

SECURITIES AND EXCHANGE COMMISSION

FORM 10-Q

Quarterly report pursuant to sections 13 or 15(d)

Filing Date: **1996-11-14** | Period of Report: **1996-09-30**
SEC Accession No. **0000796529-96-000014**

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COLUMBIA LEASE INCOME FUND II-B LP

CIK: **769333** | IRS No.: **133263135** | State of Incorporation: **DE** | Fiscal Year End: **1231**
Type: **10-Q** | Act: **34** | File No.: **002-97907-01** | Film No.: **96664566**
SIC: **7377** Computer rental & leasing

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21ST FLOOR
BOSTON MA 02111*

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

FORM 10-Q
Quarterly Report Under Section 13 or 15(d)
of the United States Securities Exchange Act of 1934

For The Quarter Ended September 30, 1996

Commission File No. 2-97907

COLUMBIA LEASE INCOME FUND II-B L.P.
(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

13-3263135
(I.R.S. Employer
Identification No.)

One Financial Center, 21st Floor, Boston, MA
(Address of principal executive offices)

02111
(Zip Code)

Registrant's telephone number, including area code

(617) 482-8000

Not Applicable
(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 ___

There are no Exhibits.

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COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

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PART I. FINANCIAL INFORMATION

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Balance Sheets

Assets	(Unaudited) 9/30/96	(Audited) 12/31/95
	-----	-----
<S>	<C>	<C>
Investment property, at cost (note 3):		
Computer equipment	\$ 1,386,685	\$ 2,077,781
Less accumulated depreciation	1,007,448	1,470,538
	-----	-----
Investment property, net	379,237	607,243
Cash and cash equivalents	19,260	110,280
Net investment in sales-type and direct financing leases	-	359
Rents receivable, net (note 2)	15,933	12,186
Sales receivable	-	975
Accounts receivable - affiliates	1,828	1,777
	-----	-----
Total assets	\$ 416,258	\$ 732,820
	=====	=====
Liabilities and Partners' Equity		
Liabilities:		
Current portion of long-term debt (note 5)	\$ 181,457	\$ 208,083
Accounts payable and accrued expenses - affiliates (note 4)	36,114	37,608
Accounts payable and accrued expenses	21,123	51,962
Distributions payable (note 6)	26,601	79,805
Long-term debt, less current portion (note 5)	152,595	289,416
	-----	-----
Total liabilities	417,890	666,874
	-----	-----
Partners' equity:		
General Partner:		
Capital contribution	1,000	1,000
Cumulative net income	59,910	57,969
Cumulative cash distributions	(406,243)	(400,921)
Reallocation of capital accounts	345,333	341,952
	-----	-----
	-	-
	-----	-----
Limited Partners (20,217 units):		
Capital contribution, net of offering costs	8,844,937	8,844,937
Cumulative net income	1,138,319	1,101,431
Cumulative cash distributions	(9,639,555)	(9,538,470)
Reallocation of capital accounts	(345,333)	(341,952)
	-----	-----
	(1,632)	65,946
	-----	-----
Total partners' equity	(1,632)	65,946
	-----	-----
Total liabilities and partners' equity	\$ 416,258	\$ 732,820
	=====	=====

</TABLE>

See accompanying notes to financial statements.

<TABLE>
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COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Statements of Operations
(Unaudited)

	Quarters Ended September 30,		Nine Months Ended September 30,	
	1996	1995	1996	1995
<S>	<C>	<C>	<C>	<C>
Revenue:				
Rental income on operating leases	\$ 117,484	\$ 151,749	\$ 366,539	\$ 385,209
Earned income on sales-type and direct financing lease	-	41	-	446
Interest income	110	306	1,485	2,212
Net gain on sale of equipment	308	580	2,398	16,224
	-----	-----	-----	-----
Total revenue	117,902	152,676	370,422	404,091
	-----	-----	-----	-----
Costs and expenses:				
Depreciation	64,203	85,068	227,516	241,972
Interest	7,135	4,129	25,885	8,170
Related party expenses (note 4):				
Management fees	6,461	8,453	21,009	21,781
General and administrative	17,077	16,577	53,992	44,447
Provision for doubtful accounts	4,522	803	3,191	1,180
	-----	-----	-----	-----
Total costs and expenses	99,398	115,030	331,593	317,550
	-----	-----	-----	-----
Net income	\$ 18,504	\$ 37,646	\$ 38,829	\$ 86,541
	=====	=====	=====	=====
Net income per Limited Partnership Unit	\$ 0.87	\$ 1.77	\$ 1.82	\$ 4.07
	=====	=====	=====	=====

</TABLE>

See accompanying notes to financial statements.

<TABLE>
<CAPTION>

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Statements of Cash Flows
For the Nine Months Ended September 30, 1996 and 1995
(Unaudited)

	1996	1995
	----	----
<S>	<C>	<C>
Cash flows from operating activities:		
Net income	\$ 38,829	\$ 86,541
	-----	-----
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	227,516	241,972
Provision for doubtful accounts	3,191	1,180
Net gain on sale of equipment	(2,398)	(16,224)
Net (increase) decrease in current assets	(5,655)	12,626

Net decrease in current liabilities	(32,333)	(10,820)
	-----	-----
Total adjustments	190,321	228,734
	-----	-----
Net cash provided by operating activities	229,150	315,275
	-----	-----
Cash flows from investing activities:		
Purchase of investment property	-	(489,517)
Proceeds from sales of investment property	2,888	43,724
	-----	-----
Net cash provided by (used in) investing activities	2,888	(445,793)
	-----	-----
Cash flows from financing activities:		
Proceeds from borrowing on notes payable - affiliates	-	364,677
Principal payment on long-term debt	(163,447)	(49,994)
Principal payment on notes payable - affiliates	-	(7,770)
Cash distributions to partners	(159,611)	(380,399)
	-----	-----
Net cash used in financing activities	(323,058)	(73,486)
	-----	-----
Net decrease in cash and cash equivalents	(91,020)	(204,004)
Cash and cash equivalents at beginning of period	110,280	244,809
	-----	-----
Cash and cash equivalents at end of period	\$ 19,260	\$ 40,805
	=====	=====
Supplemental cash flow information:		
Interest paid during period	\$ 25,885	\$ 6,614
	=====	=====
Non-cash investing activities:		
Reclassification of expired direct financing lease to operating lease	\$ -	\$ 4,318
	=====	=====

</TABLE>

See accompanying notes to financial statements.

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements

For the Nine Months Ended September 30, 1996 and September 30, 1995
(Unaudited)

(1) Organization

The foregoing financial statements of Columbia Lease Income Fund II-B L.P. (the "Partnership") have been prepared in accordance with the rules and regulations of the Securities and Exchange Commission for Form 10-Q and reflect all adjustments which are, in the opinion of management, necessary for a fair presentation of the results for the interim periods presented. Pursuant to such rules and regulations, certain note disclosures which are normally required under generally accepted accounting principles have been omitted. It is recommended that these financial statements be read in conjunction with the Partnership's Annual Report on Form 10-K for the year ended December 31, 1995.

(2) Significant Accounting Policies

Allowance for Doubtful Accounts

The financial statements include an allowance for estimated losses on receivable balances. The allowance for doubtful accounts is based on past write off experience and an evaluation of potential uncollectible accounts within the current receivable balances. Receivable balances which are determined to be uncollectible are charged against the allowance and subsequent recoveries, if any, are credited to the allowance. At September 30, 1996 and December 31, 1995, the allowance for doubtful accounts included in rents receivable was \$6,873 and \$3,682, respectively.

(3) Investment Property

At September 30, 1996, the Partnership owned computer equipment with a cost basis of \$1,222,789, subject to existing leases and equipment with a cost basis of \$163,896 in inventory awaiting re-lease or sale. All purchases of computer equipment are subject to a 2.5% acquisition fee paid to the General Partner.

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Notes to Financial Statements
For the Nine Months Ended September 30, 1996 and September 30, 1995
(Unaudited)

(4) Related Party Transactions

Fees, commissions and other expenses paid or accrued by the Partnership to the General Partner or affiliates of the General Partner for the nine months ended September 30, 1996 and 1995 are as follows:

<TABLE>
<CAPTION>

	1996 ----	1995 ----
<S>	<C>	<C>
Equipment acquisition fees	\$ -	\$ 11,939
Management fees	21,009	21,781
Reimbursable expenses paid	50,954	46,247
	-----	-----
	\$ 71,963	\$ 79,967
	=====	=====

</TABLE>

Under the terms of the Partnership Agreement, the General Partner is entitled to an equipment acquisition fee of 2.5% of the purchase price paid by the Partnership for the equipment. The General Partner is also entitled to a management fee equal to 6% of the monthly rental billings, paid monthly, based on rents received. The Partnership reimburses the General Partner and its affiliates for certain expenses incurred by them in connection with the operation of the Partnership.

(5) Long-Term Debt

Long-term debt at September 30, 1996 consists of three installment notes for \$26,321, \$40,982 and \$266,749 from Liberty Bank, each with an interest rate of 8.250%, 8.250% and 7.750%, respectively, collateralized by the equipment on lease.

The annual maturities of long-term debt for the next three years are as follows:

1996	\$ 44,636
1997	177,540
1998	111,876

	\$ 334,052
	=====

(6) Distributions to Partners

For the nine months ended September 30, 1996, the declaration of Distributable Cash was as follows:

<TABLE>
<CAPTION>

Quarter Ended	Date Paid or Payable	Limited Partners		General Partner Total
		Distribution Per \$500 Unit	Total	
-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>
March 31, 1996	May 15, 1996	\$ 2.50	\$ 50,542	\$ 2,660
June 30, 1996	August 15, 1996	\$ 1.25	\$ 25,271	\$ 1,330

</TABLE>

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Management's Discussion and Analysis of
Financial Condition and Results of Operation
(Unaudited)

Results of Operations

The following discussion relates to Partnership's operations for the quarter and nine month periods ended September 30, 1996 in comparison to the same periods in 1995.

The Partnership realized net income of \$18,504 and \$37,646 for the three month periods ended September 30, 1996 and 1995, respectively. Rental income on operating leases decreased \$34,265 or 23% between the three month periods. The decrease is primarily due to lower rental rates generated on equipment lease extensions and remarketings resulting after the initial lease term expires. Interest income has decreased \$196 as a result of lower average cash balances held during the current quarter.

Total costs and expenses decreased \$15,632 or 14% between the three month periods. The decrease in costs and expenses is due to a portion of the equipment portfolio becoming fully depreciated. Interest expense increased \$3,006 as the Partnership continued to paydown its long-term debt during the current quarter. The long-term debt balance at September 30, 1996 was \$334,052 versus a balance of \$356,907 at September 30, 1995. Management fees decreased due to the decline in rental income. General and administrative expenses increased between the three month periods due to an increase in the allocable salaries of the partnership accounting and reporting personnel of the General Partner. The Partnership increased its provision for doubtful accounts by \$4,522 for the three month period ended September 30, 1996 to reserve for potential uncollectible accounts.

The Partnership realized net income of \$38,829 and \$86,541 for the nine month periods ended September 30, 1996 and 1995, respectively. Rental income decreased \$18,670 or 5% between the nine month periods. The decrease in rental income is primarily due to lower rental rates on equipment lease extensions and remarketing resulting after initial lease term expires. No earned income on direct financing leases has been recognized during the current nine month period due to the complete allocation of the lease payments to the fair market value of the equipment over the lease terms in 1995. Interest income decreased \$727 due to the Partnership carrying lower average short-term investment balances during the first nine months of 1996. The net gain on sale of equipment decreased during the current year due to fewer sales of equipment.

Total costs and expenses increased \$14,043 or 4% between the nine month periods. The increase in costs and expenses is primarily the result of increased interest expense and general and administrative expenses. Interest expense increased \$17,715, as the Partnership continued to paydown its long-term debt during the nine month period ended September 30, 1996. General and administrative expenses increased due to an increase in allocable salaries of the partnership accounting and reporting personnel of the General Partner. The decrease in depreciation expense between the nine month periods is due to a portion of the equipment portfolio becoming fully depreciated. Management fees decreased slightly between the nine month periods due to the decline in rental income. As discussed in the quarter analysis above, the Partnership increased its provision for doubtful accounts to reserve for potential uncollectible accounts.

COLUMBIA LEASE INCOME FUND II-B L.P.
(A Delaware Limited Partnership)

Management's Discussion and Analysis of
Financial Condition and Results of Operation
(Unaudited)

The Partnership recorded net income per Limited Partnership Unit of \$0.87 and \$1.77 for the quarters ended September 30, 1996 and 1995, respectively, and \$1.82 and \$4.07 for the nine month periods ended September 30, 1996 and 1995, respectively.

Liquidity and Capital Resources

For the nine months ended September 30, 1996, rental revenue generated from operating leases was the primary source of funds for the Partnership. As equipment leases terminate, the General Partner determines if the equipment will be extended to the same lessee, remarketed to another lessee, or if it is less marketable, sold. This decision is made upon analyzing which option would generate the most favorable results.

Rental income on operating leases will continue to decrease due to two factors. First, lower rental rates are obtained on the remarketing of existing equipment after the expiration of the original lease. Typically, the remarketed rates are lower due to the decrease in useful life of the equipment. Second, the increasing change of technology in the computer industry usually decreases the demand for older equipment, thus increasing the possibility of obsolescence. Both of these factors together will cause remarketed rates to be lower than original rates. This decrease however, should not affect the Partnership's ability to meet its future cash requirements. To the extent that future cash flows should be insufficient to meet the Partnership's operating expenses and liabilities, additional funds could be obtained through the sale of equipment, or a reduction in the rate of cash distributions. Future rental revenues from operating leases amount to \$548,829 and are to be received over the next five years.

For the nine months ended September 30, 1996, the Partnership's investing activities generated \$2,888 in sales proceeds on the sale of equipment with a depreciated cost basis of \$490. The Partnership has no material capital expenditure commitments and will not purchase equipment in the future as the Partnership has reached the end of its reinvestment period.

The Partnership's financing activities resulted in a paydown on long-term debt of \$163,447 for the nine months ended September 30, 1996. The Partnership will payoff its remaining long-term debt of \$334,052 by 1998.

Cash distributions are currently at an annual level of 1% per Limited Partnership Unit, or \$1.25 per Limited Partnership Unit on a quarterly basis. For the quarter ended September 30, 1996, the Partnership declared a cash distribution of \$26,601, of which \$1,330 was allocated to the General Partner and \$25,271 was allocated to the Limited Partners. The distribution is payable on November 15, 1996. The Partnership expects to continue paying distributions near this level. The effects of inflation have not been significant to the Partnership and are not expected to have a material impact in future periods.

On January 9, 1996, TLP Holding LLC purchased all the common stock of TLP Leasing Programs, Inc. from CMI Holding Co. Under the new ownership, it is expected that TLP Leasing Programs, Inc. will continue to operate in the same manner of business as it has in the past.

<TABLE>
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PART II. OTHER INFORMATION

COLUMBIA LEASE INCOME FUND II-B L.P. (A Delaware Limited Partnership)

<S>	<C>
Item 1.	Legal Proceedings Response: None
Item 2.	Changes in the Rights of the Partnership's Security Holders Response: None
Item 3.	Defaults by the Partnership on its Senior Securities Response: None
Item 4.	Results of Votes of Security Holders Response: None
Item 5.	Other Information Response: None
Item 6.	Exhibits and Reports on Form 8-K Response: A. None

B. None

</TABLE>

SIGNATURE

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.

COLUMBIA LEASE INCOME FUND II-B L.P.
(Registrant)

By: TLP Columbia Management Corporation,
its General Partner

Date: November 14, 1996

By: Arthur P. Beecher,
President

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