

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: 1995-05-10 | Period of Report: 1995-03-31
SEC Accession No. 0000898430-95-000751

(HTML Version on secdatabase.com)

FILER

LEASTEC INCOME FUND IV

CIK: 799179 | IRS No.: 680100223 | State of Incorporation: CA | Fiscal Year End: 1231
Type: 10-Q | Act: 34 | File No.: 033-08115 | Film No.: 95535916
SIC: 7377 Computer rental & leasing

Mailing Address	Business Address
2855 MITCHELL DRIVE SUITE 215	2855 MITCHELL DR STE 215
2855 MITCHELL DRIVE SUITE 215	WALNUT CREEK CA 94598
2855 MITCHELL DRIVE SUITE 215	4159383443
WALNUT CREEK CA 94598	

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

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

For Quarter Ended March 31, 1995 Commission file number 33-8115.

Leastec Income Fund IV, A California Limited Partnership

(Exact name of registrant as specified in its charter)

California

68-0100223

(State or other jurisdiction of
incorporation or organization)

(I.R.S. Employer Identifi-
cation Number)

2855 Mitchell Drive, Suite 215, Walnut Creek, California 94598

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code (510) 938-3443

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

Indicate by check mark whether the registrant (1) has filed all reports required
to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934
during the preceding 12 months (or for such shorter period that the registrant
was required to file such reports), and (2) has been subject to such filing
requirements for the past 90 days.

Yes X No —
 -

APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE
PRECEDING FIVE YEARS: N/A

Indicate by check mark whether the registrant has filed all documents
and reports required to be filed by Sections 12, 13, or 15 (d) of the Securities
Exchange Act of 1934 subsequent to the distribution of securities under a plan
confirmed by a court.

Yes — No —

APPLICABLE ONLY TO CORPORATE ISSUERS: N/A

Indicate the number of shares outstanding of each of the issuer's
classes of common stock, as of the latest practicable date.

1

Part 1. Financial Information

Item 1

LEASTEC INCOME FUND IV
A CALIFORNIA LIMITED PARTNERSHIP

CONDENSED BALANCE SHEETS
(UNAUDITED)

<TABLE>
<CAPTION>

	March 31 ----- 1995 ----	December 31 ----- 1994 ----
<S>	<C>	<C>
ASSETS:		
Cash	\$ 663,570	\$ 928,298
Accounts receivable	144,192	45,445
Net investment in direct financing leases	3,125,647	3,711,391
Equipment on operating leases, net of accumulated depreciation of \$2,885,043 in 1995 and \$2,992,283 in 1994	-0-	-0-
	-----	-----
Total assets	\$3,933,409 =====	\$4,685,134 =====
LIABILITIES AND PARTNERS' CAPITAL:		
Liabilities:		
Payables to affiliates	\$ 127,393	144,124
Accounts payable	39,098	114,531
Deposits	341,037	360,197
Prepaid rental income	16,737	11,086
Distributions payable	526,316	652,632
Notes payable	200,914	305,610
	-----	-----
Total liabilities	1,251,495 -----	1,588,180 -----
Partners' Capital:		
Partners' capital	2,681,914 -----	3,096,954 -----
Total partners' capital	2,681,914 -----	3,096,954 -----
Total liabilities & partners' capital	\$3,933,409 =====	\$4,685,134 =====

</TABLE>

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

LEASTEC INCOME FUND IV
A CALIFORNIA LIMITED PARTNERSHIP

CONDENSED STATEMENTS OF INCOME
(UNAUDITED)

<TABLE>
<CAPTION>

	Three Months Ended March 31	
<S>	<C>	<C>
	1995	1994
	-----	-----

<S>	<C>	<C>
REVENUE:		
Rental income	\$ 72,549	\$ 252,478
Direct financing lease income	116,443	198,325
Gain on sale of equipment	39,430	24,204
Interest income	5,978	3,457
Other income	3,972	275
	-----	-----
Total revenues	238,372	478,739
	-----	-----
EXPENSES:		
Depreciation	-0-	188,594
Management fees	56,017	59,184
General & administrative	39,845	37,574
Data processing	9,335	13,703
Interest expense	21,898	44,073
	-----	-----
Total expenses	127,095	343,128
	-----	-----
Net income	\$ 111,277	\$ 135,611
	=====	=====
Net income per limited partnership unit	\$ 1.04	\$ 1.26
	=====	=====

</TABLE>

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

3

LEASTECH INCOME FUND IV
A CALIFORNIA LIMITED PARTNERSHIP
STATEMENTS OF CASH FLOWS
(Unaudited)

<TABLE>
<CAPTION>

	Three Months Ended March 31	
	1995	1994
	----	----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 111,277	\$ 135,611
Adjustments to reconcile net income to net cash provided by operating activities:		
Accumulated depreciation	-0-	188,594
Gain on disposition of equipment	(39,430)	(24,204)
Change in assets and liabilities:		
(Increase) decrease in accounts receivable	(98,747)	120,240
Decrease in payables to affiliates	(16,731)	(15,097)
Decrease in accounts payable	(75,433)	(114,931)
Decrease in deposits	(19,160)	(13,274)
Increase in prepaid rental income	5,651	1,254
Increase (decrease) in distributions payable	(126,316)	252,633
	-----	-----
Net cash provided (used) by operating activities	(258,889)	530,826
	-----	-----

Cash flows from investing activities:		
Proceeds from disposition of equipment	39,430	134,747
Decrease in net investment in direct financing leases	585,744	460,682
	-----	-----
Net cash provided by investing activities	625,174	595,429
	-----	-----
Cash flows from financing activities:		
Repayment of notes payable	(104,696)	(496,892)
Net distributions to partners	(526,317)	(568,421)
	-----	-----
Net cash used in financing activities	(631,013)	(1,065,313)
	-----	-----
Net increase (decrease) in cash	(264,728)	60,942
Cash at beginning of period	928,298	576,596
	-----	-----
Cash at end of period	\$ 663,570	\$ 637,538
	=====	=====

</TABLE>

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

4

LEASTECH INCOME FUND IV

A CALIFORNIA LIMITED PARTNERSHIP

NOTES TO CONDENSED FINANCIAL STATEMENTS

MARCH 31, 1995, MARCH 31, 1994 AND DECEMBER 31, 1994

(Unaudited)

1. Basis of Condensed Financial Statement Preparation

In the opinion of the General Partner, the accompanying unaudited condensed financial statements contain all adjustments (consisting principally of normal, recurring accruals) necessary to present fairly the financial position of Leastec Income Fund IV (the Partnership) as of March 31, 1995, March 31, 1994 and December 31, 1994.

As provided for in the Partnership agreement and offering document, the Partnership engaged in leasing activities which intended to be completed in approximately nine years from its inception at which time all remaining cash is to be distributed to the partners. The Partnership has presented its 1995 financial statements to reflect its leasing activities on a basis consistent with prior periods.

2. Wind Down Phase

The Registrant has ceased acquisition of new capital equipment and is in the process of liquidating its lease portfolio. It is intended that the Registrant will be fully liquidated at the end of its tenth full year of operation, December 1996.

5

LEASTEC INCOME FUND IV

A CALIFORNIA LIMITED PARTNERSHIP

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL
CONDITION AND RESULTS OF OPERATIONS

Results of Operation

The Registrant has been winding down operations since 1993 by discontinuing new leasing activities and returning cash available from operations to the Registrant's Partners. Although the Registrant has until December 1997 to liquidate operations, the Registrant intends to be fully liquidated by December 1996.

The majority of the Registrants operating leases have terminated. The remaining leases will be fully depreciated in the first half of 1995. As operating leases terminate, the equipment is sold. The remaining balance of the lease portfolio is invested in Direct Finance leases which terminate with the Lessees contractually required purchase of equipment. The income and expenses of the Registrant are steadily declining as the lease portfolio size declines. The cash balances and related interest income fluctuate according to the cash amounts received from equipment sales and finance lease purchases during each quarter. Cash is distributed to the partners according to their respective tax basis capital accounts.

The Registrant reported net income of \$135,611 or \$1.26 per Limited Partnership Unit for the three months ended March 31, 1994 as compared to \$111,277 or \$1.04 per Limited Partnership Unit for the three months ended March 31, 1995.

Total revenues for the three months ended March 31, 1995 were \$238,372 compared to \$478,739 for the same period in the prior year. Revenue derived from the Fund's equipment management activities comprised 98% of the total income for the period, with the remaining 2% being interest income. As leases terminated during the year, the majority of the equipment was not re-leased and was sold.

Total expenses for the three months ended March 31, 1995 were \$127,095 compared to \$343,128 for the same period in the prior year. Management fees, interest, and general and administrative costs comprised 93% of the total expenses. This decrease reflects the complete depreciation of the operating lease equipment portfolio. The original cost of the equipment subject to operating leases declined from \$5,055,758 at March 31, 1994 to \$2,885,043 at March 31, 1995.

Liquidity and Capital Resources

Cash used by operating activities for the three months ended March 31, 1995 was \$258,889 compared to cash provided by operating activities of \$530,826 for the same period in the prior year.

Cash from investing activities increased from \$595,429 in the first quarter of 1994 to \$625,174 for the first quarter 1995, reflecting primarily the decline in rental receipts from the direct finance lease portfolio.

As rental payment on finance leases are received, the cash is broken up into

income and return of principal. As finance leases are completed, the rental payments received by the Registrant decline, and the related declining components of income and return of principal are reflected as a smaller decrease in net investment in direct financing leases from \$3,711,391 in 1994 to \$3,125,647 in 1995.

Sales proceeds of equipment for the three months ended March 31, 1995 totaled approximately \$39,430 resulting in a \$39,430 gain after depreciation expense was taken compared to \$134,747 resulting in a gain of \$24,204 for the same period in the prior year.

Cash from operations and investing activities was used to repay \$104,696 of debt during the three months ended March 31, 1995 as compared to \$496,892 for the same period in the prior year.

The cash balance increased from \$576,596 at December 31, 1993 to \$637,538 at March 31, 1994 to \$928,298 at December 31, 1994 then decreased to \$663,570 at March 31, 1995.

As of March 31, 1995, investors were allocated cash distributions of \$526,316 payable on April 14, 1995. Investor distributions depend on the timing of equipment sales and collections of rents. As a result this amount can be expected to decrease during 1995 and 1996 and to be variable in amount from quarter to quarter depending on the timing of equipment sales.

The cash position as of March 31, 1995 was \$663,570 The General Partner anticipates that funds from operations will be adequate to cover all operating expenses and future needs of the Partnership during 1995.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

None.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

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

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Exhibits

None.

(b) Reports on Form 8-K

None.

8

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

LEASTECH INCOME FUND IV
(Registrant)
LEASTECH CORPORATION
(General Partner)

Dated: May 10, 1995

By: _____
Ernest V. Lavagetto, President

9

EXHIBIT INDEX

Exhibit No.	Description
-----	-----
27	Financial Data Schedule

<TABLE> <S> <C>

<ARTICLE> 5

<LEGEND>

THIS SCHEDULE CONTAINS SUMMARY FINANCIAL INFORMATION EXTRACTED FROM FORM 10-Q AND IS QUALIFIED IN ITS ENTIRETY BY REFERENCE TO SUCH FINANCIAL STATEMENTS.

</LEGEND>

<S>	<C>
<PERIOD-TYPE>	3-MOS
<FISCAL-YEAR-END>	DEC-31-1994
<PERIOD-START>	JAN-01-1995
<PERIOD-END>	MAR-31-1995
<CASH>	663,570
<SECURITIES>	0
<RECEIVABLES>	3,269,839
<ALLOWANCES>	0
<INVENTORY>	0
<CURRENT-ASSETS>	3,933,409
<PP&E>	0
<DEPRECIATION>	0
<TOTAL-ASSETS>	3,933,409
<CURRENT-LIABILITIES>	1,251,495
<BONDS>	0
<COMMON>	0
<PREFERRED-MANDATORY>	0
<PREFERRED>	0
<OTHER-SE>	2,681,914
<TOTAL-LIABILITY-AND-EQUITY>	3,933,409
<SALES>	0
<TOTAL-REVENUES>	238,372
<CGS>	0
<TOTAL-COSTS>	0
<OTHER-EXPENSES>	105,197
<LOSS-PROVISION>	0
<INTEREST-EXPENSE>	21,898
<INCOME-PRETAX>	111,277
<INCOME-TAX>	0
<INCOME-CONTINUING>	0
<DISCONTINUED>	0
<EXTRAORDINARY>	0
<CHANGES>	0
<NET-INCOME>	111,277
<EPS-PRIMARY>	1.04
<EPS-DILUTED>	0

</TABLE>