

One Forty Three Entities – Combined

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

March 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 decreased by \$21,000 during the month with an ending balance of \$285,000.
- Accounts receivable remained unchanged with an ending balance of \$39,000 which represents the following:
 - March rent due from the IEERB and ISBOE (per the current agreement with the State of Indiana, rent is paid one month in arrears)
 - \$25,000 due from McNeely for 6th floor construction costs
- Prepaid expenses decreased by \$1,000 with an ending balance of \$28,000 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.
- 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 \$35,000 with an ending balance of \$25,000 – decrease is due to payment of invoices for JK Property Solutions (repairs/maintenance and project management for 6th floor build out) and Blue & Co (2019 audit).
- 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 \$136,000.
- Amounts Due to IAR increased by \$9,000 with an ending balance of \$852,000 – increase is for allocation of staff costs and audit fees from IAR.
- Construction Loan Payable decreased by \$9,000 due to loan payments made during the month. Ending loan balance was \$3,006,000.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for March was (\$67,000) compared to budgeted net loss of (\$85,000).
 - Net loss for March consisted of Net Loss from Operations of (\$50,000) and Net Other Income (Expense) of (\$17,000)
- Net loss YTD was (\$219,000) compared to budgeted net loss of (\$244,000).
 - Net loss YTD consisted of Net Loss from Operations of (\$166,000) and Net Other Income (Expense) of (\$53,000)
- Rent income-tenants for the month was \$53,000 and YTD was \$159,000 – both were right in line with budget.
- Total operating expenses for the month were \$104,000 and were below the monthly budget of \$120,000 by \$16,000 or 14% – mostly due to repairs and maintenance expenses and audit/tax services (timing difference).
- Total YTD operating expenses were \$325,000 and were below the YTD budget of \$349,000 by \$24,000 or 7% – mostly due to utilities expense and audit/tax services (timing difference).
- Interest expense for the month was \$17,000 and YTD was \$53,000 – both were right in line with budget.

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

March 31, 2020

	03/31/20	02/29/20	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	14,890	1,188	13,702
1034 - 143 LLC Checking-ONB	26,414	28,161	(1,747)
1035 - 143 MT Checking-ONB	18,131	51,411	(33,280)
1036 - 143 MT - Building Reserve Acct	206,255	206,245	10
1037 - 143 LLC Checking-CIBM	18,985	18,985	-
Total Checking/Savings	<u>284,675</u>	<u>305,990</u>	<u>(21,315)</u>
Other Current Assets			
1200 - Accounts Receivable	39,226	39,226	-
1310 - Prepaid Expense	28,176	29,537	(1,361)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	<u>70,477</u>	<u>71,838</u>	<u>(1,361)</u>
Total Current Assets	<u>355,152</u>	<u>377,828</u>	<u>(22,676)</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	7,008,908	7,008,908	-
1630 - Furniture, Fixtures & Equipmen	30,452	30,452	-
1635 - Construction in Progress	6,300	6,300	-
Total 1605 - Land, Buildings & Equipment	<u>9,974,877</u>	<u>9,974,877</u>	<u>-</u>
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(307,150)	(301,278)	(5,872)
1672 - Accum. Depreciation - Improvem	(1,333,896)	(1,273,144)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(6,701)	(6,292)	(409)
Total 1655 - Accumulated Depreciation	<u>(1,647,747)</u>	<u>(1,580,714)</u>	<u>(67,033)</u>
Total Fixed Assets	<u>8,327,130</u>	<u>8,394,163</u>	<u>(67,033)</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(61,605)	(59,206)	(2,399)
1715 - Capitalized Loan Costs	267,900	267,900	-
1716 - Accum Amort-Capitalized Loan Costs	(75,845)	(71,380)	(4,465)
Total Other Assets	<u>376,255</u>	<u>383,119</u>	<u>(6,864)</u>
Total ASSETS	<u>9,058,537</u>	<u>9,155,110</u>	<u>(96,573)</u>

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

March 31, 2020

	03/31/20	02/29/20	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	24,862	59,819	(34,957)
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	135,997	130,315	5,682
Total Current Liabilities	1,947,099	1,976,374	(29,275)
Other Liabilities			
2210 - Due to IAR	851,796	842,722	9,074
2810 - Construction Loan Payable	3,006,147	3,015,121	(8,974)
Total - Other Liabilities	3,857,943	3,857,843	100
Total Liabilities	5,805,042	5,834,217	(29,175)
 EQUITY	 3,253,495	 3,320,893	 (67,398)
Total LIABILITIES & EQUITY	9,058,537	9,155,110	(96,573)

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

For the one and three months ended March 31, 2020 and the year ending December 31, 2019
(with comparative totals for the three months ended March 31, 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	159,227	159,228	715,120	145,612
4900 - Other Income	-	-	-	-	-	205
Total Income	53,076	53,076	159,227	159,228	715,120	145,817
Expense						
5000 - Personnel Costs						
5010 - Compensation	685	667	2,055	2,001	8,000	-
5160 - Payroll Taxes	64	62	192	186	750	-
Total 5000 - Personnel Costs	749	729	2,247	2,187	8,750	-
5600 - Professional Fees						
5620 - Audit & Tax Services	-	10,000	8,325	20,000	34,250	10,750
5630 - Accounting Services	2,575	2,666	10,662	7,998	32,000	9,196
Total 5600 - Professional Fees	2,575	12,666	18,987	27,998	66,250	19,946
5900 - Office Costs						
5970 - Bank & Credit Card Fees	16	17	133	51	200	48
Total 5900 - Office Costs	16	17	133	51	200	48
6100 - Facility Costs						
6112 - Property Management	2,976	3,750	8,928	11,250	45,000	12,000
6120 - Utilities	15,978	15,000	28,132	45,000	180,000	44,488
6130 - Building Maintenance & Repair	2,436	6,667	30,415	20,001	80,000	12,103
6140 - Grounds Maintenance	-	417	-	1,251	5,000	684
6150 - Janitorial-cleaning & supplies	2,895	3,583	8,983	10,749	43,000	8,988
6155 - Trash Service	390	500	1,172	1,500	6,000	1,161
6160 - Pest Control	41	83	82	249	1,000	123
6165 - Marketing Expenses	-	62	-	186	750	-
6170 - Property Insurance	1,554	1,667	4,659	5,001	20,000	4,181
6180 - Property Taxes	-	-	-	-	39,000	-
6510 - Amortization	4,465	4,450	13,395	13,350	53,401	-
6520 - Depreciation Expense	67,033	67,917	201,099	203,751	815,000	-
6700 - Leasing Commissions	2,399	2,320	7,197	6,960	27,842	6,735

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

For the one and three months ended March 31, 2020 and the year ending December 31, 2019
(with comparative totals for the three months ended March 31, 2019)

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Total 6100 - Facility Costs	100,167	106,416	304,062	319,248	1,315,993	90,463
Total Expense	103,507	119,828	325,429	349,484	1,391,193	110,457
Net Income (Loss) from Operations	(50,431)	(66,752)	(166,202)	(190,256)	(676,073)	35,360
Other Income/Expense						
Other Income						
4810 - Interest & Dividend Income	10	-	30	-	-	-
Total Other Income	10	-	30	-	-	-
Other Expense						
8000 - Interest Expense	16,977	17,966	52,586	53,898	215,592	52,500
Total Other Expense	16,977	17,966	52,586	53,898	215,592	52,500
Net Other Income (Expense)	(16,967)	(17,966)	(52,556)	(53,898)	(215,592)	(52,500)
Net Income (Loss)	(67,398)	(84,718)	(218,758)	(244,154)	(891,665)	(17,140)

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 three months ended March 31, 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 February 29, 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.