

One Forty Three Entities – Combined

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

December 2019

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 \$53,000 during the month with an ending balance of \$295,000.
- Accounts receivable increased by \$25,000 due to construction costs billed to sixth floor tenant per terms of the lease agreement. Ending balance of \$39,000 in accounts receivable also includes December 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 increased by \$2,000 with an ending balance of \$6,000 which represents various building service contracts 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 \$13,000 due to electrical costs for Creole Room, lighting updates and capitalized interest per the 2019 audit.
- Accumulated depreciation increased by \$64,000 for depreciation expense recorded for the month and reconciled to fixed asset schedule at year end.
- Direct lease costs increased by \$9,000 due to commission paid for 6th floor tenant which will be amortized over the life of the lease.
- Accounts Payable decreased by \$41,000 with an ending balance of \$31,000 – decrease is due to payment of invoices for Ratio, Comfort Systems and Rubin Brown (tax return and cost certification fees).
- Note Payable (to IAR) remained unchanged with an ending balance of \$1,749,000.
- Accrued Interest Payable (to IAR) increased by \$6,000 due to interest on notes payable for the month with an ending balance of \$119,000.
- Amounts Due to IAR increased by \$1,300 with an ending balance of \$823,000 – increase is for insurance costs paid by IAR.
- Construction Loan Payable decreased by \$8,000 due to loan payments made during the month. Ending loan balance was \$3,031,000.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for December was (\$816,000) compared to budgeted net income of \$13,000 – under budget due to reclassification of tax credit installment #2 of \$668,000 from income to member's equity as part of the year end audit adjustments, and also due to depreciation/amortization expense of \$118,000 not included in the 2019 budget.
 - Net loss for December consisted of Net Loss from Operations of (\$131,000) and Net Other Income (Expense) of (\$685,000)
- Net loss for the year was (\$926,000) compared to budgeted net loss of (\$19,000).
 - Net loss for the year consisted of Net Loss from Operations of (\$714,000) and Net Other Income (Expense) of (\$213,000)
 - i. Net Loss from Operations for 2019 includes depreciation/amortization expense of \$857,000, which was not included in the 2019 budget
- Rent income for the month was \$53,000 vs budget of \$64,000 – under budget by \$11,000 (17%) due to the budget including twelve months of rent for floors 6 and 7, however actual rent only included a portion of 6th floor, with remainder of 6 and all of floor 7 not yet rented.
 - Rent income for 2019 was \$606,000 vs budget of \$676,000 – under budget by \$70,000 (10%) for same reason as stated above.
- Total operating expenses for the month were \$184,000 and were above the monthly budget of \$35,000 by \$149,000 – mostly due to depreciation/amortization expense recorded but not budgeted in the amount of \$118,000 and property tax expense of \$37,000 which was not included in the December budget as this was a year end audit adjustment.
- Total operating expenses for 2019 were \$1,320,000 and were above the annual budget of \$503,000 by \$818,000 – mostly due to depreciation/amortization expense recorded but not budgeted in the amount of \$857,000.
 - Excluding depreciation expense, 2019 operating expenses were \$463,000 - under budget by \$39,000 or 8%
- Interest expense for the month was \$8,000 vs budgeted expense of \$16,000 –under budget by \$7,000 (44%) due to 2019 interest costs capitalized as part of the annual audit.
 - Interest expense for 2019 was \$204,000 vs budgeted expense of \$192,000 – over budget by \$12,500 (7%).

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

December 31, 2019

	12/31/2019	11/30/2019	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	28,591	14,890	13,701
1034 - 143 LLC Checking-ONB	50,693	78,412	(27,719)
1035 - 143 MT Checking-ONB	9,530	48,258	(38,728)
1036 - 143 MT - Building Reserve Acct	206,225	206,214	11
Total Checking/Savings	295,039	347,774	(52,735)
Other Current Assets			
1200 - Accounts Receivable	39,227	13,702	25,525
1310 - Prepaid Expense	6,115	4,211	1,904
1350 - Other Deposits	3,075	3,075	0
Total Other Current Assets	48,417	20,988	27,429
Total Current Assets	343,456	368,762	(25,306)
Fixed Assets			
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	7,008,908	7,022,052	(13,144)
1630 - Furniture, Fixtures & Equipmen	30,452	30,453	(1)
Total 1605 - Land, Buildings & Equipment	9,968,577	9,981,722	(13,145)
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(289,533)	(283,665)	(5,868)
1672 - Accum. Depreciation - Improvem	(1,151,640)	(1,094,388)	(57,252)
1673 - Accum. Depreciation - Furn & Equip	(5,474)	(3,885)	(1,589)
Total 1655 - Accumulated Depreciation	(1,446,647)	(1,381,938)	(64,709)
Total Fixed Assets	8,521,930	8,599,784	(77,854)
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	236,576	9,229
1712 - Lease Cost Amortization	(54,408)	(52,163)	(2,245)
1715 - Capitalized Loan Costs	267,900	267,900	0
1716 - Accum Amort-Capitalized Loan Costs	(62,451)	(8,900)	(53,551)
Total 1700 - Capitalized Loan and Lease Costs	396,846	443,413	(46,567)
Total Other Assets	396,846	443,413	(46,567)
Total ASSETS	9,262,232	9,411,959	(149,727)

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

December 31, 2019

	12/31/2019	11/30/2019	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	30,789	71,428	(40,639)
2030 - Accrued Property Taxes	37,000	0	37,000
2039 - Note Payable	1,749,240	1,749,239	1
2045 - Accrued Interest Payable	118,949	113,267	5,682
Total Current Liabilities	<u>1,935,978</u>	<u>1,933,934</u>	2,044
Other Liabilities			
2210 - Due to IAR	822,586	821,193	1,393
2810 - Construction Loan Payable	3,031,415	3,039,904	(8,489)
Total - Other Liabilities	<u>3,854,001</u>	<u>3,861,097</u>	(7,096)
Total Liabilities	<u>5,789,979</u>	<u>5,795,031</u>	(5,052)
EQUITY	3,472,253	3,616,928	(144,675)
Total LIABILITIES & EQUITY	<u>9,262,232</u>	<u>9,411,959</u>	<u>(149,727)</u>

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

For the one month and year ended December 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	63,800	605,949	675,537	675,537	438,320
4900 - Other Income	0	0	410	0	0	137
Total Income	53,076	63,800	606,359	675,537	675,537	438,457
Expense						
5600 - Professional Fees						
5620 - Audit & Tax Services	0	0	28,800	37,500	37,500	43,853
5630 - Accounting Services	1,707	1,500	31,402	32,664	32,664	29,050
Total 5600 - Professional Fees	1,707	1,500	60,202	70,164	70,164	72,903
5900 - Office Costs						
5910 - Telephone	0	87	0	1,000	1,000	647
5960 - Licenses and Fees	(3,693)	0	2,259	0	0	0
5970 - Bank & Credit Card Fees	32	0	290	0	0	86
5980 - Miscellaneous	0	0	0	0	0	0
Total 5900 - Office Costs	(3,661)	87	2,549	1,000	1,000	733
6100 - Facility Costs						
6112 - Property Management	5,952	4,000	45,952	48,000	48,000	48,000
6120 - Utilities	6,757	14,891	123,324	178,703	178,703	125,524
6130 - Building Maintenance & Repair	11,011	6,250	86,715	75,000	75,000	77,279
6140 - Grounds Maintenance	0	0	3,418	0	0	0
6150 - Janitorial-cleaning & supplies	2,955	3,750	34,425	45,000	45,000	34,685
6155 - Trash Service	391	500	4,658	6,000	6,000	4,809
6160 - Pest Control	82	83	410	1,000	1,000	385
6165 - Marketing Expenses	0	0	0	750	750	0
6170 - Property Insurance	1,394	1,663	16,722	20,000	20,000	15,559
6180 - Property Taxes	37,000	0	58,028	32,000	32,000	30,251
6510 - Amortization	53,550	0	53,550	0	0	8,900
6520 - Depreciation Expense	64,710	0	803,337	0	0	468,849
6700 - Leasing Commissions	2,245	2,083	26,940	25,000	25,000	16,781
6260 - Building Advertising/Marketing	0	0	0	0	0	625
Total 6100 - Facility Costs	186,047	33,220	1,257,479	431,453	431,453	831,647
Total Expense	184,093	34,807	1,320,230	502,617	502,617	905,283
Net Income (Loss) from Operations	(131,017)	28,993	(713,871)	172,920	172,920	(466,826)

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

For the one month and year ended December 31, 2019

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Other Income/Expense						
Other Income						
4600 - Gain/Loss on Disposal of Fixed Assets	(8,135)	0	(8,135)	0	0	0
4800 - Investment Income						
4810 - Interest & Dividend Income	11	0	33	0	0	0
4850 - Other Income - Tax Credits	(667,917)	0	0	0	0	0
Total 4800 - Investment Income	(667,906)	0	33	0	0	0
Total Other Income	(676,041)	0	(8,102)	0	0	0
Other Expense						
8000 - Interest Expense	8,878	15,993	204,477	191,921	191,921	121,132
8050 - Other Loan Costs	0	0	0	0	0	3,160
Total Other Expense	8,878	15,993	204,477	191,921	191,921	124,292
Net Other Income (Expense)	(684,919)	(15,993)	(212,579)	(191,921)	(191,921)	(124,292)
Net Income (Loss)	(815,936)	13,000	(926,450)	(19,001)	(19,001)	(591,118)

One Forty Three Entities - Combined
(Includes One Forty Three LLC, One Forty Three MT LLC, One Forty Three MM LLC)
Historical Financial Statements
Selected Information
For the one month and year ended December 31, 2019

The accompanying historical combined 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 combined financial statements include the following departures from accounting principles generally accepted in the United States of America:

- The financial statements omit the statement of functional expense, 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/or state income tax provision.
- The Statements of Activities do not report changes in members' capital (equity) in accordance with GAAP.
- The term Net Income (Loss) in the financial statements represents Change in Members' Capital (Equity). Terminology is a limitation of software reporting.

The effects of these departures have not been determined.

Additional Information

- The Balance Sheet includes a comparison with the month ended November 30, 2019 for additional meaningful data for management.