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

FORM 10-Q

(Mark One)

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

FOR THE QUARTERLY PERIOD ENDED JUNE 30, 2020

OR

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

FOR THE TRANSITION FROM __________ TO __________

COMMISSION FILE NUMBER: 333-211626

Arboretum Silverleaf Income Fund, L.P.
(Exact name of registrant as specified in its charter)

Delaware (State or other jurisdiction of incorporation or organization)	81-1184858 (I.R.S. Employer ID No.)
100 Arboretum Drive, Suite 105 Portsmouth, NH (Address of principal executive offices)	03801 (Zip code)

Issuer's telephone number: (603) 294-1420

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

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
N/A	N/A	N/A

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 [ ]

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes [ ] No [X]

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer or a non-accelerated filer. See definition of "accelerated filer" and "large accelerated filer" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer [ ] Accelerated filer [ ]

Non-accelerated filer [ ] Smaller Reporting Company [X]

Emerging growth company [ ]

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes [ ] No [X]

At August 13, 2020 there were 2,532,772.53 units of the Registrant's limited partnership interests issued and outstanding.

Arboretum Silverleaf Income Fund, L.P. and Subsidiary

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PART I – FINANCIAL INFORMATION

Item 1. Condensed Consolidated Financial Statements

Arboretum Silverleaf Income Fund, L.P. and Subsidiary
(A Delaware Limited Partnership)
Condensed Consolidated Balance Sheets

	June 30, 2020 (unaudited)	December 31, 2019
Assets		
Cash and cash equivalents	$ 50,286	$ 5,064,943
Investments in finance leases, net	23,475,557	18,764,984
Investments in equipment subject to operating leases, net	1,607,657	1,808,764
Collateralized loans receivable, including accrued interest of $5,354 and $12,003	3,652,067	3,131,307
Other assets	1,430,104	575,028
Total Assets	$ 30,215,671	$ 29,345,026
Liabilities and Partners' Equity		
Liabilities:		
Accounts payable and accrued liabilities	$ 212,680	$ 238,932
Loan payable (accrued interest of $62,705 and $37,103)	11,261,518	9,722,177
Distributions payable to Limited Partners	252,587	511,318
Distributions payable to General Partner	43,590	36,013
Security deposit payable	49,391	49,391
Deferred revenue	584,888	620,061
Total Liabilities	12,404,654	11,177,892
Partners' Equity (Deficit):		
Limited Partners	17,864,277	18,216,951
General Partner	(53,260)	(49,817)
Total Equity	17,811,017	18,167,134
Total Liabilities and Partners' Equity	$ 30,215,671	$ 29,345,026

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

Arboretum Silverleaf Income Fund, L.P. and Subsidiary
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Operations
Three and Six Months Ended June 30, 2020 and 2019
(Unaudited)

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
Revenue				
Rental income	$ 94,550	$ 120,256	$ 203,368	$ 178,512
Finance income	608,908	231,643	1,213,211	487,579
Interest income	112,477	116,134	219,960	235,481
Gain on sale of assets	-	-	70,483	-
Other income	527	241	527	688
Total Revenue	816,462	468,274	1,707,549	902,260
Expenses				
Management fees - Investment Manager	187,500	187,500	375,000	375,000
Interest expense	199,851	-	379,352	-
Depreciation	75,536	99,435	153,274	148,496
Professional fees	84,085	123,500	221,601	173,050
Administration expense	82,143	73,739	161,008	108,880
Other expenses	900	4,169	3,916	8,469
Total Expenses	630,015	488,343	1,294,151	813,895
Net income (loss)	$ 186,447	$ (20,069)	$ 413,398	$ 88,365
Net income (loss) attributable to the Partnership				
Limited Partners	$ 184,584	$ (19,868)	$ 409,264	$ 87,481
General Partner	1,863	(201)	4,134	884
Net income (loss) attributable to the Partnership	$ 186,447	$ (20,069)	$ 413,398	$ 88,365
Weighted average number of limited partnership interests outstanding	2,532,772.53	2,535,672.53	2,532,772.53	2,016,141.01
Net income (loss) attributable to Limited Partners per weighted average number of limited partnership interests outstanding	$ 0.07	$ (0.01)	$ 0.16	$ 0.04

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

Arboretum Silverleaf Income Fund, L.P. and Subsidiary
(A Delaware Limited Partnership)
Condensed Consolidated Statement of Changes in Partners' Equity (Deficit)
Three and Six Months Ended June 30, 2020 and 2019
(Unaudited)

	Limited Partnership Interests	Total Equity	General Partner	Limited Partners
Balance, January 1, 2020	2,532,772.53	$ 18,167,134	$ (49,817)	$ 18,216,951
Net income	-	226,951	2,271	224,680
Distributions to partners	-	(514,369)	(5,052)	(509,317)
Balance, March 31, 2020	2,532,772.53	$ 17,879,716	$ (52,598)	$ 17,932,314
Net income	-	186,447	1,863	184,584
Distributions to partners	-	(255,146)	(2,525)	(252,621)
Balance, June 30, 2020	2,532,772.53	$ 17,811,017	$ (53,260)	$ 17,864,277

	Limited Partnership Interests	Total Equity	General Partner	Limited Partners
Balance, January 1, 2019	1,935,481.94	$ 13,850,728	$ (32,139)	$ 13,882,867
Partners' capital contributions	600,190.59	6,001,906	-	6,001,906
Offering expenses	-	(9,630)	-	(9,630)
Underwriting fees	-	(418,337)	-	(418,337)
Net income	-	108,434	1,084	107,350
Distributions to partners	-	(419,473)	(4,145)	(415,328)
Balance, March 31, 2019	2,535,672.53	$ 19,113,628	$ (35,200)	$ 19,148,828
Net loss	-	(20,069)	(201)	(19,868)
Distributions to partners	-	(512,113)	(5,056)	(507,057)
Balance, June 30, 2019	2,535,672.53	$ 18,581,446	$ (40,457)	$ 18,621,903

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

Arboretum Silverleaf Income Fund, L.P. and Subsidiary
(A Delaware Limited Partnership)
Condensed Consolidated Statements of Cash Flows
(Unaudited)

	For the six months ended June 30, 2020	For the six months ended June 30, 2019
Cash flows from operating activities:		
Net income	$ 413,398	$ 88,365
Adjustments to reconcile net income to net cash provided by operating activities:		
Finance income	(1,213,211)	(487,579)
Accrued interest income	(219,960)	(235,642)
Depreciation	153,274	148,496
Gain on sale of assets	(70,483)	-
Change in operating assets and liabilities:		
Minimum rents receivable	4,645,960	1,968,475
Accrued interest income	236,818	235,282
Other assets	(855,076)	(70,846)
Accounts payable and accrued liabilities	(26,252)	(26,200)
Accrued interest on loan payable	25,601	-
Security deposit payable	-	49,391
Deferred revenue	(59,502)	189,941
Funding liability for collateralized loans and leases	-	(919)
Net cash provided by operating activities	3,030,567	1,858,764
Cash flows from investing activities:		
Purchase of finance leases	(8,143,322)	(5,445,403)
Cash paid for collateralized loans receivable	(1,106,159)	(287,436)
Cash received from collateralized loans receivable	592,870	511,427
Proceeds from sale of collateralized loans receivable	-	146,341
Proceeds from sale of leased assets	118,316	-
Net cash used in investing activities	(8,538,295)	(5,075,071)
Cash flows from financing activities:		
Cash received from loan payable	6,800,000	-
Repayments of loan payable	(5,286,260)	-
Cash received from Limited Partner capital contributions	-	5,916,286
Cash paid for Limited Partner distributions	(1,020,669)	(786,909)
Cash paid for underwriting fees	-	(332,717)
Cash paid for offering costs	-	(9,630)
Net cash provided by financing activities	493,071	4,787,030
Net (decrease) increase in cash and cash equivalents	(5,014,657)	1,570,723
Cash and cash equivalents, beginning of period	5,064,943	3,192,541
Cash and cash equivalents, end of period	$ 50,286	$ 4,763,264
Supplemental disclosure of non-cash investing and financing activities:		
Units issued as underwriting fee discount	$ -	$ 85,620
Distributions payable to General Partner	$ 7,577	$ 9,202
Distributions payable to Limited Partners	$ 252,587	$ 505,765
Reclassification of investment in finance leases to equipment subject to operating leases	$ -	$ 2,010,412
Increase in collateralized loans receivable	$ 24,329	$ -

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

Arboretum Silverleaf Income Fund, L.P. and Subsidiary
(A Delaware Limited Partnership)
Notes to Condensed Consolidated Financial Statements
Three and Six Months Ended June 30, 2020 and 2019
(Unaudited)

1. Organization and Nature of Operations.

Organization – Arboretum Silverleaf Income Fund, L.P. (the "Partnership") was formed on January 14, 2016, as a Delaware limited partnership. On July 19, 2019, the Partnership changed its name from SQN Asset Income Fund V, L.P. to Arboretum Silverleaf Income Fund, L.P. The Partnership is engaged in a single business segment, the ownership and investment in leased equipment and related financings which includes: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease; and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. The Partnership will terminate no later than December 31, 2040.

Nature of Operations **–** The principal investment strategy of the Partnership is to invest in business-essential, revenue-producing (or cost-saving) equipment or other physical assets with high in-place value and long, relative to the investment term, economic life and other financings. The Partnership executes its investment strategy by making investments in equipment already subject to lease or originating equipment leases and loans in such equipment, which will include: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financings; (iii) acquiring equipment subject to lease; and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. From time to time, the Partnership may also purchase equipment and sell it directly to its leasing customers. The Partnership may use other investment structures that Arboretum Investment Advisors, LLC (the "Investment Manager") believes will provide the Partnership with an appropriate level of security, collateralization, and flexibility to optimize its return on its investment while protecting against downside risk. In many cases, the structure will include the Partnership holding title to or a priority or controlling position in the equipment or other asset.

The General Partner of the Partnership is ASIF GP, LLC (the "General Partner"), a wholly-owned subsidiary of the Partnership's Investment Manager. On July 8, 2019, the General Partner changed its name from SQN AIF V GP, LLC to ASIF GP, LLC. Both the Partnership's General Partner and its Investment Manager are Delaware limited liability companies. The General Partner manages and controls the day to day activities and operations of the Partnership, pursuant to the terms of the Limited Partnership Agreement. The General Partner paid an aggregate capital contribution of $100 for a 1% interest in the Partnership's income, losses and distributions. The Investment Manager makes all investment decisions and manages the investment portfolio of the Partnership. The Partnership's income, losses and distributions are allocated 99% to the Limited Partners and 1% to the General Partner until the Limited Partners have received total distributions equal to their capital contributions plus an 8% per year, compounded annually, cumulative return on their capital contributions. After such time, all income, losses and distributable cash will be allocated 80% to the Limited Partners and 20% to the General Partner. The Partnership expects to conduct its activities for at least six years and divide the Partnership's life into three distinct stages: (i) the Offering Period, (ii) the Operating Period and (iii) the Liquidation Period. The Offering Period began on August 11, 2016 and concluded on March 31, 2019. The Operating Period commenced on October 3, 2016, the date of the Partnership's initial closing, and will last for four years unless extended at the sole discretion of the General Partner. During the Operating Period, the Partnership will invest most of the net proceeds from its offering in business-essential, revenue-producing (or cost-saving) equipment, other physical assets with substantial economic lives and, in many cases, associated revenue streams and project financings. The Liquidation Period, which follows the conclusion of the Operating Period, is the period in which the Partnership will sell its assets in the ordinary course of business and will last two years, unless it is extended, at the sole discretion of the General Partner.

American Elm Distribution Partners, LLC ("American Elm"), a Delaware limited liability company, is affiliated with the General Partner. American Elm acted as the initial selling agent for the offering of the units ("Units"). The Units are offered on a "best efforts," "minimum-maximum" basis.

During the Operating Period, the Partnership plans to make quarterly distributions of cash to the Limited Partners, if, in the opinion of the Partnership's Investment Manager, such distributions are in the Partnership's best interests. Therefore, the amount and rate of cash distributions could vary and are not guaranteed. The targeted distribution rate is 6.0% annually, paid quarterly as 1.5%, of each Limited Partner's capital contribution (pro-rated to the date of admission for each Limited Partner). Since June 30, 2017, our distribution rate has been 6.5% annually, paid quarterly at 1.625%, of capital contributions. Beginning as of March 31, 2018, we increased our distribution to 7.0% annually, paid quarterly at 1.75% of capital contributions. Beginning as of June 30, 2018, we increased our distribution to 7.5%, paid quarterly at 1.875% of capital contributions. Beginning as of September 30, 2018, we increased our distribution to 8.0%, paid quarterly at 2.00% of capital contributions. As of June 30, 2020, we decreased our distribution to 4.0%, paid quarterly at 1.00% of capital contributions. The amount and rate of cash distributions could vary and are not guaranteed. During the six months ended June 30, 2020, we made quarterly cash distributions to our Limited Partners totaling $1,020,669, and accrued $252,587 for distributions due to Limited Partners which resulted in a distributions payable to Limited Partners of $252,587 at June 30, 2020. At June 30, 2020, the Partnership declared and accrued a distribution of $2,525, for distributions due to the General Partner which resulted in distributions payable to the General Partner of $43,590 at June 30, 2020.

On September 11, 2018, the Partnership formed a special purpose entity SQN Lifestyle Leasing, LLC ("Lifestyle Leasing"), a limited liability company registered in the state of Delaware which is wholly owned by the Partnership. On May 24, 2019, the Partnership terminated Lifestyle Leasing.

From August 11, 2016 through June 30, 2020, the Partnership admitted 617 Limited Partners with total capital contributions of $25,371,709 resulting in the sale of 2,537,170.91 Units. The Partnership received cash contributions of $24,718,035 and applied $653,674 which would have otherwise been paid as sales commission to the purchase of 65,367.46 additional Units.

2. Summary of Significant Accounting Policies.

Basis of Presentation — The interim condensed consolidated balance sheets, statements of operations, statement of changes in partners' equity and statements of cash flows of the Partnership at June 30, 2020 and 2019 and for the three and six months ended June 30, 2020 and 2019 are unaudited and have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial information and pursuant to the rules and regulations of the SEC with respect to Form 10-Q and Article 8 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. The unaudited interim condensed consolidated financial statements furnished reflect all adjustments (consisting of normal recurring adjustments) which are, in the opinion of management, necessary for a fair statement of the results for the interim periods presented. The results reported in these interim condensed consolidated financial statements should not necessarily be taken as indicative of results that may be expected for the entire year. These unaudited interim condensed consolidated financial statements should be read in conjunction with the consolidated financial statements and notes contained in the Partnership's annual report on Form 10-K, as filed with the SEC on March 27, 2020.

Principles of Consolidation — The interim condensed consolidated financial statements include the accounts of the Partnership and its entity, where the Partnership has the primary economic benefits of ownership. The Partnership's consolidation policy requires the consolidation of entities where a controlling financial interest is held as well as the consolidation of variable interest entities in which the Partnership has the primary economic benefits. All material intercompany balances and transactions are eliminated in consolidation.

Variable interests are investments or other interests that absorb portions of a variable interest entity's ("VIE") expected losses or receive portions of the Partnership's expected residual returns and are contractual, ownership, or other pecuniary interests in a VIE that change with changes in the fair value of the VIE. An entity is considered to be a VIE if any of the following conditions exist. (1) The total equity investment at risk is insufficient to permit the legal entity to finance its activities without additional subordinated financial support; or (2) As a group, the holders of equity investments at risk lack any of the three characteristics of a controlling financial interest: (a) The direct or indirect ability through voting or similar rights to make decisions that have a significant effect on the success of the legal entity. The equity holders at risk are deemed to lack this characteristic if: i. the voting rights of some investors are not proportional to their obligation to absorb the expected losses of the legal entity or rights to receive expected residual returns; and ii. substantially all of the legal entity's activities are either involved with or are conducted on behalf of an investor that has disproportionately few voting rights (b) The obligation to absorb the expected losses of the legal entity or (c) The right to receive the expected residual returns of the legal entity. An entity that is determined to be a VIE is required to be consolidated by its primary beneficiary. The primary beneficiary of a VIE is determined to be the party that has both the power to direct the activities that most significantly affect the VIE's economic performance ("Power") and the obligation to absorb losses of, or the right to receive benefits from the VIE, that could potentially be significant to the VIE ("Benefits"). The determination of whether a reporting entity is the primary beneficiary involves complex and subjective analyses.

Use of Estimates — The preparation of interim condensed consolidated financial statements in conformity with U.S. GAAP requires the General Partner and Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities as of the date of the interim financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates primarily include the determination of allowances for doubtful lease, notes and loan accounts, depreciation and amortization, impairment losses, estimated useful lives, and residual values. Actual results could differ from those estimates.

Cash and Cash Equivalents — The Partnership considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents consist of funds maintained in checking and money market accounts maintained at financial institutions.

The Partnership's cash and cash equivalents are held principally at one financial institution and at times may exceed federally insured limits. The Partnership has placed these funds in a full service commercial financial institution in order to minimize risk relating to exceeding insured limits.

Credit Risk — In the normal course of business, the Partnership is exposed to credit risk. Credit risk is the risk that the Partnership's counterparty to an agreement either has an inability or unwillingness to make contractually required payments. The Partnership expects concentrations of credit risk with respect to lessees to be dispersed across different industry segments and different regions of the world.

Asset Impairments — Assets in the Partnership's investment portfolio, which are considered long-lived assets, are periodically reviewed, no less frequently than annually or when indicators of impairment exist, to determine whether events or changes in circumstances indicate that the carrying value of the asset may not be recoverable. An impairment loss is recognized only if the carrying amount of a long-lived asset is not recoverable and exceeds its fair value. If there is an indication of impairment, the Partnership estimates the future cash flows (undiscounted and without interest charges) expected from the use of the asset and its eventual disposition. Future cash flows are the future cash inflows expected to be generated by an asset less the future outflows expected to be necessary to obtain those inflows. If an impairment is determined to exist, the impairment loss is measured as the amount by which the carrying value of a long-lived asset exceeds its fair value and is recorded in the statement of operations in the period the determination is made. The events or changes in circumstances that generally indicate that an asset may be impaired are, (i) the estimated fair value of the underlying equipment is less than its carrying value, (ii) the lessee is experiencing financial difficulties and (iii) it does not appear likely that the estimated proceeds from the disposition of the asset will be sufficient to recover the carrying value of the asset. The preparation of the undiscounted cash flows requires the use of assumptions and estimates, including the level of future rents or receipts from the sale of the investment, estimated downtime between re-leasing events, and the amount of re-leasing costs. The Investment Manager's review for impairment includes a consideration of the existence of impairment indicators, including third party appraisals, published values for similar assets, recent transactions for similar assets, adverse changes in market conditions for specific asset types, and the occurrence of significant adverse changes in general industry and market conditions that could affect the fair value of the asset.

Lease Classification and Revenue Recognition — The Partnership records revenue based upon the lease classification determined at the inception of the transaction and based upon the terms of the lease or when there are significant changes to the lease terms.

The Partnership leases equipment to third parties and each such lease may be classified as either a finance lease or an operating lease. Initial direct costs are capitalized and amortized over the term of the related lease for a finance lease. For an operating lease, initial direct costs are included as a component of the cost of the equipment and depreciated.

For finance leases, the Partnership records, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment upon lease termination, the initial direct costs, if any, related to the lease and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable plus the estimated unguaranteed residual value, minus the cost of the leased equipment. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

For operating leases, rental income is recognized on the straight line basis over the lease term. Billed and uncollected operating lease receivables will be included in accounts receivable. Accounts receivable are stated at their estimated net realizable value. Rental income received in advance is the difference between the timing of the cash payments and the income recognized on the straight line basis.

The investment committee of the Investment Manager approves each new equipment lease, financing transaction, and lease acquisition. As part of this process it determines the unguaranteed residual value, if any, to be used once the acquisition has been approved. The factors considered in determining the unguaranteed residual value include, but are not limited to, the creditworthiness of the potential lessee, the type of equipment being considered, how the equipment is integrated into the potential lessees' business, the length of the lease the industry in which the potential lessee operates and the secondary market value of the equipment. Unguaranteed residual values are reviewed for impairment in accordance with the Partnership's policy relating to impairment review.

The residual value assumes, among other things, that the asset will be utilized normally in an open, unrestricted and stable market. Short-term fluctuations in the marketplace are disregarded, and it is assumed that there is no necessity either to dispose of a significant number of the assets, if held in quantity, simultaneously or to dispose of the asset quickly. The residual value is calculated using information from various external sources, such as trade publications, auction data, equipment dealers, wholesalers and industry experts, as well as inspection of the physical asset and other economic indicators.

Finance Lease Receivables and Allowance for Doubtful Lease, Notes and Loan Accounts — In the normal course of business, the Partnership provides credit or financing to its customers, performs credit evaluations of these customers, and maintains reserves for potential credit losses. These credit or financing transactions are normally collateralized by the equipment being financed. In determining the amount of allowance for doubtful lease, notes and loan accounts, the Investment Manager considers historical credit losses, the past due status of receivables, payment history, and other customer-specific information, including the value of the collateral. The past due status of a receivable is based on its contractual terms. Expected credit losses are recorded as an allowance for doubtful lease, notes and loan accounts. Receivables are written off when the Investment Manager determines they are uncollectible. At June 30, 2020 and 2019, an allowance for doubtful lease, notes and loan accounts is not currently provided since, in the opinion of the Investment Manager, all accounts recorded are deemed collectible.

Equipment Notes and Loans Receivable — Equipment notes and loans receivable are reported in the interim condensed consolidated financial statements as the outstanding principal balance net of any unamortized deferred fees, and premiums or discounts on purchased loans. Costs to originate loans, if any, are reported as other assets in the interim condensed consolidated financial statements and amortized to expense over the estimated life of the loan. Income is recognized over the life of the note agreement. On certain equipment notes and loans receivable, specific payment terms were reached requiring prepayments which resulted in the recognition of unearned interest income. Unearned income, discounts and premiums, if any, are amortized to interest income in the statements of operations using the effective interest rate method. Equipment notes and loans receivable are generally placed in a non-accrual status when payments are more than 90 days past due and all unpaid accrued interest is reversed. Additionally, the Investment Manager periodically reviews the creditworthiness of companies with payments outstanding less than 90 days. Based upon the Investment Manager's judgment, accounts may be placed in a non-accrual status. Accounts on a non-accrual status are only returned to an accrual status when the account has been brought current and the Partnership believes recovery of the remaining unpaid receivable is probable. Revenue on non-accrual accounts is recognized only when cash has been received.

Income Taxes — As a partnership, no provision for income taxes is recorded since the liability for such taxes is the responsibility of each of the Partners rather than the Partnership. The Partnership's income tax returns are subject to examination by the federal and state taxing authorities, and changes, if any, could adjust the individual income tax of the Partners.

The Partnership is subject to the Bipartisan Budget Act of 2015 ("BBA"), which, among other requirements, stipulates that any tax liability incurred based on an IRS tax examination will become due by the Partnership versus the partners of the Partnership. The Partnership, at its discretion, will be able to seek repayment from its partners or treat as a distribution of the individual partners' account to satisfy this obligation. The Partnership will treat any liability incurred as a deduction to equity. As of June 30, 2020, there were no expected liabilities to be incurred under the BBA.

The Partnership has adopted the provisions of Financial Accounting Standards Board's ("FASB") Topic 740, *Accounting for Uncertainty in Income Taxes.* This accounting guidance prescribes recognition thresholds that must be met before a tax position is recognized in the interim financial statements and provides guidance on de-recognition, classification, interest and penalties, accounting in interim periods, disclosure, and transition. Additionally, an entity may only recognize or continue to recognize tax positions that meet a "more likely than not" threshold. The Partnership has evaluated its entity level tax positions for the years ended December 31, 2019 and 2018, and does not expect any material adjustments to be made. The tax years 2019, 2018 and 2017 remain open to examination by the major taxing jurisdictions to which the Partnership is subject.

Per Share Data — Net income or loss attributable to Limited Partners per weighted average number of limited partnership interests outstanding is calculated as follows; the net income or loss allocable to the Limited Partners divided by the weighted average number of limited partnership interests outstanding during the period.

Foreign Currency Transactions — The Partnership has designated the United States of America dollar as the functional currency for the Partnership's investments denominated in foreign currencies. Accordingly, certain assets and liabilities are translated at either the reporting period exchange rates or the historical exchange rates, revenues and expenses are translated at the average rate of exchange for the period, and all transaction gains or losses are reflected in the condensed consolidated statements of operations.

Depreciation — The Partnership records depreciation expense on equipment when the lease is classified as an operating lease. In order to calculate depreciation, the Partnership first determines the depreciable equipment cost, which is the cost less the estimated residual value. The estimated residual value is the Partnership's estimate of the value of the equipment at lease termination. Depreciation expense is recorded by applying the straight-line method of depreciation to the depreciable equipment cost over the lease term.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires credit losses on most financial assets measured at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the current expected credit loss (CECL) model). Under this model, entities will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of that instrument. Current US GAAP is based on an incurred loss model that delays recognition of credit losses until it is probable the loss has been incurred. Accordingly, it is anticipated that credit losses will be recognized earlier under the CECL model than under the incurred loss model. ASU 2016-13 was to be effective for fiscal periods beginning after December 15, 2019 and must be adopted as a cumulative effect adjustment to retained earnings. In July 2019, the FASB decided to add a project to its technical agenda to propose staggered effective dates for certain accounting standards, including ASU 2016-13. The FASB has approved an approach that ASU 2016-13 will be effective for Public Business Entities that are SEC filers, excluding smaller reporting companies such as the Partnership, for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. For all other entities, including smaller reporting companies like the Partnership, ASU 2016-13 will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all entities, early adoption will continue to be permitted; that is, early adoption is allowed for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (that is, effective January 1, 2019, for calendar-year-end companies). On November 15, 2019, the FASB delayed the effective date of FASB ASC Topic 326 for certain small public companies and other private companies. As amended, the effective date of ASC Topic 326 was delayed until fiscal years beginning after December 15, 2022 for SEC filers that are eligible to be smaller reporting companies under the SEC's definition, as well as private companies and not-for-profit entities. Nothing in this staff interpretation 3 should be read to accelerate or delay the effective dates of the standard as modified by the FASB. The Partnership is currently evaluating the impact of this guidance on its interim condensed consolidated financial statements.

In February 2016, the FASB issued new guidance to improve consolidation guidance for legal entities, ASU 2016-02, Leases (Topic 842): Amendments to the FASB Accounting Standards Codification ("ASU 2016-02"), effective for fiscal years beginning after December 15, 2018 and interim periods within those years. Early adoption was permitted. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets, and makes targeted changes to lessor accounting. The new leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Partnership has adopted ASU 2016-02 and has determined there was no significant impact on its interim condensed consolidated financial statements of initial application.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the interim condensed consolidated financial statements.

3. Related Party Transactions.

The General Partner is responsible for the operations of the Partnership and the Investment Manager makes all investment decisions and manages the investment portfolio of the Partnership. The Partnership reimburses the General Partner for actual incurred organizational and offering costs not to exceed 1.5% of all capital contributions received by the Partnership. Because organizational and offering expenses will be paid, as and to the extent they are incurred, organizational and offering expenses may be drawn disproportionately to the gross proceeds of each closing. The Offering Period concluded on March 31, 2019 with the Partnership receiving $24,718,035 in total capital contributions and as a result, organizational and offering expenses were limited to $370,770 or 1.5% of total equity raised. The Partnership paid the General Partner an allowance for organizational and offering expenses totaling $926,374, and as a result, the General Partner and/or its Investment Manager were required to reimburse the Partnership organizational and offering expenses of $555,604. At June 30, 2020, the Partnership has a due from its Investment Manager balance of $492,601, which is included in Other Assets in the condensed consolidated balance sheets. The General Partner also has a promotional interest in the Partnership equal to 20% of all distributed distributable cash, after the Partnership has provided an 8% cumulative return, compounded annually, to the Limited Partners on their capital contributions. The General Partner has a 1% interest in the profits, losses and distributions of the Partnership. The General Partner will initially receive 1% of all distributed distributable cash, which was accrued at June 30, 2020 and 2019.

The Partnership pays the Investment Manager during the Offering Period, Operating Period and the Liquidation Period a management fee equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. For the three months ended June 30, 2020 and 2019, the Partnership paid $187,500 in management fee expense to the Investment Manager. For the six months ended June 30, 2020 and 2019, the Partnership paid $375,000 in management fee expense to the Investment Manager.

The Partnership pays the Investment Manager during the Operating Period a structuring fee in an amount equal to 1.5% of each cash investment made, including reinvestments, payable on the date each such investment is made. For the six months ended June 30, 2020 and 2019, the Partnership accrued $149,912 and $83,028, respectively, of structuring fees to the Investment Manager.

American Elm is a Delaware limited liability company and is a subsidiary of an affiliate of the Partnership's Investment Manager. American Elm in its capacity as the Partnership's selling agent received an underwriting fee of 2% of the gross proceeds from Limited Partners' capital contributions (excluding proceeds, if any, the Partnership received from the sale of the Partnership's Units to the General Partner or its affiliates). While American Elm is initially acting as the Partnership's exclusive selling agent, the Partnership may engage additional selling agents in the future.

For the six months ended June 30, 2020 and the year ended December 31, 2019, the Partnership incurred the following transactions with American Elm:

	June 30, 2020	December 31, 2019
	(unaudited)	
Balance - beginning of period	$ —	$ —
Underwriting fees earned by American Elm	—	118,326
Payments by the Partnership to American Elm	—	(118,326)
Balance - end of period	$ —	$ —

For the six months ended June 30, 2020 and 2019, the Partnership incurred the following underwriting fee transactions:

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(unaudited)	(unaudited)
Underwriting discount incurred by the Partnership	$ —	$ 85,620
Underwriting fees earned by American Elm	—	118,326
Fees paid to outside brokers	—	214,391
Total underwriting fees	$ —	$ 418,337

4. Investments in Finance Leases.

At June 30, 2020 and December 31, 2019, net investments in finance leases consisted of the following:

	June 30, 2020	December 31, 2019
	(unaudited)	
Minimum rents receivable	$ 28,019,067	$ 23,001,407
Estimated unguaranteed residual value	146,569	146,569
Unearned income	(4,690,079)	(4,382,992)
Total	$ 23,475,557	$ 18,764,984

5. Investment in Equipment Subject to Operating Leases.

The composition of the equipment subject to operating leases of the Partnership as of June 30, 2020 is as follows:

Description	Cost Basis	Accumulated Depreciation	Net Book Value
	(unaudited)	(unaudited)	(unaudited)
Fabrication Equipment	$ 2,010,412	$ 402,755	$ 1,607,657
Total	$ 2,010,412	$ 402,755	$ 1,607,657

The composition of the equipment subject to operating leases of the Partnership as of December 31, 2019 is as follows:

Description	Cost Basis	Accumulated Depreciation	Net Book Value
Food equipment	$ 334,826	$ 284,739	$ 50,087
Fabrication Equipment	2,010,412	251,735	1,758,677
Total	$ 2,345,238	$ 536,474	$ 1,808,764

Depreciation expense for the three and six months ended June 30, 2020 and 2019 was $75,536 and $153,274, respectively.

6. Collateralized Loans Receivable.

The future principal maturities of the Partnership's collateralized loans receivable at June 30, 2020 are as follows:

Years ending June 30, (unaudited)	
2021	$ 1,310,803
2022	1,819,900
2023	231,279
2024	153,177
2025	131,554
Thereafter	—
Total	$ 3,646,713

7. Loan Payable.

On October 18, 2019, the Partnership entered into a loan and security agreement with a third party lender for a $25,000,000 loan facility (of which $20,000,000 is a Term Loan and $5,000,000 is a Revolving Loan) with a maturity date of October 18, 2022. During the six months ended June 30, 2020 and the year ended December 31, 2019, the Partnership borrowed a total of $6,800,000 and $10,600,000, respectively under the Term and Revolver Loans. Interest on the drawn funds shall accrue at a rate of 3 month LIBOR Rate plus 5.6% per annum (7.1% as of June 30, 2020). During the six months ended June 30, 2020 and the year ended December 31, 2019, the Partnership repaid total principal of $5,286,260 and $914,926, respectively.

The future maturities of the Partnership's loan payable at June 30, 2020 are as follows:

Years ending June 30,	
2021	$ —
2022	11,198,813
2023	—
2024	—
2025	—
Thereafter	—
Total	$ 11,198,813

8. Fair Value of Financial Instruments

The Partnership's carrying value of cash and cash equivalents, accounts payable and accrued liabilities, and other liabilities, approximate fair value due to their short term until maturities.

The Partnership's carrying values and approximate fair values of its financial instruments were as follows:

	June 30, 2020		December 31, 2019	
	Carrying Value (unaudited)	Fair Value (unaudited)	Carrying Value	Fair Value
Assets:				
Collateralized loans receivable	$ 3,652,067	$ 3,652,067	$ 3,131,307	$ 3,131,307
Liabilities:				
Loan payable	$ 11,261,518	$ 11,261,518	$ 9,722,177	$ 9,722,177

As of June 30, 2020, the Partnership evaluated the carrying values of its financial instruments and they approximate fair value.

9. Indemnifications

The Partnership enters into contracts that contain a variety of indemnifications. The Partnership's maximum exposure under these arrangements is not known.

In the normal course of business, the Partnership enters into contracts of various types, including lease contracts, contracts for the sale or purchase of lease assets, loan agreements and management contracts. It is prevalent industry practice for most contracts of any significant value to include provisions that each of the contracting parties, in addition to assuming liability for breaches of the representations, warranties, and covenants that are part of the underlying contractual obligations, to also assume an obligation to indemnify and hold the other contractual party harmless for such breaches, and for harm caused by such party's gross negligence and willful misconduct, including, in certain instances, certain costs and expenses arising from the contract. Generally, to the extent these contracts are performed in the ordinary course of business under the reasonable business judgment of the General Partner and the Investment Manager, no liability will arise as a result of these provisions. The General Partner and Investment Manager knows of no facts or circumstances that would make the Partnership's contractual commitments outside standard mutual covenants applicable to commercial transactions between businesses. Accordingly, the Partnership believes that these indemnification obligations are made in the ordinary course of business as part of standard commercial and industry practice, and that any potential liability under the Partnership's similar commitments is remote. Should any such indemnification obligation become payable, the Partnership would separately record and/or disclose such liability in accordance with U.S. GAAP.

10. Business Concentrations

For the six months ended June 30, 2020, the Partnership had one lessee which accounted for approximately 92% of the Partnership's rental income derived from operating leases. For the six months ended June 30, 2019, the Partnership had two lessees which accounted for approximately 70% and 30% of the Partnership's rental income derived from operating leases For the six months ended June 30, 2020, the Partnership had three lessees which accounted for approximately 15%, 15% and 13% of the Partnership's income derived from finance leases For the six months ended June 30, 2019, the Partnership had three leases which accounted for approximately 21%, 13% and 12% of the Partnership's income derived from finance leases. For the six months ended June 30, 2020, the Partnership had two promissory notes which accounted for approximately 60% and 23% of the Partnership's interest income derived from collateralized loans receivable. For the six months ended June 30, 2019, the Partnership had two loans which accounted for approximately 51% and 40% of the Partnership's interest income derived from collateralized loans receivable.

At June 30, 2020, the Partnership had four lessees which accounted for approximately 16%, 14%, 13% and 12% of the Partnership's investment in finance leases. At June 30, 2019, the Partnership had two lessees which accounted for approximately 36% and 27% of the Partnership's investment in finance leases. At June 30, 2020, the Partnership had one lessee which accounted for approximately 100% of the Partnership's investment in operating leases. At June 30, 2019, the Partnership had one lessee which accounted for approximately 96% of the Partnership's investment in operating leases. At June 30, 2020, the Partnership had three promissory notes which accounted for approximately 46%, 23% and 12% of the Partnership's investment in collateralized loans receivable. At June 30, 2019, the Partnership had two borrowers which accounted for approximately 53% and 44% of the Partnership's investment in collateralized loans receivable.

11. Geographic Information

Geographic information for revenue for the three months ended June 30, 2020 and 2019 was as follows:

	Three Months Ended June 30, 2020	
	United States	Total
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 94,550	$ 94,550
Finance income	$ 608,908	$ 608,908
Interest income	$ 112,477	$ 112,477
Other income	$ 527	$ 527

	Three Months Ended June 30, 2019	
	United States	Total
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 120,256	$ 120,256
Finance income	$ 231,643	$ 231,643
Interest income	$ 116,134	$ 116,134

Geographic information for revenue for the six months ended June 30, 2020 and 2019 was as follows:

	Six Months Ended June 30, 2020	
	United States	Total
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 203,368	$ 203,368
Finance income	$ 1,213,211	$ 1,213,211
Interest income	$ 219,960	$ 219,960
Gain on sale of assets	$ 70,483	$ 70,483
Interest income	$ 527	$ 527

	Six Months Ended June 30, 2019	
	United States	Total
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 178,512	$ 178,512
Finance income	$ 487,579	$ 487,579
Interest income	$ 235,481	$ 235,481

Geographic information for long-lived assets at June 30, 2020 and December 31, 2019 was as follows:

	June 30, 2020	
	United States	Total
	(unaudited)	(unaudited)
Long-lived assets:		
Investment in finance leases, net	$ 23,475,557	$ 23,475,557
Investments in equipment subject to operating leases, net	$ 1,607,657	$ 1,607,657
Collateralized loan receivable, including accrued interest	$ 3,652,067	$ 3,652,067

	December 31, 2019	
	United States	Total
Long-lived assets:		
Investment in finance leases, net	$ 18,764,984	$ 18,764,984
Investments in equipment subject to operating leases, net	$ 1,808,764	$ 1,808,764
Collateralized loan receivable, including accrued interest	$ 3,131,307	$ 3,131,307

12. Commitments and Contingencies

As of June 30, 2020, the Partnership does not have any unfunded commitments for any investments.

13. Subsequent Events

In December 2019, a novel strain of coronavirus (also known as COVID-19) was reported to have surfaced in Wuhan, China. In January 2020, this coronavirus spread to other countries, including the United States and Europe. The outbreak has continued to spread and is currently classified as a pandemic. Efforts to contain the spread of this coronavirus has intensified. To date, COVID-19 has not had a significant impact on our business. Although the Partnership currently expects that the disruptive impact of coronavirus on its business will be temporary, this situation continues to evolve and therefore the Partnership cannot predict the extent to which the coronavirus will directly or indirectly affect its business and operating results.

On July 16, 2020, Partnership funded the remaining $200,439 for infrastructure equipment based in Pennsylvania. The finance lease requires 60 monthly payments of $18,471 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

In July 2020, Partnership funded the remaining $321,650 for infrastructure equipment based in Pennsylvania. The finance lease requires 48 monthly payments of $15,823 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

On July 17, 2020, the Partnership funded an aggregate total of $21,744 for infrastructure equipment based in Pennsylvania. The finance lease requires 60 monthly payments of $482 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

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

As used in this Quarterly Report on Form 10-Q, references to "we," "us," "our" or similar terms include Arboretum Silverleaf Income Fund, L.P.

The following is a discussion of our current financial position and results of operations. This discussion should be read in conjunction with the disclosures below regarding "Forward-Looking Statements" and the "Risk Factors" set forth in Item 1A of Part II of this Quarterly Report on Form 10-Q.

Forward-Looking Statements

Certain statements within this Quarterly Report on Form 10-Q may constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 ("PSLRA"). These statements are being made pursuant to the PSLRA, with the intention of obtaining the benefits of the "safe harbor" provisions of the PSLRA, and, other than as required by law, we assume no obligation to update or supplement such statements. Forward-looking statements are those that do not relate solely to historical fact. They include, but are not limited to, any statement that may predict, forecast, indicate or imply future results, performance, achievements or events. You can identify these statements by the use of words such as "may," "will," "could," "anticipate," "believe," "estimate," "expect," "intend," "predict," "continue," "further," "seek," "plan," or "project" and variations of these words or comparable words or phrases of similar meaning. These forward-looking statements reflect our current beliefs and expectations with respect to future events and are based on assumptions and are subject to risks and uncertainties and other factors outside our control that may cause actual results to differ materially from those projected. We undertake no obligation to update publicly or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

Overview

We are a Delaware limited partnership formed on January 14, 2016. Our partnership operates under a structure which we pool the capital invested by our partners. This pool of capital is then used to invest in business-essential, revenue-producing (or cost-saving) equipment and other physical assets with substantial economic lives and, in many cases, associated revenue streams and project financings. The pooled capital contributions are also used to pay fees and expenses associated with our organization and to fund a capital reserve.

Our principal investment strategy is to invest in business-essential, revenue-producing (or cost-savings) equipment with high in-place value and long, relative to the investment term, economic life and project financings. We expect to achieve our investment strategy by making investments in equipment already subject to lease or originating equipment leases in such equipment, which will include: (i) purchasing equipment and leasing it to third-party end users; (ii) providing equipment and other asset financing; (iii) acquiring equipment subject to lease and (iv) acquiring ownership rights (residual value interests) in leased equipment at lease expiration. From time to time, we may also purchase equipment and sell it directly to our leasing customers.

Many of our investments will be structured as full payout or operating leases. Full payout leases generally are leases under which the rent over the initial term of the lease will return our invested capital plus an appropriate return without consideration of the residual value, and where the lessee may acquire the equipment or other assets at the expiration of the lease term. Operating leases generally are leases under which the aggregate non-cancelable rental payments during the original term of the lease, on a net present value basis, are not sufficient to recover the purchase price of the equipment or other assets leased under the lease.

We also intend to invest by way of loans, participation agreements and residual sharing agreements where we would acquire an interest in a pool of equipment or other assets, or rights to the equipment or other assets, at a future date. We also may structure investments as project financings that are secured by, among other things, essential use equipment and/or assets. Finally, we may use other investment structures that our Investment Manager believes will provide us with the appropriate level of security, collateralization, and flexibility to optimize our return on our investment while protecting against downside risk, such as vendor and rental programs. In many cases, the structure will include us holding title to or a priority or controlling position in the equipment or other asset.

Although the final composition of our portfolio cannot be determined at this stage, we expect to invest in equipment and other assets that are considered essential use or core to a business or operation in the agricultural, energy, environmental, medical, manufacturing, technology, and transportation industries. Our Investment Manager may identify other assets or industries that meet our investment objectives. We expect to invest in equipment, other assets and project financings located primarily within the United States of America and the European Union but may also make investments in other parts of the world.

We are currently in the Operating Period. The Offering Period concluded on March 31, 2019. During the Operating Period, we will invest most of the net proceeds from our offering in business-essential, revenue-producing (or cost-saving) equipment, other physical assets with substantial economic lives and, in many cases, associated revenue streams and project financings. The Operating Period began on the date we admitted our first Limited Partners, at the initial closing, which occurred on October 3, 2016 and will last for four years from that date unless extended at the sole discretion of the General Partner. At our initial closing, we reimbursed our Investment Manager for a portion of the fees and expenses associated with our organization and offering which they previously paid on our behalf and we funded a small capital reserve. The Liquidation Period, which follows the conclusion of the Operating Period, is the period in which we will sell assets in the ordinary course of business and will last two years, unless it is extended, at the sole discretion of the General Partner.

Our General Partner, our Investment Manager and their affiliates, including American Elm in its capacity as our selling agent and certain non-affiliates (namely, Selling Dealers) receive fees and compensation from the offering of our Units, including the following, with any and all compensation paid to our General Partner solely in cash. We pay an underwriting fee of 2% of the gross proceeds of the offering (excluding proceeds, if any, we receive from the sale of our Units to our General Partner or its affiliates) to our selling agent or selling agents. While American Elm initially acts as our exclusive selling agent, we may engage additional selling agents in the future. From these underwriting fees, a selling agent may pay Selling Dealers, a non-accountable marketing fee based upon such factors as the volume of sales of such Selling Dealers, the level of marketing support provided by such participating dealers and the assistance of such Selling Dealers in marketing the offering, or to reimburse representatives of such Selling Dealers for the costs and expenses of attending our educational conferences and seminars. This fee will vary, depending upon separately negotiated agreements with each Selling Dealer. In addition, we pay a sales commission to Selling Dealers up to 5% of the gross proceeds of this offering (excluding proceeds, if any, we receive from the sale of our Units to our General Partner or its affiliates).

Our General Partner receives an organizational and offering expense allowance of up to 1.5% of our offering proceeds to reimburse it for expenses incurred in preparing us for registration or qualification under federal and state securities laws and subsequently offering and selling our Units. The organizational and offering expense allowance will be paid out of the proceeds of the offering. The organizational and offering expense allowance will not exceed the actual fees and expenses incurred by our General Partner and its affiliates. Because organizational and offering expenses will be paid as and to the extent they are incurred, organizational and offering expenses may be drawn disproportionately to the gross proceeds of each closing.

During our Operating Period, our Investment Manager will receive a structuring fee in an amount equal to 1.5% of each cash investment made, including reinvestments, payable on the date each such investment is made.

During our Operating Period and our Liquidation Period, our Investment Manager receives a management fee in an amount equal to the greater of (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month.

Our General Partner will initially receive 1% of all distributed distributable cash. Our General Partner has a Promotional Interest in us equal to 20% of all distributed distributable cash after we have provided a return to our Limited Partners of their respective capital contributions plus an 8% per annum, compounded annually, cumulative return on their capital contributions.

Recent Significant Transactions

Telecommunication Equipment

On January 23, 2020, the Partnership entered into a finance lease for $3,720,970 of telecommunication equipment based in Illinois. On January 23, 2020, the Partnership advanced $3,192,259 as equipment lease schedule 1 ("Schedule 1"), and $528,711 as equipment lease schedule 2 ("Schedule 2") under this finance lease. The Schedule 1 lease requires 42 monthly payments of $93,302, and Schedule 2 lease requires 42 monthly payments of $15,453. The lease is secured by a first priority lien against the telecommunication equipment.

Collateralized Loans Receivable

On January 31, 2020, the Partnership funded a promissory note for $470,790 for micro-needling machines to a borrower based in New York. The note accrues interest at a rate of 9.5% per annum and matures 35 months after date of funding. The borrower will make 35 monthly payments of $15,336, commencing in February 2020. The note is secured by a first priority lien against the micro-needling machines.

Construction Equipment

On February 10, 2020, the Partnership funded a finance lease for $1,535,424 for construction equipment based in Ohio. The finance lease requires 35 monthly payments of $48,110 with a final payment of $298,915. The lease is secured by a first priority lien against the construction equipment.

Operating Lease

On February 11, 2020, the Partnership received cash of $125,047 as total payoff, in connection with the operating lease facility entered into on October 18, 2016. The operating lease had a net book value of $47,832 resulting in additional income of $77,215.

Infrastructure Equipment

On February 27, 2020, the Partnership received cash of $858,696 as total payoff of two lease schedules of a finance lease for water pumps. The two finance lease schedules had a net book value of $800,189 resulting in an increase in finance income of $58,507.

Collateralized Loans Receivable

On March 3, 2020, the Partnership funded a promissory note for $225,000 for various store front and kitchen equipment to a borrower based in Utah. The note accrues interest at a rate of 16.2% per annum and matures 52 months after date of funding. The borrower will make 3 monthly interest only payments of $3,033, commencing in April 2020, 48 monthly principal and interest payments of $5,733, commencing in July 2020, and a final payment of $45,000 upon maturity in July 2024. The note is secured by a first priority lien against the various store front and kitchen equipment.

Computer Equipment

On March 19, 2020, the Partnership funded a finance lease for $2,486,624 for Apple products to a lessee based in California. The finance lease requires 27 monthly payments of $104,948. The lease is secured by a first priority lien against the Apple products.

Fish Processing Equipment

On March 25, 2020, the Partnership advanced the remaining $123,075 under a finance lease facility for fish processing equipment.

Infrastructure Equipment

From March 26, 2020 through June 30, 2020, the Partnership funded an aggregate total of $629,324 for infrastructure equipment based in Pennsylvania and on July 16, 2020, Partnership funded the remaining $200,439 for an aggregate total of $829,763. The finance lease requires 60 monthly payments of $18,471 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

Infrastructure Equipment

From May 7, 2020 through June 30, 2020, the Partnership funded an aggregate total of $266,250 for infrastructure equipment based in Pennsylvania and on July 16, 2020, Partnership funded the remaining $277,900 for an aggregate total of $544,150. The finance lease requires 48 monthly payments of $14,562 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

Infrastructure Equipment

On April 13, 2020, the Partnership funded $151,500 for infrastructure equipment based in Pennsylvania. The finance lease requires 48 monthly payments of $4,054 and commenced on May 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

Collateralized Loans Receivable

On May 7, 2020, the Partnership funded a promissory note for $160,156 for shot peening machines to a borrower based in New York. The note accrues interest at a rate of 14% per annum and matures 58 months after date of funding. The borrower will make 58 monthly payments of $3,808, commencing in June 2020. The note is secured by a first priority lien against the shot peening machines.

Collateralized Loans Receivable

On June 1, 2020, the Partnership funded a promissory note for $225,000 for various store front and kitchen equipment to a borrower based in Utah. The note accrues interest at a rate of 16.2% per annum and matures 52 months after date of funding. The borrower will make 3 monthly interest only payments of $3,033, commencing in July 2020, 48 monthly principal and interest payments of $5,733, commencing in July 2020, and a final payment of $45,000 upon maturity in September 2024. The note is secured by a first priority lien against the various store front and kitchen equipment.

Critical Accounting Policies

An understanding of our critical accounting policies is necessary to understand our financial results. The preparation of interim condensed consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“US GAAP”) requires our General Partner and our Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities as of the date of the interim condensed consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates will primarily include the determination of allowance for notes and leases, depreciation and amortization, impairment losses and the estimated useful lives and residual values of the leased equipment we acquire. Actual results could differ from those estimates.

Lease Classification and Revenue Recognition

Each equipment lease we enter into is classified as either a finance lease or an operating lease, which is determined at lease inception, based upon the terms of each lease, or when there are significant changes to the lease terms. We capitalize initial direct costs associated with the origination and funding of lease assets. Initial direct costs include both internal costs (e.g., labor and overhead), if any, and external broker fees incurred with the lease origination. Costs related to leases that are not consummated are not eligible for capitalization as initial direct costs and are expensed as incurred as acquisition expense. For a finance lease, initial direct costs are capitalized and amortized over the lease term using the effective interest rate method. For an operating lease, the initial direct costs are included as a component of the cost of the equipment and depreciated over the lease term.

For finance leases, we record, at lease inception, the total minimum lease payments receivable from the lessee, the estimated unguaranteed residual value of the equipment at lease termination, the initial direct costs related to the lease, if any, and the related unearned income. Unearned income represents the difference between the sum of the minimum lease payments receivable, plus the estimated unguaranteed residual value, minus the cost of the leased equipment. Unearned income is recognized as finance income over the term of the lease using the effective interest rate method.

For operating leases, rental income is recognized on the straight-line basis over the lease term. Billed operating lease receivables are included in accounts receivable until collected. Accounts receivable is stated at its estimated net realizable value. Deferred revenue is the difference between the timing of the receivables billed and the income recognized on the straight-line basis.

Our Investment Manager has an investment committee that approves each new equipment lease and other financing transaction. As part of its process, the investment committee determines the residual value, if any, to be used once the investment has been approved. The factors considered in determining the residual value include, but are not limited to, the creditworthiness of the potential lessee, the type of equipment considered, how the equipment is integrated into the potential lessee's business, the length of the lease, the industry in which the potential lessee operates and the secondary market value of the equipment. Residual values are reviewed for impairment in accordance with our impairment review policy.

The residual value assumes, among other things, that the asset will be utilized normally in an open, unrestricted and stable market. Short-term fluctuations in the marketplace are disregarded and it is assumed that there is no necessity either to dispose of a significant number of the assets, if held in quantity, simultaneously or to dispose of the asset quickly. The residual value is calculated using information from various external sources, such as trade publications, auction data, equipment dealers, wholesalers and industry experts, as well as inspection of the physical asset and other economic indicators.

Asset Impairments

The significant assets in our investment portfolio are periodically reviewed, no less frequently than annually or when indicators of impairment exist, to determine whether events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss will be recognized only if the carrying value of a long-lived asset is not recoverable and exceeds its fair value. If there is an indication of impairment, we will estimate the future cash flows (undiscounted and without interest charges) expected from the use of the asset and its eventual disposition. Future cash flows are the future cash in-flows expected to be generated by an asset less the future out-flows expected to be necessary to obtain those in-flows. If an impairment is determined to exist, the impairment loss will be measured as the amount by which the carrying value of a long-lived asset exceeds its fair value and recorded in the statement of operations in the period the determination is made. The events or changes in circumstances that generally indicate that an asset may be impaired are, (i) the estimated fair value of the underlying equipment is less than its carrying value, (ii) the lessee is experiencing financial difficulties and (iii) it does not appear likely that the estimated proceeds from the disposition of the asset will be sufficient to satisfy the residual position in the asset. The preparation of the undiscounted cash flows requires the use of assumptions and estimates, including the level of future rents, the residual value expected to be realized upon disposition of the asset, estimated downtime between re-leasing events and the amount of re-leasing costs. Our Investment Manager's review for impairment includes a consideration of the existence of impairment indicators including third-party appraisals, published values for similar assets, recent transactions for similar assets, adverse changes in market conditions for specific asset types and the occurrence of significant adverse changes in general industry and market conditions that could affect the fair value of the asset.

Equipment Notes and Loans Receivable

Equipment notes and loans receivable are reported in our condensed consolidated balance sheets at the outstanding principal balance net of any unamortized deferred fees, premiums or discounts on purchased notes and loans. Costs to originated notes, if any, are reported as other assets in our condensed consolidated balance sheets. Unearned income, discounts and premiums, if any, are amortized to interest income in the condensed consolidated statements of operations using the effective interest rate method. Equipment notes and loans receivable are generally placed in a non-accrual status when payments are more than 90 days past due. Additionally, we periodically review the creditworthiness of companies with payments outstanding less than 90 days. Based upon the Investment Manager's judgment, accounts may be placed in a non-accrual status. Accounts on a non-accrual status are only returned to an accrual status when the account has been brought current and we believe recovery of the remaining unpaid receivable is probable. Revenue on non-accrual accounts is recognized only when cash has been received.

Recent Accounting Pronouncements

In June 2016, the FASB issued ASU 2016-13, Financial Instruments - Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments ("ASU 2016-13"), which requires credit losses on most financial assets measured at amortized cost and certain other instruments to be measured using an expected credit loss model (referred to as the current expected credit loss (CECL) model). Under this model, entities will estimate credit losses over the entire contractual term of the instrument from the date of initial recognition of that instrument. Current US GAAP is based on an incurred loss model that delays recognition of credit losses until it is probable the loss has been incurred. Accordingly, it is anticipated that credit losses will be recognized earlier under the CECL model than under the incurred loss model. ASU 2016-13 was to be effective for fiscal periods beginning after December 15, 2019 and must be adopted as a cumulative effect adjustment to retained earnings. In July 2019, the FASB decided to add a project to its technical agenda to propose staggered effective dates for certain accounting standards, including ASU 2016-13. The FASB has approved an approach that ASU 2016-13 will be effective for Public Business Entities that are SEC filers, excluding smaller reporting companies such as the Partnership, for fiscal years beginning after December 15, 2019 and interim periods within those fiscal years. For all other entities, including smaller reporting companies like the Partnership, ASU 2016-13 will be effective for fiscal years beginning after December 15, 2022, including interim periods within those fiscal years. For all entities, early adoption will continue to be permitted; that is, early adoption is allowed for fiscal years beginning after December 15, 2018, including interim periods within those fiscal years (that is, effective January 1, 2019, for calendar-year-end companies). On November 15, 2019, the FASB delayed the effective date of FASB ASC Topic 326 for certain small public companies and other private companies. As amended, the effective date of ASC Topic 326 was delayed until fiscal years beginning after December 15, 2022 for SEC filers that are eligible to be smaller reporting companies under the SEC's definition, as well as private companies and not-for-profit entities. Nothing in this staff interpretation 3 should be read to accelerate or delay the effective dates of the standard as modified by the FASB. The Partnership is currently evaluating the impact of this guidance on its interim condensed consolidated financial statements.

In February 2016, the FASB issued new guidance to improve consolidation guidance for legal entities, ASU 2016-02, Leases (Topic 842): Amendments to the FASB Accounting Standards Codification ("ASU 2016-02"), effective for fiscal years beginning after December 15, 2018 and interim periods within those years. Early adoption was permitted. ASU 2016-02 amends the existing accounting standards for lease accounting, including requiring lessees to recognize most leases on their balance sheets, and makes targeted changes to lessor accounting. The new leases standard requires a modified retrospective transition approach for all leases existing at, or entered into after, the date of initial application, with an option to use certain transition relief. The Partnership has adopted ASU 2016-02 and has determined there was no significant impact on its interim condensed consolidated financial statements of initial application.

Management does not believe that any other recently issued, but not yet effective accounting pronouncements, if adopted, would have a material effect on the accompanying interim condensed consolidated financial statements.

Business Overview

Our Offering Period commenced on August 11, 2016 and concluded on March 31, 2019. We were approved for sale under Blue Sky regulations in 49 states and the District of Columbia. During the Offering Period, the majority of our cash inflows were derived from financing activities and the direct result of capital contributions from Limited Partners.

During our Operating Period, which began on October 3, 2016, the date of our initial closing, we will use the majority of our net offering proceeds from Limited Partner capital contributions to acquire our initial investments. As our investments mature, we anticipate reinvesting the cash proceeds in additional investments in leased equipment and financing transactions, to the extent that the cash will not be needed for expenses, reserves and distributions to our Limited Partners. During this time-frame we expect both rental income and finance income to increase substantially as well as related expenses such as depreciation and amortization. During the Operating Period, we believe the majority of our cash outflows will be from investing activities as we acquire additional investments and to a lesser extend from financing activities from our paying quarterly distributions to our Limited Partners. Our cash flow from operations is expected to increase, primarily from the collection of rental and interest payments.

We are currently in our Operating Period. The Offering Period was designated as the period in which we raised capital from investors. During this period, we generated the majority of our cash inflow from financing activities though the sale of our Units to investors. Through June 30, 2020, the Partnership admitted 617 Limited Partners with total capital contributions of $25,371,709 resulting in the sale of 2,537,170.91 Units. The Partnership received cash contributions of $24,718,035 and applied $653,674 which would have otherwise been paid as sales commission to the purchase of 65,367.46 additional Units.

We have also entered our Operating Period, which is defined as the period in which we invest the net proceeds from the Offering Period into business-essential, revenue-producing (or cost-saving) equipment and other physical assets with substantial economic lives and, in many cases, associated revenue streams. During this period we anticipate substantial cash outflows from investing activities as we acquire leased and financed equipment. We also expect our operating activities to generate cash inflows during this time as we collect rental payments from the leased and financed assets we acquire.

In December 2019, a novel strain of coronavirus (also known as COVID-19) was reported to have surfaced in Wuhan, China. In January 2020, this coronavirus spread to other countries, including the United States and Europe. The outbreak has continued to spread and is currently classified as a pandemic. Efforts to contain the spread of this coronavirus has intensified. To date, COVID-19 has not had a significant impact on our business. Although we currently expect that the disruptive impact of coronavirus on our business will be temporary, this situation continues to evolve and therefore we cannot predict the extent to which the coronavirus will directly or indirectly affect our business and operating results.

Results of Operations for the Three Months Ended June 30, 2020 compared to the Three Months Ended June 30, 2019

Our revenue for the three months ended June 30, 2020 and 2019 is summarized as follows:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 94,550	$ 120,256
Finance income	608,908	231,643
Interest income	112,477	116,134
Other income	527	241
Total Revenue	$ 816,462	$ 468,274

For the three months ended June 30, 2020, we earned $94,550 in rental income from one fabrication equipment operating lease. We received monthly lease payments of approximately $1,970,664 and recognized $608,908 in finance income from various finance leases during the same period. We also recognized $112,477 in interest income from collateralized loans receivable, and as we participate in additional financing projects, we believe our revenue will grow significantly during 2020.

For the three months ended June 30, 2019, we earned $120,256 in rental income from five operating leases of pizza ovens equipment, and one fabrication equipment operating lease. We received monthly lease payments of approximately $667,037 and recognized $231,643 in finance income from various finance leases during the same period. We also recognized $116,134 in interest income from collateralized loans receivable during the same period.

Our expenses for the three months ended June 30, 2020 and 2019 are summarized as follows:

	Three Months Ended June 30, 2020	Three Months Ended June 30, 2019
	(unaudited)	(unaudited)
Expenses:		
Management fees — Investment Manager	$ 187,500	$ 187,500
Interest expense	199,851	—
Depreciation	75,536	99,435
Professional fees	84,085	123,500
Administration expense	82,143	73,739
Other expenses	900	4,169
Total Expenses	$ 630,015	$ 488,343

For the three months ended June 30, 2020, we incurred $630,015 in total expenses. We paid $187,500 in management fees to our Investment Manager during the three months ended June 30, 2020. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. We recognized $75,536 in depreciation expense and $82,143 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred interest expense of $199,851 related to our loan payable that was entered into on October 18, 2019. We also incurred $84,085 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC and consulting services. As the size and complexity of our activities grow, we expect that our professional fees will increase accordingly.

For the three months ended June 30, 2019, we incurred $488,343 in total expenses. We paid $187,500 in management fees to our Investment Manager during the three months ended June 30, 2019. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. We recognized $99,435 in depreciation expense and $73,739 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred $123,550 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC and consulting services.

Net Income

As a result of the factors discussed above, we reported net income for the three months ended June 30, 2020 of $186,447, as compared to a net loss of $20,069 for the three months ended June 30, 2019.

Results of Operations for the Six Months Ended June 30, 2020 compared to the Six Months Ended June 30, 2019

Our revenue for the six months ended June 30, 2020 and 2019 is summarized as follows:

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(unaudited)	(unaudited)
Revenue:		
Rental income	$ 203,368	$ 178,512
Finance income	1,213,211	487,579
Interest income	219,960	235,481
Gain on sale of assets	70,483	—
Other income	527	688
Total Revenue	$ 1,707,549	$ 902,260

For the six months ended June 30, 2020, we earned $203,368 in rental income from five operating leases of pizza ovens equipment, and one fabrication equipment operating lease. We received monthly lease payments of approximately $4,645,960 and recognized $1,213,211in finance income from various finance leases during the same period. We also recognized $219,960 in interest income from collateralized loans receivable and a gain on sale of assets of $70,483 during the same period. As we acquire finance leases and operating leases, and as we participate in additional financing projects, we believe our revenue will grow significantly during 2020.

For the six months ended June 30, 2019, we earned $178,512 in rental income from five operating leases of pizza ovens equipment, and one fabrication equipment operating lease. We received monthly lease payments of $1,968,475 and recognized $487,579 in finance income from various finance leases during the same period. We also recognized $235,481 in interest income from collateralized loans receivable during the same period.

Our expenses for the six months ended June 30, 2020 and 2019 are summarized as follows:

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(unaudited)	(unaudited)
Expenses:		
Management fees — Investment Manager	$ 375,000	$ 375,000
Interest expense	379,352	—
Depreciation	153,274	148,496
Professional fees	221,601	173,050
Administration expense	161,008	108,880
Other expenses	3,916	8,469
Total Expenses	$ 1,294,151	$ 813,895

For the six months ended June 30, 2020, we incurred $1,294,151 in total expenses. We paid $375,000 in management fees to our Investment Manager during the six months ended June 30, 2020. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. We recognized $153,274 in depreciation expense and $161,008 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred interest expense of $379,352 related to our loan payable that was entered into on October 18, 2019. We also incurred $221,601 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC and consulting services. As the size and complexity of our activities grow, we expect that our professional fees will increase accordingly.

For the six months ended June 30, 2019, we incurred $813,895 in total expenses. We paid $375,000 in management fees to our Investment Manager during the six months ended June 30, 2019. We pay our Investment Manager a management fee during the Operating Period and the Liquidation Period equal to the greater of, (i) 2.5% per annum of the aggregate offering proceeds, payable monthly in advance or (ii) $62,500 per month. We recognized $148,496 in depreciation expense and $108,880 in administration expense. Administration expense mainly consists of expenses paid to the fund administrator. We also incurred $173,050 in professional fees, which were mostly comprised of fees related to compliance with the rules and regulations of the SEC and consulting services.

Net Income

As a result of the factors discussed above, we reported net income for the six months ended June 30, 2020 of $413,398, as compared to a net income of $88,365 for the six months ended June 30, 2019.

Liquidity and Capital Resources

Sources and Uses of Cash

	Six Months Ended June 30, 2020	Six Months Ended June 30, 2019
	(unaudited)	(unaudited)
Cash provided by (used in):		
Operating activities	$ 3,030,567	$ 1,858,764
Investing activities	$ (8,538,295)	$ (5,075,071)
Financing activities	$ 493,071	$ 4,787,030

Sources of Liquidity

We are currently in our Operating Period. The Offering Period was the time frame in which we raised capital contributions from Limited Partners through the sale of our Units. As such, during our Offering Period a substantial portion of our cash inflows were be from financing activities. The Operating Period is the time frame in which we acquire equipment under lease or enter into other equipment financing transactions. During this time period we anticipate that a substantial portion of our cash outflows will be for investing activities. We believe that cash inflows will be sufficient to finance our liquidity requirements for the foreseeable future, including quarterly distributions to our Limited Partners, general and administrative expenses, fees paid to our Investment Manager and new investment opportunities.

Operating Activities

Cash provided by operating activities for the six months ended June 30, 2020 was $3,030,567 and was primarily driven by the following factors; net income for the six months ended June 30, 2020 of approximately $413,000, receipt of approximately $4,646,000 in minimum rental payments from finance leases, receipt of approximately $237,000 in interest income payments from collateralized loans receivable, an increase in accrued interest on loans payable of approximately $26,000, and an increase in depreciation of approximately $153,000. Offsetting these fluctuations was, finance income of approximately $1,213,000, gain on sale of assets of approximately $70,000, interest income of approximately 220,000, an increase in other assets of approximately $855,000, a decrease in accounts payable and accrued liabilities of approximately $26,000, and a decrease of deferred revenue of approximately $60,000. We expect our accounts payable and accrued expenses will fluctuate from period to period primarily due to the timing of payments related to lease and financings transactions we will enter into. We anticipate that as we enter into additional equipment leasing and financing transactions we will generate greater net cash inflows from operations principally from rental payments received from lessees.

Cash provided by operating activities for the six months ended June 30, 2019 was $1,858,764 and was primarily driven by the following factors; a net income for the six months ended June 30, 2019 of approximately $88,000, receipt of approximately $1,968,000 in minimum rental payments from finance leases, receipt of approximately $235,000 in interest income payments from collateralized loans receivable, an increase in security deposit payable of $49,000, an increase in deferred revenue of approximately $190,000 and depreciation of approximately $149,000. Offsetting these fluctuations was, finance income of approximately $488,000, accrued interest income of approximately $236,000, an increase in other assets of approximately $71,000 and a decrease of accounts payable of approximately $26,000.

Investing Activities

Cash used in investing activities was $8,538,295 for the six months ended June 30, 2020, which consisted of approximately $8,143,000 that we paid for the purchase of finance leases and approximately $1,106,000 that we paid for the purchase of collateralized loans receivable, offset by approximately $593,000 in cash received from collateralized loan receivables and approximately $118,000 in cash received from sale of leased assets.

Cash used in investing activities was $5,075,071 for the six months ended June 30, 2019, which consisted of approximately $5,445,000 that we paid for the purchase of finance leases and approximately $287,000 that we paid for the purchase of collateralized loans receivable, offset by approximately $511,000 in cash received from collateralized loan receivables and approximately $146,000 in cash received from sale of collateralized loan receivables.

Financing Activities

Cash provided by financing activities for the six months ended June 30, 2020 was $493,071 and was primarily due to cash received from loan payable of $6,800,000, offsetting this increase were payments of approximately $5,286,000 on the loan payable and $1,021,000 in distributions to limited partners.

Cash provided by financing activities for the six months ended June 30, 2019 was $4,787,030 and was primarily due to cash proceeds received of approximately $5,916,000 from the sale of our Units to Limited Partners. Offsetting this increase were payments for distributions to our Limited Partners of approximately $787,000, payments of approximately $10,000 for organizational and offering costs and underwriting fees of $333,000.

Distributions

During our Operating Period, we intend to pay cash distributions on a quarterly basis to our Limited Partners at 1.5% per quarter, the equivalent rate of 6.0% per annum, of each Limited Partners' capital contribution (pro-rated to the date of admission for each Limited Partner). Since June 30, 2017, our distribution rate has been 6.5% annually, paid quarterly at 1.625%, of capital contributions. Beginning as of March 31, 2018, we increased our distribution to 7.0% annually, paid quarterly at 1.75% of capital contributions. Beginning as of June 30, 2018, we increased our distribution to 7.5%, paid quarterly at 1.875% of capital contributions. Beginning as of September 30, 2018 we increased our distribution to 8.0%, paid quarterly at 2.00% of capital contributions. As of June 30, 2020, we decreased our distribution to 4.0%, paid quarterly at 1.00% of capital contributions. The amount and rate of cash distributions could vary and are not guaranteed. During the six months ended June 30, 2020, we made quarterly cash distributions to our Limited Partners totaling $1,020,669, and accrued $252,587 for distributions due to Limited Partners which resulted in a distributions payable to Limited Partners of $252,587 at June 30, 2020. At June 30, 2020, the Partnership declared and accrued a distribution of $2,525, for distributions due to the General Partner which resulted in distributions payable to the General Partner of $43,590 at June 30, 2020.

Commitments and Contingencies and Off-Balance Sheet Transactions

Commitment and Contingencies

Our income, losses and distributions are allocated 99% to our Limited Partners and 1% to our General Partner until the Limited Partners have received total distributions equal to each Limited Partners' capital contribution plus an 8%, compounded annually, cumulative return on each Limited Partners' capital contribution. After such time, income, losses and distributions will be allocated 80% to our Limited Partners and 20% to our General Partner.

We enter into contracts that contain a variety of indemnifications. Our maximum exposure under these arrangements is not known.

In the normal course of business, we enter into contracts of various types, including lease contracts, contracts for the sale or purchase of leased assets, loan agreements and management contracts. It is prevalent industry practice for most contracts of any significant value to include provisions that each of the contracting parties, in addition to assuming liability for breaches of the representations, warranties, and covenants that are part of the underlying contractual obligations, to also assume an obligation to indemnify and hold the other contractual party harmless for such breaches, and for harm caused by such party's gross negligence and willful misconduct, including, in certain instances, certain costs and expenses arising from the contract. Generally, to the extent these contracts are performed in the ordinary course of business under the reasonable business judgment of our General Partner and our Investment Manager, no liability will arise as a result of these provisions. Should any such indemnification obligation become payable, we would separately record and/or disclose such liability in accordance with accounting principles generally accepted in the United States of America.

As of June 30, 2020, the Partnership does not have any unfunded commitments for any investments.

Off-Balance Sheet Transactions

None.

Contractual Obligations

None.

Subsequent Events

In December 2019, a novel strain of coronavirus (also known as COVID-19) was reported to have surfaced in Wuhan, China. In January 2020, this coronavirus spread to other countries, including the United States and Europe. The outbreak has continued to spread and is currently classified as a pandemic. Efforts to contain the spread of this coronavirus has intensified. To date, COVID-19 has not had a significant impact on our business. Although the Partnership currently expects that the disruptive impact of coronavirus on its business will be temporary, this situation continues to evolve and therefore the Partnership cannot predict the extent to which the coronavirus will directly or indirectly affect its business and operating results.

On July 16, 2020, Partnership funded the remaining $200,439 for infrastructure equipment based in Pennsylvania. The finance lease requires 60 monthly payments of $18,471 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

In July 2020, Partnership funded the remaining $321,650 for infrastructure equipment based in Pennsylvania. The finance lease requires 48 monthly payments of $15,823 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

On July 17, 2020, the Partnership funded an aggregate total of $21,744 for infrastructure equipment based in Pennsylvania. The finance lease requires 60 monthly payments of $482 and is expected to commence on August 1, 2020. The lease is secured by a first priority lien against the infrastructure equipment.

Item 3. Quantitative and Qualitative Disclosures about Market Risk

Not Applicable for Smaller Reporting Companies.

Item 4. Controls and Procedures

Evaluation of disclosure controls and procedures

In connection with the preparation of this Quarterly Report on Form 10-Q for the quarter ended June 30, 2020, our General Partner and Investment Manager carried out an evaluation, under the supervision and with the participation of the management of our General Partner and Investment Manager, including its Chief Executive Officer, of the effectiveness of the design and operation of our General Partner's and Investment Manager's disclosure controls and procedures as of the end of the period covered by this Report pursuant to the Securities Exchange Act of 1934. Based on the foregoing evaluation, the Chief Executive Officer concluded that our General Partner's and Investment Manager's disclosure controls and procedures were effective.

In designing and evaluating our General Partner's and Investment Manager's disclosure controls and procedures, our General Partner and Investment Manager recognized that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the disclosure controls and procedures are met. Our General Partner's and Investment Manager's disclosure controls and procedures have been designed to meet reasonable assurance standards. Disclosure controls and procedures cannot detect or prevent all error and fraud. Some inherent limitations in disclosure controls and procedures include costs of implementation, faulty decision-making, simple error and mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people, or by management override of the controls. The design of any system of controls is based, in part, upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all anticipated and unanticipated future conditions. Over time, controls may become inadequate because of changes in conditions, or the degree of compliance with established policies or procedures.

Evaluation of internal control over financial reporting

Our General Partner is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is defined in Rules 13a-15(f) and 15d-15(f) under the Securities Exchange Act of 1934, as amended, as a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of interim condensed consolidated financial statements for external purposes in accordance with U.S. GAAP and includes those policies and procedures that (1) pertain to the maintenance of records that in reasonable detail accurately and fairly reflect the transactions and dispositions of the assets of the Partnership; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of interim condensed consolidated financial statements in accordance with U.S. GAAP, and that receipts and expenditures of the Partnership are being made only in accordance with authorizations of management and directors of the Partnership; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Partnership's assets that could have a material effect on the interim condensed consolidated financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Projections of any evaluation of effectiveness to future periods are subject to the risks that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Our General Partner and our Investment Manager have assessed the effectiveness of their internal control over financial reporting as of June 30, 2020. In making this assessment, management used the criteria set forth by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in "Internal Control—Integrated Framework."

Based on their assessment, our General Partner and our Investment Manager believe that, as of June 30, 2020, its internal control over financial reporting is effective.

Changes in internal control over financial reporting

Beginning January 1, 2019, we implemented ASU 2016-02 *Leases (Topic 842),* although the adoption of the new leases standard had no significant impact on our results of operations, cash flows, or financial position, we did implement changes to our controls related to leases. As part of the implementation process, we assessed our lease arrangements and evaluated practical expedients and accounting policy elections to meet the reporting requirements of this standard. We also evaluated the changes in controls and processes that were necessary to implement the new standard, and no material changes were required. The new standard provides a number of optional practical expedients in transition. We elected the 'package of practical expedients' which permitted us not to reassess under the new standard the prior conclusions about lease identification, lease classification and initial direct costs. There was no other change in our internal control over financial reporting during the quarter ended June 30, 2020, that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

We are not aware of any material legal proceedings that are currently pending against us or against any of our assets.

Item 1A. Risk Factors

Not applicable.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

Our Registration Statement on Form S-1, as amended, was declared effective by the SEC on August 11, 2016. Our Offering Period commenced on August 11, 2016 and concluded on March 31, 2019. From August 11, 2016 through June 30, 2020, the Partnership admitted 617 Limited Partners with total capital contributions of $25,371,709 resulting in the sale of 2,537,170.91 Units. The Partnership received cash contributions of $24,718,035 and applied $653,674 which would have otherwise been paid as sales commission to the purchase of 65,367.46 additional Units.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. Other Information

None.

Item 6. Exhibits

31.1 Certification of President and Chief Compliance Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

31.2 Certification of Chief Financial Officer, pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

32.1 Certification of President and Chief Compliance Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

32.2 Certification of Chief Financial Officer pursuant to 18 U.S.C. 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

101 Interactive Data Files

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacity and on the dates indicated.

File No. 333-211626
ASIF GP, LLC
General Partner of the Registrant

Date: August 13, 2020

/s/ Michael Miroshnikov

Michael Miroshnikov
President

EXHIBIT 31.1

CERTIFICATION

I, Michael Miroshnikov, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arboretum Silverleaf Income Fund, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of 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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) 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

   d) 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(s) 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 13, 2020

/s/ Michael Miroshnikov

Michael Miroshnikov
President
(Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Joshua Yifat, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Arboretum Silverleaf Income Fund, L.P.;

2. Based on my knowledge, this report does not contain any untrue statement of 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(s) 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)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) 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) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

    c) 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

    d) 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(s) 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 13, 2020

/s/ Joshua Yifat

Joshua Yifat
Chief Financial Officer
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report of Arboretum Silverleaf Income Fund, L.P. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Michael Miroshnikov, Chief Compliance Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: August 13, 2020

/s/ Michael Miroshnikov

Michael Miroshnikov
President
(Principal Executive Officer)

EXHIBIT 32.2

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

In connection with the Quarterly Report of Arboretum Silverleaf Income Fund, L.P. (the "Company") on Form 10-Q for the period ended June 30, 2020, as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, the undersigned, Joshua Yifat, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. § 1350, as adopted pursuant to § 906 of the Sarbanes-Oxley Act of 2002, that:

(1) The Report fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended; and

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

A signed original of this written statement has been provided to the Company and will be retained by the Company and furnished to the SEC or its staff upon request.

Date: August 13, 2020

/s/ Joshua Yifat

Joshua Yifat
Chief Financial Officer
(Principal Financial Officer)