

# One Forty Three Entities – Combined

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

## May 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 \$10,000 during the month with an ending balance of \$582,000. Increase is due to receipt of 6<sup>th</sup> floor construction costs from McNeely.
- Accounts receivable decreased by \$23,000 due to receipt of McNeely invoice for 6<sup>th</sup> floor construction costs as mentioned above. Ending balance was \$14,000 which represents May rent due from the IEERB and ISBOE (per the current agreement with the State of Indiana, rent is paid one month in arrears)
- Prepaid expenses decreased by \$1,000 with an ending balance of \$20,000 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 increased by \$5,000 with an ending balance of \$24,000.
- 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 \$147,000.
- Misc Prepaid Receipts decreased by \$11,000 with an ending balance of \$5,000. This ending balance represents a grant for The ARC of Indiana that was received into the 143 MT bank account by mistake and was remitted to ARC in June.
- Amounts Due to IAR increased by \$2,500 with an ending balance of \$856,000 – increase is for allocation of staff costs and audit fees paid by IAR.
- Construction Loan Payable decreased by \$9,000 due to loan payments made during the month. Ending loan balance was \$2,989,000.

## EXECUTIVE SUMMARY (continued)

### Combined Statement of Activities

- Net loss for May was (\$63,000) compared to budgeted net loss of (\$80,000).
  - Net loss for May 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 May 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)**

May 31, 2020

	05/31/20	04/30/20	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	42,293	28,591	13,702
1034 - 143 LLC Checking-ONB	169,687	62,444	107,243
1035 - 143 MT Checking-ONB	144,319	255,316	(110,997)
1036 - 143 MT - Building Reserve Acct	206,269	206,262	7
1037 - 143 LLC Checking-CIBM	19,000	19,000	-
Total Checking/Savings	<u>581,568</u>	<u>284,675</u>	9,955
Other Current Assets			
1200 - Accounts Receivable	13,701	36,701	(23,000)
1310 - Prepaid Expense	20,034	21,396	(1,362)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	<u>36,810</u>	<u>70,477</u>	(24,362)
Total Current Assets	<u>618,378</u>	<u>355,152</u>	(14,407)
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	7,055,241	-
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>	-
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(318,894)	(313,021)	(5,873)
1672 - Accum. Depreciation - Improvem	(1,455,400)	(1,394,648)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(7,519)	(7,110)	(409)
Total 1655 - Accumulated Depreciation	<u>(1,781,813)</u>	<u>(1,647,747)</u>	(67,034)
Total Fixed Assets	<u>8,239,397</u>	<u>8,327,130</u>	(67,034)
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(66,403)	(64,004)	(2,399)
1715 - Capitalized Loan Costs	267,900	267,900	-
1716 - Accum Amort-Capitalized Loan Costs	(84,775)	(80,311)	(4,464)
Total Other Assets	<u>362,527</u>	<u>376,255</u>	(6,863)
<b>Total ASSETS</b>	<b><u>9,220,302</u></b>	<b><u>9,058,537</u></b>	<b><u>(88,304)</u></b>

**143 Entities - Combined  
Balance Sheet (Detail)**  
May 31, 2020

	05/31/20	04/30/20	Difference
<b>LIABILITIES &amp; EQUITY</b>			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	24,220	18,949	5,271
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	147,363	141,680	5,683
2420 - Misc Prepaid Receipts	5,000	16,017	(11,017)
Total Current Liabilities	1,962,823	1,962,886	(63)
Other Liabilities			
2210 - Due to IAR	856,444	853,895	2,549
2810 - Construction Loan Payable	2,989,263	2,997,915	(8,652)
Total - Other Liabilities	3,845,707	3,857,943	(6,103)
Total Liabilities	5,808,530	5,805,042	(6,166)
EQUITY			
	3,411,772	3,493,910	(82,138)
<b>Total LIABILITIES &amp; EQUITY</b>	<b>9,220,302</b>	<b>9,058,537</b>	<b>(88,304)</b>

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

For the one and five months ended May 31, 2020 and the year ending December 31, 2020  
*(with comparative totals for the five months ended May 31, 2019)*

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
<b>Income</b>						
4700 - Building Rental Income-tenants	53,076	53,076	265,378	265,380	715,120	243,191
4900 - Other Income	-	-	-	-	-	343
<b>Total Income</b>	<b>53,076</b>	<b>53,076</b>	<b>265,378</b>	<b>265,380</b>	<b>715,120</b>	<b>243,534</b>
<b>Expense</b>						
<b>5000 - Personnel Costs</b>						
5010 - Compensation	685	667	3,425	3,335	8,000	-
5160 - Payroll Taxes	64	62	320	310	750	-
<b>Total 5000 - Personnel Costs</b>	<b>749</b>	<b>729</b>	<b>3,745</b>	<b>3,645</b>	<b>8,750</b>	<b>-</b>
<b>5600 - Professional Fees</b>						
5620 - Audit & Tax Services	-	8,500	11,475	34,250	34,250	10,750
5630 - Accounting Services	5,179	2,666	17,646	13,330	32,000	14,670
<b>Total 5600 - Professional Fees</b>	<b>5,179</b>	<b>11,166</b>	<b>29,121</b>	<b>47,580</b>	<b>66,250</b>	<b>25,420</b>
<b>5900 - Office Costs</b>						
5970 - Bank & Credit Card Fees	-	17	166	85	200	81
<b>Total 5900 - Office Costs</b>	<b>-</b>	<b>17</b>	<b>166</b>	<b>85</b>	<b>200</b>	<b>81</b>
<b>6100 - Facility Costs</b>						
6112 - Property Management	2,976	3,750	14,880	18,750	45,000	20,000
6120 - Utilities	9,671	15,000	50,357	75,000	180,000	69,282
6130 - Building Maintenance & Repair	2,123	6,667	30,681	33,335	80,000	32,980
6140 - Grounds Maintenance	1,608	417	1,608	2,085	5,000	1,709
6150 - Janitorial-cleaning & supplies	2,895	3,583	15,279	17,915	43,000	14,774
6155 - Trash Service	390	500	1,953	2,500	6,000	1,936
6160 - Pest Control	75	83	157	415	1,000	164
6165 - Marketing Expenses	-	62	-	310	750	-
6170 - Property Insurance	1,554	1,667	7,766	8,335	20,000	6,968
6180 - Property Taxes	16,803	19,500	16,803	19,500	39,000	18,514
6510 - Amortization	4,465	4,450	22,325	22,250	53,401	-
6520 - Depreciation Expense	67,033	67,917	335,165	339,585	815,000	335,739

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

For the one and five months ended May 31, 2020 and the year ending December 31, 2020  
*(with comparative totals for the five months ended May 31, 2019)*

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
6700 - Leasing Commissions	2,399	2,320	11,995	11,600	27,842	11,225
Total 6100 - Facility Costs	111,992	125,916	508,969	551,580	1,315,993	513,291
Total Expense	117,920	137,828	542,001	602,890	1,391,193	538,792
Net Income (Loss) from Operations	(64,844)	(84,752)	(276,623)	(337,510)	(676,073)	(295,258)
<b>Other Income/Expense</b>						
Other Income						
4810 - Interest & Dividend Income	7	-	44	-	-	-
Total Other Income	7	-	44	-	-	-
Other Expense						
8000 - Interest Expense	17,299	17,966	87,605	89,830	215,592	88,579
Total Other Expense	17,299	17,966	87,605	89,830	215,592	88,579
Net Other Income (Expense)	(17,292)	(17,966)	(87,561)	(89,830)	(215,592)	(88,579)
<b>Net Income (Loss)</b>	<b>(82,136)</b>	<b>(102,718)</b>	<b>(364,184)</b>	<b>(427,340)</b>	<b>(891,665)</b>	<b>(383,837)</b>

**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 five months ended May 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 April 30, 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.