

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **2004-08-12** | Period of Report: **2004-06-30**
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FILER

CNL INCOME FUND V LTD

CIK: **837985** | IRS No.: **592922869** | State of Incorporation: **FL** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **000-19141** | Film No.: **04967934**
SIC: **6500** Real estate

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FORM 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2004

OR

() TRANSITION REPORT PURSUANT TO SECTION 13 OR 15 (d)
OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number
0-19141

CNL Income Fund V, Ltd.

(Exact name of registrant as specified in its charter)

Florida

59-2922869

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer
Identification No.)

450 South Orange Avenue
Orlando, Florida

32801

(Address of principal executive offices)

(Zip Code)

Registrant's telephone number
(including area code)

(407) 540-2000

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Sections 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes X No _____

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act): Yes ___ No X

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CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
CONDENSED BALANCE SHEETS

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	June 30, 2004	December 31, 2003
	-----	-----
ASSETS		
Real estate properties with operating leases, net	\$ 6,202,392	\$ 6,284,472
Net investment in direct financing leases	1,897,201	1,923,686
Real estate held for sale	318,500	387,625
Investment in joint ventures	1,129,300	1,147,758
Cash and cash equivalents	347,680	380,486
Receivables, less allowance for doubtful accounts of \$83,067 and \$60,252, respectively	14,691	1,774
Due from related parties	--	745
Accrued rental income	480,835	471,990
Other assets	8,246	6,344
	-----	-----
	\$ 10,398,845	\$ 10,604,880
	=====	=====
LIABILITIES AND PARTNERS' CAPITAL		
Accounts payable and accrued expenses	\$ 20,735	\$ 6,459
Real estate taxes payable	6,777	10,583
Distributions payable	281,571	281,571
Due to related parties	230,535	209,019
Rents paid in advance and deposits	19,957	29,072
	-----	-----
Total liabilities	559,575	536,704
Minority interest	694,643	695,535
Partners' capital	9,144,627	9,372,641
	-----	-----
	\$ 10,398,845	\$ 10,604,880
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF INCOME

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	Quarter Ended June 30,		Six Months Ended June 30,	
	2004	2003	2004	2003
	-----	-----	-----	-----
Revenues:				

Rental income from operating leases	\$ 224,933	\$ 222,511	\$ 460,820	\$ 447,467
Earned income from direct financing leases	51,882	53,210	104,109	106,731
Contingent rental income	14,838	11,316	28,952	34,301
Interest and other income	235	103	1,132	1,135
	-----	-----	-----	-----
	291,888	287,140	595,013	589,634
	-----	-----	-----	-----
Expenses:				
General operating and administrative	52,399	37,667	111,531	92,059
Property related	2,729	1,609	2,949	2,956
State and other taxes	--	1,000	5,051	4,748
Depreciation	41,040	41,040	82,080	82,080
	-----	-----	-----	-----
	96,168	81,316	201,611	181,843
	-----	-----	-----	-----
Income before minority interest and equity in earnings of unconsolidated joint ventures	195,720	205,824	393,402	407,791
Minority interest	(18,703)	(18,747)	(37,378)	(37,608)
Equity in earnings of unconsolidated joint ventures	27,675	28,422	55,516	56,384
	-----	-----	-----	-----
Income from continuing operations	204,692	215,499	411,540	426,567
	-----	-----	-----	-----
Discontinued operations:				
Income (loss) from discontinued operations	(72,846)	(15,896)	(76,412)	3,156
	-----	-----	-----	-----
Net income	\$ 131,846	\$ 199,603	\$ 335,128	\$ 429,723
	=====	=====	=====	=====
Income (loss) per limited partner unit:				
Continuing operations	\$ 4.09	\$ 4.31	\$ 8.23	\$ 8.53
Discontinued operations	(1.45)	(0.32)	(1.53)	0.06
	-----	-----	-----	-----
	\$ 2.64	\$ 3.99	\$ 6.70	\$ 8.59
	=====	=====	=====	=====
Weighted average number of limited partner units outstanding	50,000	50,000	50,000	50,000
	=====	=====	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

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CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF PARTNERS' CAPITAL

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	Six Months Ended June 30, 2004	Year Ended December 31, 2003
	-----	-----
General partners:		
Beginning balance	\$ 514,026	\$ 514,026
Net income	--	--
	-----	-----
	514,026	514,026
	-----	-----
Limited partners:		
Beginning balance	8,858,615	9,263,112
Net income	335,128	791,448
Distributions (\$11.26 and \$23.92 per limited partner unit, respectively)	(563,142)	(1,195,945)
	-----	-----
	8,630,601	8,858,615
	-----	-----

Total partners' capital	\$ 9,144,627	\$ 9,372,641
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

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CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
CONDENSED STATEMENTS OF CASH FLOWS

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	Six Months Ended June 30,	
	2004	2003
	-----	-----
Net cash provided by operating activities	\$ 568,606	\$ 565,799
	-----	-----
Cash flows from financing activities:		
Distributions to limited partners	(563,142)	(702,465)
Distributions to holder of minority interest	(38,270)	(35,868)
	-----	-----
Net cash used in financing activities	(601,412)	(738,333)
	-----	-----
Net decrease in cash and cash equivalents	(32,806)	(172,534)
Cash and cash equivalents at beginning of period	380,486	458,163
	-----	-----
Cash and cash equivalents at end of period	\$ 347,680	\$ 285,629
	=====	=====
Supplemental schedule of non-cash financing activities:		
Distributions declared and unpaid at end of period	\$ 281,571	\$ 281,571
	=====	=====

</TABLE>

See accompanying notes to condensed financial statements.

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CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
NOTES TO CONDENSED FINANCIAL STATEMENTS
Quarters and Six Months Ended June 30, 2004 and 2003

1. Basis of Presentation

The accompanying unaudited condensed financial statements have been prepared in accordance with the instructions to Form 10-Q and do not include all of the information and note disclosures required by generally accepted accounting principles. The financial statements reflect all adjustments, consisting of normal recurring adjustments, which are, in the opinion of the general partners, necessary for a fair statement of the results for the interim periods presented. Operating results for the quarter and six months ended June 30, 2004, may not be indicative of the results that may be expected for the year ending December 31, 2004. Amounts as of December 31, 2003, included in the financial statements, have been derived from audited financial statements as of that date.

These unaudited financial statements should be read in conjunction with the financial statements and notes thereto included in Form 10-K of CNL Income Fund V, Ltd. (the "Partnership") for the year ended December 31, 2003.

The Partnership accounts for its 53.12% interest in RTO Joint Venture using the consolidation method. Minority interest represents the minority joint venture partner's proportionate share of the equity in the joint venture. All significant intercompany accounts and transactions have been eliminated.

In December 2003, the Financial Accounting Standards Board issued a revision to FASB Interpretation No. 46 (originally issued in January 2003) ("FIN 46R"), "Consolidation of Variable Interest Entities" requiring existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries. The primary beneficiary of a variable interest entity is the party that absorbs a majority of the entity's expected losses, receives a majority of its expected residual returns, or both, as a result of holding variable interests, which are the ownership, contractual, or other pecuniary interests in an entity that change with changes in the fair value of the entity's net assets excluding variable interests. Prior to FIN 46R, a company generally included another entity in its financial statements only if it controlled the entity through voting interests. Application of FIN 46R is required in financial statements of public entities that have interests in variable interest entities for periods ending after March 15, 2004. The Partnership adopted FIN 46R during the quarter ended March 31, 2004, which resulted in the consolidation of a previously unconsolidated joint venture, which was accounted for under the equity method. FIN 46R does not require, but does permit restatement of previously issued financial statements. The Partnership has restated prior year's financial statements to maintain comparability between the periods presented. Such consolidation resulted in certain assets and minority interest, and revenues and expenses, of the entity, being reported on a gross basis in the Partnership's financial statements; however, these restatements had no effect on partners' capital or net income.

2. Reclassification

Certain items in the prior year's financial statements have been reclassified to conform to 2004 presentation. These reclassifications had no effect on total partners' capital or net income.

3. Discontinued Operations

In July 2003, the Partnership identified for sale a property in Livingston, Texas that was classified as discontinued operations in the accompanying financial statements. During the quarter and six months ended June 30, 2004, the Partnership recorded a provision for write-down of assets in anticipation of the sale of this property. The provision represented the difference between the carrying value of the property and its estimated fair value.

CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
NOTES TO CONDENSED FINANCIAL STATEMENTS
Quarters and Six Months Ended June 30, 2004 and 2003

3. Discontinued Operations - Continued

The operating results of the discontinued operations for the above property are as follows:

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		Quarter Ended June 30, 2004	2003	Six Months Ended June 30, 2004	2003
		-----	-----	-----	-----
Rental revenues	\$	--	\$ --	\$ --	\$ 23,044
Expenses		(3,721)	(10,769)	(7,287)	(14,761)
Provision for write-down of assets		(69,125)	(5,127)	(69,125)	(5,127)
		-----	-----	-----	-----
Income (loss) from discontinued operations	\$	(72,846)	\$ (15,896)	\$ (76,412)	\$ 3,156
		=====	=====	=====	=====

</TABLE>

4. Concentration of Credit Risk

The following schedule presents total rental revenues from individual lessees, each representing more than 10% of the Partnership's total rental revenues (including total rental revenues from the Partnership's consolidated joint venture and the Partnership's share of total rental revenues from the joint venture and the properties held as tenants-in-common with affiliates of the general partners) for each of the six months ended June 30:

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	2004	2003
	-----	-----
Slaymaker Group, Inc.	\$ 88,249	\$ 89,235
RT Orlando Franchise, LP	79,755	80,506
IHOP Properties, Inc.	69,727	69,727
Golden Corral Corporation	66,076	66,076

</TABLE>

In addition, the following schedule presents total rental revenues from individual restaurant chains, each representing more than 10% of the Partnership's total rental revenues (including total rental revenues from the Partnership's consolidated joint venture and the Partnership's share of total rental revenues from the joint venture and the properties held as tenants-in-common with affiliates of the general partners) for each of the six months ended June 30:

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	2004	2003
	-----	-----
Tony Romas	\$ 88,249	\$ 89,235
Ruby Tuesday	79,755	80,506
IHOP	69,727	69,727
Golden Corral Buffet and Grill	66,076	85,871

</TABLE>

Although the properties have some geographic diversity in the United States and the lessees operate a variety of restaurant concepts, default by any lessee or restaurant chain contributing more than 10% of the Partnership's revenues will significantly impact the results of operations if the Partnership is not able to re-lease the properties in a timely manner.

CNL INCOME FUND V, LTD.
(A Florida Limited Partnership)
NOTES TO CONDENSED FINANCIAL STATEMENTS
Quarters and Six Months Ended June 30, 2004 and 2003

5. Subsequent Event

On August 9, 2004, the Partnership entered into a definitive Agreement and Plan of Merger pursuant to which the Partnership will be merged with a subsidiary of U.S. Restaurant Properties, Inc. (NYSE: USV). The merger is one of multiple concurrent transactions pursuant to which 17 other affiliated limited partnerships also will be merged with a subsidiary of U.S. Restaurant Properties, Inc. and in which CNL Restaurant Properties, Inc., an affiliate, also will be merged with U.S. Restaurant Properties, Inc. CNL Restaurant Properties, Inc. currently provides property management and other services to the Partnership. The merger of the Partnership (and each of the 17 other affiliated mergers) is subject to certain conditions including approval by a majority of the limited partners, consummation of a minimum number of limited partnership mergers representing at least 75.0% in value (as measured by the value of the merger consideration) of all limited partnerships, consummation of the merger between U.S. Restaurant Properties, Inc. and CNL Restaurant Properties, Inc., approval of the shareholders of U.S. Restaurant Properties, Inc., and availability of financing. The transaction is expected to be consummated in the first quarter of 2005.

Under the terms of the transaction, the limited partners will receive total consideration of approximately \$12.54 million, consisting of approximately \$10.49 million in cash and approximately \$2.05 million in U.S. Restaurant Properties, Inc. Series A Convertible Preferred Stock that is listed on the New York Stock Exchange. The general partners will receive total consideration of approximately \$414,000 consisting of approximately \$346,000 in cash and approximately \$68,000 in preferred stock.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

CNL Income Fund V, Ltd. (the "Partnership," which may be referred to as "we," "us," or "our") is a Florida limited partnership that was organized on August 17, 1988, to acquire for cash, either directly or through joint venture and tenancy in common arrangements, both newly constructed and existing restaurants, as well as land upon which restaurants were to be constructed, which are leased primarily to operators of national and regional fast-food and family-style restaurant chains (collectively, the "Properties"). The leases generally are triple-net leases, with the lessees responsible for all repairs and maintenance, property taxes, insurance and utilities. As of June 30, 2004 and 2003, we owned 12 Properties directly and four Properties indirectly through joint venture or tenancy in common arrangements.

Capital Resources

Net cash provided by operating activities was \$568,606 and \$565,799 for the six months ended June 30, 2004 and 2003, respectively. At June 30, 2004, we had \$347,680 in cash and cash equivalents as compared to \$380,486 at December 31, 2003. At June 30, 2004, these funds were held in demand deposit accounts at a commercial bank. The funds remaining at June 30, 2004 will be used to pay distributions and other liabilities.

Short-Term Liquidity

Our investment strategy of acquiring Properties for cash and leasing them under triple-net leases to operators who meet specified financial standards minimizes our operating expenses. The general partners believe that the leases will continue to generate cash flow in excess of operating expenses.

Our short-term liquidity requirements consist primarily of our operating expenses.

The general partners have the right, but not the obligation, to make additional capital contributions if they deem it appropriate in connection with our operations.

We generally distribute cash from operations remaining after the payment of operating expenses, to the extent that the general partners determine that such funds are available for distribution. Based on current and anticipated future cash from operations, and for the six months ended June 30, 2004, net proceeds from the sale of a Property in a prior year, we declared distributions to the limited partners of \$563,142 and \$632,803 for the six months ended June 30, 2004 and 2003, respectively (\$281,571 for each of the quarters ended June 30, 2004 and 2003). This represents distributions of \$11.26 and \$12.66 per unit for the six months ended June 30, 2004 and 2003, respectively (\$5.63 per unit for each of the quarters ended June 30, 2004 and 2003). As a result of the sales of the Properties in previous years, our total revenues have declined and are expected to remain reduced in subsequent periods, while the majority of our operating expenses have remained fixed and are expected to remain fixed. No distributions were made to the general partners for the quarters and six months ended June 30, 2004 and 2003. We intend to continue to make distributions of cash to the limited partners on a quarterly basis.

Total liabilities were \$559,575 at June 30, 2004, as compared to \$536,704 at December 31, 2003. The increase was primarily due to an increase in accounts payable and accrued expenses and amounts due to related parties. The increase was partially offset by a decrease in rents paid in advance and deposits. Total liabilities at June 30, 2004, to the extent they exceed cash and cash equivalents at June 30, 2004, will be paid from future cash from operations and in the event the general partners elect to make additional contributions, from general partners' contributions.

Long-Term Liquidity

We have no long-term debt or other long-term liquidity requirements.

Results of Operations

Rental revenues from continuing operations were \$564,929 during the six months ended June 30, 2004, as compared to \$554,198 during the same period of 2003, \$276,815 and \$275,721 of which were earned during the second quarters of 2004 and 2003, respectively. The increase in rental revenues from continuing operations was due to the collection of amounts related to the Property in New Castle, Indiana that were reserved in a prior year.

During the six months ended June 30, 2004, we earned \$28,952 in contingent rental income, as compared to \$34,301 for the same period of 2003, \$14,838 and \$11,316 of which were earned during the second quarters of 2004 and 2003, respectively. The decrease in contingent rental income during the six months ended June 30, 2004 was due to a decrease in reported sales of certain restaurant Properties, the leases of which require the payment of contingent rent.

We earned \$55,516 attributable to net income earned by unconsolidated joint ventures during the six months ended June 30, 2004, as compared to \$56,384 during the same period of 2003, \$27,675 and \$28,422 of which were earned during the quarters ended June 30, 2004 and 2003, respectively. Net income earned by unconsolidated joint ventures during 2004, as compared to the same periods of 2003, remained relatively constant, as the leased property portfolio owned by the joint ventures and the tenancies in common did not change.

In October 2003, Chevy's, Inc., the tenant of the Property in Vancouver, Washington, which we own as tenants-in-common with affiliates of the general partners, filed for Chapter 11 bankruptcy protection. We own a 27.78% interest in this Property. While the tenant has neither rejected nor affirmed the one lease it has with us, there can be no assurance that the lease will not be rejected in the future. The lost revenues that would result if the tenant were to reject this lease will have an adverse effect on the equity in earnings of unconsolidated joint ventures if the tenancy in common is not able to re-lease the Property in a timely manner.

During the six months ended June 30, 2004, four of our lessees, Slaymaker Group, Inc., IHOP Properties, Inc., RT Orlando Franchise, LP and Golden Corral Corporation each contributed more than 10% of our total rental revenues (including total rental revenues from the consolidated joint venture and our share of total rental revenues from the Property owned by the joint venture and Properties owned with affiliates of the general partners as tenants-in-common). We anticipate that based on the minimum rental payments required by the leases, these four lessees will each continue to contribute more than 10% of our total rental revenues. In addition, during the six months ended June 30, 2004, four restaurant chains, Tony Romas, Ruby Tuesday, IHOP and Golden Corral Buffet and Grill each accounted for more than 10% of our total rental revenues (including total rental revenues from the consolidated joint venture and our share of total rental revenues from the Property owned by the joint venture and Properties owned with affiliates as tenants-in-common). We anticipate that these four restaurant chains will each continue to account for more than 10% of the total rental revenues to which we are entitled under the terms of the leases. Any failure of these lessees or restaurant chains will materially affect our operating results if we are not able to re-lease the Properties in a timely manner.

Operating expenses, including depreciation expense, were \$201,611 during the six months ended June 30, 2004, as compared to \$181,843 during the same period of 2003, \$96,168 and \$81,316 of which were incurred during the quarters ended June 30, 2004 and 2003, respectively. The increase in operating expenses during the quarter and six months ended June 30, 2004, was primarily due to incurring additional general operating and administrative expenses, including legal fees.

We recognized losses from discontinued operations (rental revenues less property related expenses and provision for write-down of assets) of \$72,846 and \$76,412 during the quarter and six months ended June 30, 2004, respectively, as compared to a loss from discontinued operations of \$15,896 and income from discontinued operations of \$3,156 during the same periods of 2003 relating to the Property in Livingston, Texas. In July 2004, we entered into a contract to sell this Property and as a result, during the quarter and six months ended June 30, 2004, we recorded a provision for write-down of assets of approximately \$69,100 based on the anticipated sales proceeds. The provision represented the difference between the carrying value of the property and its estimated fair value. The tenant experienced financial difficulties, vacated the Property in May 2003 and ceased making rental payments. As of August 9, 2004, we had not sold this Property.

In December 2003, the Financial Accounting Standards Board issued a revision to FASB Interpretation No. 46 (originally issued in January 2003) ("FIN 46R"), "Consolidation of Variable Interest Entities" requiring existing unconsolidated variable interest entities to be consolidated by their primary beneficiaries. The primary beneficiary of a variable interest entity is the party that absorbs a majority of the entity's expected losses, receives a majority of its expected residual returns, or both, as a result of holding variable interests, which are the ownership, contractual, or other pecuniary interests in an entity that change with changes in the fair value of the entity's net assets excluding variable interests. Prior to FIN 46R, a company generally included another entity in its financial statements only if it controlled the entity through voting interests. Application of FIN 46R is required in financial statements of public entities that have interests in variable interest entities for periods ending after March 15, 2004. We adopted FIN 46R during the quarter ended March 31, 2004, which resulted in the consolidation of a previously unconsolidated joint venture, RTO Joint Venture, which was accounted for under the equity method. FIN 46R does not require, but does permit restatement of previously issued financial statements. We restated prior year's financial statements to maintain comparability between the periods presented. Such consolidation resulted in certain assets and minority interest, and revenues and expenses, of the entity, being reported on a gross basis in our financial statements; however, these restatements had no effect on partners' capital or net income.

The general partners believe their primary objective is to maintain current operations with restaurant operators as successfully as possible, while evaluating strategic alternatives, including alternatives that may provide liquidity to the limited partners. Real estate markets are strong throughout much of the nation, and the performance of restaurants has generally improved after several challenging years. As a result, the general partners believe that this is an attractive period for a strategic event to monetize the interests of the limited partners.

In furtherance of this, on August 9, 2004, we entered into a definitive Agreement and Plan of Merger pursuant to which we will be merged with a subsidiary of U.S. Restaurant Properties, Inc. (NYSE: USV). The merger is one of multiple concurrent transactions pursuant to which 17 other affiliated limited partnerships also will be merged with a subsidiary of U.S. Restaurant Properties, Inc. and in which CNL Restaurant Properties, Inc., an affiliate, also will be merged with U.S. Restaurant Properties, Inc. Our merger (and each of the 17 other affiliated mergers) is subject to certain conditions including approval by a majority of the limited partners, consummation of a minimum number of limited partnership mergers representing at least 75.0% in value (as measured by the value of the merger consideration) of all limited partnerships, consummation of the merger between U. S. Restaurant Properties, Inc. and CNL Restaurant Properties, Inc., approval of the shareholders of U.S. Restaurant Properties, Inc., and availability of financing. U.S. Restaurant Properties, Inc. is a real estate investment trust (REIT) that focuses primarily on acquiring, owning and leasing restaurant properties. The transaction is expected to be consummated in the first quarter of 2005.

Under the terms of the transaction, our limited partners will receive total consideration of approximately \$12.54 million, consisting of approximately \$10.49 million in cash and approximately \$2.05 million in U.S. Restaurant Properties, Inc. Series A Convertible Preferred Stock that is listed on the New York Stock Exchange. The general partners will receive total consideration of approximately \$414,000 consisting of approximately \$346,000 in cash and approximately \$68,000 in preferred stock.

We received an opinion from Wachovia Capital Markets, LLC that as of August 9, 2004 the merger consideration to be received by the holders of our general and limited partnership interests is fair, from a financial point of view, to such holders.

As reflected above, the contemplated transactions are complex, and contingent upon certain conditions. The restaurant marketplace, the real estate industry, and the equities markets, all individually or taken as a whole, could impact the economics of this transaction. As a result, there is no assurance that we will be successful in completing the contemplated transaction.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

Not applicable.

ITEM 4. CONTROLS AND PROCEDURES

The general partners maintain a set of disclosure controls and procedures designed to ensure that information required to be disclosed in our filings under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the time periods specified in the Securities and Exchange Commission's rules and forms. The principal executive and financial officers of the corporate general partner have evaluated our disclosure controls and procedures as of the end of the period covered by this Quarterly Report on Form 10-Q and have determined that such disclosure controls and procedures are effective.

There was no change in internal control over financial reporting that occurred during the most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, internal control over financial reporting.

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PART II. OTHER INFORMATION

Item 1. Legal Proceedings. Inapplicable.

Item 2. Changes in Securities. Inapplicable.

Item 3. Default upon Senior Securities. Inapplicable.

Item 4. Submission of Matters to a Vote of Security Holders. Inapplicable.

Item 5. Other Information. Inapplicable.

Item 6. Exhibits and Reports on Form 8-K.

(a) Exhibits

3.1 Amended and Restated Affidavit and Certificate of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 3.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)

4.1 Amended and Restated Affidavit and Certificate of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 3.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)

4.2 Amended and Restated Certificate and Agreement of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 4.2 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)

10.1 Management Agreement between CNL Income Fund V, Ltd. and CNL Investment Company (Included as Exhibit 10.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)

10.2 Assignment of Management Agreement from CNL Investment Company to CNL Income Fund Advisors, Inc. (Included as Exhibit 10.2 to Form 10-K filed with the Securities and Exchange Commission on March 30, 1995, and incorporated herein by reference.)

10.3 Assignment of Management Agreement from CNL Income Fund Advisors, Inc. to CNL Fund Advisors, Inc. (Included as Exhibit 10.3 to Form 10-K filed with the Securities and Exchange Commission on April 1, 1996, and incorporated herein by reference.)

- 10.4 Assignment of Management Agreement from CNL Fund Advisors, Inc. to CNL APF Partners, LP. (Included as Exhibit 10.4 to Form 10-Q filed with the Securities and Exchange Commission on August 9, 2001, and incorporated herein by reference.)
- 10.5 Assignment of Management Agreement from CNL APF Partners, LP to CNL Restaurants XVIII, Inc. (Included as Exhibit 10.5 to Form 10-Q filed with the Securities and Exchange Commission on August 13, 2002, and incorporated herein by reference.)

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- 31.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 31.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)

(b) Reports on Form 8-K

No reports on Form 8-K were filed during the quarter ended June 30, 2004.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DATED this 9th day of August 2004.

CNL INCOME FUND V, LTD.

By: CNL REALTY CORPORATION
General Partner

By: /s/ James M. Seneff, Jr.

JAMES M. SENEFF, JR.
Chief Executive Officer
(Principal Executive Officer)

By: /s/ Robert A. Bourne

ROBERT A. BOURNE
President and Treasurer
(Principal Financial and
Accounting Officer)

EXHIBIT INDEX

Exhibit Number

(b) Exhibits

- 3.1 Amended and Restated Affidavit and Certificate of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 3.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)
- 4.1 Amended and Restated Affidavit and Certificate of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 3.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)
- 4.2 Amended and Restated Certificate and Agreement of Limited Partnership of CNL Income Fund V, Ltd. (Included as Exhibit 4.2 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)
- 10.1 Management Agreement between CNL Income Fund V, Ltd. and CNL Investment Company (Included as Exhibit 10.1 to Form 10-K filed with the Securities and Exchange Commission on March 31, 1994, and incorporated herein by reference.)
- 10.2 Assignment of Management Agreement from CNL Investment Company to CNL Income Fund Advisors, Inc. (Included as Exhibit 10.2 to Form 10-K filed with the Securities and Exchange Commission on March 30, 1995, and incorporated herein by reference.)
- 10.3 Assignment of Management Agreement from CNL Income Fund Advisors, Inc. to CNL Fund Advisors, Inc. (Included as Exhibit 10.3 to Form 10-K filed with the Securities and Exchange Commission on April 1, 1996, and incorporated herein by reference.)
- 10.4 Assignment of Management Agreement from CNL Fund Advisors, Inc. to CNL APF Partners, LP. (Included as Exhibit 10.4 to Form 10-Q filed with the Securities and Exchange Commission on August 9, 2001, and incorporated herein by reference.)
- 10.5 Assignment of Management Agreement from CNL APF Partners, LP to CNL Restaurants XVIII, Inc. (Included as Exhibit 10.5 to Form 10-Q filed with the Securities and Exchange Commission on August 13, 2002, and incorporated herein by reference.)
- 31.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 31.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to Rule 13a-14 as Adopted Pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.1 Certification of Chief Executive Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)
- 32.2 Certification of Chief Financial Officer of Corporate General Partner Pursuant to 18 U.S.C. Section 1350 as Adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. (Filed herewith.)

EXHIBIT 31.1

EXHIBIT 31.2

EXHIBIT 32.1

EXHIBIT 32.2

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO RULE 13a-14 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, James M. Seneff, Jr., the Chief Executive Officer of CNL Realty Corporation, the corporate general partner of CNL Income Fund V, Ltd. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:

(a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

(b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

(c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/ James M. Seneff, Jr.

James M. Seneff, Jr.
Chief Executive Officer

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO RULE 13a-14 AS ADOPTED PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert A. Bourne, the President and Treasurer of CNL Realty Corporation, the corporate general partner of CNL Income Fund V, Ltd. (the "registrant"), certify that:

1. I have reviewed this quarterly report on Form 10-Q of the registrant;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (c) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

(a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

(b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 9, 2004

/s/Robert A. Bourne

Robert A. Bourne
President and Treasurer

CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, James M. Seneff, Jr., the Chief Executive Officer of CNL Realty Corporation, the corporate general partner of CNL Income Fund V, Ltd. (the "Partnership"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Partnership's Quarterly Report on Form 10-Q for the period ending June 30, 2004 (the "Report"). The undersigned hereby certifies that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 9, 2004

/s/ James M. Seneff, Jr.

Name: James M. Seneff, Jr.
Title: Chief Executive Officer

A signed original of this written statement required by Section 906 has been provided to CNL Income Fund V, Ltd. and will be retained by CNL Income Fund V, Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF CORPORATE GENERAL PARTNER

PURSUANT TO 18 U.S.C. SECTION 1350 AS ADOPTED PURSUANT TO
SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

The undersigned, Robert A. Bourne, the President and Treasurer of CNL Realty Corporation, the corporate general partner of CNL Income Fund V, Ltd. (the "Partnership"), has executed this certification in connection with the filing with the Securities and Exchange Commission of the Partnership's Quarterly Report on Form 10-Q for the period ending June 30, 2004 (the "Report"). The undersigned hereby certifies that:

(1) the Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and

(2) the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Partnership.

Date: August 9, 2004

/s/ Robert A. Bourne

Name: Robert A. Bourne

Title: President and Treasurer

A signed original of this written statement required by Section 906 has been provided to CNL Income Fund V, Ltd. and will be retained by CNL Income Fund V, Ltd. and furnished to the Securities and Exchange Commission or its staff upon request.