

One Forty Three Entities – Combined

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

August 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 \$97,500 during the month with an ending balance of \$472,000. Decrease is due mainly to building repairs and improvements.
- Accounts receivable remained unchanged with an ending balance of \$13,700 which represents August 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 \$13,000 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.
- Fixed assets increased by \$78,000 due to plumbing upgrades to the building of \$52,000 and demolition of the 7th floor for \$26,000 to be ready for tenant build out when leased in the future.
- Accumulated depreciation increased by \$67,000 for estimated depreciation expense recorded for the month.
- Direct Lease Costs remained unchanged and the related accumulated amortization increased by \$2,400.
- Capitalized Loan Costs decreased by \$196,000 due to the write off of 2017 loan costs of \$269,000 net of additional new loan costs of \$74,000 as the building mortgage refinancing closed in August. The related accumulated amortization decreased by \$93,000 with an ending balance of \$600.
- Accounts Payable increased slightly with an ending balance of \$4,000.
- 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 \$164,000.
- Amounts Due to IAR increased by \$48,000 due to a portion of the capitalized loan costs noted above being paid by IAR. Ending balance was \$891,000.
- Construction Loan Payable-ONB was paid off during the month with the refinancing of the mortgage with Regions Bank.
- Mortgage Loan Payable-Regions is a new liability account on the balance sheet due to the refinancing and has a balance of \$3,000,000 with a term of 10 years based on 15-year amortization and fixed rate of 3.75%.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for August was (\$275,000) compared to budgeted net loss of (\$62,000).
 - Net loss for August consisted of Net Loss from Operations of (\$245,000) and Net Other Income (Expense) of (\$29,000)
- Net loss YTD was (\$752,000) compared to budgeted net loss of (\$625,000).
 - Net loss YTD consisted of Net Loss from Operations of (\$600,000) and Net Other Income (Expense) of (\$152,000)
- Rent income for the month was \$56,000 and was below the monthly budget of \$66,000 by \$10,500 or 16% due to 7th floor rental income included in the budget for August thru Dec but not yet leased.
- Rent income YTD was \$432,000 and was below the YTD budget of \$451,000 by \$18,500 or 4% due to the same reason as above.
- Total operating expenses for the month were \$301,000 and were above the monthly budget of \$110,000 by \$191,000 or 174% – mostly due to fully amortizing the remaining 2017 loan costs of \$174,000 due to the loan closing for the new mortgage. The new loan costs will be amortized over the 10-year period of the new loan.
- Total YTD operating expenses were \$1,033,000 and were above the YTD budget of \$932,000 by \$100,000 or 11% – mostly due to the same reason as noted above.
- Interest expense for the month was \$29,000 and was above the monthly budget of \$18,000 by \$11,000 or 64% due to interest paid at closing for the new mortgage.
- Interest expense YTD was \$152,000 and was above the YTD budget of \$144,000 by \$8,000 or 6%, also due to interest paid at closing for the new mortgage. By year end, interest expense should be in line, or slightly below, the annual budget amount.

One Forty Three Entities - Combined
Balance Sheet
August 31, 2020

	08/31/20	07/31/20	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	118,563	104,861	13,702
1034 - 143 LLC Checking-ONB	90,282	170,082	(79,800)
1035 - 143 MT Checking-ONB	39,520	71,005	(31,485)
1036 - 143 MT - Building Reserve Acct	206,290	206,281	9
1037 - 143 LLC Checking-CIBM	16,663	16,663	-
1038 - 143 MT Checking-Regions	200	200	-
1039 - 143 MT Oper Reserve-Regions	200	200	-
Total Checking/Savings	<u>471,718</u>	<u>569,292</u>	<u>(97,574)</u>
Other Current Assets			
1200 - Accounts Receivable	13,701	13,701	-
1310 - Prepaid Expense	12,689	14,050	(1,361)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	<u>29,465</u>	<u>30,826</u>	<u>(1,361)</u>
Total Current Assets	<u>501,183</u>	<u>600,118</u>	<u>(98,935)</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	7,112,883	7,060,757	52,126
1630 - Furniture, Fixtures & Equipmen	30,452	30,452	-
1635 - Construction in Progress	32,477	6,300	26,177
Total 1605 - Land, Buildings & Equipment	<u>10,105,029</u>	<u>10,026,726</u>	<u>78,303</u>
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(336,509)	(330,637)	(5,872)
1672 - Accum. Depreciation - Improvem	(1,637,656)	(1,576,904)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(8,746)	(8,337)	(409)
Total 1655 - Accumulated Depreciation	<u>(1,982,911)</u>	<u>(1,915,878)</u>	<u>(67,033)</u>
Total Fixed Assets	<u>8,122,118</u>	<u>8,110,848</u>	<u>11,270</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(73,600)	(71,202)	(2,398)
1715 - Capitalized Loan Costs	74,479	270,200	(195,721)
1716 - Accum Amort-Capitalized Loan Costs	(601)	(93,705)	93,104
Total Other Assets	<u>246,083</u>	<u>351,098</u>	<u>(105,015)</u>
Total ASSETS	<u>8,869,384</u>	<u>9,062,064</u>	<u>(192,680)</u>

One Forty Three Entities - Combined
Balance Sheet
August 31, 2020

	08/31/20	07/31/20	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	4,212	3,370	842
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	164,410	158,728	5,682
Total Current Liabilities	1,954,862	1,948,338	6,524
Other Liabilities			
2210 - Due to IAR	890,829	842,942	47,887
2810 - Construction Loan Payable-ONB	-	2,972,246	(2,972,246)
2820 - Mortgage Loan Payable-Regions	3,000,000	-	3,000,000
Total - Other Liabilities	3,890,829	3,815,188	75,641
Total Liabilities	5,845,691	5,763,526	82,165
EQUITY	3,023,693	3,298,538	(274,845)
Total LIABILITIES & EQUITY	8,869,384	9,062,064	(192,680)

One Forty Three Entities - Combined
Statements of Activities - Budget vs Actual

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

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Income						
4700 - Building Rental Income-tenants	55,584	66,111	432,129	450,678	715,120	396,473
4900 - Other Income	-	-	-	-	-	411
Total Income	55,584	66,111	432,129	450,678	715,120	396,884
Expense						
5000 - Personnel Costs						
5010 - Compensation	685	667	5,480	5,336	8,000	-
5160 - Payroll Taxes	64	62	512	496	750	-
Total 5000 - Personnel Costs	749	729	5,992	5,832	8,750	-
5600 - Professional Fees						
5620 - Audit & Tax Services	10,500	-	21,975	34,250	34,250	10,750
5630 - Accounting Services	24	2,666	20,799	21,328	32,000	23,704
Total 5600 - Professional Fees	10,524	2,666	42,774	55,578	66,250	34,454
5900 - Office Costs						
5970 - Bank & Credit Card Fees	16	17	254	136	200	129
5980 - Miscellaneous	-	-	-	-	-	-
Total 5900 - Office Costs	16	17	254	136	200	129
6100 - Facility Costs						
6112 - Property Management	5,952	3,750	26,784	30,000	45,000	28,000
6120 - Utilities	10,457	15,000	86,769	120,000	180,000	93,859
6130 - Building Maintenance & Repair	23,494	6,667	48,987	53,336	80,000	63,477
6140 - Grounds Maintenance	321	417	2,572	3,336	5,000	2,735
6150 - Janitorial-cleaning & supplies	3,298	3,583	24,366	28,664	43,000	21,876
6155 - Trash Service	390	500	3,126	4,000	6,000	3,098
6160 - Pest Control	41	83	198	664	1,000	246

One Forty Three Entities - Combined
Statements of Activities - Budget vs Actual

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

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
6165 - Marketing Expenses	-	62	-	496	750	-
6170 - Property Insurance	1,554	1,667	12,425	13,336	20,000	11,148
6180 - Property Taxes	-	-	16,803	19,500	39,000	18,514
6510 - Amortization	174,795	4,450	206,051	35,600	53,401	-
6520 - Depreciation Expense	67,033	67,917	536,264	543,336	815,000	537,183
6700 - Leasing Commissions	2,399	2,320	19,192	18,560	27,842	17,960
Total 6100 - Facility Costs	289,734	106,416	983,537	870,828	1,315,993	798,096
Total Expense	301,023	109,828	1,032,557	932,374	1,391,193	832,679
Net Income (Loss) from Operations	(245,439)	(43,717)	(600,428)	(481,696)	(676,073)	(435,795)
Other Income/Expense						
Other Income						
4810 - Interest & Dividend Income	8	-	69	-	-	-
Total Other Income	8	-	69	-	-	-
Other Expense						
8000 - Interest Expense	29,413	17,966	151,905	143,728	215,592	142,234
Total Other Expense	29,413	17,966	151,905	143,728	215,592	142,234
Net Other Income (Expense)	(29,405)	(17,966)	(151,836)	(143,728)	(215,592)	(142,234)
Net Income (Loss)	(274,844)	(61,683)	(752,264)	(625,424)	(891,665)	(578,029)