

One Forty Three Entities – Combined

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

September 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 \$17,000 during the month with an ending balance of \$455,000. Decrease is due mainly to 143 LLC's portion of 6th floor tenant build out.
- Accounts receivable remained unchanged with an ending balance of \$13,700 which represents September 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 slightly 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 costs incurred for 6th floor tenant build out and replacement of 1st floor windows and marble sill.
- 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 remained unchanged and the related accumulated amortization increased by \$550 with an ending balance of \$1,000.
- Accounts Payable increased by \$12,000 with an ending balance of \$16,000.
- 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 \$170,000.
- Amounts Due to IAR remained unchanged with an ending balance of \$891,000.
- Mortgage Loan Payable-Regions remained unchanged with an ending balance of \$3,000,000. The first payment on this loan is due October 1, 2020.

EXECUTIVE SUMMARY (continued)

Combined Statement of Activities

- Net loss for September was (\$29,000) compared to budgeted net loss of (\$62,000).
 - Net loss for September consisted of Net Loss from Operations of (\$24,000) and Net Other Income (Expense) of (\$5,000)
- Net loss YTD was (\$781,000) compared to budgeted net loss of (\$687,000).
 - Net loss YTD consisted of Net Loss from Operations of (\$625,000) and Net Other Income (Expense) of (\$157,000)
- 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 but not yet leased.
- Rent income YTD was \$488,000 and was below the YTD budget of \$517,000 by \$29,000 or 6% due to the same reason as above.
- Insurance proceeds of \$20,000 were received during the month and coded to Other Income. These proceeds have been deposited into the Building Reserve account to be used for first floor storefront frames in the future. Due to the rioting damage, holes were drilled into the current storefront frames which were new with the occupancy of the building. The insurance proceeds will be used to replace the frames if or when they leak through the holes that were drilled.
 - Other insurance proceeds have also been received in the current year and have been used to offset the replacement cost of those repairs/improvements.
- Total operating expenses for the month were \$100,000 and were below the monthly budget of \$110,000 by \$10,000 or 9%.
 - Property management expense for September was zero due to September being included in the prior month expenses.
- Total YTD operating expenses were \$1,132,000 and were above the YTD budget of \$1,042,000 by \$90,000 or 9% – mostly due to fully amortizing the remaining 2017 loan costs of \$174,000 due to the new mortgage closed in August. Costs associated with the new mortgage will be amortized over the 10-year period of the new loan.
- Interest expense for the month was \$5,000 and was below the monthly budget of \$18,000 by \$13,000 or 73%. Interest expense was over budget in the prior month due to interest paid at closing for the new mortgage, and we skipped a payment in September as the first payment on the new loan is not due until October 1.
- Interest expense YTD was \$157,000 and was below the YTD budget of \$162,000 by \$5,000 or 3%. Due to restructuring the building loan at a lower interest rate, it is expected that interest expense will be under budget for the year by approximately \$20,000.

**One Forty Three Entities - Combined
Balance Sheet**

September 30, 2020

	09/30/20	08/31/20	Difference
ASSETS			
Current Assets			
Checking/Savings			
1026 - 143 LLC Checking-Regions	32,304	118,563	(86,259)
1034 - 143 LLC Checking-ONB	51,368	90,282	(38,914)
1035 - 143 MT Checking-ONB	9,536	39,520	(29,984)
1036 - 143 MT - Building Reserve Acct	206,296	206,290	6
1037 - 143 LLC Checking-CIBM	16,663	16,663	-
1038 - 143 MT Checking-Regions	118,336	200	118,136
1039 - 143 MT Oper Reserve-Regions	20,220	200	20,020
Total Checking/Savings	<u>454,723</u>	<u>471,718</u>	<u>(16,995)</u>
Other Current Assets			
1200 - Accounts Receivable	13,701	13,701	-
1310 - Prepaid Expense	12,672	12,689	(17)
1350 - Other Deposits	3,075	3,075	-
Total Other Current Assets	<u>29,448</u>	<u>29,465</u>	<u>(17)</u>
Total Current Assets	<u>484,171</u>	<u>501,183</u>	<u>(17,012)</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	7,197,535	7,112,883	84,652
1630 - Furniture, Fixtures & Equipmen	30,452	30,452	-
1635 - Construction in Progress	26,178	32,477	(6,299)
Total 1605 - Land, Buildings & Equipment	<u>10,183,382</u>	<u>10,105,029</u>	<u>78,353</u>
1655 - Accumulated Depreciation			
1671 - Accum. Depreciation - Building	(342,381)	(336,509)	(5,872)
1672 - Accum. Depreciation - Improvem	(1,698,408)	(1,637,656)	(60,752)
1673 - Accum. Depreciation - Furn & Equip	(9,155)	(8,746)	(409)
Total 1655 - Accumulated Depreciation	<u>(2,049,944)</u>	<u>(1,982,911)</u>	<u>(67,033)</u>
Total Fixed Assets	<u>8,133,438</u>	<u>8,122,118</u>	<u>11,320</u>
Other Assets			
1700 - Capitalized Loan and Lease Costs			
1710 - Direct Lease Cost	245,805	245,805	-
1712 - Lease Cost Amortization	(75,999)	(73,600)	(2,399)
1715 - Capitalized Loan Costs	74,479	74,479	-
1716 - Accum Amort-Capitalized Loan Costs	(1,149)	(601)	(548)
Total Other Assets	<u>243,136</u>	<u>246,083</u>	<u>(2,947)</u>
Total ASSETS	<u>8,860,745</u>	<u>8,869,384</u>	<u>(8,639)</u>

One Forty Three Entities - Combined
Balance Sheet
September 30, 2020

	09/30/20	08/31/20	Difference
LIABILITIES & EQUITY			
Liabilities			
Current Liabilities			
2010 - Accounts Payable	16,474	4,212	12,262
2030 - Accrued Property Taxes	37,000	37,000	-
2039 - Note Payable	1,749,240	1,749,240	-
2045 - Accrued Interest Payable	170,094	164,410	5,684
2420 - Misc Prepaid Receipts	2,508	-	2,508
Total Current Liabilities	1,975,316	1,954,862	20,454
Other Liabilities			
2210 - Due to IAR	890,829	890,829	-
2820 - Mortgage Loan Payable-Regions	3,000,000	3,000,000	-
Total - Other Liabilities	3,890,829	3,890,829	-
Total Liabilities	5,866,145	5,845,691	20,454
EQUITY	2,994,600	3,023,693	(29,093)
Total LIABILITIES & EQUITY	8,860,745	8,869,384	(8,639)

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

For the one and nine months ended September 30, 2020 and the year ending December 31, 2020
(with comparative totals for the nine months ended September 30, 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	487,713	516,789	715,120	446,722
4900 - Other Income	20,019	-	20,019	-	-	411
Total Income	75,603	66,111	507,732	516,789	715,120	447,133
Expense						
5000 - Personnel Costs						
5010 - Compensation	685	667	6,165	6,003	8,000	-
5160 - Payroll Taxes	64	62	576	558	750	-
Total 5000 - Personnel Costs	749	729	6,741	6,561	8,750	-
5600 - Professional Fees						
5620 - Audit & Tax Services	-	-	21,975	34,250	34,250	10,750
5630 - Accounting Services	215	2,666	21,014	23,994	32,000	25,572
Total 5600 - Professional Fees	215	2,666	42,989	58,244	66,250	36,322
5900 - Office Costs						
5960 - Licenses & Fees	-	-	-	-	-	5,953
5970 - Bank & Credit Card Fees	15	17	269	153	200	193
5980 - Miscellaneous	-	-	-	-	-	-
Total 5900 - Office Costs	15	17	269	153	200	6,146
6100 - Facility Costs						
6112 - Property Management	-	3,750	26,784	33,750	45,000	32,000
6120 - Utilities	9,536	15,000	96,305	135,000	180,000	104,088
6130 - Building Maintenance & Repair	13,824	6,667	62,811	60,003	80,000	65,504
6140 - Grounds Maintenance	321	417	2,893	3,753	5,000	3,077
6150 - Janitorial-cleaning & supplies	3,162	3,583	27,528	32,247	43,000	24,771
6155 - Trash Service	390	500	3,516	4,500	6,000	3,485

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

For the one and nine months ended September 30, 2020 and the year ending December 31, 2020
(with comparative totals for the nine months ended September 30, 2019)

	1 Month Actual	1 Month Budget	YTD Actual	YTD Budget	Annual Budget	Prior YTD Actual
6160 - Pest Control	41	83	239	747	1,000	246
6165 - Marketing Expenses	-	62	-	558	750	-
6170 - Property Insurance	1,554	1,667	13,979	15,003	20,000	12,542
6180 - Property Taxes	-	-	16,803	19,500	39,000	18,514
6510 - Amortization	547	4,450	206,599	40,050	53,401	-
6520 - Depreciation Expense	67,033	67,917	603,297	611,253	815,000	604,331
6700 - Leasing Commissions	2,399	2,320	21,591	20,880	27,842	20,205
Total 6100 - Facility Costs	98,807	106,416	1,082,345	977,244	1,315,993	888,763
Total Expense	99,786	109,828	1,132,344	1,042,202	1,391,193	931,231
Net Income (Loss) from Operations	(24,183)	(43,717)	(624,612)	(525,413)	(676,073)	(484,098)
Other Income/Expense						
Other Income						
4810 - Interest & Dividend Income	7	-	77	-	-	2
Total Other Income	7	-	77	-	-	2
Other Expense						
8000 - Interest Expense	4,917	17,966	156,821	161,694	215,592	160,187
Total Other Expense	4,917	17,966	156,821	161,694	215,592	160,187
Net Other Income (Expense)	(4,910)	(17,966)	(156,744)	(161,694)	(215,592)	(160,185)
Net Income (Loss)	(29,093)	(61,683)	(781,356)	(687,107)	(891,665)	(644,283)