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**From:** Richard Kahn <[REDACTED]>  
**Sent:** Friday, March 13, 2015 9:24 PM  
**To:** jeffrey E.  
**Subject:** Cash Flow Projections

My comments are as follows:

Leon & Deborah Black

- 1) having a header with multiple dates is very confusing - payment dates should be on line below actual payment amounts
- 2) cash balance (last line) of 18,444,902 makes no sense without a beginning balance - a line should be added to show each month's beginning balance and ending balance and should be properly labeled
- 3) overall statement needs to have consistency or scope of dollars to be included - examples
  - a) inflows - other refunds / receipts of 3,266 and 1,779 in Jan / Feb - why include with such small amounts - should have a disc to capture this - also why only in Jan and Feb?
  - b) inflows - does Leon earn a salary at APO? 273,000 not included ??
  - c) outflows - rare books of 18,304 - again a disc should be used to capture this along with items in d and e below
  - d) outflows - support - children - 20,000 (i am sure number is larger than this on an annual basis) - why only 1 month? don't we have a history to project a full year
  - e) outflows - misc - only 3 months projected ??
- 4) household / transfers to ms - 17,000,000 continues to be shown yet Rich Joslin told me when we met that number probably is 7,000,000 per month - why in lumps each quarter? should be presented monthly..
  - a) we should highlight how 7,000,000 is spent as opposed to 5 lumps.. household operating expenses = capital improvements / RE taxes
- 5) art consultant receives a check 1x per year in May 2015- why is this not paid from Narrows? Family office? Deduction for expense?
- 6) Art loan shows interest paid quarterly yet 2 other loans show monthly payments - inconsistent and probably incorrect - loan expires in May 2015 - renewal??
- 7) plane - was there no debt service or use expense in January 2015 as this was left blank?
- 8) Townhouse construction - are payments actually made quarterly? monthly? how was amount derived?
- 9) Narrows transfers - are they actually made quarterly? monthly? how was amount derived?
- 10) Insurance / Property tax figures seems low overall - insurance for what? if households then why is it not included in households above - does 688,000 include townhouse?
- 11) Legal and Accounting - why are there two line items (Current and Prior Year) - with all the in-house accountants and attorneys this number seems to high..
- 12) Charity - lumps again - does Leon only make contributions in 3 months during the year
- 13) IRS Taxes
  - a) January - based on my knowledge estimated payments are due Jan 15th - if true then why are state payments shown in Jan 16-31 column (would that make them late??)
  - b) April payments for Fed and State should show what amounts relate to extension vs 2015 Q1 estimate
  - c) Taxes overall seem low for 2015 yet this can be function of income..
  - d) I understand probably in AMT each year but why are state taxes for Q4 not paid in Dec??
- 14) Overall presentation is poor
  - a) print should be larger and easier to read
  - b) headings and footings should be bolded and stand out - too many lines and numbers in headers and footers
  - c) all running balances show amounts in 25mm + range yet why are we breaking out Jan and April into days 1-15 and 16-30/31 - seems silly..

d) footnotes should be included to show basic assumptions such as APO reimbursement for plane / projected charter revenue on boat / 2014 vs 2015 estimated taxes

e) if purpose is to show cash flows then quarterly lumps other than IRS payments should not be presented

f) spreadsheets are great individually however they should be consolidated to show true picture of all entities - examples

1) inflows - sale of class b interest ap narrows llc - shows 10,000,000 yet net affect on global basis is 0

2) apo = interest - 27,325,266 shown yet net affect on global basis is =

g) spreadsheets should be legible to all who may read and not just author (more collaboration needs to be done with Rich D)

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