

PALMETTO REAL ESTATE TRUST

To: Shareholders of Palmetto Real Estate Trust

Dear Shareholders:

We are pleased to announce that your Trustees have declared a **.16 cents** per share cash dividend for the third quarter of 2023.

Current Trustees

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

Auditors

Forvis

BALANCE SHEET		
SEPTEMBER 2023 AND 2022		
ASSETS		
	2023	2022
DEFERRED RENTAL PROPERTY		
Land	\$3,099,615.06	\$3,099,615.06
Depreciable property	\$18,609,336.06	\$18,435,646.06
Personal Property	\$113,414.93	\$113,414.93
Less Accumulated Depreciation	-\$12,114,733.25	-\$11,696,683.84
Net Developed Real Property	<u>\$9,707,632.80</u>	<u>\$9,951,992.21</u>
Cash	\$949,032.17	\$971,527.52
Restructure Account	\$0.00	\$1,875.57
Rents receivable	\$46,580.00	\$8,872.00
Deferred Rent	\$12,285.95	\$1,003.21
Schwab	\$192,591.06	\$193,851.06
Misc. Accounts Receivable	\$3,237.32	\$16,501.27
Prepaid Rent	-\$50,748.76	-\$28,257.35
Intangible asset	\$112,500.00	\$112,500.00
Prepaid Loan Expense	\$24,393.37	\$22,448.65
Accumulated Amortization	-\$115,909.00	-\$113,460.00
Undeveloped timberlands	\$14,864.20	\$14,864.20
Total Assets	<u>\$10,896,459.11</u>	<u>\$11,153,718.34</u>
LIABILITIES & EQUITY		
Liabilities		
Accounts payable & accrued expenses	\$253,534.00	\$250,358.64
Security Deposits	\$79,551.70	\$68,555.00
Demand note payable	\$4,228,288.76	\$4,546,565.18
Provision for ICT	\$8,741.43	-\$2,437.57
Total Liabilities	<u>\$4,570,115.89</u>	<u>\$4,863,041.25</u>
Capital		
Shares of beneficial interest	\$1,770,006.00	\$1,770,006.00
5,000,000 Authorized		
1,770,006 issued and outstanding		
Dividends	-\$555,505.74	-\$502,405.58
Additional paid in capital	\$498,733.98	\$498,733.98
Retained Earnings	\$3,680,679.40	\$3,600,684.87
Net Income	\$932,429.58	\$923,657.82
Total Capital	<u>\$6,326,343.22</u>	<u>\$6,290,677.09</u>
Total Liabilities & Shareholders Equity	<u>\$10,896,459.11</u>	<u>\$11,153,718.34</u>

Unaudited for management purposes only

STATEMENT OF INCOME AND UNDISTRIBUTED EARNINGS		
For the Nine Months ending September 2023 and 2022		
	2023	2022
OPERATING REVENUES		
Rental Income	\$2,037,343.72	\$1,977,663.92
Miscellaneous income	\$0.00	\$0.00
Total Operating Revenue	<u>\$2,037,343.72</u>	<u>\$1,977,663.92</u>
OPERATING EXPENSES		
Amortization	\$4,423.95	\$11,340.99
Amortization Expense	\$3,409.00	\$4,383.00
Depreciation	\$312,948.98	\$317,530.99
Insurance	\$50,071.06	\$45,755.80
Interest Expense	\$128,397.74	\$138,726.88
Repairs & Maintenance	\$149,474.82	\$103,677.04
Taxes-property & other	\$237,654.00	\$239,453.64
Utilities-other	\$21,022.61	\$20,905.23
Administrative Expenses	\$161,286.66	\$155,467.42
Bad Debts	\$19,385.00	\$2,720.00
Total Operating Expenses	<u>\$1,088,073.82</u>	<u>\$1,039,960.99</u>
Net Operating Income	<u>\$949,269.90</u>	<u>\$937,702.93</u>
Other Income		
Dividend income	\$1,717.49	\$4,117.46
Interest income	\$17,457.79	\$313.42
Gain on Sale		
Gain of Property Exchange		
Closing Costs		
Total Other Income	<u>\$19,175.28</u>	<u>\$4,430.88</u>
Income before taxes	<u>\$968,445.18</u>	<u>\$942,133.81</u>
Provision for Income Taxes	\$36,015.60	\$18,475.99
Net Income	<u>\$932,429.58</u>	<u>\$923,657.82</u>

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