

2017 Annual Report

Spirit on the River

2017 was a challenging year for Spirit on the River due to vacancies in our rental units. Itsy Bitsy Zone vacated unit 7 on 1/31/17 when their lease expired. They moved their business to a larger space. My Joy Enterprises which occupied unit 6C ceased paying rent after April and seemed to cease operations at the end of May. The unit was cleaned out during the month of June. They were a tenant-at-will so were not under a lease at that point. JNP Dance Academy, which had been occupying unit 5, vacated their unit at the end of June. JNP Dance Academy relocated to a different location in Salisbury. They were obligated to pay rent to SOTR under an active lease that was due to expire on 8/31/18. Under Massachusetts law, Spirit on the River can take legal action to collect unpaid rent from JNP Dance Academy, but only after the unit is rented to someone else. At this time, the unit has not been rented out so no collection efforts have been made.

Unit 4 was leased to Pond Hill Preschool starting in March, 2017 for a three year lease. Unit 6A continues to be rented to Jennifer Pearson (a photographer) and unit 6B continues to be rented to the Divine Paradigm Center. Unit 7 was rented to Tammi's Closet for a six week term from mid-February to the end of March.

As a result of having three vacant units for a significant period of time, Spirit on the River cash flow diminished significantly in 2017. Net cash flow from operations in 2017 came to minus \$12,595. \$2,000 was transferred to UOTR early in the year, making the total cash flow change in position minus \$14,595 for the year. This compares adversely with 2016's positive cash flow from operations of \$18,567, of which \$13,000 was transferred to UOTR.

Unit 7 has once again been rented to Tammi's Closet for a six week period beginning in mid-February. Pond Hill Preschool is interested in expanding their operation into unit 5 once they reach capacity, which is possible this fall. We have had a great deal of interest in unit 6C, but the only offers we received were from businesses that would not have been a good fit for our community.

It is imperative that Spirit on the River lease units 5 and 7 as soon as possible so operational viability can be maintained. Units 5 and 7 are currently listed with Keller Williams Commercial Real Estate. Unit 6C is listed on Craigslist and is being rented out on a per diem basis while we search for a long term tenant.

We give thanks to the Spirit on the River Board of Directors for their support this year. They are: Malik Marerro (President), Michelle Mailloux and John Leland. Heather Merrill has joined the board for 2018.