

# One Forty Three LLC

## Quarter ended March 31, 2018

### EXECUTIVE SUMMARY

#### Balance Sheet

- Cash balances increased by \$85,000 during the first quarter with an ending balance of \$96,000 – increase is due to transfers from IAR.
- Accounts receivable balance consisted of monthly rent for January, February and March, due from One Forty Three MT per the Master Lease agreement. Ending balance is \$56,000.
- The following asset and liability accounts were reduced to zero and transferred to One Forty Three MT since they are related to building operations:
  - Prepaid Expense
  - Direct Lease Cost
  - Lease Cost Amortization
  - Accrued Property Taxes
- Construction in Progress increased by \$745,000 for renovation invoices from Brandt Construction and Ratio.
- Amounts due from One Forty Three MT increased by \$131,000 due to the asset and liability accounts transferred to MT as mentioned above, and various building operating expenses paid by One Forty Three LLC during the first quarter. Ending balance was \$205,000.
- Accounts Payable increased by \$191,000 during the month mostly due to construction invoices received.
- Note Payable (to IAR) increased by \$80,000 due to draws made during the quarter.
- Accrued Payables increased by \$26,000 with an ending balance of \$126,000 – this balance represents retainage due to Brandt Construction on invoices submitted thru the end of the first quarter.
- Accrued Interest Payable increased by \$17,000 due to interest on notes payable to IAR for the first quarter.
- Amounts Due to IAR increased by \$98,000 during the month due to transfers from IAR along with allocation of certain expenses paid by IAR. Balance at month end was \$5,354,000.
- Construction Loan Payable increased by \$485,000 due to loan draw made in March.

#### Income Statement

- Net loss of (\$40,000) was recorded for the quarter compared to budgeted net loss of (\$45,000).
- Total rental income for the quarter was \$56,000 which was right in line with budget.
- Total operating expenses for the quarter were \$65,000 and were below the quarterly budget of \$70,000 by \$5,000 or 8%, mostly due to professional fees.
- Interest expense for the quarter was \$30,000 which was right in line with budget.

# One Forty Three LLC Balance Sheet (Detail)

March 31, 2018

	03/31/2018	12/31/2017	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1026 - 143 LLC Checking-Regions	2,402	10,165	(7,764)
1034 - 143 LLC Checking-ONB	93,370	1,000	92,372
Total 1000 - Cash Accounts	95,772	11,165	84,608
Total Checking/Savings	95,772	11,165	84,608
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	55,566	54,746	819
1240 - Rent Receivable	1,100	1,100	0
Total 1200 - Accounts Receivable	56,666	55,846	819
1300 - Other Current Assets			
1310 - Prepaid Expense	0	5,118	(5,117)
1350 - Other Deposits	3,075	3,075	0
Total 1300 - Other Current Assets	3,075	8,193	(5,117)
Total Other Current Assets	59,741	64,039	(4,298)
Total Current Assets	155,513	75,204	80,310
Fixed Assets			
1600 - Fixed Assets, Net of Deprec.			
1605 - Land, Buildings & Equipment			
1610 - Land	200,000	200,000	0
1620 - Building-143	2,729,217	2,729,217	0
1622 - Building Improvements-143 general	1,702,937	1,698,844	4,093
1635 - Construction in Progress	4,001,717	3,256,997	744,718
Total 1605 - Land, Buildings & Equipment	8,633,871	7,885,058	748,811
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(166,230)	(148,613)	(17,616)
1672 - Accum. Depreciation - Improvem	(69,993)	(25,848)	(44,145)
Total 1655 - Accumulated Depreciation	(236,223)	(174,461)	(61,761)
Total 1600 - Fixed Assets, Net of Deprec.	8,397,648	7,710,597	687,050
Total Fixed Assets	8,397,648	7,710,597	687,050
Other Assets			
1203 - Intercompany Loans Receivable			
1206 - Due From 143 MT	205,037	74,076	130,961
Total - 1203 - Intercompany Loans Receivable	205,037	74,076	130,961
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	0	69,056	(69,056)
1712 - Lease Cost Amortization	0	(10,688)	10,687
1715 - Capitalized Loan Costs			
1715 - Capitalized Loan Costs	263,379	263,379	0
Total 1715 - Capitalized Loan Costs	263,379	263,379	0
Total 1700 - Capitalized Loan and Lease Costs	263,379	321,747	(58,369)
Total Other Assets	468,416	395,823	72,592
<b>Total ASSETS</b>	<b>9,021,577</b>	<b>8,181,624</b>	<b>839,952</b>

## LIABILITIES & NET ASSETS

Liabilities

**One Forty Three LLC**  
**Balance Sheet (Detail)**

March 31, 2018

	03/31/2018	12/31/2017	Difference
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	612,183	421,023	191,160
Total Accounts Payable	<u>612,183</u>	<u>421,023</u>	<u>191,160</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2030 - Accrued Property Taxes	0	17,500	(17,500)
2039 - Note Payable	1,080,000	1,000,000	80,000
2040 - Accrued Payables	126,209	100,358	25,851
2045 - Accrued Interest Payable	22,150	5,470	16,681
Total 2025 - Other Current Liabilities	<u>1,228,359</u>	<u>1,123,328</u>	<u>105,032</u>
Total Other Current Liabilities	<u>1,228,359</u>	<u>1,123,328</u>	<u>105,032</u>
Total Current Liabilities	<u>1,840,542</u>	<u>1,544,351</u>	<u>296,192</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2210 - Due to IAR	5,353,852	5,255,538	98,313
Total 2200 - Intercompany Loans Payable	<u>5,353,852</u>	<u>5,255,538</u>	<u>98,313</u>
2810 - Construction Loan Payable			
2810 - Construction Loan Payable	2,009,918	1,524,920	484,999
Total 2810 - Construction Loan Payable	<u>2,009,918</u>	<u>1,524,920</u>	<u>484,999</u>
Total - Other Liabilities	<u>7,363,770</u>	<u>6,780,458</u>	<u>583,312</u>
Total Liabilities	<u>9,204,312</u>	<u>8,324,809</u>	<u>879,504</u>
NET ASSETS			
3010 - Unrestricted Net Assets	(398,663)	(269,711)	(128,952)
3300 - Member Capital - 143 MT	255,479	255,479	0
Net Income	(39,551)	(128,953)	89,400
Total Net Assets	<u>(182,735)</u>	<u>(143,185)</u>	<u>(39,552)</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>9,021,577</u></b>	<b><u>8,181,624</u></b>	<b><u>839,952</u></b>

**One Forty Three LLC**  
**Budget Performance (Detail)**

March 31, 2018

	<u>1 Quarter Actual</u>	<u>1 Quarter Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
<b>Income</b>					
4300 - Royalties, Rent & Product Sales					
4700 - Building Rental Income	55,566	55,566	55,566	55,566	222,264
Total 4300 - Royalties, Rent & Product Sales	<u>55,566</u>	<u>55,566</u>	<u>55,566</u>	<u>55,566</u>	<u>222,264</u>
Total Income	<u>55,566</u>	<u>55,566</u>	<u>55,566</u>	<u>55,566</u>	<u>222,264</u>
<b>Expense</b>					
5600 - Professional Fees					
5620 - Audit & Tax Services	1,978	4,000	1,978	4,000	5,500
5630 - Accounting Services	1,107	4,500	1,107	4,500	18,000
Total 5600 - Professional Fees	<u>3,085</u>	<u>8,500</u>	<u>3,085</u>	<u>8,500</u>	<u>23,500</u>
6100 - Facility Costs					
6520 - Depreciation Expense	61,761	61,800	61,761	61,800	247,200
Total 6100 - Facility Costs	<u>61,761</u>	<u>61,800</u>	<u>61,761</u>	<u>61,800</u>	<u>247,200</u>
Total Expense	<u>64,846</u>	<u>70,300</u>	<u>64,846</u>	<u>70,300</u>	<u>270,700</u>
<b>Other Income/Expense</b>					
Other Expense					
8000 - Interest Expense	30,272	30,465	30,272	30,465	177,500
Total Other Expense	<u>30,272</u>	<u>30,465</u>	<u>30,272</u>	<u>30,465</u>	<u>177,500</u>
Net Other Income (Expense)	<u>(30,272)</u>	<u>(30,465)</u>	<u>(30,272)</u>	<u>(30,465)</u>	<u>(177,500)</u>
<b>Net Income (Loss)</b>	<b><u>(39,552)</u></b>	<b><u>(45,199)</u></b>	<b><u>(39,552)</u></b>	<b><u>(45,199)</u></b>	<b><u>(225,936)</u></b>

**One Forty Three LLC**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the quarter ended March 31, 2018 and year ending December 31, 2018**

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.
- 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.

**Additional Information**

- The Balance Sheet includes a comparison with the period ended December 31, 2017 for additional meaningful data for management and the board.

**Summary of Significant Assumptions**

These financial forecasts present, to the best of management's knowledge and belief, the Company's expected results of operations for the forecast periods. Accordingly, the forecasts reflect its judgment as of November 9, 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 by 24% over the prior year as the historic tax credit closing took place on November 29, 2017 and all operating activity of the building is shifted to One Forty Three MT (Master Tenant) LLC for a 20-year period. Building rental income in 2018 is estimated at \$18,522 per month in accordance with the Master Lease agreement.
- Depreciation expense is expected to increase by almost 200% due to remodeled floors placed in service in late 2017 and throughout 2018.
- Interest expenses is expected increase significantly due to the closing of the construction loan and notes payable to Indiana Association of Realtors in late 2017.