

# SECURITIES AND EXCHANGE COMMISSION

## FORM 10-Q/A

Quarterly report pursuant to sections 13 or 15(d) [amend]

Filing Date: **1995-06-13** | Period of Report: **1995-03-31**  
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### FILER

#### **JONES CABLE INCOME FUND 1-C LTD**

CIK: **813710** | IRS No.: **841010419** | State of Incorpor.: **CO** | Fiscal Year End: **1231**  
Type: **10-Q/A** | Act: **34** | File No.: **000-15714** | Film No.: **95546693**  
SIC: **4812** Radiotelephone communications

#### Mailing Address

*P.O. BOX 3309 9697 E  
MINERAL AVE  
C/O JONES INTERCABLE INC  
ENGLEWOOD CO 80155-3309*

#### Business Address

*9697 E MINERAL AVE PO BOX  
3309  
C/O JONES INTERCABLE INC  
ENGLEWOOD CO 80155-3309  
3037923111*

FORM 10-Q/A NO. 1

SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

(Mark One)

Quarterly report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarterly period ended March 31, 1995

Transition report pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number: 0-15714

JONES CABLE INCOME FUND 1-C, LTD.

-----  
Exact name of registrant as specified in charter

Colorado 84-1010419

-----  
State of organization I.R.S. employer I.D.#

9697 East Mineral Avenue, P.O. Box 3309, Englewood, Colorado 80155-3309

-----  
Address of principal executive office

(303) 792-3111

-----  
Registrant's telephone number

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  No

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

UNAUDITED CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

ASSETS	March 31, 1995	December 31, 1994
-----	-----	-----
<S>	<C>	<C>
CASH	\$ 654,516	\$ 309,848
TRADE RECEIVABLES, less allowance for doubtful receivables of \$58,297 and \$37,534 at March 31, 1995 and December 31, 1994, respectively	361,845	459,412
INVESTMENT IN CABLE TELEVISION PROPERTIES: Property, plant and equipment, at cost	58,392,116	57,707,174
Less-accumulated depreciation	(25,880,656)	(24,802,632)
	-----	-----

	32,511,460	32,904,542
Franchise costs, net of accumulated amortization of \$24,055,979 and \$23,207,609 at March 31, 1995 and December 31, 1994, respectively	12,537,811	13,386,181
Subscriber lists, net of accumulated amortization of \$6,704,307 and \$6,464,742 at March 31, 1995 and December 31, 1994, respectively	669,853	909,418
Costs in excess of interests in net assets purchased, net of accumulated amortization of \$1,264,145 and \$1,219,184 at March 31, 1995 and December 31, 1994, respectively	5,927,875	5,972,836
Noncompete agreement, net of accumulated amortization of \$237,433 and \$230,224 at March 31, 1995 and December 31, 1994, respectively	100,867	108,076
	-----	-----
Total investment in cable television properties	51,747,866	53,281,053
DEPOSITS, PREPAID EXPENSES AND DEFERRED CHARGES	420,803	495,461
	-----	-----
Total assets	\$ 53,185,030	\$ 54,545,774
	=====	=====

</TABLE>

The accompanying notes to unaudited consolidated financial statements  
are an integral part of these unaudited consolidated balance sheets.

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

UNAUDITED CONSOLIDATED BALANCE SHEETS

<TABLE>  
<CAPTION>

LIABILITIES AND PARTNERS' CAPITAL (DEFICIT)	March 31, 1995	December 31, 1994
	-----	-----
<S>	<C>	<C>
LIABILITIES:		
Debt	\$ 42,840,523	\$ 42,383,339
Accounts payable-		
Trade	22,977	16,153
General Partner	30,248	66,224
Accrued liabilities	1,399,808	1,638,181
Subscriber prepayments	351,900	270,839
	-----	-----
Total liabilities	44,645,456	44,374,736
	-----	-----
MINORITY INTEREST IN JOINT VENTURE	3,437,630	4,086,463
	-----	-----
PARTNERS' CAPITAL (DEFICIT):		
General Partner-		
Contributed capital	1,000	1,000
Accumulated deficit	(190,996)	(181,170)
Distributions	(113,443)	(113,443)
	-----	-----

	(303,439)	(293,613)
	-----	-----
Limited Partners-		
Net contributed capital (85,059 units outstanding at March 31, 1995 and December 31, 1994)	34,909,262	34,909,262
Accumulated deficit	(17,136,233)	(16,163,428)
Distributions	(12,367,646)	(12,367,646)
	-----	-----
	5,405,383	6,378,188
	-----	-----
Total liabilities and partners' capital (deficit)	\$ 53,185,030	\$ 54,545,774
	=====	=====

</TABLE>

The accompanying notes to unaudited consolidated financial statements are an integral part of these unaudited consolidated balance sheets.

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

<TABLE>  
<CAPTION>

	For the Three Months Ended March 31,	
	----- 1995 -----	----- 1994 -----
	<C>	<C>
REVENUES	\$ 5,442,911	\$ 5,179,248
COSTS AND EXPENSES:		
Operating	3,282,012	3,005,903
Management fees and allocated overhead from General Partner	696,965	678,354
Depreciation and amortization	2,221,797	2,173,829
	-----	-----
OPERATING LOSS	(757,863)	(678,838)
	-----	-----
OTHER INCOME (EXPENSE):		
Interest expense	(868,493)	(565,971)
Other, net	(5,108)	2,378
	-----	-----
Total other income (expense)	(873,601)	(563,593)
	-----	-----
CONSOLIDATED LOSS	(1,631,464)	(1,242,431)
MINORITY INTEREST IN CONSOLIDATED LOSS	648,833	494,115
	-----	-----
NET LOSS	\$ (982,631)	\$ (748,316)
	=====	=====
ALLOCATION OF NET LOSS:		

General Partner	\$ (9,826)	\$ (7,483)
	=====	=====
Limited Partners	\$ (972,805)	\$ (740,833)
	=====	=====
NET LOSS PER LIMITED PARTNERSHIP UNIT	\$ (11.44)	\$ (8.71)
	=====	=====
WEIGHTED AVERAGE NUMBER OF LIMITED PARTNERSHIP UNITS OUTSTANDING	85,059	85,059
	=====	=====

</TABLE>

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

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS

<TABLE>  
<CAPTION>

	For the Three Months Ended March 31,	
	1995	1994
	-----	-----
<S>	<C>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Net loss	\$ (982,631)	\$ (748,316)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	2,221,797	2,173,829
Minority interest in consolidated loss	(648,833)	(494,115)
Decrease in accrued distribution to Venture Partner	-	(429,500)
Amortization of interest rate protection contract	12,125	12,125
Decrease in trade receivables	97,567	72,245
Decrease in deposits, prepaid expenses and deferred charges	58,865	30,190
Decrease in accounts payable, accrued liabilities and subscriber prepayments	(150,488)	(368,426)
Increase (decrease) in advances from General Partner	(35,976)	1,058,400
	-----	-----
Net cash provided by operating activities	572,426	1,306,432
	-----	-----
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of property and equipment, net	(684,942)	(633,758)
	-----	-----
Net cash used in investing activities	(684,942)	(633,758)
	-----	-----
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	498,405	-
Repayment of debt	(41,221)	(38,792)
Decrease in accrued distribution to limited partners	-	(650,500)
	-----	-----
Net cash provided by (used in) financing activities	457,184	(689,292)
	-----	-----

Increase (decrease) in cash	344,668	(16,618)
Cash, beginning of period	309,848	118,807
	-----	-----
Cash, end of period	\$ 654,516	\$ 102,189
	=====	=====
SUPPLEMENTAL CASH FLOW DISCLOSURE:		
Interest paid	\$ 901,544	\$ 622,214
	=====	=====

</TABLE>

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

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

(1) This Form 10-Q is being filed in conformity with the SEC requirements for unaudited financial statements and does not contain all of the necessary footnote disclosures required for a fair presentation of the Balance Sheets and Statements of Operations and Cash Flows in conformity with generally accepted accounting principles. However, in the opinion of management, this data includes all adjustments, consisting only of normal recurring accruals, necessary to present fairly the financial position of Jones Cable Income Fund 1-C, Ltd. (the "Partnership") at March 31, 1995 and December 31, 1994 and its Statements of Operations and Cash Flows for the three month periods ended March 31, 1995 and 1994. Results of operations for these periods are not necessarily indicative of results to be expected for the full year.

The accompanying financial statements include 100 percent of the accounts of the Partnership and those of the Brighton, Broomfield and Boulder County, Colorado; Myrtle Creek, Oregon; Lake County, California; South Sioux City, Nebraska; and Three Rivers and Watervliet, Michigan cable television systems reduced by the approximate 40 percent minority interest in Jones Cable Income Fund 1-B/C Venture (the "Venture"). All interpartnership accounts and transactions have been eliminated.

(2) Jones Intercable Inc., a publicly held Colorado corporation (the "General Partner"), manages the Partnership and the Venture and receives a fee for its services equal to 5 percent of the gross revenues of the Venture, excluding revenues from the sale of cable television systems or franchises. Management fees for the three month periods ended March 31, 1995 and 1994 were \$272,145 and \$258,962, respectively.

The Venture reimburses the General Partner for certain allocated overhead and administrative expenses. These expenses represent the salaries and related benefits paid to corporate personnel, rent, data processing services and other corporate facilities costs. Such personnel provide engineering, marketing, administrative, accounting, legal and investor relations services to the Venture. Allocations of personnel costs are based primarily on actual time spent by employees of the General Partner with respect to each partnership managed. Remaining overhead costs are allocated based on revenues of the Partnership as a percentage of total revenues of owned and managed cable television systems of the General Partner. Systems owned by the General Partner and all other systems owned by partnerships for which Jones Intercable, Inc. is the general partner are also allocated a proportionate share of these expenses. The General Partner believes that the methodology used in allocating overhead and administrative expenses is reasonable. Overhead and administrative expenses allocated to the Venture by the General

Partner for the three month periods ended March 31, 1995 and 1994 were \$424,820 and \$419,392, respectively.

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JONES CABLE INCOME FUND 1-C, LTD.  
(A Limited Partnership)

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

FINANCIAL CONDITION

The Partnership owns an approximate 60 percent interest in the Venture. The accompanying financial statements include 100 percent of the accounts of the Partnership and those of the Venture systems reduced by the 40 percent minority interest in the Venture.

For the three months ended March 31, 1995, the Venture generated net cash from operating activities totaling \$572,426, which is available to fund capital expenditures and non-operating costs. During the first quarter of 1995, capital improvements within the Venture's systems totaled approximately \$685,000. Approximately 23 percent of these expenditures were for service drops to homes and approximately 38 percent were for the rebuild and upgrade of the Venture's Systems. The remainder of these expenditures related to various enhancements in all of the Venture's systems. Funding for these expenditures was provided by cash generated from operations and borrowings under the Venture's credit facility. Anticipated capital expenditures for the remainder of 1995 are approximately \$4,477,000. System upgrades and rebuilds are expected to account for approximately 21 percent of the expenditures, and service drops to homes are expected to account for approximately 26 percent of the anticipated expenditures. The remainder of the expenditures will be for various enhancements in the Venture's systems. Funding for these expenditures is expected to be provided by cash generated from operations and available borrowings from the Venture's credit facility.

At March 31, 1995, the Venture's \$45,000,000 credit facility had \$42,500,000 outstanding, leaving \$2,500,000 of available borrowings. The revolving credit facility matures on June 30, 1997, at which time the outstanding balance is payable in full. Interest on outstanding principal is calculated at the Venture's option of the Prime rate plus 1/2 percent, or LIBOR plus 1-1/2 percent. The effective interest rates on amounts outstanding as of March 31, 1995 and 1994 were 7.93 percent and 4.98 percent, respectively.

In January 1993, the Venture entered into an interest rate cap agreement covering outstanding debt obligations of \$15,000,000. The Venture paid a fee of \$145,500. The agreement protects the Venture for LIBOR interest rates that exceed 7 percent for three years from the date of the agreement.

One of the primary objectives of the Venture is to provide quarterly cash distributions to the Venture partners. Such cash returns are primarily from cash generated through operating activities of the Venture. The Venture's credit facility has a maximum amount available of \$45,000,000, of which \$42,500,000 was outstanding on March 31, 1995. This limits the amount of borrowing available to the Venture to fund capital expenditures; therefore, the Venture used cash generated from operations to fund capital expenditures and did not declare any distributions during the first quarter of 1995. Due to the borrowing limitations discussed above, the Venture will need to use cash generated from operations to fund capital expenditures and thus the Venture does not anticipate the resumption of distributions to the Venture partners in the near term.

The General Partner believes that the Partnership and the Venture have sufficient sources of capital available from cash generated from operations to meet their presently anticipated needs.

Regulation and Legislation

Congress enacted the Cable Television Consumer Protection and Competition Act of 1992 (the "1992 Cable Act"), which became effective on December 4, 1992. This legislation has caused significant changes to the regulatory environment in which the cable television industry operates. The 1992 Cable Act generally imposes a greater degree of regulation on the cable television industry. Under the 1992 Cable Act's definition of effective

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competition, nearly all cable systems in the United States, including all of those owned and managed by the General Partner, are subject to rate regulation of basic cable services. In addition, the 1992 Cable Act allows the FCC to regulate rates for non-basic service tiers other than premium services in response to complaints filed by franchising authorities and/or cable subscribers. In April 1993, the FCC adopted regulations governing rates for basic and non-basic services. The FCC's rules became effective on September 1, 1993. In compliance with these rules, the Venture reduced rates charged for certain regulated services effective September 1, 1993.

On February 22, 1994, however, the FCC adopted several additional rate orders including orders which revised its earlier-announced regulatory scheme with respect to rates and established interim cost-of-service regulations. The FCC's February 22, 1994 regulations generally require rate reductions, absent a successful cost-of-service showing, of 17 percent of September 30, 1992 rates, adjusted for inflation, channel modifications, equipment costs, and increases in programming costs. The new regulations became effective on May 15, 1994, but operators could elect to defer rate reductions to July 14, 1994, so long as they made no changes in their rates and did not restructure service offerings between May 15 and July 14.

The Venture has filed cost-of-service showings for its Brighton, Broomfield and Boulder County, Colorado; Myrtle Creek, Oregon; South Sioux City, Nebraska; and Three Rivers and Watervliet, Michigan systems and thus anticipates no further reductions in rates in these systems. The cost-of-service showings have not yet received final approval from franchising authorities, however, and there can be no assurance that the Venture's cost-of-service showings will prevent further rate reductions until such final approvals are received. The Venture complied with the February 1994 benchmark regulations and further reduced rates in its Lake County, California system effective July 1994.

#### RESULTS OF OPERATIONS

Revenues of the Venture increased \$263,663, or approximately 5 percent, from \$5,179,248 at March 31, 1994 to \$5,442,911 at March 31, 1995. Since March 31, 1994, the Venture added 2,975 basic subscribers and 2,258 premium subscriptions, representing increases of 5 percent and 6 percent, respectively. The number of basic subscribers increased from 59,688 at March 31, 1994 to 62,663 at March 31, 1995. Premium subscriptions increased from 40,549 at March 31, 1994 to 42,807 at March 31, 1995. This increase in the subscriber base accounted for approximately 72 percent of the increase in revenues. Increases in advertising sales revenue accounted for approximately 19 percent of the increase in revenues. No other single factor significantly affected the increase in revenues.

Operating expenses consist primarily of costs associated with the administration of the Venture's cable television systems. The principal cost components are salaries paid to system personnel, programming expenses, professional fees, subscriber billing costs, rent for leased facilities, cable system maintenance expenses and consumer marketing expenses.

Operating expenses increased \$276,109, or approximately 9 percent, from \$3,005,903 at March 31, 1994 to \$3,282,012 at March 31, 1995. Operating expenses represented 58 percent of revenue for the first quarter of 1994 compared to 60 percent for the similar period in 1995. Personnel related costs



and programming costs were primarily responsible for the increase in expenses. No other individual factors were significant to the increase in operating expenses. Management fees and allocated overhead from the General Partner increased \$18,611, or approximately 3 percent, from \$678,354 at March 31, 1994 to \$696,965 at March 31, 1995 due to the increase in revenues, upon which such fees and allocations are based, and increases in allocated expenses from the General Partner. The General Partner has experienced increases in expenses, including personnel costs, a portion of which is allocated to the Venture.

Depreciation and amortization expense increased \$47,968, or approximately 2 percent, from \$2,173,829 to \$2,221,797 for the three months ended March 31, 1995 as compared to 1994. This increase was due to the increase in the Venture's depreciable asset base.

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Operating loss increased \$79,025, or approximately 12 percent, from \$678,838 at March 31, 1994 to \$757,863 at March 31, 1995 as a result of the increases in operating expenses, management fees and allocated overhead from the General Partner and depreciation and amortization expense exceeding the increase in revenues. Operating income before depreciation and amortization decreased \$31,057, or approximately 2 percent, from \$1,494,991 for the three months ended March 31, 1994 to \$1,463,934 in 1995. This decrease was due to the increase in operating expenses and management fees and allocated overhead from the General Partner exceeding the increase in revenue. The decrease in operating income before depreciation and amortization reflects the current operating environment of the cable television industry. The FCC rate regulations under the 1992 Cable Act have caused revenues to increase more slowly than otherwise would have been the case. In turn, this has caused expenses which are a function of revenue, such as franchise fees, copyright fees and management fees, to increase more slowly than in prior years. However, other operating costs such as programming fees, salaries and benefits and marketing costs as well as other costs incurred by the General Partner, which are allocated to the Partnership, continue to increase at historical rates. This situation has led to reductions in operating income before depreciation and amortization as a percent of revenue ("Operating Margin"). Such reductions in Operating Margins may continue in the near term as the Partnership and the General Partner incur cost increases due to, among other things, increases in programming fees, compliance costs associated with reregulation and competition, that exceed increases in revenue. The General Partner will attempt to mitigate a portion of these reductions through (a) new service offerings, (b) product re-marketing and re-packaging and (c) marketing efforts targeted at non-subscribers.

Interest expense increased \$302,522, or approximately 53 percent, from \$565,971 at March 31, 1994 to \$868,493 at March 31, 1995. Higher effective interest rates are responsible for the increase in interest expense.

Net loss increased \$234,315, or approximately 31 percent, from \$748,316 at March 31, 1994 to \$982,631 at March 31, 1995. These losses are due to the factors discussed above and are expected to continue in the future.

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## Part II - OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K.

a) Exhibits

27) Financial Data Schedule

b) Reports on Form 8-K

None

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SIGNATURES

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.

JONES CABLE INCOME FUND 1-C, LTD.

BY: JONES INTERCABLE, INC.  
General Partner

By: /S/ Kevin P. Coyle  
Kevin P. Coyle  
Group Vice President/Finance  
(Principal Financial Officer)

Dated: June 12, 1995

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INDEX TO EXHIBITS

Exhibit	Description	Page
-----	-----	-----
27	Financial Data Schedule	

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