

Hello,

I just received the attached financial information from the ownership's accounting team and thought it was important to share it with you as soon as possible.

The attached comparative income and expense statement covers both 2025 and 2024. Please note that these financials are prepared on an income tax basis. As a result, the ownership has taken advantage of available tax strategies, including significant maintenance and repair deductions, accelerated depreciation, and Kentucky's pass-through entity tax election. These accounting methods reduce taxable income but may not fully reflect the property's operating performance from an investment standpoint.

The key takeaway is that the property's rental income has remained very stable:

- **2025 Rental Income:** \$413,428
- **2024 Rental Income:** \$410,257

If you would like additional information, I can also provide the rental income and expense schedules as reported on the partnership tax return or answer any questions you may have about the financials.

Please let me know if you'd like to discuss the property or review the numbers in more detail.

Best,

Marcus

Income Statement
For The 12 Periods Ended 12/31/2025

APPLEGATES BROTHERS PARTNER-RENTAL (ABI)

	Year to Date	Prior Year to Date	Variance	Variance %
REVENUE				
INCOME	413,428.00	410,257.00	3,171.00	0.77
Total REVENUE:	413,428.00	410,257.00	3,171.00	0.77
GROSS PROFIT:	413,428.00	410,257.00	3,171.00	0.77
EXPENSES				
OPERATING EXPENSE				
CONTRACT LABOR	8,300.00	7,401.56	-898.44	-12.14
ADVERTISING	3,180.00	0.00	-3,180.00	0.00
SUPPLIES	4,766.68	2,478.13	-2,288.55	-92.35
OFFICE SUPPLIES	340.11	161.44	-178.67	-110.67
MAINTENANCE & REPAIRS	53,479.71	18,093.15	-35,386.56	-195.58
TELEPHONE & UTILITIES	18,133.65	15,094.61	-3,039.04	-20.13
POSTAGE AND FREIGHT	261.00	470.00	209.00	44.47
TAXES AND LICENSES	24,016.02	29,024.45	5,008.43	17.26
LEGAL AND PROFESSIONAL	6,434.25	6,889.25	455.00	6.60
INSURANCE	7,614.60	5,917.47	-1,697.13	-28.68
AUTO EXPENSE	4,615.32	6,484.37	1,869.05	28.82
DEPRECIATION EXPENSE	25,487.93	11,463.81	-14,024.12	-122.33
GIFTS AND FLOWERS	756.60	745.80	-10.80	-1.45
BAD DEBTS	0.00	546.31	546.31	100.00
BANK CHARGES	245.11	209.00	-36.11	-17.28
FEES & PERMITS	150.00	0.00	-150.00	0.00
DUES AND SUBSCRIPTIONS	335.00	165.00	-170.00	-103.03
MISCELLANEOUS EXPENSE	0.00	404.92	404.92	100.00
Total OPERATING EXPENSE:	158,115.98	105,549.27	-52,566.71	-49.80
OTHER EXPENSES				
INTEREST EXPENSE	946.62	404.49	-542.13	-134.03
CONTRIBUTIONS	3,075.00	475.00	-2,600.00	-547.37
PROVISION FOR INCOME TAX	16,064.00	175.00	-15,889.00	-9,079.43
Total OTHER EXPENSES:	20,085.62	1,054.49	-19,031.13	-1,804.77
Total EXPENSES:	178,201.60	106,603.76	-71,597.84	-67.16
NET INCOME FROM OPERATIONS:	235,226.40	303,653.24	-68,426.84	-22.53
OTHER INCOME AND EXPENSE				
INTEREST INCOME	2,789.08	3,026.70	-237.62	-7.85
Total OTHER INCOME AND EXPENSE:	2,789.08	3,026.70	-237.62	-7.85
EARNINGS BEFORE INCOME TAX:	238,015.48	306,679.94	-68,664.46	-22.39
Net Income (Loss):	238,015.48	306,679.94	-68,664.46	-22.39