

Indiana School of Real Estate

April 2020

EXECUTIVE SUMMARY

Balance Sheet (changes from prior month):

1. The School's cash balance increased by \$13,000 during April with an ending balance of \$72,000.
2. Accounts Receivable increased by \$3,000 during the month with an ending balance of \$12,000 which represents outstanding invoices for contract classes.
3. Tuition receivable increased slightly with an ending balance of \$13,000 which represents courses reserved but not yet paid for.
4. Prepaid expenses decreased by \$6,000 due to amortization of expenses for April. Ending balance was \$25,000.
5. Prepaid Curriculum decreased by \$3,500 with an ending balance of \$67,000 – this balance will be amortized over the estimated remaining life of the courses.
6. Accounts Payable increased by \$6,000 with an ending balance of \$11,000.
7. Unearned registration fees decreased by \$12,000 due to April activity. Ending balance was \$20,000 which represents courses that have been paid for with start dates after April, and will be recognized as revenue in the month the course is held.
8. The amount Due to IAR decreased by \$28,000 with an ending balance of \$190,000.

Income Statement:

9. The School had net income for the month of \$41,000 compared to budgeted net income of \$2,000. Over budget due to revenues being over budget and expenses being under budget.
10. YTD, the School had net income of \$79,000 compared to budget of \$8,000. Over budget due to revenues being over budget and expenses being under budget.
11. Compared to the prior year, YTD net income was higher than the prior YTD net income of \$47,000 by \$32,000 or 68% - mostly due to a decrease in expenses.
12. Total revenue for April was \$130,000 and was above the monthly budget of \$106,000 by \$24,000 or 23%.
13. YTD revenue was \$450,000 vs budget of \$423,000 – over budget by \$27,000 or 6%.
14. Compared to the prior year, YTD revenue was lower by \$32,000 or 7%, mostly due to a decrease in contract revenue.
15. Total expenses for April were \$89,000 vs budget of \$104,000 – under budget by \$14,000 or 14% mostly due to personnel and programmatic costs.
16. Total expenses YTD were \$281,000 vs budget of \$311,500 – under budget by \$30,500 or 10% mostly due to personnel, technology, and programmatic costs.
17. Compared to the prior year, YTD expenses were lower by \$64,000 or 15%, mostly due to personnel and programmatic costs including facility rental, catering, speaker fees, curriculum, website and distance learning portal.

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

April 30, 2020

	04/30/2020	03/31/2020	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1022 - ISRE Checking	71,672	58,244	13,428
Total 1000 - Cash Accounts	<u>71,672</u>	<u>58,244</u>	<u>13,428</u>
Total Checking/Savings	<u>71,672</u>	<u>58,244</u>	<u>13,428</u>
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	11,937	8,761	3,176
1210 - Tuition Receivable	12,637	12,537	100
Total 1200 - Accounts Receivable	<u>24,574</u>	<u>21,298</u>	<u>3,276</u>
1300 - Other Current Assets			
1310 - Prepaid Expense	24,914	30,749	(5,835)
1330 - Prepaid Curriculum	67,176	70,731	(3,555)
1350 - Other Deposits	1,559	1,560	0
Total 1300 - Other Current Assets	<u>93,649</u>	<u>103,040</u>	<u>(9,390)</u>
Total Other Current Assets	<u>118,223</u>	<u>124,338</u>	<u>(6,114)</u>
Total Current Assets	<u>189,895</u>	<u>182,582</u>	<u>7,314</u>
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1621 - Capital Lease	27,857	27,856	0
1630 - Furniture, Fixtures & Equipmen	34,549	34,550	0
Total 1605 - Land, Buildings & Equipment	<u>62,406</u>	<u>62,406</u>	<u>0</u>
1655 - Accumulated Depreciation			
1670 - Accum. Amortization- Capital Lease	(10,858)	(10,390)	(469)
1680 - Accum. Depreciation - FF&E	(27,152)	(26,797)	(355)
Total 1655 - Accumulated Depreciation	<u>(38,010)</u>	<u>(37,187)</u>	<u>(824)</u>
Total 1600 - Fixed Assets, Net of Deprec.	<u>24,396</u>	<u>25,219</u>	<u>(824)</u>
Total Fixed Assets	<u>24,396</u>	<u>25,219</u>	<u>(824)</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1730 - Capitalized Software Costs	30,825	30,825	0
1732 - Accum Amort - Capitalized Software	(30,825)	(30,825)	0
Total 1700 - Capitalized Loan and Lease Costs	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Assets	<u>0</u>	<u>0</u>	<u>0</u>
Total ASSETS	<u>214,291</u>	<u>207,801</u>	<u>6,490</u>
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	11,341	5,631	5,710
Total Accounts Payable	<u>11,341</u>	<u>5,631</u>	<u>5,710</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2200 - GFC Lease Payable	19,636	19,636	0

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

April 30, 2020

	04/30/2020	03/31/2020	Difference
2040 - Accrued Payables	3,173	3,173	0
Total 2025 - Other Current Liabilities	22,809	22,809	0
2400 - Deferred Dues & Other Revenue			
2430 - Unearned Registration Fees	19,280	31,240	(11,960)
Total 2400 - Deferred Dues & Other Revenue	19,280	31,240	(11,960)
Total Other Current Liabilities	42,089	54,049	(11,960)
Total Current Liabilities	53,430	59,680	(6,250)
Other Liabilities			
2200 - Intercompany Loans Payable			
2211 - Due to IAR (from ISRE)	190,042	217,893	(27,851)
Total 2200 - Intercompany Loans Payable	190,042	217,893	(27,851)
Total - Other Liabilities	190,042	217,893	(27,851)
Total Liabilities	243,472	277,573	(34,101)
NET ASSETS			
Undesignated Total	(29,181)	(69,772)	40,591
Net Assets	(29,181)	(69,772)	40,591
Total Net Assets	(29,181)	(69,772)	40,591
Total LIABILITIES & NET ASSETS	214,291	207,801	6,490

Indiana School of Real Estate
Statements of Activities - Budget vs Actual (Summary)

For the one and four months ended April 30, 2020 and year ending December 31, 2020
(with comparative totals for the four months ended April 30, 2019)

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4000 - Membership Income	116,037	94,474	412,220	377,896	1,133,704	413,065
4200 - Contract Fees & Event Income	13,780	11,230	36,032	44,920	134,761	55,601
4300 - Royalties, Rent & Product Sales	0	42	92	168	500	1,581
4900 - Other Income	120	0	1,259	0	0	11,206
Total Income	<u>129,937</u>	<u>105,746</u>	<u>449,603</u>	<u>422,984</u>	<u>1,268,965</u>	<u>481,453</u>
Expense						
5000 - Personnel Costs	48,333	57,450	198,408	229,800	702,413	213,293
5300 - Travel & Entertainment	323	1,125	1,035	4,500	13,500	1,504
5600 - Professional Fees	2,953	2,500	12,357	10,000	30,000	11,971
5700 - Technology & Equipment	2,168	4,683	18,671	18,732	56,200	20,093
5900 - Office Costs	10,413	11,057	41,028	44,228	132,700	40,663
6100 - Facility Costs	4,196	4,955	17,109	19,820	59,460	19,561
7100 - Programmatic Costs	20,960	22,072	81,725	88,288	264,870	127,256
Total Expense	<u>89,346</u>	<u>103,842</u>	<u>370,333</u>	<u>415,368</u>	<u>1,259,143</u>	<u>434,341</u>
Net Income (Loss)	<u>40,591</u>	<u>1,904</u>	<u>79,270</u>	<u>7,616</u>	<u>9,822</u>	<u>47,112</u>

Indiana School of Real Estate
Statement of Cash Flows
Year To Date 04/30/2020

OPERATING ACTIVITIES

Net Income	79,270
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	10,305
1210 - Tuition Receivable	(5,546)
1310 - Prepaid Expense	16,121
1330 - Prepaid Curriculum	15,635
2010 - Accounts Payable	1,754
2211 - Due to IAR (from ISRE)	(70,185)
2430 - Unearned Registration Fees	(7,221)
Net cash provided by Operating Activities	40,133

INVESTING ACTIVITIES

1670 - Accum. Amortization- Capital Lease	1,876
1680 - Accum. Depreciation - FF&E	1,420
Net Cash provided by Investing Activities	3,296
Net cash change for period	43,429
Cash at beginning of period	28,243
Cash at end of period	71,672

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

For the one and four months ended April 30, 2020 and Year Ending December 31, 2020

The accompanying historical and budgeted financial statements were not subjected to an audit, review, or compilation by CLA and we do not express an opinion, a conclusion, nor provide any assurance on them.

These 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 Statement of Activities reports do not report changes in net assets in accordance with GAAP.
- The term Net Income (Loss) in the financial statements represents Change in Net Assets. Terminology is a limitation of software reporting.
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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, 2020 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 October 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 (same as prior year)
 - Continuing Education – 25% of total market share (same as prior year)
 - Contract Service fees – budget remains steady from prior year
 - Overall, total revenue is expected to decrease by 2% from prior year budget
- Salaries, benefits, and taxes are expected to remain steady from the prior year with fluctuations of 1-2%

Indiana School of Real Estate
Selected Information (continued)

- Curriculum expenses are expected to remain steady from the prior year
- Expenses associated with distance learning portals are expected to decrease by 17% due to decreased sales of customized learning portals
- All other expenses are expected to remain steady with fluctuations of less than 10%.

Indiana School of Real Estate LLC
Budget Performance By Program (Summary)
For one month ended April 30, 2020

	100 - General	130 - State- Wide Form	200 - Prelicensing Live	250 - Prelicensing Online	300 - Continuing Ed Live	350 - Continuing Ed Online	400 - Post- Licensing	402 - Transition Broker	404 - Managing Broker	410 - GRI	All Departments
Income											
4000 - Membership Income	-	-	6,354	47,892	10,250	30,976	15,635	555	4,275	99	116,037
4200 - Contract Fees & Event Income	-	-	(625)	8,470	4,657	1,079	200	-	-	-	13,780
4900 - Other Income	120	-	-	-	-	-	-	-	-	-	120
Total Income	120	-	5,729	56,362	14,907	32,055	15,835	555	4,275	99	129,937
Expense											
5000 - Personnel Costs	39,171	-	5,370	105	3,688	-	-	-	-	-	48,333
5300 - Travel & Entertainment	223	65	35	-	-	-	-	-	-	-	323
5600 - Professional Fees	2,953	-	-	-	-	-	-	-	-	-	2,953
5700 - Technology & Equipment	2,168	-	-	-	-	-	-	-	-	-	2,168
5900 - Office Costs	12,284	-	(52)	(1,079)	-	-	(740)	-	-	-	10,413
6100 - Facility Costs	4,196	-	-	-	-	-	-	-	-	-	4,196
7100 - Programmatic Costs	6,851	-	1,577	4,992	354	6,106	696	60	324	-	20,960
Total Expense	67,846	65	6,930	4,018	4,042	6,106	(44)	60	324	-	89,346
Net Income (Loss)	(67,726)	(65)	(1,201)	52,344	10,865	25,949	15,879	495	3,951	99	40,591

Indiana School of Real Estate LLC
Budget Performance by Program (Summary)
For the four months ended April 30, 2020

	100 - General	130 - State-Wide Form	200 - Prelicensing Live	250 - Prelicensing Online	300 - Continuing Ed Live	350 - Continuing Ed Online	400 - Post-Licensing	402 - Transition Broker	404 - Managing Broker	410 - GRI	All Departments
Income											
4000 - Membership Income	0	0	44,036	177,220	51,499	69,676	53,110	2,405	14,175	99	412,220
4200 - Contract Fees & Event Income	400	0	632	25,129	5,368	3,436	1,067	0	0	0	36,032
4300 - Royalties, Rent & Product Sales	14	0	0	78	0	0	0	0	0	0	92
4900 - Other Income	1,259	0	0	0	0	0	0	0	0	0	1,259
Total Income	1,673	0	44,668	202,427	56,867	73,112	54,177	2,405	14,175	99	449,603
Expense											
5000 - Personnel Costs	152,903	0	29,078	765	15,662	0	0	0	0	0	198,408
5300 - Travel & Entertainment	358	88	585	0	3	0	0	0	0	0	1,035
5600 - Professional Fees	12,357	0	0	0	0	0	0	0	0	0	12,357
5700 - Technology & Equipment	18,671	0	0	0	0	0	0	0	0	0	18,671
5900 - Office Costs	48,071	0	(780)	(3,873)	0	0	(2,390)	0	0	0	41,028
6100 - Facility Costs	17,109	0	0	0	0	0	0	0	0	0	17,109
7100 - Programmatic Costs	26,652	0	10,077	17,313	4,681	13,602	8,777	120	504	0	81,725
Total Expense	276,121	88	38,960	14,205	20,346	13,602	6,387	120	504	0	370,333
Net Income (Loss)	(274,448)	(88)	5,708	188,222	36,522	59,510	47,790	2,285	13,671	99	79,270