

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549**

FORM 10-Q

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

For the quarterly period ended September 30, 2001

OR

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

Commission File Number 0-13400

**NTS-PROPERTIES V,
A Maryland Limited Partnership**

Incorporated pursuant to the Laws of the State of Maryland

Internal Revenue Service - Employer Identification No. 61-1051452

10172 Linn Station Road, Louisville, Kentucky 40223

(502) 426-4800

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 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 []

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PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements

NTS-PROPERTIES V, A Maryland Limited Partnership CONSOLIDATED BALANCE SHEETS

	As of September 30, 2001 (UNAUDITED)	As of December 31, 2000*
<u>ASSETS</u>		
Cash and equivalents	\$ 933,512	\$ 1,096,857
Cash and equivalents - restricted	408,051	48,389
Accounts receivable	227,184	167,429
Land, buildings and amenities, net	21,622,071	22,074,949
Other assets	818,822	798,379
 TOTAL ASSETS	 \$ 24,009,640	 \$ 24,186,003
<u>LIABILITIES AND PARTNERS' EQUITY</u>		
Mortgages and notes payable	\$ 14,032,555	\$ 14,436,464
Accounts payable	480,030	367,158
Security deposits	216,819	227,091
Other liabilities	604,383	213,312
 TOTAL LIABILITIES	 15,333,787	 15,244,025
 MINORITY INTEREST	 874,162	 853,386
 COMMITMENTS AND CONTINGENCIES (Note 10)		
 PARTNERS' EQUITY	 7,801,691	 8,088,592
 TOTAL LIABILITIES AND PARTNERS' EQUITY	 \$ 24,009,640	 \$ 24,186,003

STATEMENT OF PARTNERS' EQUITY (UNAUDITED)

	Limited Partners	General Partner	Total
<u>PARTNERS' EQUITY/(DEFICIT)</u>			
Capital contributions, net of offering costs	\$ 30,582,037	\$ 100	\$ 30,582,137
Net (loss) income - prior years	(4,714,737)	66,174	(4,648,563)
Net loss - current year	(284,032)	(2,869)	(286,901)
Cash distributions declared to date	(16,641,480)	(168,177)	(16,809,657)
Repurchase of limited partnership Units	(1,035,325)	--	(1,035,325)
 BALANCES AT SEPTEMBER 30, 2001	 \$ 7,906,463	 \$ (104,772)	 \$ 7,801,691

* Reference is made to the audited financial statements in the Form 10-K as filed with the Securities and Exchange Commission on April 2, 2001.

The accompanying notes to consolidated financial statements are an integral part of these statements.

**NTS PROPERTIES V,
A Maryland Limited Partnership
CONSOLIDATED STATEMENTS OF OPERATIONS
(UNAUDITED)**

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
<u>REVENUES</u>				
Rental income	\$ 1,297,257	\$ 1,189,285	\$ 3,803,804	\$ 3,545,483
Interest and other income	15,185	21,677	51,085	141,951
TOTAL REVENUES	1,312,442	1,210,962	3,854,889	3,687,434
<u>EXPENSES</u>				
Operating expenses	325,569	263,008	1,079,380	836,921
Operating expenses - affiliated	137,214	150,066	454,356	439,220
Loss on disposal of assets	--	17,867	2,518	195,722
Interest expense	282,093	228,232	865,251	754,166
Management fees	72,402	70,215	214,072	204,391
Real estate taxes	181,684	114,665	441,767	343,941
Professional and administrative expenses	27,864	32,725	87,560	104,771
Professional and administrative expenses - affiliated	45,064	38,837	121,633	106,762
Depreciation and amortization	323,330	259,409	917,817	771,387
TOTAL EXPENSES	1,395,220	1,175,024	4,184,354	3,757,281
Income (loss) before minority interest	(82,778)	35,938	(329,465)	(69,847)
Minority interest	<u>(12,228)</u>	<u>8,556</u>	<u>(42,564)</u>	<u>(7,142)</u>
Net (loss) income	<u>\$ (70,550)</u>	<u>\$ 27,382</u>	<u>\$ (286,901)</u>	<u>\$ (62,705)</u>
Net (loss) income allocated to the limited partners	<u>\$ (69,845)</u>	<u>\$ 27,108</u>	<u>\$ (284,032)</u>	<u>\$ (62,078)</u>
Net (loss) income per limited partnership Unit	<u>\$ (2.29)</u>	<u>\$ 0.89</u>	<u>\$ (9.31)</u>	<u>\$ (2.03)</u>
Weighted average number of limited partnership Units	<u>30,521</u>	<u>30,621</u>	<u>30,521</u>	<u>30,621</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

**NTS-PROPERTIES V,
A Maryland Limited Partnership
CONSOLIDATED STATEMENTS OF CASH FLOWS
(UNAUDITED)**

	Nine Months Ended September 30,	
	2001	2000
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Net loss	\$ (286,901)	\$ (62,705)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Loss on disposal of assets	2,518	195,722
Depreciation and amortization	1,085,619	882,334
Changes in assets and liabilities:		
Cash and equivalents - restricted	(359,662)	(275,648)
Accounts receivable	(59,755)	34,789
Other assets	(201,872)	(283,312)
Accounts payable	112,872	319,547
Security deposits	(10,272)	8,324
Other liabilities	391,071	329,549
Minority interest loss	(42,564)	(7,142)
Net cash provided by operating activities	<u>631,054</u>	<u>1,141,458</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>		
Additions to land, buildings and amenities	(452,480)	(3,060,492)
Minority interest distributions	<u>63,340</u>	<u>7,582</u>
Net cash used in investing activities	<u>(389,140)</u>	<u>(3,052,910)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>		
Proceeds from mortgages and notes payable	783,216	795,083
Principal payments on mortgages and notes payable	(1,187,125)	(747,766)
Additions to loan costs	<u>(1,350)</u>	<u>(92,590)</u>
Net cash used in financing activities	<u>(405,259)</u>	<u>(45,273)</u>
Net decrease in cash and equivalents	(163,345)	(1,956,725)
CASH AND EQUIVALENTS, beginning of period	<u>1,096,857</u>	<u>3,195,728</u>
CASH AND EQUIVALENTS, end of period	<u>\$ 933,512</u>	<u>\$ 1,239,003</u>
Interest paid on a cash basis	<u>\$ 830,956</u>	<u>\$ 809,645</u>

The accompanying notes to consolidated financial statements are an integral part of these statements.

**NTS-PROPERTIES V,
A Maryland Limited Partnership
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The unaudited consolidated financial statements and schedules included herein should be read in conjunction with NTS-Properties V's (the "Partnership") 2000 Form 10-K as filed with the Securities and Exchange Commission on April 2, 2001. In the opinion of the General Partner, all adjustments necessary for a fair presentation have been made to the accompanying consolidated financial statements for the three months and nine months ended September 30, 2001 and 2000.

Note 1 - Consolidation Policy and Joint Venture Accounting

The consolidated financial statements include the accounts of all wholly-owned properties and majority-owned joint ventures. Intercompany transactions and balances have been eliminated. Less than 50% owned joint ventures are accounted for under the equity method.

From inception, the Partnership used the proportionate consolidation method of accounting for joint venture properties. The Partnership's proportionate interest in the joint venture's assets, liabilities, revenues, expenses and cash flows were combined on a line-by-line basis with the Partnership's own assets, liabilities, revenues, expenses and cash flows. All intercompany accounts and transactions were eliminated in consolidation.

Proportionate consolidation was utilized by the Partnership due to the fact that the ownership of joint venture properties, in substance, was not subject to joint control. The managing General Partners of the sole General Partner of the NTS sponsored partnerships which have formed joint ventures are substantially the same. As such, decisions regarding financing, development, sale or operations did not require the approval of different partners. Additionally, the joint venture properties are in the same business/industry as their respective joint venture partners and their asset, liability, revenue and expense accounts correspond with the accounts of such partners. It is the belief of the General Partner of the Partnership that the financial statement disclosures resulting from proportionate consolidation provided the most meaningful presentation of assets, liabilities, revenues, expenses and cash flows given the commonality of the Partnership's operations.

The Emerging Issues Tasks Force ("EITF") of the Financial Accounting Standards Board ("FASB") has reached a consensus on Issue No. 00-1, "Applicability of the Pro Rata Method of Consolidation to Investments in Certain Partnerships and Other Unincorporated Joint Ventures." The EITF reached a consensus that a proportionate gross financial statement presentation (referred to as "proportionate consolidation" in the Notes to Consolidated Financial Statements) is not appropriate for an investment in an unincorporated legal entity accounted for by the equity method of accounting, unless the investee is in either the construction industry or an extractive industry where there is a longstanding practice of its use.

The consensus is applicable to financial statements for annual periods ending after June 15, 2000. The Partnership has applied the consensus to all comparative financial statements, restating them to conform with the consensus for all periods presented. The application of this consensus did not result in a restatement of previously reported partners' equity or results of operations, but did result in a recharacterization or reclassification of certain financial statements' captions and amounts.

Note 2 - Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with Generally Accepted Accounting Principles ("GAAP") requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 3 - Concentration of Credit Risk

NTS-Properties V owns and operates or has a joint venture investment in commercial rental properties in Louisville, Kentucky and Ft. Lauderdale, Florida. The Partnership also has a joint venture investment in a residential property in Louisville, Kentucky.

The Partnership's financial instruments that are exposed to concentrations of credit risk consist of cash and equivalents. The Partnership maintains its cash accounts primarily with banks located in Kentucky. The total cash balances are insured by the FDIC up to \$100,000 per bank account. The Partnership may at times, in certain accounts, have deposits in excess of \$100,000.

Note 4 - Cash and Equivalents

The Partnership has a cash management program which provides for the overnight investment of excess cash balances. Excess cash is invested in an interest bearing deposit account. As of September 30, 2001, approximately \$611,000 was invested in this account.

Note 5 - Cash and Equivalents - Restricted

Cash and equivalents - restricted represents funds received for residential security deposits and funds which have been escrowed with mortgage companies for property taxes in accordance with the loan agreements with said mortgage companies.

Note 6 - Basis of Property and Depreciation

Land, buildings and amenities are stated at historical cost, less accumulated depreciation, to the Partnership. Costs directly associated with the acquisition, development and construction of a project are capitalized. Depreciation is computed using the straight-line method over the estimated useful lives of the assets which are 5-30 years for land improvements, 3-30 years for buildings and

improvements, 3-7 years for amenities and the applicable lease term for tenant improvements. The aggregate cost of the Partnership's properties for federal tax purposes is approximately \$40,570,000. Statement of Financial Accounting Standards ("SFAS") No. 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," specifies circumstances in which certain long-lived assets must be reviewed for impairment. If the carrying amount of an asset exceeds the sum of its expected future cash flows, the asset's carrying value must be written down to fair value. Application of this standard by management during the period ended September 30, 2001 did not result in an impairment loss.

Note 7- Mortgages and Notes Payable

Mortgages and notes payable consist of the following:

	September 30, 2001	December 31, 2000
Mortgage payable to an insurance company, bearing interest at a fixed rate of 8.125%, due August 1, 2008, secured by land and a building.	\$ 4,156,852	\$ 4,483,083
Mortgage payable to an insurance company, bearing interest at a fixed rate of 8.125%, due August 1, 2008, secured by land and buildings.	3,863,630	4,166,849
Mortgage payable to an insurance company, bearing interest at a fixed rate of 7.2%, due January 5, 2013, secured by land, buildings and amenities.	2,696,193	2,808,716
Mortgage payable to an insurance company, bearing interest at a fixed rate of 7.2%, due January 5, 2013, secured by land, buildings and amenities.	1,610,285	1,677,489
Mortgage payable to a bank, bearing interest at a variable rate based on LIBOR daily rate plus 2.3%, currently 5.8%, due on September 8, 2003, secured by land and a building.	1,674,899	1,300,327
Note payable to a bank, bearing interest at a rate of Prime, currently 6.0%, due March 27, 2003, secured by land, buildings and amenities.	27,938	--
Note payable to a bank, bearing interest at a rate of Prime, currently 6.0%, due March 27, 2003, secured by land, buildings and amenities.	2,758	--
	<u>\$ 14,032,555</u>	<u>\$ 14,436,464</u>

Based on the borrowing rates currently available to the Partnership for mortgages and notes with similar terms and average maturities, the fair value of long-term debt is approximately \$14,224,000.

Note 8 - Tender Offer

On August 13, 2001, ORIG, LLC, an affiliate of the Partnership, (the "Offeror") commenced a tender offer for up to 2,000 of the Partnership's interests at a price of \$230 per interest. If more than 2,000 interests are tendered, ORIG may purchase all of the tendered interests, or may purchase interests on a pro rata basis. Interests acquired by ORIG will be held by it. The tender offer will expire on November 13, 2001, unless extended.

Note 9 - Related Party Transactions

Pursuant to an agreement with the Partnership, NTS Development Company, an affiliate of the General Partner of the Partnership, receives property management fees on a monthly basis. The fees are paid in an amount equal to 5% of the gross revenues from the Partnership's residential property and 6% of the gross revenues from the Partnership's commercial properties. Also pursuant to an agreement, NTS Development Company receives a repair and maintenance fee equal to 5.9% of costs incurred which relate to capital improvements. These repair and maintenance fees are capitalized as part of land, buildings and amenities.

The Partnership was charged the following amounts from NTS Development Company for the nine months ended September 30, 2001 and 2000. These charges include items which have been expensed as operating expenses - affiliated or professional and administrative expenses - affiliated and items which have been capitalized as other assets or as land, buildings and amenities.

	Nine Months Ended September 30,	
	2001	2000
Property management fees	\$ 214,072	\$ 204,391
Property management	268,453	258,417
Leasing	116,115	120,254
Administrative - operating	66,679	56,753
Other	3,109	3,796
Total operating expenses - affiliated	454,356	439,220
Professional and administrative expenses - affiliated	121,633	106,762
Repairs and maintenance fee	23,951	164,050
Leasing commissions	77,066	67,472
Construction management	--	38
Total related party transactions capitalized	101,017	231,560
Total related party transactions	\$ 891,078	\$ 981,933

Note 10 - Commitments and Contingencies

The Partnership, as an owner of real estate, is subject to various environmental laws of federal, state and local governments. Compliance by the Partnership with existing laws has not had a material effect on the Partnership's financial condition and results of operations. However, the Partnership cannot predict the impact of new or changed laws or regulations on its current properties or properties that it may acquire in the future.

The Partnership does not believe there is any litigation threatened against the Partnership other than routine litigation arising out of the ordinary course of business, some of which is expected to be covered by insurance, none of which is expected to have a material effect on the consolidated financial statements of the Partnership.

As of September 30, 2001, the L/U II Joint Venture has a commitment for approximately \$6,000 for tenant improvements on 2,173 square feet at Lakeshore Business Center Phase I and approximately \$6,800 for tenant improvements on 1,624 square feet at Lakeshore Business Center Phase II. The tenant improvements will be funded from existing working capital.

The L/U II Joint Venture anticipates replacing the roofs in 2002 at Lakeshore Business Center Phase I for a cost of approximately \$500,000. This project will be funded from existing working capital. Management reassessed the useful lives of the existing roofs and has adjusted them accordingly. The adjustment increased depreciation expense for the three months ended September 30, 2001 by approximately \$21,300.

The Partnership also plans to renovate the community clubhouse at The Willows of Plainview Apartments, starting in the fourth quarter 2001. It is currently estimated that the total costs for the renovation will be approximately \$500,000, with the Partnership's share being approximately \$233,000. The renovation is expected to be completed in March 2002 and will be funded from existing working capital.

Note 11 - Segment Reporting

The Partnership's reportable operating segments include residential and commercial real estate operations. The residential operations represent the Partnership's ownership and operating results relative to an apartment community known as The Willows of Plainview Phase II. The commercial operations represent the Partnership's ownership and operating results relative to suburban commercial office space known as Commonwealth Business Center Phase II and Lakeshore Business Center Phases I, II and III.

The financial information of the operating segments has been prepared using a management approach, which is consistent with the basis and manner in which the Partnership's management internally reports financial information for the purposes of assisting in making internal operating decisions. The Partnership's management evaluates performance based on stand-alone operating segment net income.

Three Months Ended September 30, 2001			
	Residential	Commercial	Total
Rental income	\$ 322,822	\$ 974,435	\$ 1,297,257
Interest and other income	(356)	9,448	9,092
Total net revenues	<u>\$ 322,466</u>	<u>\$ 983,883</u>	<u>\$ 1,306,349</u>
Operating expenses and operating expenses -affiliated	\$ 127,346	\$ 335,437	\$ 462,783
Interest expense	78,939	198,063	277,002
Management fees	16,619	55,783	72,402
Real estate taxes	16,425	165,259	181,684
Depreciation and amortization	55,532	263,144	318,676
Total expenses	<u>294,861</u>	<u>1,017,686</u>	<u>1,312,547</u>
Net income (loss)	<u>\$ 27,605</u>	<u>\$ (33,803)</u>	<u>\$ (6,198)</u>

Three Months Ended September 30, 2000			
	Residential	Commercial	Total
Rental income	\$ 334,315	\$ 854,970	\$ 1,189,285
Interest and other income	1,518	5,379	6,897
Total net revenues	<u>\$ 335,833</u>	<u>\$ 860,349</u>	<u>\$ 1,196,182</u>
Operating expenses and operating expenses - affiliated	\$ 116,409	\$ 296,665	\$ 413,074
Loss on disposal of assets	--	17,867	17,867
Interest expense	82,607	140,534	223,141
Management fees	17,250	52,965	70,215
Real estate taxes	16,716	97,949	114,665
Depreciation and amortization	54,051	200,704	254,755
Total expenses	<u>287,033</u>	<u>806,684</u>	<u>1,093,717</u>
Net income	<u>\$ 48,800</u>	<u>\$ 53,665</u>	<u>\$ 102,465</u>

Nine Months Ended September 30, 2001			
	Residential	Commercial	Total
Rental income	\$ 947,462	\$ 2,856,342	\$ 3,803,804
Interest and other income	3,428	19,494	22,922
Total net revenues	<u>\$ 950,890</u>	<u>\$ 2,875,836</u>	<u>\$ 3,826,726</u>
Operating expenses and operating expenses - affiliated	\$ 437,227	\$ 1,096,509	\$ 1,533,736
Loss on disposal of assets	2,518	--	2,518
Interest expense	239,390	610,589	849,979
Management fees	47,706	166,366	214,072
Real estate taxes	49,276	392,491	441,767
Depreciation and amortization	165,565	738,288	903,853
Total expenses	<u>941,682</u>	<u>3,004,243</u>	<u>3,945,925</u>
Net income (loss)	<u>\$ 9,208</u>	<u>\$ (128,407)</u>	<u>\$ (119,199)</u>

Nine Months Ended September 30, 2000			
	Residential	Commercial	Total
Rental income	\$ 989,010	\$ 2,556,473	\$ 3,545,483
Interest and other income	3,408	15,777	19,185
Total net revenues	<u>\$ 992,418</u>	<u>\$ 2,572,250</u>	<u>\$ 3,564,668</u>
Operating expenses and operating expenses - affiliated	\$ 393,022	\$ 883,119	\$ 1,276,141
Loss on disposal of assets	46,351	149,371	195,722
Interest expense	250,849	488,045	738,894
Management fees	50,310	154,081	204,391
Real estate taxes	50,094	293,847	343,941
Depreciation and amortization	161,504	595,698	757,202
Total expenses	<u>952,130</u>	<u>2,564,161</u>	<u>3,516,291</u>
Net income	<u>\$ 40,288</u>	<u>\$ 8,089</u>	<u>\$ 48,377</u>

A reconciliation of the totals reported for the operating segments to the applicable line items in the consolidated financial statements for the three months and nine months ended September 30, 2001 and 2000 is necessary given amounts recorded at the Partnership level and not allocated to the operating properties for internal reporting purposes.

	Three Months Ended September 30,	
	2001	2000
<u>NET REVENUES</u>		
Total revenues for reportable segments	\$ 1,306,349	\$ 1,196,182
Other income for Partnership	<u>6,093</u>	<u>14,780</u>
Total consolidated net revenues	<u>\$ 1,312,442</u>	<u>\$ 1,210,962</u>
<u>INTEREST EXPENSE</u>		
Interest expense for reportable segments	\$ 277,002	\$ 223,141
Interest expense for Partnership	<u>5,091</u>	<u>5,091</u>
Total interest expense	<u>\$ 282,093</u>	<u>\$ 228,232</u>
<u>DEPRECIATION AND AMORTIZATION</u>		
Total depreciation and amortization for reportable segments	\$ 318,676	\$ 254,755
Depreciation and amortization for Partnership	<u>4,654</u>	<u>4,654</u>
Total depreciation and amortization	<u>\$ 323,330</u>	<u>\$ 259,409</u>
<u>NET (LOSS) INCOME</u>		
Total net (loss) income for reportable segments	\$ (6,198)	\$ 102,465
Net loss for Partnership	(76,580)	(66,527)
Minority interest	<u>12,228</u>	<u>(8,556)</u>
Total net (loss) income	<u>\$ (70,550)</u>	<u>\$ 27,382</u>

	Nine Months Ended September 30,	
	2001	2000
<u>NET REVENUES</u>		
Total revenues for reportable segments	\$ 3,826,726	\$ 3,564,668
Other income for Partnership	<u>28,163</u>	<u>122,766</u>
Total consolidated net revenues	<u>\$ 3,854,889</u>	<u>\$ 3,687,434</u>
<u>INTEREST EXPENSE</u>		
Interest expense for reportable segments	\$ 849,979	\$ 738,894
Interest expense for Partnership	<u>15,272</u>	<u>15,272</u>
Total interest expense	<u>\$ 865,251</u>	<u>\$ 754,166</u>
<u>DEPRECIATION AND AMORTIZATION</u>		
Total depreciation and amortization for reportable segments	\$ 903,853	\$ 757,202
Depreciation and amortization for Partnership	<u>13,964</u>	<u>14,185</u>
Total depreciation and amortization	<u>\$ 917,817</u>	<u>\$ 771,387</u>
<u>NET LOSS</u>		
Total net (loss) income for reportable segments	\$ (119,199)	\$ 48,377
Net loss for Partnership	(210,266)	(118,224)
Minority interest	<u>42,564</u>	<u>7,142</u>
Total net loss	<u>\$ (286,901)</u>	<u>\$ (62,705)</u>

Item 2 - Management's Discussion and Analysis of Financial Condition and Results of Operations

Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") is structured in four major sections. The first section provides information related to occupancy levels and rental and other income generated by the Partnership's properties and joint ventures. The second analyzes results of operations on a consolidated basis. The final sections address consolidated cash flows and financial condition. A discussion of certain market risks also follows. MD&A should be read in conjunction with the Consolidated Financial Statements in Item 1 and the Cautionary Statements below.

Cautionary Statements

Some of the statements included in this Item 2 may be considered to be "forward-looking statements" since such statements relate to matters which have not yet occurred. For example, phrases such as "the Partnership anticipates," "believes" or "expects," indicate that it is possible that the event anticipated, believed or expected may not occur. Should such event not occur, then the result which the Partnership expected also may not occur or occur in a different manner, which may be more or less favorable to the Partnership. The Partnership does not undertake any obligations to publicly release the result of any revisions to these forward-looking statements that may be made to reflect any future events or circumstances.

Any forward-looking statements included in the MD&A section, or elsewhere in this report, which reflect management's best judgment, based on factors known, involve risks and uncertainties. Actual results could differ materially from those anticipated in any forward-looking statements as a result of a number of factors including, but not limited to, those discussed below. Any forward-looking information provided by the Partnership pursuant to the safe harbor established by recent securities legislation should be evaluated in the context of these factors.

The Partnership's liquidity, capital resources and results of operations are subject to a number of risks and uncertainties including, but not limited to the following: the ability of the Partnership to achieve planned revenues; the ability of the Partnership to make payments due under its debt agreements; the ability of the Partnership to negotiate and maintain terms with vendors and service providers for operating expenses; competitive pressures from other real estate companies, including large commercial and residential real estate companies, which may affect the nature and viability of the Partnership's business strategy; trends in the economy as a whole which may affect consumer confidence and demand for the types of rental property held by the Partnership; the ability of the Partnership to predict the demand for specific rental properties; the ability of the Partnership to attract and retain tenants; availability and costs of management and labor employed; real estate occupancy and development costs, including substantial fixed investment costs associated with renovations necessary to obtain new tenants and retain existing tenants; and the risk of a major commercial tenant defaulting on its lease due to risks generally associated with real estate, many of which are beyond the control of the Partnership, including general or local economic conditions, competition, interest rates, real estate tax rates, other operating expenses and acts of God.

Minority Interest

The Emerging Issues Tasks Force (“EITF”) of the Financial Accounting Standards Board (“FASB”) has reached a consensus on Issue No. 00-1, “Applicability of the Pro Rata Method of Consolidation to Investments in Certain Partnerships and Other Unincorporated Joint Ventures.” The EITF reached a consensus that a proportionate gross financial statement presentation (referred to as “proportionate consolidation” in the Notes to Consolidated Financial Statements) is not appropriate for an investment in an unincorporated legal entity accounted for by the equity method of accounting, unless the investee is in either the construction industry or an extractive industry where there is a longstanding practice of its use.

The consensus is applicable to financial statements for annual periods ending after June 15, 2000. The Partnership has applied the consensus to all comparative financial statements, restating them to conform with the consensus for all periods presented. The application of this consensus did not result in a restatement of previously reported partners’ equity or results of operations, but did result in a recharacterization or reclassification of certain financial statements’ captions and amounts.

Results of Operations

The occupancy levels at the Partnership’s properties and joint ventures as of September 30, 2001 and 2000 were as follows:

	Nine Months Ended September 30,	
	2001(1)	2000
<u>Wholly-Owned Properties</u>		
Commonwealth Business Center Phase II	81%	80%
<u>Property Owned in Joint Venture with NTS- Properties IV (Ownership % at September 30, 2001)</u>		
The Willows of Plainview Phase II (90.30%) (2)	81%	91%
<u>Properties Owned through Lakeshore/University II Joint Venture (L/U II Joint Venture) (Ownership % at September 30, 2001)</u>		
Lakeshore Business Center Phase I (81.19%)	85%	74%
Lakeshore Business Center Phase II (81.19%)	86%	86%
Lakeshore Business Center Phase III (81.19%) (3)	28%	N/A

(Footnotes continued on next page)

- (1) Current occupancy levels are considered adequate to continue the operation of Commonwealth Business Center Phase II, The Willows of Plainview Phase II and Lakeshore Business Center Phases I and II without additional financing. Construction of Lakeshore Business Center Phase III commenced December 1999 and occupancy was certified November 2000.
- (2) In the opinion of the General Partner of the Partnership, the decrease in period ending occupancy is only a temporary fluctuation and does not represent a permanent downward occupancy trend.
- (3) Construction of Lakeshore Business Center Phase III commenced December 1999 and occupancy was certified November 2000.

The average occupancy levels at the Partnership's properties and joint ventures during the three months and nine months ended September 30, 2001 and 2000 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
<u>Wholly-Owned Properties</u>				
Commonwealth Business Center Phase II (1)	81%	81%	73%	85%
<u>Properties Owned in Joint Venture with NTS- Properties IV (Ownership % at September 30, 2001)</u>				
The Willows of Plainview Phase II (90.30%) (1)	86%	95%	85%	93%
<u>Properties Owned Through Lakeshore/ University II Joint Venture (L/U II Joint Venture)</u>				
Lakeshore Business Center Phase I (2)	86%	74%	83%	75%
Lakeshore Business Center Phase II (1)(2)	85%	86%	82%	83%
Lakeshore Business Center Phase III (2)(3)	28%	N/A	26%	N/A

- (1) In the opinion of the General Partner of the Partnership, the decrease in average occupancy is only a temporary fluctuation and does not represent a permanent downward occupancy trend.
- (2) Ownership percentage was 81.19% for the three months and nine months ended September 30, 2001 and for the three months ended September 30, 2000, and 79.45% for the six months ended June 30, 2000.
- (3) Construction of Lakeshore Business Center Phase III commenced December 1999 and occupancy was certified November 2000.

Rental and other income generated by the Partnership's properties and joint ventures for the three months and nine months ended September 30, 2001 and 2000 were as follows:

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2001	2000	2001	2000
<u>Wholly-Owned Properties</u>				
Commonwealth Business Center Phase II	\$ 148,928	\$ 157,420	\$ 438,096	\$ 484,640
<u>Property Owned in Joint Venture with NTS- Properties IV (Ownership % at September 30, 2001)</u>				
The Willows of Plainview II (90.30%)	\$ 322,466	\$ 335,833	\$ 950,890	\$ 992,418
<u>Property Owned Through Lakeshore/University II Joint Venture (L/U II Joint Venture)</u>				
Lakeshore Business Center Phase I (1)	\$ 404,067	\$ 340,957	\$ 1,181,934	\$ 1,031,851
Lakeshore Business Center Phase II (1)	\$ 377,153	\$ 361,972	\$ 1,096,082	\$ 1,055,759
Lakeshore Business Center Phase III (1)(2)	\$ 53,735	N/A	\$ 159,724	N/A

- (1) Represents ownership percentage of 81.19% for the three months and nine months ended September 30, 2001 and for the three months ended September 30, 2000, and 79.45% for the six months ended June 30, 2000.
- (2) Construction of Lakeshore Business Center Phase III commenced December 1999 and occupancy was certified November 2000.

The following is an analysis of material changes in results of operations for the three months and nine months ending September 30, 2001 and 2000. Items that did not have a material impact on operations for the periods listed above have been excluded from this discussion.

Rental income increased approximately \$108,000, or 9%, and \$258,300, or 7%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000. The increase is primarily a result of increased average occupancy at Lakeshore Business Center Phases I and III partially offset by decreases in average occupancy at The Willows of Plainview Phase II and Commonwealth Business Center Phase II.

Period-ending occupancy percentages represent occupancy only on a specific date; therefore, the above analysis considers average occupancy percentages which are more representative of the entire period's results.

In cases of tenants who cease making rental payments or abandon the premises in breach of the lease terms, the Partnership pursues collection through the use of collection agencies or other remedies available by law when practical. In cases where tenants have vacated as a result of bankruptcy, the Partnership has taken legal action when it thought there could be a possible collection. There have been no funds recovered as a result of these actions during the three months and nine months ended

September 30, 2001 or 2000. As of September 30, 2001 no action is being taken against any tenants to collect funds through the remedies discussed above.

Interest and other income decreased approximately \$6,500, or 30% and \$90,900, or 64%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000, primarily as a result of a decrease in cash reserves available for investment as a result of funds used for the construction of Lakeshore Business Center Phase III.

Operating expenses increased approximately \$62,600, or 24% and \$242,500, or 29% for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000, primarily as the result of increased insurance expense at all of the Partnership's properties, increased legal fees at Lakeshore Business Center Phases I, II and III, and increased landscape maintenance at The Willows of Plainview Phase II. Partially offsetting the increase is a decrease in janitorial services at Commonwealth Business Center Phase II.

The loss on disposal of assets for 2001 and 2000 can be attributed to the retirement of assets at The Willows of Plainview Phase II and Lakeshore Business Center Phases I and II. The 2001 retirements are the result of exterior lighting replacements at The Willows of Plainview Phase II. The 2000 retirements are the result of common area improvements at Lakeshore Business Center Phases I and II, and exterior renovations at The Willows of Plainview Phase II. The loss represents the cost to retire assets which were not fully depreciated at the time of replacement.

Interest expense increased approximately \$53,900, or 24% and \$111,100, or 15%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000, primarily as a result of funds drawn on the Lakeshore Business Center Phase III construction loan. The increase is partially offset by regular principal payments on the debt of The Willows of Plainview Phase II and Lakeshore Business Center Phases I and II.

Real estate taxes increased approximately \$67,000, or 58% and \$98,000, or 28%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000. The increase is primarily due to an increase in the property tax assessment for 2001 at Lakeshore Business Center Phases I, II and III and is partially offset by a decrease in the property tax assessment for 2001 at Commonwealth Business Center Phase II.

Professional and administrative expenses decreased approximately \$4,900, or 15% and \$17,200, or 16%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000. The decrease is due to a decrease in investor services expenditures and employee recruiting.

Professional and administrative expenses - affiliated increased approximately \$6,200, or 16% and \$14,900, or 14%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000. The increase is due to increased salary costs. Professional and administrative expenses - affiliated are expenses incurred for services performed by employees of NTS Development Company, an affiliate of the General Partner.

Depreciation and amortization increased approximately \$64,000, or 25% and \$146,400, or 19%, for the three months and nine months ended September 30, 2001, as compared to the same periods in 2000, primarily as a result of the Lakeshore Business Center Phase III construction completed in November 2000 resulting in building and land improvements capitalized in December 2000. Also contributing to the increase is the reassessment, by management, of the useful lives of the Lakeshore Business Center Phase I roofs from 30 years to 16.5 years in anticipation of replacing the roofs in 2002. This change increased depreciation expense for the three months ended September 30, 2001 by approximately \$21,300. The aggregate cost of the Partnership's properties for federal tax purposes is approximately \$40,570,000.

Consolidated Cash Flows and Financial Condition

In the next 12 months, the Partnership expects the demand on future liquidity to increase as a result of replacing the roofs at Lakeshore Business Center Phase I and of future leasing activity at Commonwealth Business Center Phase II and Lakeshore Business Center Phases I, II and III. There may be significant demands on future liquidity due to the lease up of Lakeshore Business Center Phase III. At this time, the future leasing and tenant finish costs which will be required to renew the current leases or obtain new tenants are unknown. It is anticipated that the cash flow from operations and cash reserves will be sufficient to meet the needs of the Partnership.

Cash flows provided by (used in):

	Nine Months Ended September 30,	
	2001	2000
Operating activities	\$ 631,054	\$ 1,141,458
Investing activities	(389,140)	(3,052,910)
Financing activities	(405,259)	(45,273)
Net decrease in cash and equivalents	\$ <u>(163,345)</u>	\$ <u>(1,956,725)</u>

Net cash provided by operating activities decreased approximately \$510,400, or 45%, for the nine months ended September 30, 2001, as compared to the same period in 2000. This decrease was primarily a result of a decrease in net operating results before non-cash items and the change in accounts payable.

Net cash used in investing activities decreased approximately \$2,663,800 for the nine months ended September 30, 2001, as compared to the same period in 2000. The decrease is primarily the result of decreased capital expenditures for construction of Lakeshore Business Center Phase III.

Net cash used in financing activities increased approximately \$360,000 for the nine months ended September 30, 2001, as compared to the same period in 2000, primarily as a result of continued principal payments on the mortgages at Lakeshore Business Center Phases I and II and The Willows of Plainview Phase II.

Due to the fact that no distributions were paid during the three months or nine months ended September 30, 2001 or 2000, the table which presents that portion of the distribution that represents a return of capital on a GAAP basis has been omitted.

The Partnership anticipates having to continue to fund the working capital deficit of the L/U II Joint Venture. Due to the extended time necessary to lease the Lakeshore Business Center Phase III addition, it is unknown at this time how much working capital the Partnership will need to fund the operations of the L/U II Joint Venture.

Currently, the Partnership's plans for renovations and other major capital expenditures include tenant improvements at the Partnership's properties as required by lease negotiations at the Partnership's commercial properties. Changes to current tenant finish improvements are a typical part of any lease negotiation. Improvements generally include a revision to the current floor plan to accommodate a tenant's needs, new carpeting and paint and/or wallcovering. The extent and cost of the improvements are determined by the size of the space being leased and whether the improvements are for a new tenant or incurred because of a lease renewal. The tenant finish improvements will be funded by cash flow from operations, cash reserves or additional financing where necessary.

As of September 30, 2001, the L/U II Joint Venture has a commitment for approximately \$6,000 for tenant improvements on 2,173 square feet at Lakeshore Business Center Phase I and approximately \$6,800 for tenant improvements on 1,624 square feet at Lakeshore Business Center Phase I. The tenant improvements will be funded from existing working capital.

The L/U II Joint Venture anticipates replacing the roofs in 2002 at Lakeshore Business Center Phase I for a cost of approximately \$500,000. This project will be funded from existing working capital. Management reassessed the useful lives of the existing roofs and has adjusted them accordingly. The adjustment increased depreciation expense for the three months ended September 30, 2001 by approximately \$21,300.

The Partnership also plans to renovate the community clubhouse at The Willows of Plainview Apartments, starting in the fourth quarter 2001. It is currently estimated that the total costs for the renovation will be approximately \$500,000, with the Partnership's share being approximately \$233,000. The renovation is expected to be completed in March 2002 and will be funded from existing working capital.

The Partnership has no other material commitments for renovations or capital improvements as of September 30, 2001.

On August 13, 2001, ORIG, LLC, an affiliate of the Partnership, (the "Offeror") commenced a tender offer for up to 2,000 of the Partnership's interests at a price of \$230 per interest. If more than 2,000 interests are tendered, ORIG may purchase all of the tendered interests, or may purchase interests on a pro rata basis. Interests acquired by ORIG will be held by it. The tender offer will expire on November 13, 2001, unless extended.

Neither ORIG nor the General Partner has any current plans or proposals that relate to or would result in an extraordinary corporate transaction, such as a merger, liquidation or a sale of all or substantially all of the Partnership's assets. However, the General Partner, consistent with its fiduciary obligations, will seek and review opportunities to enhance long-term value for the limited partners, such as: a merger or business combination with an unaffiliated entity; a liquidation of the Partnership; a partial liquidation of the Partnership's assets; a recapitalization; or a consolidation with affiliates. There is no assurance that any transaction will occur. The Partnership and ORIG may, but are not required to, purchase additional interests, either through privately-negotiated transactions or additional tender offers. Additional purchases may have the effect of increasing the percentage of interests owned by ORIG and its affiliates above 50%, which would give ORIG the ability to control any Partnership votes on the types of transactions described above or any other matters.

The following describes the efforts being taken by the Partnership to increase the occupancy levels at the Partnership's properties. At Commonwealth Business Center Phase II, the leasing and renewal negotiations are conducted by leasing agents, who are employees of NTS Development Company, located in Louisville, Kentucky. The leasing agents are located in the same city as the property. All advertising is coordinated by NTS Development Company's marketing staff located in Louisville, Kentucky. A leasing agent, an employee of NTS Development Company, located at Lakeshore Business Center, manages the leasing and renewal negotiations at Lakeshore Business Center Phases I, II and III. At The Willows of Plainview Phase II, the Partnership has an on-site leasing staff, who are employees of NTS Development Company. The staff facilitates all on-site visits from potential tenants, makes visits to local companies to promote fully furnished apartments, negotiates lease renewals with current residents and coordinates all local advertising with NTS Development Company's marketing staff.

Leases at the Partnership's commercial properties provide for tenants to contribute toward the payment of common area expenses, insurance and real estate taxes. These lease provisions, along with the fact that residential leases are generally for a period of one year, should protect the Partnership's operations from the impact of inflation and changing prices.

Item 3 - Quantitative and Qualitative Disclosures About Market Risk

The Partnership's primary market risk exposure with regard to financial instruments is changes in interest rates. All of the Partnership's debt bears interest at a fixed rate with the exception of the \$ 1,674,899 mortgage payable on Lakeshore Business Center Phase III and the \$27,938 and \$2,758 notes payable on The Willows of Plainview Phase II. At September 30, 2001, a hypothetical 100 basis point increase in interest rates would result in an approximate \$464,000 decrease in the fair value of the debt and would increase interest expense on the variable rate mortgage and notes by approximately \$17,000 annually.

PART II - OTHER INFORMATION

Item 1 - Legal Proceedings

None.

Item 2 - Changes in Securities

None.

Item 3 - Defaults Upon Senior Securities

None.

Item 4 - Submission of Matters to a Vote of Security Holders

None.

Item 5 - Other Information

None.

Item 6 - Exhibits and Reports on Form 8-K

None.

SIGNATURES

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

NTS-PROPERTIES V,
A Maryland Limited Partnership

BY: NTS-Properties Associates V,
General Partner,
BY: NTS Capital Corporation,
General Partner

/s/ Gregory A. Wells
Gregory A. Wells
Senior Vice President and
Chief Financial Officer of
NTS Capital Corporation

Date: November 9, 2001