# UNITED STATES SECURITIES AND EXCHANGE COMMISSION Washington, D.C. 20549

FORM 10-Q

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended June 30,  $\phantom{0}$  Commission file number 0-14510

CEDAR INCOME FUND, LTD. (Exact name of registrant as specified in its charter)

Iowa 42-1241468
(State or other jurisdiction of incorporation or organization) Identification No.)

4333 Edgewood Road N.E., Cedar 52499
Rapids, IA (Zip Code)
(Address of principal executive offices)

Registrant's telephone number, including area code: (319) 398-8975

(Former name, address and fiscal year, if changed since last report)

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

The number of shares of common stock outstanding at August 3, 1995 was 2,245,411.

PART I FINANCIAL INFORMATION

Item 1. Financial Statements.

CEDAR INCOME FUND, Ltd. Balance Sheets (unaudited) <TABLE>

	June 30		December 31,	
	1995	1994	1994	
ASSETS				
Real estate				
Land	4,126,044	4,126,044	4,126,044	
Buildings and improvements	14,200,539	14,200,539	14,200,539	
Total real estate	18,326,583	18,326,583	18,326,583	

Less accumulated depreciation	(3,100,148)	(2,663,716)	(2,881,997)	
Total net real estate	15,226,435	15,662,867	15,444,586	
Mortgage loan receivable	586,886	593,997	590,834	
Total real estate and mortgage participation	15,813,321	16,256,864	16,035,420	
Cash and cash equivalents Rent and other receivables	624,886 83,039	377,386 71,682	447,015 62,543	
Interest receivable	4,035	1,319	6,103	
Prepaid expenses	43,432	47,710	53,583	
Deferred lease commissions Taxes held in escrow	150,518 37,390	190,317 34,829	171,264 10,304	
TOTAL ASSETS	16,756,621	16,980,107	16,786,232	
LIABILITIES AND SHAREHOLDERS' EQUITY				
Liabilities Mortgage loan payable	1,454,517	1,472,912	1,463,929	
Accounts payable and accrued expenses	168,927	174,604	86,059	
Due to affiliates	25,528	20,212	29,062	
Security deposits	68,491	62,084	68,127	
Advance rents	41,540	60,169	48,884	
TOTAL LIABILITIES	1,759,003	1,789,981	1,696,061	
Shareholders' equity Common stock, \$1 par value,				
5,020,000 shares authorized	2,245,411	2,245,411	2,245,411	
Additional paid-in capital	12,752,207	12,944,715	12,844,760	
TOTAL SHAREHOLDERS' EQUITY	14,997,618	15,190,126	15,090,171	
TOTAL LIABILITIES AND SHAREHOLDERS EQUITY	16,756,621	16,980,107	16,786,232	

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CEDAR INCOME FUND, Ltd								
CEDAR INCOME FUND, Ltd Statements of Operations								
· · · · · · · · · · · · · · · · · · ·		ths Ended e 30,		hs Ended				
Statements of Operations (unaudited)		ths Ended e 30, 1994	Six Mont June 3 1995					
Statements of Operations	Jun 1995	e 30, 1994	June 3					
Statements of Operations (unaudited)  1994 REVENUE Rents	Jun	e 30,	June 3					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest	Jun 1995	e 30, 1994	June 3 1995					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267	Jun 1995 599,724 21,532	e 30, 1994 579,377 16,226	June 3 1995 1,199,911 41,238					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest	Jun 1995 599,724	e 30, 1994 579,377	June 3 1995 1,199,911					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES	Jun 1995 599,724 21,532	e 30, 1994 579,377 16,226	June 3 1995 1,199,911 41,238					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes	Jun 1995 599,724 21,532	e 30, 1994 579,377 16,226	June 3 1995 1,199,911 41,238					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries	Jun 1995 599,724 21,532 621,256	994 579,377 16,226 595,603	June 3 1995 1,199,911 41,238 1,241,149					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance	Jun 1995 599,724 21,532 621,256	94 1994 579,377 16,226 595,603 68,451	June 3 1995  1,199,911 41,238  1,241,149					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities	Jun 1995 599,724 21,532 621,256 62,363 5,237	994 579,377 16,226 595,603 68,451 10,183	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389	994 579,377 16,226 595,603 68,451 10,183 88,697	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985	e 30, 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance 9,171	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985 3,623	94 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969 4,677	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995 7,314					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985	e 30, 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance 9,171 Other 41,861  Total property expenses, excluding 463,754	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985 3,623	94 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969 4,677	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995 7,314					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance 9,171 Other 41,861  Total property expenses, excluding	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985 3,623 23,363	9 30, 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969 4,677 24,191	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995 7,314 45,495					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance 9,171 Other 41,861  Total property expenses, excluding 463,754 depreciation Depreciation	Jun 1995 599,724 21,532 621,256 62,363 5,237 103,389 29,610 29,985 3,623 23,363 257,570	1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969 4,677 24,191	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995 7,314 45,495  492,579					
Statements of Operations (unaudited)  1994 REVENUE Rents 1,139,487 Interest 31,267  Total revenue 1,170,754  EXPENSES Property expenses: Real estate taxes 132,273 Wages and salaries 21,783 Repairs and maintenance 145,344 Utilities 56,348 Management fee 56,974 Insurance 9,171 Other 41,861  Total property expenses, excluding 463,754 depreciation Depreciation Depreciation 218,281	Jun 1995  599,724  21,532  621,256  62,363  5,237  103,389  29,610  29,985  3,623  23,363  257,570  109,063	9 30, 1994 579,377 16,226 595,603 68,451 10,183 88,697 26,949 28,969 4,677 24,191 252,117 109,141	June 3 1995  1,199,911 41,238  1,241,149  115,903 9,859 197,763 56,250 59,995 7,314 45,495  492,579 218,151					

Administrative fees 24,825 49,364 Directors' fees and expenses 11,233 25,714 Other administrative 11,825	24,708 12,468	49,630 22,480	
Directors' fees and expenses 11,233 25,714 Other administrative 11,825	·	22,480	
Other administrative 11,825			
32,103	14,610	31,507	
Total expenses 449,597 860,328	448,550	884,620	
Net earnings 171,659 310,426	147,053	356,529	
Net earnings per share .08	.07	.16	.14
Dividends to shareholders 224,541 449,082	224,541	449,082	
Dividends to shareholders per share .10	.10	.20	.20
Average number of shares outstanding 2,245,411 2,245,411	2,245,411	2,245,411	

O' We the File I						
	June 30,					
1995	1994					
CASH FLOWS FROM OPERATING ACTIVITIES: Rents collected 1,157,971 Interest received 43,306 Payments for operating expenses (500,784) Interest paid (68,440)	1,127,024 34,785 (481,198) (69,279)					
Net cash provided by operating 632,053 activities	611,332					
CASH FLOWS FROM INVESTING ACTIVITIES:  Principal portion of scheduled  mortgage loan collections 3,948  Security deposits collected, net 364	4,247 (2,245)					
Net cash provided by investing 4,312 activities	2,002					
CASH FLOWS FROM FINANCING ACTIVITIES: Principal portion of scheduled mortgage loan payments (9,412)						
Dividends paid to shareholders (449,082)	(449,082)					
Net cash used by financing (458,494) activities	(457,656)					
Net increase in cash and cash equivalents.	155,678					
Cash and cash equivalents at beginning 447,015 of period	221,708					
Cash and cash equivalents at end of 624,886 period	377,386					
RECONCILIATION OF NET EARNINGS TO NET CASH PROVIDED BY OPERATING ACTIVITIES:						
Net earnings 356,529 Add (deduct) reconciling adjustments:	310,426					
Depreciation 218,151 Amortization 1,834	218,281 1,833					
Increase in rent and other (47,582) receivables	(33,826)					
Decrease in interest receivable 2,068 Decrease in prepaid expenses 8,317	3,518 11,312					
Decrease (increase) in deferred 20,746 lease commissions Increase in operating accounts	(2,862)					
payable, accrued expenses and due to 79,334	84,686					
affiliates Increase (decrease) in advance rents (7,344)	17,964					
</TABLE>

## NOTES TO FINANCIAL STATEMENTS

Note 1: Interim financial statements are prepared in accordance with generally accepted accounting principles and include all adjustments of a normal recurring nature necessary for a fair presentation of the financial position and quarterly results. Interim reports should be read in conjunction with the audited financial statements and related notes included in the 1994 Annual Report.

## <TABLE>

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Note 2: Shareholders' equity, December 31, 1994 15,090,171

Net earnings 356,529

Dividends to shareholders (449,082)

Shareholders' equity, June 30, 1995 14,997,618

## </TABLE>

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

We are pleased to present the second quarter report for Cedar Income Fund, Ltd. Net earnings for the three and six months ended June 30, 1995 were \$171,659 (\$.08 per share) and \$356,529 (\$.16 per share), respectively, compared to \$147,053 (\$.07 per share) and \$310,426 (\$.14 per share) for the same periods in 1994. Funds from operations (earnings from operations plus depreciation) were \$574,680 for the first six months of 1995 compared to \$528,707 for the same period in 1994.

The increases in net earnings and funds from operations were primarily the result of higher revenues. Rental income for the second quarter of 1995 increased 4% over the prior year (from \$579,377 to \$599,724) and 5% year-to-date (from \$1,139,487 to \$1,199,911). Rents increased at Broadbent Business Center in Salt Lake City, Utah due to higher occupancy and rental rates. Southpoint Parkway Center in Jacksonville, Florida also experienced higher rents due to stable occupancies and higher rental rates. As of June 30, 1995, the Company's real estate portfolio had an overall occupancy rate of 98%.

Total property expenses, excluding depreciation, increased from \$463,754 for the first six months of 1994 to \$492,579 for the same period in 1995, which represented 41% of rental income for both years, respectively. Higher repairs and maintenance expenses at Broadbent and Southpoint were the primary cause of the increase in property expenses. Real estate taxes decreased primarily as a result of a partial refund of 1994 taxes on Germantown Square Shopping Center in Louisville, Kentucky. Wages and salaries were reduced due to a reduction in property management personnel at Broadbent.

Hewlett Packard Corporation has notified the Company that it does not intend to renew its lease for 20,400 square feet of space at Corporate Center East in Bloomington, Illinois when it expires on September 30, 1995, but has exercised its option to extend the current lease until November 30, 1995. This lease represented 11% of the Company's revenue in 1994. The Company has begun efforts to secure one or more replacement tenants for this space.

The Company's capital resources consist of its current equity in real estate investments (current value less mortgage indebtedness) and a mortgage loan receivable. The Company maintains its real estate in good condition and provides adequate insurance coverage. The Company's liquidity at June 30, 1995 is represented by cash and cash equivalents of \$624,886, a mortgage loan participation of \$586,886, and cash flow from operating activities. This liquidity is considered sufficient to meet current obligations.

On July 20, 1995, the Board of Directors declared a dividend of \$.10 per share payable August 21, 1995 to shareholders of record on August 8, 1995. The Board of Directors will continue to consider leasing activity, operating results and financial condition of the Company in determining future dividends.

For the Board of Directors,

David Blankenship President August 3, 1995

## SIGNATURE

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.

CEDAR INCOME FUND, LTD.

/s/ Alan F. Fletcher Alan F. Fletcher Vice President and Treasurer (principal financial officer)

/s/ Edward J. Kittleson
Edward J. Kittleson
Controller
(principal accounting officer)

Dated: August 3, 1995

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<NAME> CEDAR INCOME FUND LTD

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