

One Forty Three Entities – Combined

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

February 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 \$23,000 during the month with an ending balance of \$306,000.
- Accounts receivable remained unchanged with an ending balance of \$39,000 which represents the following:
 - February 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 \$3,000 with an ending balance of \$30,000 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.
- Construction in Progress increased by \$6,300 due to fee paid to JK Solutions to manage the build out of sixth floor for BOKF. This will be moved to Building Improvements when the build out is completed.
- Accumulated depreciation increased by \$67,000 for estimated depreciation expense recorded for the month.
- Capitalized loan costs decreased by \$4,000 due to check cut in prior month for loan closing which was voided.
- 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 \$38,000 with an ending balance of \$59,000 – increase is due to 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 \$130,000.
- Amounts Due to IAR increased by \$750 with an ending balance of \$843,000 – increase is for allocation of staff costs from IAR.
- Construction Loan Payable decreased by \$8,000 due to loan payments made during the month. Ending loan balance was \$3,015,000.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for February was (\$88,000) compared to budgeted net loss of (\$85,000).
 - Net loss for February consisted of Net Loss from Operations of (\$70,000) and Net Other Income (Expense) of (\$18,000)
- Net loss YTD was (\$151,000) compared to budgeted net loss of (\$159,000).
 - Net loss YTD consisted of Net Loss from Operations of (\$116,000) and Net Other Income (Expense) of (\$36,000)
- Rent income-tenants for the month was \$53,000 and YTD was \$106,000 – both were right in line with budget.
- Total operating expenses for the month were \$123,000 and were above the monthly budget of \$120,000 by \$3,000 or 3% – mostly due to repairs and maintenance expenses, some of which might be reclassified to fixed assets when further detail is received from JK Solutions.
- Total YTD operating expenses were \$222,000 and were below the YTD budget of \$230,000 by \$8,000 or 3% – mostly due to utilities expense.
- Interest expense for the month was \$18,000 and YTD was \$36,000 – both were right in line with budget.

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

February 29, 2020

	02/29/20	01/31/20	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	1,188	14,890	(13,702)
1034 - 143 LLC Checking-ONB	28,161	25,570	2,591
1035 - 143 MT Checking-ONB	51,411	16,961	34,450
1036 - 143 MT - Building Reserve Acct	206,245	206,235	10
1037 - 143 LLC Checking-CIBM	18,985	19,000	(15)
Total Checking/Savings	305,990	282,656	23,334
Other Current Assets			
1200 - Accounts Receivable	39,226	39,227	(1)
1310 - Prepaid Expense	29,537	32,529	(2,992)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	71,838	74,831	(2,993)
Total Current Assets	377,828	357,487	20,341
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	9,974,877	9,968,577	6,300
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(301,278)	(295,405)	(5,873)
1672 - Accum. Depreciation - Improvem	(1,273,144)	(1,212,392)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(6,292)	(5,883)	(409)
Total 1655 - Accumulated Depreciation	(1,580,714)	(1,513,680)	(67,034)
Total Fixed Assets	8,394,163	8,454,897	(60,734)
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(59,206)	(56,807)	(2,399)
1715 - Capitalized Loan Costs	267,900	272,275	(4,375)
1716 - Accum Amort-Capitalized Loan Costs	(71,380)	(66,915)	(4,465)
Total Other Assets	383,119	394,358	(11,239)
Total ASSETS	9,155,110	9,206,742	(51,632)

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

February 29, 2020

	02/29/20	01/31/20	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	59,819	22,100	37,719
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	130,315	124,631	5,684
Total Current Liabilities	1,976,374	1,932,971	43,403
Other Liabilities			
2210 - Due to IAR	842,722	841,974	748
2810 - Construction Loan Payable	3,015,121	3,023,284	(8,163)
Total - Other Liabilities	3,857,843	3,865,258	(7,415)
Total Liabilities	5,834,217	5,798,229	35,988
EQUITY			
	3,320,893	3,408,513	(87,620)
Total LIABILITIES & EQUITY	9,155,110	9,206,742	(51,632)

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

For the one and two months ended February 29, 2020 and the year ending December 31, 2019
(with comparative totals for the two months ended February 28, 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	106,151	106,152	715,120	97,579
4900 - Other Income	-	-	-	-	-	137
Total Income	53,076	53,076	106,151	106,152	715,120	97,716
Expense						
5000 - Personnel Costs						
5010 - Compensation	685	667	1,370	1,334	8,000	-
5160 - Payroll Taxes	64	62	128	124	750	-
Total 5000 - Personnel Costs	749	729	1,498	1,458	8,750	-
5600 - Professional Fees						
5620 - Audit & Tax Services	8,325	10,000	8,325	10,000	34,250	8,250
5630 - Accounting Services	4,596	2,666	8,087	5,332	32,000	5,729
Total 5600 - Professional Fees	12,921	12,666	16,412	15,332	66,250	13,979
5900 - Office Costs						
5970 - Bank & Credit Card Fees	85	17	117	34	200	32
Total 5900 - Office Costs	85	17	117	34	200	32
6100 - Facility Costs						
6112 - Property Management	2,976	3,750	5,952	7,500	45,000	4,000
6120 - Utilities	2,213	15,000	12,154	30,000	180,000	29,760
6130 - Building Maintenance & Repair	25,197	6,667	27,980	13,334	80,000	5,657
6140 - Grounds Maintenance	-	417	-	834	5,000	684
6150 - Janitorial-cleaning & supplies	2,895	3,583	6,087	7,166	43,000	5,863
6155 - Trash Service	391	500	781	1,000	6,000	775
6160 - Pest Control	41	83	41	166	1,000	82
6165 - Marketing Expenses	-	62	-	124	750	-
6170 - Property Insurance	1,553	1,667	3,107	3,334	20,000	2,787
6180 - Property Taxes	-	-	-	-	39,000	-
6510 - Amortization	4,465	4,450	8,930	8,900	53,401	-
6520 - Depreciation Expense	67,033	67,917	134,066	135,834	815,000	-
6700 - Leasing Commissions	2,399	2,320	4,798	4,640	27,842	-

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

For the one and two months ended February 29, 2020 and the year ending December 31, 2019
(with comparative totals for the two months ended February 28, 2019)

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
Total 6100 - Facility Costs	109,163	106,416	203,896	212,832	1,315,993	49,608
Total Expense	122,918	119,828	221,923	229,656	1,391,193	63,619
Net Income (Loss) from Operations	(69,842)	(66,752)	(115,772)	(123,504)	(676,073)	34,097
Other Income/Expense						
Other Income						
4810 - Interest & Dividend Income	10	-	21	-	-	-
Total Other Income	10	-	21	-	-	-
Other Expense						
8000 - Interest Expense	17,788	17,966	35,610	35,932	215,592	35,772
Total Other Expense	17,788	17,966	35,610	35,932	215,592	35,772
Net Other Income (Expense)	(17,778)	(17,966)	(35,589)	(35,932)	(215,592)	(35,772)
Net Income (Loss)	(87,620)	(84,718)	(151,361)	(159,436)	(891,665)	(1,675)

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 two months ended February 29, 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 January 31, 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.