

# One Forty Three LLC

## Quarter ended December 31, 2018

### EXECUTIVE SUMMARY

#### Balance Sheet

- Cash balances decreased by \$45,000 during the quarter with an ending balance of \$60,000 – decrease is due to loan payments.
- Accounts receivable increased by \$56,000 for 4<sup>th</sup> quarter rent due from One Forty Three MT per the Master Lease agreement. Ending balance is \$223,000.
- Building Improvements increased by \$307,000 due to construction in progress placed in service during the 4<sup>th</sup> quarter.
- Construction in Progress increased by \$105,000 for costs related to the basement to be placed in service in early 2019.
- Amounts due from One Forty Three MT decreased by \$56,000 with an ending balance of \$151,000.
- Accounts Payable decreased by \$97,000 during the quarter mostly due to construction invoices paid in the 4<sup>th</sup> quarter. Ending balance was \$73,000.
- Note Payable (to IAR) increased by \$329,000 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 \$1,674,000.
- Accrued Payables decreased by \$4,000 with an ending balance of zero due to all retainage for Brandt contract being invoiced as of year end.
- Accrued Interest Payable increased by \$14,000 due to interest on notes payable to IAR for the fourth quarter.
- Amounts Due to IAR increased by \$17,000 during the quarter with an ending balance of \$5,424,000.
- Construction Loan Payable decreased by \$16,000 due to loan payments made during the quarter. Ending loan balance was \$3,129,000.

#### Income Statement

- Net loss of (\$250,000) was recorded for the quarter compared to budgeted net loss of (\$66,000).
- Net loss for 2018 was (\$409,000) compared to budgeted net loss of (\$226,000). Under budget due to depreciation expense being higher than budgeted.
- Rent income for the quarter was \$56,000 which was right in line with budget.
- Rent income YTD was \$222,000 which was right in with the annual budget.
- Total operating expenses for the quarter were \$296,000 and were above the quarterly budget of \$66,000 by \$230,000 due to depreciation expense being more than budgeted.
- Total operating expenses for 2018 were \$507,000 and were above the annual budget of \$271,000 by \$236,000 due to depreciation expense.
- Interest expense for the quarter was \$5,000 vs budgeted expense of \$56,000 – under budget by \$51,000 due to certain interest expense being capitalized with fixed assets in accordance with accounting standards.
- Interest expense for the year was \$121,000 vs budgeted expense of \$177,000 – under budget by \$56,000 due to certain interest expense being capitalized as mentioned above.

**143 and 143 LLC (P-ship)**  
**Balance Sheet (Detail)**  
December 31, 2018

	12/31/2018	09/30/2018	Difference
<b>ASSETS</b>			
Current Assets			
Checking/Savings			
1000 - Cash Accounts			
1026 - 143 LLC Checking-Regions	31,188	14,947	16,241
1034 - 143 LLC Checking-ONB	29,066	90,023	(60,957)
Total 1000 - Cash Accounts	60,254	104,970	(44,716)
Total Checking/Savings	60,254	104,970	(44,716)
Other Current Assets			
1200 - Accounts Receivable			
1200 - Accounts Receivable	223,364	167,798	55,566
Total 1200 - Accounts Receivable	223,364	167,798	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	226,439	170,873	55,566
Total Current Assets	286,693	275,843	10,850
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	6,499,534	6,192,732	306,802
1630 - Furniture, Fixtures & Equipmen	13,322	13,322	0
1635 - Construction in Progress	291,579	186,427	105,153
Total 1605 - Land, Buildings & Equipment	9,733,652	9,321,698	411,955
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(219,073)	(201,462)	(17,613)
1672 - Accum. Depreciation - Improvem	(422,794)	(158,283)	(264,511)
1673 - Accum. Depreciation - Furn & Equip	(1,443)	0	(1,443)
Total 1655 - Accumulated Depreciation	(643,310)	(359,745)	(283,567)
Total 1600 - Fixed Assets, Net of Deprec.	9,090,342	8,961,953	128,389
Total Fixed Assets	9,090,342	8,961,953	128,389
Other Assets			
1203 - Intercompany Loans Receivable			
1206 - Due From 143 MT	150,926	206,945	(56,020)
Total - 1203 - Intercompany Loans Receivable	150,926	206,945	(56,020)
1700 - Capitalized Loan and Lease Costs			
1715 - Capitalized Loan Costs			
1715 - Capitalized Loan Costs	267,005	297,353	(30,348)
Total 1715 - Capitalized Loan Costs	267,005	297,353	(30,348)
1716 - Accum Amort-Capitalized Loan Costs			
1716 - Accum Amort - Capitalized Loan Costs	(8,901)	0	(8,900)
Total 1716 - Accum Amort-Capitalized Loan Costs	(8,901)	0	(8,900)
Total 1700 - Capitalized Loan and Lease Costs	258,104	297,353	(39,248)
Total Other Assets	409,030	504,298	(95,268)
<b>Total ASSETS</b>	<b>9,786,065</b>	<b>9,742,094</b>	<b>43,971</b>

**LIABILITIES & NET ASSETS**

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

December 31, 2018

	<u>12/31/2018</u>	<u>09/30/2018</u>	<u>Difference</u>
Liabilities			
Current Liabilities			
Accounts Payable			
2010 - Accounts Payable	73,072	170,054	(96,982)
Total Accounts Payable	<u>73,072</u>	<u>170,054</u>	<u>(96,982)</u>
Other Current Liabilities			
2025 - Other Current Liabilities			
2039 - Note Payable	1,674,271	1,282,099	392,172
2040 - Accrued Payables	0	3,974	(3,974)
2045 - Accrued Interest Payable	51,314	36,953	14,361
Total 2025 - Other Current Liabilities	<u>1,725,585</u>	<u>1,323,026</u>	<u>402,559</u>
Total Other Current Liabilities	<u>1,725,585</u>	<u>1,323,026</u>	<u>402,559</u>
Total Current Liabilities	<u>1,798,657</u>	<u>1,493,080</u>	<u>305,577</u>
Other Liabilities			
2200 - Intercompany Loans Payable			
2210 - Due to IAR	5,423,918	5,406,502	17,416
Total 2200 - Intercompany Loans Payable	<u>5,423,918</u>	<u>5,406,502</u>	<u>17,416</u>
2810 - Construction Loan Payable			
2810 - Construction Loan Payable	3,129,213	3,145,000	(15,787)
Total 2810 - Construction Loan Payable	<u>3,129,213</u>	<u>3,145,000</u>	<u>(15,787)</u>
Total - Other Liabilities	<u>8,553,131</u>	<u>8,551,502</u>	<u>1,629</u>
Total Liabilities	<u>10,351,788</u>	<u>10,044,582</u>	<u>307,206</u>
NET ASSETS			
Without Donor Restrictions			
Undesignated	(565,723)	(302,488)	(263,235)
Total Without Donor Restrictions	<u>(565,723)</u>	<u>(302,488)</u>	<u>(263,235)</u>
Total Net Assets	<u>(565,723)</u>	<u>(302,488)</u>	<u>(263,235)</u>
<b>Total LIABILITIES &amp; NET ASSETS</b>	<b><u>9,786,065</u></b>	<b><u>9,742,094</u></b>	<b><u>43,971</u></b>

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

December 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	222,264	222,264	222,264
Total 4300 - Royalties, Rent & Product Sales	<u>55,566</u>	<u>55,566</u>	<u>222,264</u>	<u>222,264</u>	<u>222,264</u>
Total Income	<u>55,566</u>	<u>55,566</u>	<u>222,264</u>	<u>222,264</u>	<u>222,264</u>
<b>Expense</b>					
5600 - Professional Fees					
5620 - Audit & Tax Services	4,000	0	20,978	5,500	5,500
5630 - Accounting Services	0	4,500	7,756	18,000	18,000
Total 5600 - Professional Fees	<u>4,000</u>	<u>4,500</u>	<u>28,734</u>	<u>23,500</u>	<u>23,500</u>
5900 - Office Costs					
5970 - Bank & Credit Card Fees	0	0	36	0	0
Total 5900 - Office Costs	<u>0</u>	<u>0</u>	<u>36</u>	<u>0</u>	<u>0</u>
6100 - Facility Costs					
6120 - Utilities	0	0	0	0	0
6130 - Building Maintenance & Repair	0	0	0	0	0
6155 - Trash Service	0	0	0	0	0
6180 - Property Taxes	0	0	0	0	0
6510 - Amortization	8,900	0	8,901	0	0
6520 - Depreciation Expense	283,566	61,800	468,849	247,200	247,200
Total 6100 - Facility Costs	<u>292,466</u>	<u>61,800</u>	<u>477,750</u>	<u>247,200</u>	<u>247,200</u>
Total Expense	<u>296,466</u>	<u>66,300</u>	<u>506,520</u>	<u>270,700</u>	<u>270,700</u>
<b>Other Income/Expense</b>					
Other Expense					
8000 - Interest Expense	5,474	55,713	121,131	177,500	177,500
8050 - Other Loan Costs	3,160	0	3,160	0	0
Total Other Expense	<u>8,634</u>	<u>55,713</u>	<u>124,291</u>	<u>177,500</u>	<u>177,500</u>
Net Other Income (Expense)	<u>(8,634)</u>	<u>(55,713)</u>	<u>(124,291)</u>	<u>(177,500)</u>	<u>(177,500)</u>
<b>Net Income (Loss)</b>	<b><u>(249,534)</u></b>	<b><u>(66,447)</u></b>	<b><u>(408,547)</u></b>	<b><u>(225,936)</u></b>	<b><u>(225,936)</u></b>

143 and 143 LLC (P-ship)  
Statement of Cash Flows  
Year To Date 12/31/2018

OPERATING ACTIVITIES

Net Income	(408,547)
Adjustments to reconcile Net Income to net cash provided by operations	
1200 - Accounts Receivable	(168,618)
1206 - Due From 143 MT	(76,849)
1240 - Rent Receivable	1,100
1310 - Prepaid Expense	5,118
2010 - Accounts Payable	(347,951)
2030 - Accrued Property Taxes	(17,500)
2040 - Accrued Payables	(100,358)
2210 - Due to IAR	168,379
Net cash provided by Operating Activities	(945,226)

INVESTING ACTIVITIES

1622 - Building Improvements-143 general	(4,800,691)
1630 - Furniture, Fixtures & Equipmen	(13,322)
1635 - Construction in Progress	2,965,419
1671 - Accum. Depreciation - Building	70,460
1672 - Accum. Depreciation - Improvem	396,946
1673 - Accum. Depreciation - Furn & Equip	1,443
Net Cash provided by Investing Activities	(1,379,745)

FINANCING ACTIVITIES

2045 - Accrued Interest Payable	45,844
1710 - Direct Lease Cost	69,055
1712 - Lease Cost Amortization	(10,687)
1715 - Capitalized Loan Costs	(3,626)
1716 - Accum Amort - Capitalized Loan Costs	8,901
2039 - Note Payable	674,270
2810 - Construction Loan Payable	1,604,294
3300 - Member Capital - 143 MT	(3,788)
Net cash provided by Financing Activities	2,384,263

Net cash change for period	59,292
Cash at beginning of period	11,165
Cash at end of period	60,254

**One Forty Three LLC**  
**Historical and Budgeted Financial Statements**  
**Selected Information**  
**For the quarter and year ended 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 September 30, 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 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.