

PALMETTO REAL ESTATE TRUST

To: Shareholders of Palmetto
Real Estate Trust

Dear Shareholders:

We are pleased to announce that your Trustees have declared a **.17 cents** per share cash dividend for the third quarter of 2022.

Current Trustees

S. Hunter Howard, Chairman
C. Laney Younts, Treasurer
Rudy Ables, Secretary
James Boling, Jr. Compensation Chair
Billy Huskey, Trustee
Nancy Hobor, Trustee
Bill Franks, Trustee

Auditors

Dixon Hughes Goodman, LLP

BALANCE SHEET		
September 30, 2022 and 2021		
ASSETS		
DEFERRED RENTAL PROPERTY	2022	2021
Land	\$3,099,615.06	\$3,099,615.06
Depreciable property	\$18,435,646.06	\$18,420,646.06
Personal Property	\$113,414.93	\$113,414.93
Less accumulated depreciation	\$11,696,683.84	\$11,273,001.35
Net developed real property	\$9,951,992.21	\$10,360,674.70
Cash	\$971,527.52	\$618,025.54
Restructure Account	\$1,875.57	\$1,875.57
Rents receivable	\$8,872.00	\$39,312.02
Deferred Rent	\$1,003.21	\$7,594.33
Schwab	\$193,851.06	\$172,630.06
Misc. Accounts Receivable	\$16,501.27	\$39.15
Prepaid Rent	-\$28,257.35	-\$24,004.30
Intangible asset	\$112,500.00	\$112,500.00
Prepaid Loan Expense	\$22,448.65	\$23,151.47
Accumulated Amortization	-\$113,460.00	-\$107,616.00
Undeveloped timberlands	\$14,864.20	\$14,864.20
Total Asset	\$11,153,718.34	\$11,219,046.74
LIABILITIES & EQUITY		
Liabilities		
Accounts payable & accrued expense	\$250,358.64	\$248,478.54
Security Deposits	\$68,555.00	\$66,805.00
Demand note payable	\$4,546,565.18	\$4,840,885.15
Provision for ICT	-\$2,437.57	-\$8,272.57
Total liabilities	\$4,863,041.25	\$5,147,896.12
Capital		
Shares of beneficial interest	\$1,770,006.00	\$1,770,006.00
5,000,000 Authorized		
1,770,006 issued and outstanding		
Dividends	-\$502,405.58	-\$412,545.32
Additional paid in capital	\$498,733.98	\$498,733.98
Retained Earnings	\$3,600,684.87	\$3,475,179.03
Net Income	\$923,657.82	\$739,776.93
Total Capital	\$6,290,677.09	\$6,071,150.62
Total liabilities & shareholders equi	\$11,153,718.34	\$11,219,046.74

Unaudited for management purposes only

STATEMENT OF INCOME AND UNDISTRIBUTED EARNINGS		
For the Nine Months ending September 30, and 2021		
	2022	2021
OPERATING REVENUES		
Rental Income	\$1,977,663.92	\$1,860,220.73
Miscellaneous income	\$0.00	\$0.00
Total operating revenue	\$1,977,663.92	\$1,860,220.73
Operating expenses		
Amortization	\$11,340.99	\$11,907.50
Amortization Expense	\$4,383.00	\$4,383.00
Depreciation	\$317,530.99	\$317,980.11
Insurance	\$45,755.80	\$40,128.66
Interest Expense	\$138,726.88	\$153,940.18
Repairs & Maintenance	\$103,677.04	\$171,628.06
Taxes-property & other	\$239,453.64	\$240,678.54
Utilities-other	\$20,905.23	\$23,402.21
Administrative Expenses	\$155,467.42	\$154,022.65
Bad Debts	\$2,720.00	-\$15,889.50
Total Operating Expenses	\$1,039,960.99	\$1,102,181.41
Net Operating Income	\$937,702.93	\$758,039.32
Other Income		
Dividend income	\$4,117.46	\$7,286.34
Interest Income	\$313.42	\$4.27
Gain on Sale		
Gain of Property Exchange		
Closing Costs		
Total Other Income	\$4,430.88	\$7,290.61
Income before taxes	\$942,133.81	\$765,329.93
Provision for Income Taxes	\$18,475.99	\$25,553.00
Net Income	\$923,657.82	\$739,776.93

Managing Agent

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Transfer Agent

Diane Nesmejanow