract Fees & Event Income						
4200 - Contract Service Fees, Broker	16,203	8,041	39,140	32,156	96,484	61,278
4210 - Contract Service Fees, Local	10,316	3,621	17,388	14,482	43,450	6,211
Total 4200 - Contract Fees & Event Income	26,519	11,662	56,528	46,638	139,934	67,489
4300 - Royalties, Rent & Product Sales	179	42	1,581	164	500	586
4900 - Other Income	0	0	11,206	0	0	20
<b>Total Income</b>	<b>113,718</b>	<b>107,240</b>	<b>481,453</b>	<b>428,947</b>	<b>1,286,867</b>	<b>528,289</b>
<b>Expense</b>						
5000 - Personnel Costs						
5010 - Compensation	26,987	33,750	107,245	135,000	405,000	148,604
5020 - Bonus Pool	0	0	0	0	10,000	0
5030 - Contract Labor / Temp Help	0	167	0	664	2,000	1,249
5035 - Instructor Compensation	23,865	14,083	69,735	56,336	169,000	57,074
5100 - Benefits & Taxes						
5110 - Health & Life Insurance	3,132	3,083	12,536	12,336	37,000	7,710
5115 - Wellness Benefit	83	42	337	164	500	391
5120 - Dental Insurance	315	333	1,259	1,336	4,000	779
5125 - Disability Insurance	191	267	763	1,064	3,200	744
5130 - Retirement Benefits	1,250	1,688	5,022	6,746	20,250	6,892
5160 - Payroll Taxes	4,429	3,415	16,060	13,663	40,983	18,323
5170 - Professional Development	0	83	0	336	1,000	0
5180 - Dues & Subscriptions	0	63	336	246	750	11
Total 5100 - Benefits & Taxes	9,400	8,974	36,313	35,891	107,683	34,850
Total 5000 - Personnel Costs	60,252	56,974	213,293	227,891	693,683	241,777
5300 - Travel & Entertainment						
5310 - Staff Travel Costs						
5310 - Staff Travel	249	167	248	664	2,000	21
5320 - Staff Lodging	0	167	0	664	2,000	0
5330 - Staff Mileage	137	125	288	500	1,500	285
5340 - Staff Meals	152	167	793	664	2,000	176
5350 - Staff Hospitality	0	125	0	500	1,500	47

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

April 30, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD 04/30/2018
5360 - Conference Registration Fees	175	42	175	164	500	290
Total 5310 - Staff Travel Costs	713	793	1,504	3,156	9,500	819
Total 5300 Travel & Entertainment	713	793	1,504	3,156	9,500	819
5600 - Professional Fees						
5610 - Legal Services	0	42	0	164	500	0
5620 - Audit & Tax Services	0	83	1,000	336	1,000	0
5630 - Accounting Services	3,080	2,200	10,971	8,800	26,400	9,070
Total 5600 - Professional Fees	3,080	2,325	11,971	9,300	27,900	9,070
5700 - Technology & Equipment						
5710 - Technology Consulting Service	10,803	3,750	10,803	15,000	45,000	3,120
5730 - Small Equipment Purchases	0	83	0	336	1,000	172
5740 - Equipment > \$1000	0	250	0	1,000	3,000	0
5750 - Equipment Lease Payments	569	600	2,259	2,400	7,200	3,025
5760 - Software & Licensing Fees	1,757	1,629	7,031	6,512	19,544	6,694
Total 5700 - Technology & Equipment	13,129	6,312	20,093	25,248	75,744	13,011
5900 - Office Costs						
5910 - Telephone	0	83	0	336	1,000	267
5920 - Postage	0	125	0	500	1,500	0
5925 - Shipping Expense	180	83	420	336	1,000	(855)
5926 - Sales Tax	(12)	0	(114)	0	0	227
5930 - Office Supplies	79	250	540	1,000	3,000	1,948
5935 - Supplies for Resale	0	83	0	336	1,000	1,008
5940 - Printing	0	42	9	164	500	0
5950 - Liability Insurance	0	83	0	336	1,000	0
5960 - Licenses and Fees	97	208	570	836	2,500	1,875
5970 - Bank & Credit Card Fees	2,518	3,217	10,838	12,870	38,606	15,073
5995 - IAR Management Fee (paid by ISRE)	7,100	7,100	28,400	28,400	85,200	28,400
Total 5900 - Office Costs	9,962	11,274	40,663	45,114	135,306	47,943
6100 - Facility Costs						
6110 - Office Rent & Parking	3,372	3,372	13,488	13,484	40,460	15,174
6150 - Janitorial-cleaning & supplies	325	167	325	664	2,000	875
6510 - Amortization	1,012	1,083	4,048	4,336	13,000	0
6520 - Depreciation Expense	425	333	1,700	1,336	4,000	0
Total 6100 - Facility Costs	5,134	4,955	19,561	19,820	59,460	16,049
7100 - Programmatic Costs						
7110 - Facility Rental	5,172	4,224	19,786	16,892	50,684	13,804

NO ASSURANCE IS PROVIDED. SEE SELECT INFORMATION.

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

April 30, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD 04/30/2018
7120 - Catering	(1,834)	526	2,172	2,092	6,300	1,357
7130 - Honorarium/Speaker Fees	0	1,209	6,175	4,828	14,500	10,777
7140 - Speaker Travel	1,470	1,667	3,352	6,664	20,000	6,038
7160 - Event Sponsorships	350	167	1,349	664	2,000	450
7165 - Contract Fees	1,454	333	2,704	1,336	4,000	893
7170 - Curriculum	8,483	8,031	60,129	32,125	96,373	65,469
7175 - Licensing-Big Broker	571	0	1,369	750	3,000	0
7210 - Website Development / Hosting	2,602	1,250	10,200	5,000	15,000	480
7230 - Distance Learning Portal	2,501	5,177	10,560	20,709	62,125	8,649
7260 - Advertising/Marketing	3,427	833	6,937	3,336	10,000	2,689
7310 - Other Program Costs	0	83	570	336	1,000	109
Total 7100 - Programmatic Costs	24,196	23,500	125,303	94,732	284,982	110,715
Total Expense	116,466	106,133	432,388	425,261	1,286,575	439,384
<b>Net Income (Loss)</b>	<b>(2,748)</b>	<b>1,107</b>	<b>49,065</b>	<b>3,686</b>	<b>292</b>	<b>88,905</b>

Indiana School of Real Estate  
Statement of Cash Flows  
Year To Date 04/30/2019

OPERATING ACTIVITIES

Net Income	49,065
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	(9,555)
1210 - Tuition Receivable	(6,114)
1310 - Prepaid Expense	22,447
1330 - Prepaid Curriculum	6,311
2010 - Accounts Payable	2,429
2211 - Due to IAR (from ISRE)	(48,379)
2430 - Unearned Registration Fees	(455)
Net cash provided by Operating Activities	15,749

INVESTING ACTIVITIES

1670 - Accum. Amortization- Capital Lease	2,336
1680 - Accum. Depreciation - FF&E	1,700
Net Cash provided by Investing Activities	4,036

FINANCING ACTIVITIES

1732 - Accum Amort - Capitalized Software	1,712
Net cash provided by Financing Activities	1,712

Net cash change for period	21,497
Cash at beginning of period	20,542
Cash at end of period	42,039



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

**For the four months ended April 30, 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 the statement of functional expense and 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 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 March 31, 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%.