Form 10-Q

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

☒ Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934.
For the quarterly period ended March 31, 2002

☐ 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 000-23842

ATEL Cash Distribution Fund V, L.P.
(Exact name of registrant as specified in its charter)

California	**94-3165807**
(State or other jurisdiction of incorporation or organization)	(I. R. S. Employer Identification No.)

235 Pine Street, 6th Floor, San Francisco, California 94104
(Address of principal executive offices)

Registrant's telephone number, including area code: (415) 989-8800

Indicate by a 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 ☒
No ☐

DOCUMENTS INCORPORATED BY REFERENCE

None

Part I. FINANCIAL INFORMATION

Item 1. Financial Statements.

ATEL CASH DISTRIBUTION FUND V, L.P.

BALANCE SHEETS

MARCH 31, 2002 AND DECEMBER 31, 2001
(Unaudited)

ASSETS

	2002	2001
Cash and cash equivalents	$ 212,550	$ 443,772
Accounts receivable, net of allowance for doubtful accounts of $165,285 in 2002 and 2001	1,174,691	1,249,403
Investments in leases	33,678,626	35,467,668
Total assets	$ 35,065,867	$ 37,160,843

LIABILITIES AND PARTNERS' CAPITAL

	2002	2001
Non-recourse debt	$11,015,437	$ 11,663,273
Line of credit	6,000,000	6,500,000
Accounts payable:		
General Partner	198,446	146,080
Other	405,325	156,408
Accrued interest expense	18,121	21,601
Unearned operating lease income	68,563	127,056
Total liabilities	17,705,892	18,614,418
Partners' capital:		
General Partner	187,373	188,354
Limited Partners	17,172,602	18,358,071
Total partners' capital	17,359,975	18,546,425
Total liabilities and partners' capital	$ 35,065,867	$ 37,160,843

See accompanying notes.

ATEL CASH DISTRIBUTION FUND V, L.P.

STATEMENTS OF OPERATIONS

THREE MONTH PERIODS ENDED
MARCH 31, 2002 AND 2001
(Unaudited)

	2002	2001
Revenues:		
Leasing activities:		
Operating leases	$ 1,403,768	$ 1,553,439
Direct financing leases	112,557	151,390
Leveraged leases	10,844	14,243
Gain on sales of assets	85,435	282,187
Interest income	1,318	13,691
Other	1,739	1,165
	1,615,661	2,016,115
Expenses:		
Depreciation and amortization	1,034,848	1,183,416
Interest expense	263,930	293,909
Cost reimbursements to General Partner	188,248	173,833
Equipment and incentive management fees to General Partner	60,888	102,492
Other	60,718	72,200
Professional fees	36,322	71,736
Railcar maintenance	68,764	11,610
	1,713,718	1,909,196
Net (loss) income	$ (98,057)	$ 106,919
Net (loss) income:		
General Partner	$ (981)	$ 1,069
Limited Partners	(97,076)	105,850
	$ (98,057)	$ 106,919
Net (loss) income per Limited Partnership Unit	$ (0.01)	$ 0.01
Weighted average number of Units outstanding	12,497,000	12,497,000

STATEMENT OF CHANGES IN PARTNERS' CAPITAL

THREE MONTH PERIOD
ENDED MARCH 31, 2002
(Unaudited)

	Limited Partners		General	
	Units	Amount	Partner	Total
Balance December 31, 2001	12,497,000	$ 18,358,071	$ 188,354	$ 18,546,425
Distributions to limited partners		(1,088,393)	-	(1,088,393)
Net loss		(97,076)	(981)	(98,057)
Balance March 31, 2002	12,497,000	$ 17,172,602	$ 187,373	$ 17,359,975

See accompanying notes.

ATEL CASH DISTRIBUTION FUND V, L.P.

STATEMENTS OF CASH FLOWS

THREE MONTH PERIODS ENDED
MARCH 31, 2002 AND 2001

	2002	2001
Operating activities:		
Net (loss) income	$ (98,057)	$ 106,919
Adjustment to reconcile net (loss) income to cash provided by operating activities:		
Depreciation and amortization	1,034,848	1,183,416
Gain on sales of lease assets	(85,435)	(282,187)
Leveraged lease income	(10,844)	(14,243)
Changes in operating assets and liabilities:		
Accounts receivable	74,712	248,654
Accounts payable, General Partner	52,366	25,606
Accounts payable, other	248,917	(39,171)
Accrued interest expense	(3,480)	(14,298)
Unearned operating lease income	(58,493)	(114,982)
Net cash provided by operations	1,154,534	1,099,714
Investing activities:		
Proceeds from sales of lease assets	391,850	2,370,549
Reduction of net investment in direct financing leases	436,935	117,339
Reduction of net investment in leveraged leases	21,688	28,486
Net cash provided by investing activities	850,473	2,516,374
Financing activities:		
Distributions to Limited Partners	(1,088,393)	(3,748,746)
Proceeds of non-recourse debt	759,436	-
Repayments of non-recourse debt	(1,407,272)	(1,913,721)
Repayments of borrowings under line of credit	(1,000,000)	-
Borrowings under line of credit	500,000	1,000,000
Net cash used in financing activities	(2,236,229)	(4,662,467)
Net decrease in cash and cash equivalents	(231,222)	(1,046,379)
Cash and cash equivalents at beginning of period	443,772	1,571,943
Cash and cash equivalents at end of period	$ 212,550	$ 525,564
Supplemental disclosures of cash flow information:		
Cash paid during the period for interest	$ 267,410	$ 308,207

See accompanying notes.

ATEL CASH DISTRIBUTION FUND V, L.P.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002
(Unaudited)

1. Summary of significant accounting policies:

Interim financial statements:

The unaudited interim financial statements reflect all adjustments which are, in the opinion of the general partners, necessary to a fair statement of financial position and results of operations for the interim periods presented. All such adjustments are of a normal recurring nature. These unaudited interim financial statements should be read in conjunction with the most recent report on Form 10K.

2. Organization and partnership matters:

ATEL Cash Distribution Fund V, L.P. (the Partnership), was formed under the laws of the State of California on September 23, 1992, for the purpose of acquiring equipment to engage in equipment leasing and sales activities.

Upon the sale of the minimum amount of Units of Limited Partnership interest (Units) of $1,200,000 and the receipt of the proceeds thereof on March 19, 1993, the Partnership commenced operations.

The Partnership does not make a provision for income taxes since all income and losses will be allocated to the Partners for inclusion in their individual tax returns.

3. Investment in leases:

The Partnership's investment in leases consists of the following:

	Balance December 31, 2001	Depreciation Expense and Amortization of Leases	Reclassifications & Dispositions	Balance March 31, 2002
Net investment in operating leases	$ 26,533,841	$ (997,852)	$ (132,777)	$ 25,403,212
Net investment in direct financing leases	8,094,439	(436,935)	-	7,657,504
Net investment in leveraged leases	1,073,050	(10,844)	(148,545)	913,661
Residual value interests	835,759	-	-	835,759
Assets held for sale or lease	725,609	-	(25,093)	700,516
Reserve for losses	(2,224,816)	-	-	(2,224,816)
Initial direct costs, net of accumulated amortization of $1,115,605 in 2001 and $1,085,159 in 2002	429,786	(36,996)	-	392,790
	$ 35,467,668	$ (1,482,627)	$ (306,415)	$ 33,678,626

ATEL CASH DISTRIBUTION FUND V, L.P.

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2002
(Unaudited)

3. Investment in leases (continued):

Property on operating leases consists of the following:

	Balance December 31, 2001	Additions and Depreciation	Reclassifications & Dispositions	Balance March 31, 2002
Transportation	$ 36,606,091	$ -	$ (315,905)	$ 36,290,186
Construction	11,425,007	-	-	11,425,007
Manufacturing	2,666,354	-	-	2,666,354
Materials handling	248,749	-	-	248,749
	50,946,201	-	(315,905)	50,630,296
Less accumulated depreciation	(24,412,360)	(997,852)	183,128	(25,227,084)
	$ 26,533,841	$ (997,852)	$ (132,777)	$ 25,403,212

All of the property on leases was acquired in 1993, 1994, 1995, 1996 and 1997.

At March 31, 2002, the aggregate amounts of future minimum lease payments are as follows:

	Operating Leases	Direct Financing Leases	Total
Nine months ending December 31, 2002	$ 3,237,417	$ 1,306,710	$ 4,544,127
Year ending December 31, 2003	1,793,666	428,733	2,222,399
2004	813,692	622,852	1,436,544
2005	821,534	496,654	1,318,188
2006	523,314	496,654	1,019,968
Thereafter	4,115,964	4,017,490	8,133,454
	$ 11,305,587	$ 7,369,093	$ 18,674,680

4. Non-recourse debt:

Notes payable to financial institutions are due in varying monthly, quarterly and semi-annual installments of principal and interest. The notes are secured by assignments of lease payments and pledges of the assets which were purchased with the proceeds of the particular notes. Interest rates on the notes vary from 6.5% to 10.5%.

Future minimum principal payments of non-recourse debt are as follows:

	Principal	Interest	Total
Nine months ending December 31, 2002	$ 2,077,213	$ 502,074	$ 2,579,287
Year ending December 31, 2003	709,048	553,832	1,262,880
2004	453,006	513,642	966,648
2005	481,214	485,263	966,477
2006	544,469	442,613	987,082
Thereafter	6,750,487	1,989,480	8,739,967
	$ 11,015,437	$ 4,486,904	$ 15,502,341

5. Related party transactions:

The terms of the Limited Partnership Agreement provide that the General Partner and/or Affiliates are entitled to receive certain fees for equipment acquisition, management and resale and for management of the Partnership.

The Limited Partnership Agreement allows for the reimbursement of costs incurred by the General Partner in providing services to the Partnership. Services provided include Partnership accounting, investor relations, legal counsel and lease and equipment documentation. The General Partner is not reimbursed for services where it is entitled to receive a separate fee as compensation for such services, such as acquisition and management of equipment. Reimbursable costs incurred by the General Partner are allocated to the Partnership based upon actual time incurred by employees working on Partnership business and an allocation of rent and other costs based on utilization studies.

Substantially all employees of the General Partner record time incurred in performing services on behalf of all of the Partnerships serviced by the General Partner. The General Partner believes that the costs reimbursed are the lower of (i) actual costs incurred on behalf of the Partnership or (ii) the amount the Partnership would be required to pay independent parties for comparable services in the same geographic location and are reimbursable in accordance with the Limited Partnership Agreement.

5. Related party transactions (continued):

The General Partner and/or Affiliates earned fees, commissions and reimbursements, pursuant to the Limited Partnership Agreement as follows:

	2002	2001
Costs reimbursed to General Partner	$ 188,248	$ 173,833
Incentive management fees (computed as 5% of distributions of cash from operations, as defined in the Limited Partnership Agreement) and equipment management fees (computed as 5% of gross revenues from operating leases, as defined in the Limited Partnership Agreement plus 2% of gross revenues from full payout leases, as defined in the Limited Partnership Agreement).	60,888	102,492
	$ 249,136	$ 276,325

6. Line of credit:

The Partnership participates with the General Partner and certain of its affiliates in a $62,000,000 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expired on April 12, 2002 and has been extended through June 30, 2002. The General Partner is currently negotiating a new line of credit and anticipates that the current line of credit will be replaced before its extended expiration date. As of March 31, 2002, borrowings under the facility were as follows:

Amount borrowed by the Partnership under the acquisition facility	$ 6,000,000
Amounts borrowed by affiliated partnerships and limited liability companies under the acquisition facility	13,300,000
Total borrowings under the acquisition facility	19,300,000
Amounts borrowed by the General Partner and its sister corporation under the warehouse facility	5,235,045
Total outstanding balance	$ 24,535,045
Total available under the line of credit	$ 62,000,000
Total outstanding balance	(24,535,045)
Remaining availability	$ 37,464,955

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the Partnership and the General Partner.

The credit agreement includes certain financial covenants applicable to each borrower. The Partnership was in compliance with its covenants as of March 31, 2002.

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

Capital Resources and Liquidity

In 2002, the Partnership's primary source of cash was operating lease rents. In 2001, the Partnership's primary sources of cash were proceeds from sales of lease assets and operating lease rents. The liquidity of the Partnership will vary in the future, increasing to the extent cash flows from leases and proceeds from asset sales exceed expenses, and decreasing as distributions are made to the limited partners and to the extent expenses exceed cash flows from leases and proceeds from sales of assets.

As another source of liquidity, the Partnership has contractual obligations with a diversified group of lessees for fixed lease terms at fixed rental amounts. As the initial lease terms expire the Partnership will re-lease or sell the equipment. The future liquidity beyond the contractual minimum rentals will depend on the General Partner's success in re-leasing or selling the equipment as it comes off lease.

The Partnership participates with the General Partner and certain of its affiliates in a $62,000,000 revolving line of credit with a financial institution that includes certain financial covenants. The line of credit expired on April 12, 2002 and has been extended through June 30, 2002. The General Partner is currently negotiating a new line of credit and anticipates that the current line of credit will be replaced before its extended expiration date. As of March 31, 2002, borrowings under the facility were as follows:

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Total outstanding balance	$ 24,535,045
Total available under the line of credit	$ 62,000,000
Total outstanding balance	(24,535,045)
Remaining availability	$ 37,464,955

Draws on the acquisition facility by any individual borrower are secured only by that borrower's assets, including equipment and related leases. Borrowings on the warehouse facility are recourse jointly to certain of the affiliated partnerships and limited liability companies, the Partnership and the General Partner.

The Partnership anticipates reinvesting a portion of lease payments from assets owned in new leasing transactions. Such reinvestment will occur only after the payment of all obligations, including debt service (both principal and interest), the payment of management and acquisition fees to the General Partner and providing for cash distributions to the Limited Partners.

The Partnership currently has available adequate reserves to meet contingencies, but in the event those reserves were found to be inadequate, the Partnership would likely be in a position to borrow against its current portfolio to meet such requirements. The General Partner envisions no such requirements for operating purposes.

As of March 31, 2002, the Partnership had borrowed $59,077,347 on a non-recourse basis with remaining unpaid balances of $11,015,437. Borrowings are to be generally non-recourse to the Partnership, that is, the only recourse of the lender upon a default by the lessee on the underlying lease will be to the equipment or corresponding lease acquired with the loan proceeds. The General Partner expects that aggregate borrowings in the future will not exceed 40% of aggregate equipment cost. In any event, the Agreement of Limited Partnership limits such borrowings to 40% of the total cost of equipment, in aggregate.

No commitments of capital have been or are expected to be made other than for the acquisition of additional equipment. As of March 31, 2002, the Partnership had no such commitments.

If inflation in the general economy becomes significant, it may affect the Partnership inasmuch as the residual (resale) values and rates on re-leases of the Partnership's leased assets may increase as the costs of similar assets increase. However, the Partnership's revenues from existing leases would not increase, as such rates are generally fixed for the terms of the leases without adjustment for inflation.

If interest rates increase significantly, the lease rates that the Partnership can obtain on future leases will be expected to increase as the cost of capital is a significant factor in the pricing of lease financing. Leases already in place, for the most part, would not be affected by changes in interest rates.

Cash Flows

In both 2002 and 2001, the Partnership's primary operating source of cash was revenues from operating leases. Operating lease revenues decreased by $149,671, primarily as a result of sales of operating lease assets over the last year.

In 2002, the Partnership's primary source of cash flows from investing activities was direct finance lease rents. In 2001, the primary source of cash flows from investing activities was proceeds from sales of lease assets. Such sales proceeds are not expected to be consistent from one period to another. Rents on direct financing and leveraged leases (accounted for as reductions in the net investment in such leases) also provided cash in both 2001 and 2000.

In 2002, sources of cash from financing activities consisted of amounts borrowed on the line of credit and proceeds of non-recourse debt. In 2001, the only source of cash from financing activities was $1,000,000 borrowed on the line of credit. In 2002 and 2001, the single largest financing use of cash was distributions to limited partners. The amount of such distributions did not change significantly. As a result of scheduled debt payments, certain notes have been paid off. This would has led to an overall reduction in the amounts of cash used to repay debt compared to 2001.

Results of operations

Operations resulted in a net loss of $107,959 in 2002, compared to net income of $106,919 in 2001.

Operating lease revenues (and the related depreciation expense) have decreased as a result of sales of assets over the last year. Direct financing lease revenues have decreased due to the same cause.

As scheduled debt payments have been made, debt balances have been reduced. This caused interest expense to decrease by $29,979 compared to 2001.

Sales of lease assets decreased in the first quarter of 2002 compared to the same period in 2001. Gains recognized on these sales decreased from $282,187 in 2001 to $85,435 in 2002.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings.

The following is a discussion of legal matters involving the Partnership but which do not represent claims against the Partnership or its assets, except for the claim by Republic Financial Corporation described below. No other material legal proceedings are currently pending against the Partnership or against any of its assets.

Schwegmann's Giant Supermarkets:

In October 1997, Schwegmann's Giant Supermarkets defaulted on the timely performance of lease payments, and certain other obligations under its lease with the Partnership, with respect to two of five locations of retail grocery store fixtures and equipment, with a receivable balance currently totaling approximately $1.7 million. The remaining portion of the lease payments with respect to three of five stores was assumed by SGSM Acquisition Company (a subsidiary of Kohlberg and Co.) ("SGSM"). Payments with respect to these leases remained current until February 1999; however, on March 26, 1999, SGSM filed for protection under Chapter 11 of the U.S. Bankruptcy Code. On February 22, 2000, and then on September 20, 2000, two of the obligors under the original lease, Schwegmann Westside Expressway Inc. and Schwegmann Giant Supermarkets Partnership, filed for protection under Chapter 11 of the U.S.

The Partnership has liquidated all equipment leased under their lease, resulting in net proceeds of $384,353, which represent 9.26% of original equipment cost.

The Partnership obtained and recorded a judgment against the lessee and guarantors in the approximate amount of $2.8 million, and pursued recovery of these liquidated damages, plus expenses, due under the lease. The lessee claimed sufficient assets to satisfy the claims of all secured creditors of the lessee; however, the lessee's assets are primarily relatively illiquid real property investments. During 2001, the lessee received $15,000,000 in proceeds from a parcel of real property sold to a large home improvement retail chain, which amount was sufficient to pay off substantially all of the creditors, including the Partnership’s claim of $2.8 million. As of this date, the Partnership has received in excess of $2.6 million in satisfaction of its claim, and the General Partner believes that it has a reasonable basis for assuming recovery of its remaining liquidated damages balance, in the approximate amount of $800,000 plus legal fees, in full satisfaction of its claim.

Pegasus Gold Corporation:

On January 16, 1998, Pegasus Gold Corporation filed for protection under Chapter 11 of the U.S. Bankruptcy Code. The initial meeting of creditors established by the U.S. Trustee's Office was held on March 9, 1998. The lessee's lease with the Partnership had previously been leveraged on a non-recourse basis with The CIT Group/Equipment Financing, Inc. ("CIT"), and all lease receivables (currently estimated at $2,211,902 as of February 14, 2001) were assigned to the lender. Consequently, the Partnership's exposure is no greater than the fair market residual value of the equipment under lease, currently estimated at $1,101,803. The reorganized lessee/debtor has assumed the Partnership's lease in the Bankruptcy Court and cured all past due payments which are now current. The Partnership has entered into an Escrow Agreement with CIT, wherein CIT has agreed not to foreclose on the Partnership's interest so long as the lessee continues to perform under the lease.

At this time, the reorganized lessee is current in its lease obligations. The ultimate recovery under this lease is dependent on the price of gold remaining at a level sufficient to make the lessee's operations profitable, and, consequently, any assessment of the impact of an adverse outcome of this matter remains uncertain. The original seven-year lease term expires on December 31, 2003.

Quaker Coal Company:

On December 31, 1997, Quaker Coal Company, one of the Partnership's lessees, requested a moratorium on lease payments from January through March 1998. No lease payments were made by the lessee through June of 1998, and as a result, the General Partner declared the lease in default. Subsequently, the lessee cured the outstanding payments and eventually satisfied substantially all lease payments due under the lease; however, the General Partner refused to waive the default and insisted on contractual damages. The General Partner filed a suit against the lessee for its contractual damages in the U.S. District Court of Northern California (the "Court"). On June 16, 2000, the lessee filed for protection under Chapter 11 of the U.S. Bankruptcy Code. The amounts of these damages have not been included in the financial statements included in Part I, Item 1 of this report.

The Partnership obtained a stipulation for relief from the automatic bankruptcy stay to allow the Court to issue its ruling, and filed a request to participate on the Official Committee of Unsecured Creditors in the bankruptcy proceedings. The Partnership succeeded upon securing the return of its equipment, which has been liquidated, netting approximately 17% of the original equipment cost. The Court issued a ruling on March 4, 2001, denying the Partnership's claim for damages. The lessee subsequently filed a claim against the Partnership, for reimbursement of its legal expenses. The General Partner believes the Court's decision is erroneous, as a matter law, and has filed an appeal of the decision in the U.S. District Court of Appeals.

The lessee filed a plan of reorganization, which has been objected to by several large creditors, including the General Partner.

Upon the termination of the debtor's exclusivity period, competing plans were filed by other creditors to the plan, and voting on the competing plans occurred October 8, 2001. The results of the vote were that American Electric Power's ("AEP") Plan of Reorganization ("AEP Plan") was successful. Under the AEP Plan, the claim of the Partnerships has been assigned to a liquidating trustee for resolution and satisfaction from the debtor's estate.

In January 2002, ATEL attended an appellate settlement conference seeking to resolve the outstanding disputed claim. A reserve has been set aside by the liquidating trustee in the amount of $1.2 million in partial satisfaction of the Partnership's claims and those of its affiliates, although this claim amount remains in dispute. Currently, the likelihood of recovery of amounts above the payment of the lease rent and the liquidation of the equipment already received remains speculative and highly uncertain.

Item 2. Changes In Securities.

Inapplicable.

Item 3. Defaults 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) Documents filed as a part of this report

1. Financial Statements

   Included in Part I of this report:

   Balance Sheets, March 31, 2002 and December 31, 2001.

   Statements of operations for the three month periods ended March 31, 2002 and 2001.

   Statement of changes in partners' capital for the three month period ended March 31, 2002.

   Statements of cash flows for the three month periods ended March 31, 2002 and 2001.

   Notes to the Financial Statements

2. Financial Statement Schedules

   All other schedules for which provision is made in the applicable accounting regulations of the Securities and Exchange Commission are not required under the related instructions or are inapplicable, and therefore have been omitted.

(b) Report 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.

Date:
May 13, 2002

ATEL CASH DISTRIBUTION FUND V, L.P.
(Registrant)

By: ATEL Financial Corporation
General Partner of Registrant

By: /s/ Dean L. Cash
Dean L. Cash
President and Chief Executive Officer
of General Partner

By: /s/ Paritosh K. Choksi
Paritosh K. Choksi
Principal financial officer
of registrant

By: /s/ Donald E. Carpenter
Donald E. Carpenter
Principal accounting
officer of registrant