

One Forty Three LLC

Quarter ended March 31, 2019

EXECUTIVE SUMMARY

Balance Sheet

- Cash balances increased by \$89,000 during the quarter with an ending balance of \$150,000 – increase is due to transfers from IAR and building rent collected on behalf of One Forty Three MT.
- Accounts receivable increased by \$56,000 for 1st quarter rent due from One Forty Three MT per the Master Lease agreement. Ending balance is \$279,000.
- Building Improvements increased by \$6,000 due to installation of access controls for the basement.
- Furniture and fixtures increased by \$5,000 due to equipment purchased for the basement conference room.
- Construction in Progress increased by \$26,000 for costs related to the 6th floor to be placed in service in the 2nd quarter of 2019.
- Amounts due from One Forty Three MT decreased by \$5,000 with an ending balance of \$145,000.
- Accounts Payable increased by \$9,000 during the quarter mostly due to construction invoices received in the 1st quarter. Ending balance was \$82,000.
- Note Payable (to IAR) increased by \$74,000 due to IAR's draw down on their line of credit which is being used to pay for construction costs in excess of the construction loan. Ending balance was \$1,748,000.
- Accrued Interest Payable increased by \$16,000 due to interest on notes payable to IAR for the first quarter.
- Amounts Due to IAR increased by \$109,000 during the quarter with an ending balance of \$5,533,000 – increase is due to transfers from IAR to cover loan payments.
- Construction Loan Payable decreased by \$25,000 due to loan payments made during the quarter. Ending loan balance was \$3,105,000.

Income Statement

- Net loss of (\$11,000) was recorded for the quarter compared to budgeted net loss of (\$63,000).
- Rent income for the quarter was \$56,000 which represents rent due from One Forty Three MT of \$18,522 per the Master Lease Agreement.
- Total operating expenses for the quarter were \$14,000 and were below the quarterly budget of \$15,000 by \$1,000.
- Interest expense for the quarter was \$52,500 vs budgeted expense of \$48,000 –over budget by \$4,500.

**143 and 143 LLC (P-ship)
Balance Sheet (Detail)**

March 31, 2019

	03/31/2019	12/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1026 - 143 LLC Checking-Regions	44,022	31,188	12,834
1034 - 143 LLC Checking-ONB	105,691	29,066	76,625
Total 1000 - Cash Accounts	149,713	60,254	89,459
Total Checking/Savings	149,713	60,254	89,459
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	278,930	223,364	55,566
Total 1200 - Accounts Receivable	278,930	223,364	55,566
1300 - Other Current Assets			
1350 - Other Deposits	3,075	3,075	0
Total 1300 - Other Current Assets	3,075	3,075	0
Total Other Current Assets	282,005	226,439	55,566
Total Current Assets	431,718	286,693	145,025
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	6,505,898	6,499,534	6,364
1630 - Furniture, Fixtures & Equipmen	18,634	13,322	5,312
1635 - Construction in Progress	317,786	291,579	26,206
Total 1605 - Land, Buildings & Equipment	9,771,535	9,733,652	37,882
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(219,074)	(219,073)	0
1672 - Accum. Depreciation - Improvem	(422,794)	(422,794)	0
1673 - Accum. Depreciation - Furn & Equip	(1,443)	(1,443)	0
Total 1655 - Accumulated Depreciation	(643,311)	(643,310)	0
Total 1600 - Fixed Assets, Net of Deprec.	9,128,224	9,090,342	37,882
Total Fixed Assets	9,128,224	9,090,342	37,882
Other Assets			
1203 - Intercompany Loans Receivable			
1206 - Due From 143 MT	140,850	150,926	(10,076)
Total - 1203 - Intercompany Loans Receivable	140,850	150,926	(10,076)
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs			
1715 - Capitalized Loan Costs	267,005	267,005	0
Total 1715 - Capitalized Loan Costs	267,005	267,005	0
1716 - Accum Amort-Capitalized Loan Costs			
1716 - Accum Amort - Capitalized Loan Costs	(8,901)	(8,901)	0
Total 1716 - Accum Amort-Capitalized Loan Costs	(8,901)	(8,901)	0
Total 1700 - Capitalized Loan and Lease Costs	258,104	258,104	0
Total Other Assets	398,954	409,030	(10,076)
Total ASSETS	9,958,896	9,786,065	172,831

LIABILITIES & NET ASSETS

143 and 143 LLC (P-ship)
Balance Sheet (Detail)

March 31, 2019

	03/31/2019	12/31/2018	Difference
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	82,168	73,072	9,096
Total Accounts Payable	82,168	73,072	9,096
Other Current Liabilities			
2025 - Other Current Liabilities			
2039 - Note Payable	1,748,344	1,674,271	74,073
2045 - Accrued Interest Payable	67,525	51,314	16,211
Total 2025 - Other Current Liabilities	1,815,869	1,725,585	90,284
Total Other Current Liabilities	1,815,869	1,725,585	90,284
Total Current Liabilities	1,898,037	1,798,657	99,380
Other Liabilities			
2200 - Intercompany Loans Payable			
2210 - Due to IAR	5,533,168	5,423,918	109,250
Total 2200 - Intercompany Loans Payable	5,533,168	5,423,918	109,250
2810 - Construction Loan Payable			
2810 - Construction Loan Payable	3,104,696	3,129,213	(24,516)
Total 2810 - Construction Loan Payable	3,104,696	3,129,213	(24,516)
Total - Other Liabilities	8,637,864	8,553,131	84,734
Total Liabilities	10,535,901	10,351,788	184,114
NET ASSETS			
Without Donor Restrictions			
Undesignated	(577,005)	(565,723)	(11,283)
Total Without Donor Restrictions	(577,005)	(565,723)	(11,283)
Total Net Assets	(577,005)	(565,723)	(11,283)
Total LIABILITIES & NET ASSETS	9,958,896	9,786,065	172,831

143 and 143 LLC (P-ship)
Budget Performance (Detail)

March 31, 2019

	<u>1 Quarter Actual</u>	<u>1 Quarter Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
4300 - Royalties, Rent & Product Sales					
4700 - Building Rental Income	55,566	0	55,566	0	0
Total 4300 - Royalties, Rent & Product Sales	<u>55,566</u>	<u>0</u>	<u>55,566</u>	<u>0</u>	<u>0</u>
Total Income	<u>55,566</u>	<u>0</u>	<u>55,566</u>	<u>0</u>	<u>0</u>
Expense					
5600 - Professional Fees					
5620 - Audit & Tax Services	9,750	10,000	9,750	10,000	35,000
5630 - Accounting Services	4,598	5,499	4,598	5,499	14,664
Total 5600 - Professional Fees	<u>14,348</u>	<u>15,499</u>	<u>14,348</u>	<u>15,499</u>	<u>49,664</u>
Total Expense	<u>14,348</u>	<u>15,499</u>	<u>14,348</u>	<u>15,499</u>	<u>49,664</u>
Other Income/Expense					
Other Expense					
8000 - Interest Expense	52,500	47,984	52,500	47,984	191,921
Total Other Expense	<u>52,500</u>	<u>47,984</u>	<u>52,500</u>	<u>47,984</u>	<u>191,921</u>
Net Other Income (Expense)	<u>(52,500)</u>	<u>(47,984)</u>	<u>(52,500)</u>	<u>(47,984)</u>	<u>(191,921)</u>
Net Income (Loss)	<u>(11,282)</u>	<u>(63,483)</u>	<u>(11,282)</u>	<u>(63,483)</u>	<u>(241,585)</u>

143 and 143 LLC (P-ship)
Statement of Cash Flows
Year To Date 03/31/2019

OPERATING ACTIVITIES	
Net Income	<u>(11,282)</u>
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	(55,566)
1206 - Due From 143 MT	10,076
2010 - Accounts Payable	9,096
2210 - Due to IAR	<u>109,250</u>
Net cash provided by Operating Activities	<u>61,574</u>
INVESTING ACTIVITIES	
1622 - Building Improvements-143 general	(6,364)
1630 - Furniture, Fixtures & Equipmen	(5,312)
1635 - Construction in Progress	<u>(26,206)</u>
Net Cash provided by Investing Activities	<u>(37,882)</u>
FINANCING ACTIVITIES	
2045 - Accrued Interest Payable	16,210
2039 - Note Payable	74,074
2810 - Construction Loan Payable	<u>(24,516)</u>
Net cash provided by Financing Activities	<u>65,768</u>
Net cash change for period	89,459
Cash at beginning of period	<u>60,254</u>
Cash at end of period	<u>149,713</u>

One Forty Three LLC
Historical and Budgeted Financial Statements
Selected Information
For the quarter ended March 31, 2019 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 quarter ended December 31, 2018 for additional meaningful data for management.

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 July, 2018, 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

- Building rental income for 2019 remains the same as the prior year at \$18,522 per month in accordance with the Master Lease agreement.
- Depreciation expense is expected to increase by approximately 75% due to remodeled floors placed in service in 2018 and early 2019.
- Interest expense is expected to increase by 21% due to maximizing construction loan in 2018 and maximizing note payable to IAR in early 2019.

One Forty Three MT, LLC

Quarter ended March 31, 2019

EXECUTIVE SUMMARY

Balance Sheet

- Cash increased by \$19,000 during the quarter with an ending balance of \$40,000.
- Accounts receivable decreased by \$7,500 due to payments received from the State of Indiana. Ending balance is \$20,000 which represents rent payments due from the State of Indiana.
- Prepaid Expense increased by \$13,000 due to annual maintenance contracts for Otis Elevator, CSC and Abbott Controls. Ending balance was \$14,000.
- Investment in 143 LLC remained unchanged and represents funds received in 2017 related to the historic tax credit for the Realtor Building.
- Direct Lease costs remained the same with an ending net balance of \$209,000 and represents lease commissions for floors 2, 4, 5, and 6 that will be amortized over the life of the respective leases on an annual basis.
- Accounts Payable decreased by \$14,000 during the quarter mostly due to payment of invoice for lease commission for sixth floor. Ending balance was \$34,000.
- Rent Payable increased by \$56,000 for the first quarter rent due to One Forty Three LLC per the Master Lease agreement. Ending balance was \$279,000.
- Amount due to One Forty Three LLC decreased by \$10,000 with ending balance of \$141,000 – decrease is due to rent collected by One Forty Three LLC on behalf of One Forty Three MT, net of transfers made from One Forty Three LLC to One Forty Three MT during the quarter.

Income Statement

- Net loss of (\$6,000) was recorded for the quarter vs budgeted net income of \$42,000 – under budget by \$48,000 mostly due to rent expense due to One Forty Three LLC per the Master Lease Agreement which was not included in the 2019 budget.
- Rent income for the quarter was \$146,000 which was right in line with budget.
- Total operating expenses for the quarter were \$152,000 and were above the quarterly budget of \$104,000 by \$47,000 or 45%, mostly due to rent expense as mentioned above.

One Forty Three MT, LLC
Balance Sheet (Detail)

March 31, 2019

	03/31/2019	Quarter Ending 12/31/2018	Difference
ASSETS			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1035 - 143 MT Checking-ONB	40,164	20,927	19,238
Total 1000 - Cash Accounts	40,164	20,927	19,238
Total Checking/Savings	40,164	20,927	19,238
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	19,810	27,403	(7,593)
1201 - Due from IAR	7,791	0	7,790
Total 1200 - Accounts Receivable	27,601	27,403	197
1300 - Other Current Assets			
1310 - Prepaid Expense	14,389	1,752	12,637
Total 1300 - Other Current Assets	14,389	1,752	12,637
Total Other Current Assets	41,990	29,155	12,834
Total Current Assets	82,154	50,082	32,072
Other Assets			
1500 - Investments			
1840 - Investment in 143 LLC (P-ship)			
1840 - Investment in 143 LLC (P-SHIP)	255,479	255,479	0
Total 1840 - Investment in 143 LLC (P-ship)	255,479	255,479	0
Total 1500 - Investments	255,479	255,479	0
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	236,576	236,576	0
1712 - Lease Cost Amortization	(34,203)	(27,468)	(6,735)
Total 1700 - Capitalized Loan and Lease Costs	202,373	209,108	(6,735)
Total Other Assets	457,852	464,587	(6,735)
Total ASSETS	540,006	514,669	25,337
LIABILITIES & NET ASSETS			
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	33,662	47,957	(14,295)
2020 - Rent Payable	278,930	223,364	55,566
Total Accounts Payable	312,592	271,321	41,271
Other Current Liabilities			
2025 - Other Current Liabilities			
2030 - Accrued Property Taxes	16,000	16,000	0
Total 2025 - Other Current Liabilities	16,000	16,000	0
Total Other Current Liabilities	16,000	16,000	0
Total Current Liabilities	328,592	287,321	41,271
Other Liabilities			
2200 - Intercompany Loans Payable			
2212 - Due to 143 LLC	140,849	150,925	(10,076)

One Forty Three MT, LLC
Balance Sheet (Detail)

March 31, 2019

	03/31/2019	Quarter Ending 12/31/2018	Difference
Total 2200 - Intercompany Loans Payable	140,849	150,925	(10,076)
Total - Other Liabilities	140,849	150,925	(10,076)
Total Liabilities	469,441	438,246	31,195
NET ASSETS			
Without Donor Restrictions			
Undesignated	70,565	76,423	(5,858)
Total Without Donor Restrictions	70,565	76,423	(5,858)
Total Net Assets	70,565	76,423	(5,858)
Total LIABILITIES & NET ASSETS	540,006	514,669	25,337

One Forty Three MT, LLC
Budget Performance (Detail)

March 31, 2019

	<u>1 Quarter Actual</u>	<u>1 Quarter Budget</u>	<u>YTD Actual</u>	<u>YTD Budget</u>	<u>Annual Budget</u>
Income					
4300 - Royalties, Rent & Product Sales					
4700 - Building Rental Income	145,612	146,367	145,612	146,367	675,537
Total 4300 - Royalties, Rent & Product Sales	<u>145,612</u>	<u>146,367</u>	<u>145,612</u>	<u>146,367</u>	<u>675,537</u>
4900 - Other Income					
4900 - Other Income	205	0	205	0	0
Total 4900 - Other Income	<u>205</u>	<u>0</u>	<u>205</u>	<u>0</u>	<u>0</u>
Total Income	<u>145,817</u>	<u>146,367</u>	<u>145,817</u>	<u>146,367</u>	<u>675,537</u>
Expense					
5600 - Professional Fees					
5620 - Audit & Tax Services	1,000	0	1,000	0	2,500
5630 - Accounting Services	4,598	4,500	4,598	4,500	18,000
Total 5600 - Professional Fees	<u>5,598</u>	<u>4,500</u>	<u>5,598</u>	<u>4,500</u>	<u>20,500</u>
5900 - Office Costs					
5910 - Telephone	0	249	0	249	1,000
5970 - Bank & Credit Card Fees	48	0	48	0	0
Total 5900 - Office Costs	<u>48</u>	<u>249</u>	<u>48</u>	<u>249</u>	<u>1,000</u>
6100 - Facility Costs					
6110 - Office Rent & Parking	55,566	0	55,566	0	0
6112 - Property Management	12,000	12,000	12,000	12,000	48,000
6120 - Utilities	44,488	44,676	44,488	44,676	178,703
6130 - Building Maintenance & Repair	12,569	18,750	12,569	18,750	75,000
6140 - Grounds Maintenance	683	0	683	0	0
6150 - Janitorial-cleaning & supplies	8,523	11,250	8,523	11,250	45,000
6155 - Trash Service	1,161	1,500	1,161	1,500	6,000
6160 - Pest Control	123	253	123	253	1,000
6165 - Marketing Expenses	0	0	0	0	750
6170 - Property Insurance	4,181	5,001	4,181	5,001	20,000
6180 - Property Taxes	0	0	0	0	32,000
6700 - Leasing Commissions	6,735	6,253	6,735	6,253	25,000
Total 6100 - Facility Costs	<u>146,029</u>	<u>99,683</u>	<u>146,029</u>	<u>99,683</u>	<u>431,453</u>
Total Expense	<u>151,675</u>	<u>104,432</u>	<u>151,675</u>	<u>104,432</u>	<u>452,953</u>
Net Income (Loss)	<u>(5,858)</u>	<u>41,935</u>	<u>(5,858)</u>	<u>41,935</u>	<u>222,584</u>

One Forty Three MT, LLC
Statement of Cash Flows
Year To Date 03/31/2019

OPERATING ACTIVITIES

Net Income	(5,858)
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	7,593
1201 - Due from IAR	(7,790)
1310 - Prepaid Expense	(12,637)
2010 - Accounts Payable	(14,295)
2020 - Rent Payable	55,566
2212 - Due to 143 LLC	(10,076)
Net cash provided by Operating Activities	12,503

FINANCING ACTIVITIES

1710 - Direct Lease Cost	0
1712 - Lease Cost Amortization	6,735
Net cash provided by Financing Activities	6,735

Net cash change for period	19,238
Cash at beginning of period	20,927
Cash at end of period	40,164

One Forty Three MT, LLC
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Selected Information
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Forecast/Budget

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Additional Information

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Statement of Operations Assumptions

- Building rental income is estimated to increase by 53% based on current and expected occupancy in 2019.
- According to the Master Lease Agreement, One Forty Three MT, LLC will pay rent to One Forty Three LLC during 2019 at an estimated rate of \$18,522 per month.
- Building operating expenses are expected to increase by 10-15% based on current and expected occupancy in 2019.