

One Forty Three Entities – Combined

(Includes One Forty Three LLC, One Forty Three MT LLC, One Forty Three MM LLC)

April 2020

EXECUTIVE SUMMARY

Note: These financial statements report on the combined activities of the following entities that are under common management control:

- One Forty Three LLC (referred to as 143 LLC)
- One Forty Three MM LLC (referred to as 143 MM)
- One Forty Three MT LLC (referred to as 143 MT)

Combined Balance Sheet (compared to the prior month)

- Cash balances increased by \$287,000 during the month with an ending balance of \$572,000. Increase is due to receipt of tax credit installment #3 in the amount of \$303,704.
- Accounts receivable decreased by \$2,500 due to adjustment to McNeely invoice for 6th floor construction costs. Ending balance was \$37,000 which represents the following:
 - April rent due from the IEERB and ISBOE of \$13,701 (per the current agreement with the State of Indiana, rent is paid one month in arrears)
 - \$23,000 due from McNeely for 6th floor construction costs
- Prepaid expenses decreased by \$7,000 with an ending balance of \$21,000 which represents various building service contracts and insurance that will be amortized over the life of the contracts.
- Other deposits remained unchanged with an ending balance of \$3,000 which represents utility deposits.
- Building improvements increased by \$46,000 during the month due to reclassifying certain repairs/maintenance expense thru April.
- Accumulated depreciation increased by \$67,000 for estimated depreciation expense recorded for the month.
- Accumulated amortization for lease costs and capitalized loan costs increased by \$2,000 and \$4,000 respectively for estimated amortization expense recorded for the month.
- Accounts Payable decreased by \$6,000 with an ending balance of \$19,000.
- Note Payable (to IAR) remained unchanged with an ending balance of \$1,749,000.
- Accrued Interest Payable (to IAR) increased by \$5,600 due to interest on notes payable for the month with an ending balance of \$142,000.
- Misc Prepaid Receipts increased by \$16,000 due to tenant paying May rent at the end of April. This will be recognized as income next month.
- Amounts Due to IAR increased by \$2,000 with an ending balance of \$854,000 – increase is for allocation of staff costs and audit fees from IAR.
- Construction Loan Payable decreased by \$8,000 due to loan payments made during the month. Ending loan balance was \$2,998,000.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for April was (\$63,000) compared to budgeted net loss of (\$80,000).
 - Net loss for April consisted of Net Loss from Operations of (\$45,000) and Net Other Income (Expense) of (\$18,000)
- Net loss YTD was (\$282,000) compared to budgeted net loss of (\$325,000).
 - Net loss YTD consisted of Net Loss from Operations of (\$212,000) and Net Other Income (Expense) of (\$70,000)
- Rent income-tenants for the month was \$53,000 and YTD was \$212,000 – both were right in line with budget.
- Total operating expenses for the month were \$99,000 and were below the monthly budget of \$116,000 by \$17,000 or 15% – mostly due to audit/tax services, utilities expense and repairs/maintenance
 - Note: Building repairs/maintenance expenses of \$46,000 were capitalized in April as noted above.
- Total YTD operating expenses were \$424,000 and were below the YTD budget of \$465,000 by \$41,000 or 9% – mostly due to audit/tax services and utilities expense.
- Interest expense for the month was \$17,000 and YTD was \$70,000 – both were slightly under budget.

**143 Entities - Combined
Balance Sheet (Detail)**

April 30, 2020

	04/30/20	02/29/20	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	28,591	14,890	13,701
1034 - 143 LLC Checking-ONB	62,444	26,414	36,030
1035 - 143 MT Checking-ONB	255,316	18,131	237,185
1036 - 143 MT - Building Reserve Acct	206,262	206,255	7
1037 - 143 LLC Checking-CIBM	19,000	18,985	15
Total Checking/Savings	<u>571,613</u>	<u>284,675</u>	<u>286,938</u>
Other Current Assets			
1200 - Accounts Receivable	36,701	39,226	(2,525)
1310 - Prepaid Expense	21,396	28,176	(6,780)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	<u>61,172</u>	<u>70,477</u>	<u>(9,305)</u>
Total Current Assets	<u>632,785</u>	<u>355,152</u>	<u>277,633</u>
Fixed Assets			
1605 - Land, Buildings & Equipment			
1610 - Land	200,000	200,000	-
1620 - Building-143	2,729,217	2,729,217	-
1622 - Building Improvements-143 general	7,055,241	7,008,908	46,333
1630 - Furniture, Fixtures & Equipmen	30,452	30,452	-
1635 - Construction in Progress	6,300	6,300	-
Total 1605 - Land, Buildings & Equipment	<u>10,021,210</u>	<u>9,974,877</u>	<u>46,333</u>
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(313,021)	(307,150)	(5,871)
1672 - Accum. Depreciation - Improvem	(1,394,648)	(1,333,896)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(7,110)	(6,701)	(409)
Total 1655 - Accumulated Depreciation	<u>(1,714,779)</u>	<u>(1,647,747)</u>	<u>(67,032)</u>
Total Fixed Assets	<u>8,306,431</u>	<u>8,327,130</u>	<u>(20,699)</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(64,004)	(61,605)	(2,399)
1715 - Capitalized Loan Costs	267,900	267,900	-
1716 - Accum Amort-Capitalized Loan Costs	(80,311)	(75,845)	(4,466)
Total Other Assets	<u>369,390</u>	<u>376,255</u>	<u>(6,865)</u>
Total ASSETS	<u>9,308,606</u>	<u>9,058,537</u>	<u>250,069</u>

**143 Entities - Combined
Balance Sheet (Detail)**

April 30, 2020

	04/30/20	02/29/20	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	18,949	24,862	(5,913)
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	141,680	135,997	5,683
2420 - Misc Prepaid Receipts	16,017	-	16,017
Total Current Liabilities	1,962,886	1,947,099	15,787
Other Liabilities			
2210 - Due to IAR	853,895	851,796	2,099
2810 - Construction Loan Payable	2,997,915	3,006,147	(8,232)
Total - Other Liabilities	3,851,810	3,857,943	(6,133)
Total Liabilities	5,814,696	5,805,042	9,654
EQUITY			
	3,493,910	3,253,495	240,415
Total LIABILITIES & EQUITY	9,308,606	9,058,537	250,069

143 Entities - Combined
Statements of Activities - Budget vs Actual (Detail)

For the one and four months ended April 30, 2020 and the year ending December 31, 2019
(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						
4700 - Building Rental Income-tenants	53,076	53,076	212,302	212,304	715,120	194,401
4900 - Other Income	-	-	-	-	-	275
Total Income	53,076	53,076	212,302	212,304	715,120	194,676
Expense						
5000 - Personnel Costs						
5010 - Compensation	685	667	2,740	2,668	8,000	-
5160 - Payroll Taxes	64	62	256	248	750	-
Total 5000 - Personnel Costs	749	729	2,996	2,916	8,750	-
5600 - Professional Fees						
5620 - Audit & Tax Services	3,150	5,750	11,475	25,750	34,250	10,750
5630 - Accounting Services	1,806	2,666	12,467	10,664	32,000	11,670
Total 5600 - Professional Fees	4,956	8,416	23,942	36,414	66,250	22,420
5900 - Office Costs						
5970 - Bank & Credit Card Fees	33	17	166	68	200	64
Total 5900 - Office Costs	33	17	166	68	200	64
6100 - Facility Costs						
6112 - Property Management	2,976	3,750	11,904	15,000	45,000	16,000
6120 - Utilities	12,553	15,000	40,686	60,000	180,000	58,302
6130 - Building Maintenance & Repair	(1,857)	6,667	28,558	26,668	80,000	29,569
6140 - Grounds Maintenance	-	417	-	1,668	5,000	1,367
6150 - Janitorial-cleaning & supplies	3,402	3,583	12,383	14,332	43,000	12,115
6155 - Trash Service	390	500	1,563	2,000	6,000	1,549
6160 - Pest Control	-	83	82	332	1,000	123
6165 - Marketing Expenses	-	62	-	248	750	-
6170 - Property Insurance	1,554	1,667	6,213	6,668	20,000	5,574
6180 - Property Taxes	-	-	-	-	39,000	-
6510 - Amortization	4,465	4,450	17,860	17,800	53,401	-
6520 - Depreciation Expense	67,033	67,917	268,132	271,668	815,000	268,591

143 Entities - Combined
Statements of Activities - Budget vs Actual (Detail)

For the one and four months ended April 30, 2020 and the year ending December 31, 2019
(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
6700 - Leasing Commissions	2,399	2,320	9,596	9,280	27,842	8,980
Total 6100 - Facility Costs	92,915	106,416	396,977	425,664	1,315,993	402,170
Total Expense	98,653	115,578	424,081	465,062	1,391,193	424,654
Net Income (Loss) from Operations	(45,577)	(62,502)	(211,779)	(252,758)	(676,073)	(229,978)
Other Income/Expense						
Other Income						
4810 - Interest & Dividend Income	7	-	37	-	-	-
Total Other Income	7	-	37	-	-	-
Other Expense						
8000 - Interest Expense	17,720	17,966	70,306	71,864	215,592	70,896
Total Other Expense	17,720	17,966	70,306	71,864	215,592	70,896
Net Other Income (Expense)	(17,713)	(17,966)	(70,269)	(71,864)	(215,592)	(70,896)
Net Income (Loss)	(63,290)	(80,468)	(282,048)	(324,622)	(891,665)	(300,874)

One Forty Three Entities - Combined
(Includes One Forty Three LLC, One Forty Three MT LLC, One Forty Three MM LLC)
Historical and Budgeted Financial Statements
Selected Information
For the four months ended April 30, 2020 and year ending December 31, 2020

The accompanying historical combined financial statements and combined 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, the statement of cash flows and substantially all of the disclosures 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 financial statements do not reflect a federal and state income tax provision.
- The Statements 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.

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 month 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 combined Companies' 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

- Building rental income-tenants is estimated to increase by 6% based on current and expected occupancy in 2020.
- According to the Master Lease Agreement, One Forty Three MT, LLC will pay rent to One Forty Three LLC during 2020 at an estimated rate of \$27,966 per month, which is a 4% increase over the prior year.
- Building operating expenses are expected to increase by 4% based on current and expected occupancy in 2020.