



July 25, 1997



Thomas E. Williams  
Florida Public Service Commission  
Engineer, Bureau of Service Evaluation  
Capital Circle Office Center  
2540 Shumard Oak Blvd  
Tallahassee, FL 32399-0850

Dear Tom:

Thanks for your help in completing the STS application form. Hopefully, you will find everything you need to reach a favorable ruling on our application. Our goal is to have the application approved in September, 1997. Please let me know as soon as the hearing date has been defined.

If you need any additional information or clarification, please do not hesitate to call. In addition to the application, I have attached a copy of our corporate overview that may assist you in understanding our organizational structure and background.

Thanks again for your help. I look forward to working with you and the PSC as we move forward.

Sincerely,

Hunter Shaw  
Director, New Business Development

HS klm  
Enclosures

Received with filing and  
sent to Fiscal for deposit  
forward a copy of this  
with packet of file.

DEPOSIT

DATE

D577  
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JUL 28 1997

\*\* DRAFT

970974-75



\*\* DRAFT \*\*

Check received with filing and  
forwarded to Fiscal for deposit.  
Fiscal to forward a copy of check  
to RAR with proof of deposit.

Initials of person who forwarded check

AA

DOCUMENT NO. 1111111111

11/11/11

**FLORIDA PUBLIC SERVICE COMMISSION  
CAPITOL CIRCLE OFFICE CENTER - 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850**

**APPLICATION FORM  
for**

**AUTHORITY TO PROVIDE SHARED TENANT SERVICE  
WITHIN THE STATE OF FLORIDA**

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**INSTRUCTIONS**

1. This form is used for an original application for a certificate and for approval of assignment or transfer of an existing shared tenant service certificate. In case of an assignment or transfer, the information provided shall be for the purchaser, assignee or transferee.
2. Respond to each item requested in the application and appendices. If an item is not applicable, please explain why.
3. Use a separate sheet for each answer which will not fit the allotted space.
4. If you have questions about completing the form, contact:

**Florida Public Service Commission  
Division of Communications, Certification & Compliance Section  
Capitol Circle Office Center - 2540 Shumard Oak Boulevard  
Tallahassee, Florida 32399-0866  
(904) 413-6600**

5. Once completed, submit the original and six (6) copies of this form along with a non-refundable application fee of \$100 made payable to the Florida Public Service Commission at the above address.
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1. This is an application for (check one):

Original authority (new company)

Approval of transfer (to another certificated company)  
Example, a certificated company purchases an existing company and desires to retain the original certificate authority.

Approval of assignment of existing certificate (to a noncertificated company)  
Example, a non-certificated company purchases an existing company and desires to retain the certificate of authority rather than apply for a new certificate.

Approval for transfer of control (to another certificated company)  
Example, a company purchases 51% of a certificated company. The Commission must approve the new controlling entity.

2. Name of applicant: Rifkin/Narragansett South Florida CATV Limited Partnership

3. A. National mailing address including street name, number, post office box, city, state, zip code, and phone number.

360 S. Monroe Street, Suite 600  
Denver, CO 80209  
(303) 333-1215

B. Florida mailing address including street name, number, post office box, city, state, zip code, and phone number.

1681 79th Street Causeway, 2nd Floor  
North Bay Village, FL 33141  
(305) 864-7824

C. Physical address of shared tenant service in Florida including street name, number, post office box, city, zip code and phone number.

Several properties under consideration.

4. Structure of organization:

Individual  
 Foreign Corporation  
 General Partnership  
 Joint Venture

Corporation  
 Foreign Partnership  
 Limited Partnership  
 Other, Please explain \_\_\_\_\_

5. If incorporated, please provide proof from the Florida Secretary of State that the applicant has authority to operate in Florida.

Corporate charter number: N/A

6. Name under which the applicant will do business (d/b/a):

Gold Coast CableVision

7. If applicable, please provide proof of fictitious name (d/b/a) registration.

Fictitious name registration number: G93032000060

8. If applicant is an individual, partnership, or joint venture, please give name, title and address of each legal entity.

Rifkin/Narragansett South Florida CATV Limited Partnership, a Florida Limited  
360 S. Monroe Street, Suite 600 Partnership  
Denver, CO 80209

9. State whether any of the officers, directors, or any of the ten largest stockholders have previously been adjudged bankrupt, mentally incompetent, or found guilty of any felony or of any crime, or whether such actions may result from pending proceedings. If so, please explain.

None

10. Please provide the name, title, address, telephone number, internet address, and facsimile number for the person serving as ongoing liaison with the Commission, and if different, the liaison responsible for this application.

Hunter Shaw, Director, New Business Development  
360 S. Monroe Street, Suite 600  
Denver, CO 80209  
(303) 333-1215 Fax: (303) 322-3553 SHAW@RIFKINCO.COM

11. Please list other states in which the applicant is currently providing or has applied to provide local exchange or shared tenant service.

Georgia

12. Has the applicant been denied certification in any other state? If so, please list the state and reason for denial.

NO

13. Have penalties been imposed against the applicant in any other state? If so, please list the state and reason for penalty.

NO

14. Please indicate how a customer can file a service complaint with your company.

Local Office

Gold Coast CableVision  
1681 79th Street Causeway, 2nd Fl.  
North Bay Village, FL 33141  
(305) 864-7824, General Mgr. Tony Bello

Corp. Office: Rifkin & Associates, Inc.

360 S. Monroe St., Suite 600  
Denver, CO 80209  
(303) 333-1215  
Dir. New Bus. - Hunter Shaw

15. Please provide all available documentation demonstrating that the applicant has the following capabilities to provide shared tenant service in Florida.

A. Financial capability. See attached audited financial statement as of 12/31/96

Regarding the showing of financial capability, the following applies:

The application should contain the applicant's financial statements, including:

1. the balance sheet
2. income statement
3. statement of retained earnings for the most recent 3 years.

If available, the financial statements should be audited financial statements.

If the applicant does not have audited financial statements, it shall be so stated. The unaudited financial statements should then be signed by the applicant's chief executive officer and chief financial officer. The signatures should affirm that the financial statements are true and correct.

B. Managerial capability. See attached sheet (A)

C. Technical capability. See attached sheet (B)

AFFIDAVIT

By my signature below, I, the undersigned officer, attest to the accuracy of the information contained in this application and attached documents and that the applicant has the technical expertise, managerial ability, and financial capability to provide shared tenant service in the State of Florida. I have read the foregoing and declare that to the best of my knowledge and belief, the information is true and correct. I attest that I have the authority to sign on behalf of my company and agree to comply, now and in the future, with all applicable Commission rules and orders.

Further, I am aware that pursuant to Chapter 837.06, Florida Statutes, "Whoever knowingly makes a false statement in writing with the intent to mislead a public servant in the performance of his official duty shall be guilty of a misdemeanor of the second degree, punishable as provided in s. 775.082 and s. 775.083".

Official:

*Robert Dent*  
Signature

7/25/97

Date

Title:

V.P. - Engineering

(303) 333-1215

Telephone Number

Address:

360 S. Monroe St., Suite 600

Denver, CO 80209

**RIFKIN & ASSOCIATES MANAGEMENT PERSONNEL**

**Monroe M. Rifkin** serves as chairman of Rifkin and is recognized as an experienced leader in the cable communications industry. His involvement with cable television began in the late 1950's, as vice president of Teleprompter, where he worked with cable TV operators to make the company's large-screen telecasts available. Mr. Rifkin later recommended the company acquire cable systems and, as executive vice president of Teleprompter, he was responsible for the company's cable television division. A certified public accountant, he was previously associated with the accounting firm of Touche Ross and Company.

From 1963 to 1968, Mr. Rifkin was president of Daniels Management Company, a cable TV brokerage, consulting and management company.

In 1968, he formed American Television and Communications Corporation (ATC) and served as its founding director, president, chairman and chief executive officer until March 1982. Mr. Rifkin guided ATC to its first profitable year of operation in 1971, only three years after its formation, and, with his management team, built ATC into the largest cable company in the country. In 1978, ATC became part of Time (now Time-Warner, Inc.) and Mr. Rifkin became a vice president of Time, Inc. as well.

In 1982, Mr. Rifkin formed Rifkin & Associates to continue his pursuit of cable TV development and operations.

Mr. Rifkin has long been involved in industry affairs and has served as chairman, vice chairman, secretary, and treasurer of the National Cable Television Association (NCTA), the industry's trade organization. In addition to his involvement in industry affairs, Mr. Rifkin is active locally in Denver, serving on the boards of several banks and a hospital. He is also a member of the American Institute of Certified Public Accountants, the World Business Council and the Denver Art Museum.

**Kevin Allen** has been President of R&A Enterprises, the development arm of Rifkin & Associates, since August 1996. Prior thereto, Mr. Allen served as Vice President of BT Securities Corporation where he was responsible for developing and maintaining a range of corporate finance relationships with clients around the world.

**Jeffrey D. Bennis** is President and Chief Operating Officer of R&A, which position he has held since May 1994. He joined R&A in July 1991 as Vice President - Marketing of Rifkin. He is responsible for overall management of R&A's operating cable television systems and is integrally involved in development of R&A's policy and strategic direction. Prior to joining Rifkin & Associates, he was with Clairol, Inc. from 1980 to 1991, where he most recently was Marketing Director of the Hair Care and Skin Care Divisions.

Mr. Bennis earned his undergraduate degree from Pennsylvania State University and his M.B.A. from the University of Connecticut.



**Paul A. Bambei** is Vice President-Operations of Rifkin. He has direct line responsibility for a number of operating cable television systems. Prior to joining Rifkin, he was employed by ATC from 1977 to 1984 in both the marketing and operations areas, including Corporate Director-Market Development, Division Manager-Corporate Operations and Regional Marketing Manager. In such capacities, Mr. Bambei developed sophisticated direct sales and marketing campaigns for a number of the largest cable television systems in the country.

Mr. Bambei graduated from Southeast Missouri State University with a degree in communications.

**Suzanne Cyman** is Vice President - Marketing/Programming of R&A. She has held this position since July 1994. Prior thereto, Ms. Cyman held positions as Vice President - Marketing at Vista Cablevision from May 1987 until September 1992 and Fanch Communications from September 1992 until December 1994.

**Stephen E. Hatstrup** is Senior Vice President - Operations of R&A. He joined R&A in September 1988 as V.P. of Operations. He has direct line responsibility for all R&A operating cable television systems. Prior to joining R&A he was with ATC from 1982 to 1988 where he had most recently been Vice President and Treasurer.

Mr. Hatstrup earned his undergraduate degree at Wichita State University and a Master of Science degree in Finance from the University of Kansas.

**Bruce A. Rifkin** is Vice President of Operations and Advertising Sales of R&A. Mr. Rifkin joined R&A in November 1988, and has managed all local advertising sales for R&A systems. In addition to his advertising responsibilities he has direct line responsibility for R&A's operating cable television systems in Illinois, Michigan, Indiana, Virginia and West Virginia. Prior to joining Rifkin & Associates, he worked in the commercial real estate field.

Mr. Rifkin graduated from the University of Denver with a degree in marketing and finance.

**Peter N. Smith** is Vice President - Engineering of Rifkin. Mr. Smith is responsible for construction, engineering, and the technical integrity of all Rifkin-affiliated systems. Prior to joining Rifkin, Mr. Smith was employed by ATC from 1973 to 1984 in various capacities, the most recent of which was Vice President - Engineering of the National Division. Mr. Smith has extensive experience in designing and constructing state-of-the-art cable plants, having been responsible for building some of the country's largest cable television systems.

Mr. Smith graduated from Franklin University with a degree in electrical engineering.

**Dale D. Wagner** is Senior Vice President of Finance and Administration of Rifkin. Mr. Wagner is responsible for Rifkin's overall financial and accounting activities. Before joining Rifkin, Mr. Wagner was employed by ATC from 1981 to 1986 as Assistant Corporate Controller, Vice President - Finance for its Florida Division and most recently was Vice President - Finance and Administration for the company's National Division. Prior to joining ATC, he was employed with Cablecom-General, Inc., a cable television company, which merged with Capital Cities Cable in 1981. He was employed in various capacities at Cablecom, including Vice President-Finance for the company's cable division.

Mr. Wagner graduated from Wichita State University with a degree in accounting.

### Rifkin & Associates Technical Staff

**Peter N. Smith.** As Vice President of Engineering, Mr. Smith is recognized industry-wide as a pioneer of advanced telecommunications services. Over the last twenty-five years he has designed and managed the construction of numerous rural and metropolitan cable systems. Recently, he has been a leader in the deployment of advanced Hybrid Fiber Coax (HFC) infrastructure. He has been published in several technical trade journals and is regularly sought after to chair technical symposiums. Over the last few years he has led Rifkin and Associates in the deployment of voice services via STS projects in Georgia and launch of high speed data internet services in Virginia and Tennessee.

Mr Smith is a graduate of Electrical Engineering from Franklin University

**Hunter O. Shaw.** Mr. Shaw has over fifteen years experience in technical project management in the utility, defense, commercial electronics, and telecommunications industries. As Director of New Business Development, his primary focus at Rifkin and Associates is the research and commercial launch of new technologies in the communities served by partnerships managed by Rifkin and Associates. He is well versed in the technical and business issues involved in the provision of local voice services via PBX deployments and resale of ALEC dialtone. Additionally, he has organized the launch of STS services in Georgia.

Mr. Shaw completed his B.S. in Electrical Engineering at Auburn University in Auburn, Alabama and his M.B.A. degree at St. Edwards University in Austin, Texas

### Gold Coast Cablevision

**Marty Mohr.** As Technical Operations Manager for Gold Coast Cablevision, Mr. Mohr has successfully driven the rebuild of the outside plant for the deployment of HFC 750MHz video distribution. He has over fifteen years of field experience and currently oversees a fifty person technical staff responsible for the maintenance of the headend and outside plant distribution systems. He has over fifteen years experience in the CATV industry and is an expert in the deployment of digital transmission equipment and Fiber Optic electronics

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Consolidated Financial Statements

R/N South Florida Cable  
Management Limited Partnership

*Years ended December 31, 1996 and 1995  
with Report of Independent Auditors*

## Report of Independent Auditors

The Partners  
R/N South Florida Cable Management  
Limited Partnership

We have audited the accompanying consolidated balance sheet of R/N South Florida Cable Management Limited Partnership as of December 31, 1996 and 1995, and the related consolidated statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of R/N South Florida Cable Management Limited Partnership at December 31, 1996 and 1995, and the consolidated results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

February 21, 1997

*Ernst & Young LLP*

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEET

December 31, 1996 and 1995

<u>ASSETS</u> (Pledged)	<u>1996</u>	<u>1995</u>
Cash and cash equivalents	\$ 331,156	\$ 206,895
Subscriber accounts receivable, less allowance for doubtful accounts of \$71,444 (1995 - \$75,155)	417,067	418,487
Prepaid expenses and deposits	1,206,371	714,098
Property, plant and equipment, at cost:		
Transmission and distribution system and related equipment	20,329,199	17,578,275
Office furniture and equipment	648,009	588,955
Leasehold improvements	475,105	344,652
Construction in process and spare parts inventory	<u>672,805</u>	<u>642,968</u>
	22,125,118	19,154,850
Less accumulated depreciation	<u>8,641,663</u>	<u>7,494,488</u>
Net property, plant and equipment	13,483,455	11,660,362
Other assets, at cost less accumulated amortization (Note 2)	<u>7,875,987</u>	<u>9,284,479</u>
	<u>\$23,314,036</u>	<u>\$22,284,321</u>

LIABILITIES AND PARTNERS' DEFICIT

Liabilities:		
Accounts payable and accrued liabilities	\$ 2,480,958	\$ 2,358,446
Interest payable	271,136	270,956
Subscriber prepayments	491,311	490,949
Long-term debt (Note 3)	<u>30,150,000</u>	<u>30,004,913</u>
Total liabilities	33,393,405	33,125,264
Commitments (Notes 4 and 5)		
Partners' deficit (Note 3)	<u>(10,079,369)</u>	<u>(10,840,943)</u>
	<u>\$23,314,036</u>	<u>\$22,284,321</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF OPERATIONS

Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Revenues:		
Service	\$16,615,767	\$15,108,032
Installation and other	<u>1,732,681</u>	<u>1,730,005</u>
	18,348,448	16,838,037
Expenses:		
Operating expenses, excluding depreciation and amortization	7,374,269	6,375,047
Selling, general and administrative expenses (Note 4)	<u>4,546,790</u>	<u>4,573,628</u>
	<u>11,921,059</u>	<u>10,948,675</u>
Income before depreciation, amortization, interest and write-off of deferred loan costs	6,427,389	5,889,362
Depreciation and amortization	3,206,096	3,310,001
Interest expense	<u>2,459,719</u>	<u>2,742,823</u>
Income (loss) before extraordinary item	761,574	(163,462)
Extraordinary item - loss on write-off of deferred loan costs due to early retirement of debt (Note 2)	<u>-</u>	<u>819,369</u>
Net income (loss)	<u>\$ 761,574</u>	<u>\$ (982,831)</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF PARTNERS' EQUITY (DEFICIT)

Years ended December 31, 1996 and 1995

	<u>General Partners</u>	<u>Limited Partners</u>	<u>Special Limited Partners</u>	<u>Total</u>
Partners' equity (deficit) at December 31, 1994	\$(106,536)	\$(10,550,249)	\$ 798,513	\$ (9,858,272)
Capital contribution	160	-	-	160
Net loss for the year ended December 31, 1995	<u>(9,150)</u>	<u>(906,367)</u>	<u>(67,314)</u>	<u>(982,831)</u>
Partners' equity (deficit) at December 31, 1995	(115,526)	(11,456,616)	731,199	(10,840,943)
Net income for the year ended December 31, 1996	<u>7,090</u>	<u>702,324</u>	<u>52,160</u>	<u>761,574</u>
Partners' equity (deficit) at December 31, 1996	<u><u>\$(108,436)</u></u>	<u><u>\$(10,754,292)</u></u>	<u><u>\$ 783,359</u></u>	<u><u>\$(10,079,369)</u></u>

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts.

See accompanying notes.



R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31, 1996 and 1995

	<u>1996</u>	<u>1995</u>
Cash flows from operating activities:		
Income (loss) before extraordinary item	\$ 761,574	\$ (163,462)
Extraordinary item (Note 2)	<u>-</u>	<u>(819,369)</u>
Net income (loss)	761,574	(982,831)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:		
Depreciation and amortization	3,206,096	3,310,001
Loss on disposal of assets	373,860	364,350
Loss on write-off of deferred loan cost	-	819,369
Changes in working capital accounts:		
Subscriber accounts receivable	1,420	(1,563)
Prepaid expenses and deposits	(492,273)	(217,566)
Accounts payable and accrued liabilities	122,512	624,749
Subscriber prepayments	362	(53,514)
Interest payable	<u>180</u>	<u>(36,247)</u>
Net cash provided by operating activities	3,973,731	3,826,748
Cash flows from investing activities:		
Purchases of property, plant and equipment	(4,000,631)	(4,109,946)
Additions to other assets, net of refranchises	(10,600)	(626,633)
Proceeds from the sale of assets	<u>16,674</u>	<u>438,413</u>
Net cash used in investing activities	(3,994,557)	(4,300,166)
Cash flows from financing activities:		
Additions to long-term debt	2,750,000	31,800,000
Payments of long-term debt	(2,604,913)	(31,299,647)
Capital contribution	<u>-</u>	<u>160</u>
Net cash provided by financing activities	<u>145,087</u>	<u>500,513</u>
Net increase in cash and cash equivalents	124,261	27,095
Cash and cash equivalents at beginning of the year	<u>206,895</u>	<u>179,800</u>
Cash and cash equivalents at end of year	<u>\$ 331,156</u>	<u>\$ 206,895</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996 and 1995

1. Summary of significant accounting policies

Principles of consolidation and organization:

The accompanying consolidated financial statements include the accounts of R/N South Florida Cable Management Limited Partnership (the Partnership) and its substantially wholly-owned subsidiary Rifkin/Narragansett South Florida CATV Limited Partnership (the Operating Partnership). Each partnership is a Florida Limited Partnership. The Partnership was organized in 1988 for the purpose of being the general partner to the Operating Partnership which is engaged in the installation, ownership, operation and management of cable television systems in Florida.

In 1992, the Partnership adopted an amendment to the Partnership agreement (the "Amendment") and entered into a Partnership Interest Purchase Agreement whereby certain Special Limited Partnership interests were issued in the aggregate amount of \$1,250,000. These new Special Limited Partners are affiliated with the current General and Limited Partners of the Partnership. The Amendment provides for the methods under which the gains, losses, adjustments and distributions are allocated to the accounts of the Special Limited Partners.

For financial reporting purposes, partnership profits or losses are allocated to the limited partners, special limited partners and general partners in the following ratios: 92.22%, 6.849% and .931%, respectively. Limited partners and special limited partners are not required to fund any losses in excess of their capital contributions.

Property, plant and equipment:

Property, plant and equipment additions are recorded at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996 and 1995

1. Summary of significant accounting policies (continued)

For financial reporting purposes, the Operating Partnership uses the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment	15 years
Office furniture and equipment	3 - 15 years
Leasehold improvements	5 - 8 years

Other assets:

Other assets are carried at cost and are amortized on a straight-line basis over the following lives:

Franchises	- the terms of the franchises (3-13 years)
Goodwill	- 40 years
Deferred loan costs	- the term of the debt (8 years)
Organization costs	- 5 years

Income taxes:

No provision for the payment or refund of income taxes has been provided since the partners are responsible for reporting their distributive share of partnership net income or loss in their personal capacities.

Cash and cash equivalents:

The Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

Fair value of financial instruments:

The carrying values of cash and cash equivalents, subscriber accounts receivable, accounts payable and long-term debt approximate fair value.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 1996 and 1995

1. Summary of significant accounting policies (continued)

Use of estimates:

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

2. Other assets

At December 31, 1996 and 1995, other assets consisted of the following:

	<u>1996</u>	<u>1995</u>
Franchises and other	\$14,372,391	\$15,198,064
Goodwill	3,429,845	3,429,845
Deferred loan costs	562,091	562,091
Organization costs	<u>23,218</u>	<u>23,218</u>
	18,387,545	19,213,218
Less accumulated amortization	<u>10,511,558</u>	<u>9,928,739</u>
	<u>\$ 7,875,987</u>	<u>\$ 9,284,479</u>

At various times during 1996 and 1995, the Partnership completed the refranchise process for several franchises, and the original franchise cost and accumulated amortization were written off. The refranchise costs are being amortized over the terms of the new franchises. Also during 1995, the Partnership refinanced its debt. The deferred loan costs related to the original loan were written off and an extraordinary loss of \$819,369 was recorded. Costs of \$562,091 associated with the new loan agreement have been deferred and are being amortized over the term of the related debt.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1996 and 1995

3. Long-term debt

The Partnerships had senior term note payable and a revolving credit loan agreement with a financial institution. At July 28, 1995, the term notes and the revolving credit loan had a balance of \$26,592,863 and \$2,900,000, respectively; at that date, the total balance of \$29,492,863 was paid in full. Also on July 28, 1995, the Partnerships obtained a new senior term note payable and revolving credit loan agreement with another financial institution. The senior term note payable is a \$29,500,000 loan which requires varying quarterly payments which commenced on March 31, 1996 and continue through September 30, 2003. Certain mandatory prepayments may also be required based on Operating Partnership cash flow calculations. The 1996 cash flow calculation resulted in no mandatory prepayments being necessary. Optional prepayments are allowed but, if made, are subject to certain restrictions. Interest is to be paid quarterly at the bank's prime rate plus 1.0% to 1.50%; however, the Partnerships may elect, at certain times specified in the agreement, to pay interest at the LIBOR rate plus 2.25% to 2.75%. The specific rate is dependent upon the leverage ratio which is recalculated quarterly. At December 31, 1996 and 1995, the loan balance was \$29,000,000 and \$29,500,000, respectively. The average effective interest rate at December 31, 1996 and 1995 was 7.90% and 8.66%, respectively.

The revolving credit loan provides for borrowing up to \$3,000,000 at the discretion of the Partnerships. Any unpaid balance is due September 30, 2003. Borrowing under the revolving loan at December 31, 1996 and 1995 amounted to \$1,150,000 and \$500,000, respectively. The interest rate and payment method are the same as those for the senior term note payable. The effective interest rate at December 31, 1996 and 1995 was 8.08% and 8.62%, respectively. The revolving credit agreement includes a commitment fee of  $\frac{1}{4}$ % per annum on the unborrowed balance.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996 and 1995

3. Long-term debt (continued)

The Partnerships have also obtained an interest rate protection agreement whereby the bank's stated interest rate on a certain portion of the term note payable cannot exceed 7%. This agreement expires on September 22, 1997.

Security for the loans is substantially all the assets of the Operating Partnership.

The agreement contains covenants limiting additional indebtedness, dispositions of assets, investments in securities, distributions to partners, management fees and capital expenditures. In addition, the Operating Partnership must maintain certain financial levels and ratios. At December 31, 1996, the Partnerships were in compliance with these covenants or had subsequently obtained a waiver therefrom.

The Operating Partnership had a lease contract containing note provisions to reimburse the lessor for leasehold improvements. This note had an interest rate of 10% and was paid in full on August 31, 1996. The balance at December 31, 1995 was \$4,913.

Based on the outstanding balance at December 31, 1996, the minimum aggregate annual maturities of long-term debt for the five years following 1996 are: \$1,250,000 in 1997; \$2,000,000 in 1998; \$3,000,000 in 1999; \$4,500,000 in 2000, and \$5,750,000 in 2001.

Interest paid during the years ended December 31, 1996 and 1995 was \$2,412,038 and \$2,710,973, respectively.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996 and 1995

4. Management agreement

The Operating Partnership has entered into a management agreement with Rifkin & Associates, Inc. (Rifkin), whose sole stockholder is a limited partner and is affiliated with the general partners. The agreement provides that Rifkin shall manage the Operating Partnership and shall receive annual compensation equal to 4% of gross revenues from operations. Management fees were \$733,938 and \$673,521 for the years ended December 31, 1996 and 1995, respectively.

5. Lease commitments

At December 31, 1996, the Operating Partnership had lease commitments under long-term operating leases as follows:

1997	\$160,474
1998	159,554
1999	162,775
2000	166,092
2001	<u>103,532</u>
Total	<u>\$752,427</u>

Rent expense, including pole rent, was \$262,231 and \$270,275 for the years ended December 31, 1996 and 1995, respectively.

6. Retirement Benefits

During 1996 a company-sponsored 401(k) plan was implemented by the Partnership for its employees that have been employed by the Partnership for at least one year. Employees of the Partnership can contribute up to 15% of their salary, on a before-tax basis, with a maximum 1996 contribution of \$9,500 (as set by the Internal Revenue Service). The Partnership matches participant contributions up to a maximum of 50% of the first 3% of a participant's salary contributed. All participant contributions and earnings are fully vested

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1996 and 1995

6. Pension Plan (continued)

upon contribution and Partnership contributions and earnings vest 20% per year of employment with the Partnership, becoming fully vested after five years. The Partnership's matching contributions for the year ended December 31, 1996 were \$15,549.

7. Pending Litigation

In conjunction with the high level of competition in the Miami Beach area, a competing cable service supplier as well as a group of residents had filed two separate lawsuits against the Partnerships. The suit by the group of residents had alleged that the partnerships were practicing anti-competitive practices. This suit has been dismissed without prejudice. The suit by the competing cable service had alleged that the Partnerships were practicing anti-competitive and predatory pricing practices. The anti-competitive portion of this lawsuit has been dismissed without prejudice while the predatory pricing portion remains outstanding within the court system. Although the eventual outcome of the remaining portion of the lawsuit cannot be predicted at this time, it is Management's opinion that this lawsuit will not result in liabilities to such extent that they would materially affect the Partnership's financial position or results of operations.



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Consolidated Financial Statements

R/N South Florida Cable Management  
Limited Partnership

*Years ended December 31, 1994 and 1993  
with Report of Independent Auditors*

Report of Independent Auditors

The Partners  
R/N South Florida Cable Management  
Limited Partnership

We have audited the accompanying consolidated balance sheet of R/N South Florida Cable Management Limited Partnership as of December 31, 1994 and 1993, and the related consolidated statements of operations, partners' equity (deficit) and cash flows for the years then ended. These financial statements are the responsibility of the Partnership's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of R/N South Florida Cable Management Limited Partnership at December 31, 1994 and 1993, and the consolidated results of its operations and its cash flows for the years then ended in conformity with generally accepted accounting principles.

February 9, 1995

*Ernst + Young LLP*

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED BALANCE SHEET

December 31, 1994 and 1993

<u>ASSETS (Pledged)</u>	<u>1994</u>	<u>1993</u>
Cash and cash equivalents	\$ 179,800	\$ 174,711
Subscriber accounts receivable, less allowance for doubtful accounts of \$69,239 (1993 - \$71,229)	416,924	365,358
Prepaid expenses and deposits	496,532	455,440
Property, plant and equipment, at cost:		
Transmission and distribution system and related equipment	15,200,417	13,948,312
Office furniture and equipment	430,835	329,968
Leasehold improvements	338,916	315,264
Construction in process and spare parts inventory	<u>421,822</u>	<u>557,399</u>
	16,391,990	15,150,943
Less accumulated depreciation	<u>6,426,816</u>	<u>5,455,283</u>
Net property, plant and equipment	9,965,174	9,695,660
Other assets, at cost less accumulated amortization (Note 2)	<u>11,173,221</u>	<u>13,246,581</u>
	<u>\$22,231,651</u>	<u>\$23,937,750</u>

LIABILITIES AND PARTNERS' DEFICIT

Liabilities:		
Accounts payable and accrued liabilities	\$ 1,683,574	\$ 1,866,555
Interest payable	307,203	102,189
Subscriber prepayments	594,586	522,912
Long-term debt (Note 3)	<u>29,504,560</u>	<u>31,017,839</u>
Total liabilities	32,089,923	33,509,495
Commitments (Notes 4 and 5)		
Partners' deficit (Note 3)	<u>(9,858,272)</u>	<u>(9,571,745)</u>
	<u>\$22,231,651</u>	<u>\$23,937,750</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF OPERATIONS

Years ended December 31, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Revenues:		
Service	\$13,846,753	\$13,479,599
Installation and other	<u>1,578,346</u>	<u>1,351,691</u>
	15,425,099	14,831,290
Expenses:		
Operating expenses, excluding depreciation and amortization	5,735,067	5,280,410
Selling, general and administrative expenses (Note 4)	<u>4,118,060</u>	<u>3,902,516</u>
	<u>9,853,127</u>	<u>9,182,926</u>
Income before depreciation, amortization and interest	5,571,972	5,648,364
Depreciation and amortization	3,574,554	4,394,224
Interest expense	<u>2,283,945</u>	<u>2,429,301</u>
Loss before extraordinary item	(286,527)	(1,175,161)
Extraordinary item - loss on early retirement and refinancing of debt (Notes 2 and 3)	<u>-</u>	<u>(1,213,822)</u>
Net loss	<u>\$ (286,527)</u>	<u>\$ (2,388,983)</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF PARTNERS' EQUITY (DEFICIT)

Years ended December 31, 1994 and 1993

	<u>General Partners</u>	<u>Limited Partners</u>	<u>Special Limited Partners</u>	<u>Total</u>
Partners' equity (deficit) at December 31, 1992	\$ (81,627)	\$ (8,082,894)	\$ 981,759	\$(7,182,762)
Net loss for the year ended December 31, 1993	<u>(22,241)</u>	<u>(2,203,120)</u>	<u>(163,622)</u>	<u>(2,388,983)</u>
Partners' equity (deficit) at December 31, 1993	(103,868)	(10,286,014)	818,137	(9,571,745)
Net loss for the year ended December 31, 1994	<u>(2,668)</u>	<u>(264,235)</u>	<u>(19,624)</u>	<u>(286,527)</u>
Partners' equity (deficit) at December 31, 1994	<u>\$(106,536)</u>	<u>\$(10,550,249)</u>	<u>\$ 798,513</u>	<u>\$(9,858,272)</u>

The partners' capital accounts for financial reporting purposes vary from the tax capital accounts

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

CONSOLIDATED STATEMENT OF CASH FLOWS

Years ended December 31, 1994 and 1993

	<u>1994</u>	<u>1993</u>
Cash flows from operating activities:		
Loss before extraordinary item	\$ (286,527)	\$(1,175,161)
Extraordinary item (Notes 2 and 3)	-	<u>(1,213,822)</u>
Net loss	<u>(286,527)</u>	<u>(2,388,983)</u>
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	3,574,554	4,394,224
Loss on retirement of assets	316,077	566,575
Changes in working capital accounts:		
Subscriber accounts receivable	(51,566)	55,462
Prepaid expenses and deposits	(41,092)	(78,266)
Accounts payable and accrued liabilities	(182,981)	597,521
Subscriber prepayments	71,674	812
Interest payable	<u>205,014</u>	<u>(619,658)</u>
Net cash provided by operating activities	3,605,153	2,527,687
Cash flows from investing activities:		
Purchases of property, plant and equipment	(2,205,688)	(1,926,767)
Changes in other assets (Note 2)	(1,906)	(1,209,403)
Proceeds from the sale of assets	<u>120,809</u>	<u>66,218</u>
Net cash used in investing activities	(2,086,785)	(3,069,952)
Cash flows from financing activities:		
Proceeds from long-term debt (Note 3)	2,500,000	35,400,000
Payments of long-term debt (Note 3)	<u>(4,013,279)</u>	<u>(34,720,559)</u>
Net cash provided by (used in) financing activities	<u>(1,513,279)</u>	<u>679,441</u>
Net increase in cash and cash equivalents	5,089	137,176
Cash and cash equivalents at beginning of year	<u>174,711</u>	<u>37,535</u>
Cash and cash equivalents at end of year	<u>\$ 179,800</u>	<u>\$ 174,711</u>

See accompanying notes.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1994 and 1993

1. Summary of significant accounting policies

Principles of consolidation and organization:

The accompanying consolidated financial statements include the accounts of R/N South Florida Cable Management Limited Partnership (the Partnership) and its substantially wholly-owned subsidiary Rifkin/Narragansett South Florida CATV Limited Partnership (the Operating Partnership). Each partnership is a Florida Limited Partnership. The Partnership was organized in 1988 for the purpose of being the general partner to the Operating Partnership which is engaged in the installation, ownership, operation and management of cable television systems.

In 1992, the Partnership adopted an amendment to the Partnership agreement (the "Amendment") and entered into a Partnership Interest Purchase Agreement whereby certain Special Limited Partnership interests were issued in the aggregate amount of \$1,250,000. These new Special Limited Partners are affiliated with the current General and Limited Partners of the Partnership. The Amendment provides for the methods under which the gains, losses, adjustments and distributions are allocated to the accounts of the Special Limited Partners.

For financial reporting purposes, partnership profits or losses are allocated to the limited partners, special limited partners and general partners in the following ratios: 92.22%, 6.849% and .931%, respectively. Limited partners and special limited partners are not required to fund any losses in excess of their capital contributions.

Reclassifications:

Certain reclassifications have been made to the 1993 financial statements to conform with the 1994 financial statement presentation.

Property, plant and equipment:

Property, plant and equipment additions are recorded at cost, which in the case of assets constructed includes amounts for material, labor, overhead and capitalized interest, if applicable.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

December 31, 1994 and 1993

1. Summary of significant accounting policies (continued)

For financial reporting purposes, the Operating Partnership uses the straight-line method of depreciation over the estimated useful lives of the assets as follows:

Transmission and distribution systems and related equipment	15 years
Office furniture and equipment	3 - 15 years
Leasehold improvements	5 - 8 years

Other assets:

Other assets are carried at cost and are amortized on a straight-line basis over the following lives:

Franchises	- the terms of the franchises (3-13 years)
Goodwill	- 40 years
Deferred loan costs	- the term of the debt (8 years)
Organization costs	- 5 years

Income taxes:

No provision for the payment or refund of income taxes has been provided since the partners are responsible for reporting their distributive share of partnership net income or loss in their personal capacities.

Cash and cash equivalents:

The Partnership considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.



R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
 NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
 December 31, 1994 and 1993

2. Other assets

At December 31, 1994 and 1993, other assets consisted of the following:

	1994	1993
Franchises and other	\$17,715,271	\$27,555,999
Goodwill	3,429,845	3,429,845
Deferred loan costs	1,172,327	1,172,327
Organization costs	<u>22,477</u>	<u>22,477</u>
	22,339,920	32,180,648
Less accumulated amortization	<u>11,166,699</u>	<u>18,934,067</u>
	<u>\$11,173,221</u>	<u>\$13,246,581</u>

During 1994 the Partnership completed the refranchise process for several franchises. The costs and accumulated amortization related to the original franchises were reduced and the unamortized balances were capitalized with the refranchise costs which will be amortized over the term of the new franchises.

During 1993, the Partnership refinanced its debt. The deferred loan costs and accumulated amortization related to the original loan agreement were written off and an extraordinary loss of \$213,822 was recorded. Costs of \$1,172,327 associated with the new loan agreement were deferred and are being amortized over the term of the related debt.

3. Long-term debt

The Partnerships had term notes and a revolving credit agreement (the agreement) with a financial institution. Under the agreement, the Partnerships had senior notes payable of \$18,000,000 and subordinated notes payable of \$6,250,000 under the term notes and an \$8,000,000 revolving loan.

On April 9, 1993, the term notes and the revolving loan with a total balance at that date of \$30,715,000 were paid in full; the Partnerships incurred a \$1,000,000 prepayment penalty in conjunction with retirement of this debt and recorded it as an extraordinary item.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1994 and 1993

3. Long-term debt (continued)

Also on April 9, 1993, the Partnerships obtained a new senior term note payable and revolving credit loan agreement with another financial institution. The senior term note payable is a \$30,000,000 loan which requires varying quarterly payments commencing December 31, 1993 and continuing through December 31, 2000. Certain mandatory prepayments may also be required based on Partnership cash flow calculations. The 1993 cash flow calculation resulted in a mandatory prepayment of \$507,137, which was due April 30, 1994. The senior term note payable was amended to allow a deferral of the payment until September 30, 1994. The 1994 cash flow calculation did not result in any mandatory prepayment. Optional prepayments are allowed but, if made, are subject to certain restrictions. The interest rate on the term note payable is variable and is redetermined periodically from a variety of interest calculation methods. Interest is payable based on the interest method for the applicable borrowing period. At December 31, 1994 and 1993, the loan balance was \$26,592,863 and \$29,000,000, respectively. The average effective interest rate at December 31, 1994 and 1993 was 8.75% and 6.47%, respectively.

The revolving credit loan provides for borrowing up to \$3,000,000 at the discretion of the Partnerships. Any unpaid balance is due March 31, 2001. Borrowing under the revolving loan at December 31, 1994 and 1993 amounted to \$2,900,000 and \$2,000,000, respectively. The interest rate, payment method and margin rate are determined under the same methods as provided for the senior term note payable. The effective interest rate at December 31, 1994 and 1993 was 9.25% and 6.92%, respectively. The revolving credit agreement includes a commitment fee of  $\frac{1}{2}$ % per annum on the unborrowed balance.

The Partnerships have also obtained an interest rate protection agreement whereby the bank's stated interest rate on a certain portion of the term note payable cannot exceed 6%. This agreement expires on April 9, 1995.

Security for the loans is substantially all the assets of the Operating Partnership

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1994 and 1993

3. Long-term debt (continued)

The agreement contains covenants limiting additional indebtedness, dispositions of assets, investments in securities, distributions to partners, management fees and capital expenditures. In addition, the Operating Partnership must maintain certain financial levels and ratios. At December 31, 1994, the Partnerships were in compliance with these covenants or had subsequently obtained a waiver therefrom.

The Operating Partnership has a lease contract containing note provisions to reimburse the lessor for leasehold improvements. This note has an interest rate of 10%; payments are to be made monthly through August 1996. The amounts payable under this contract at December 31, 1994 and 1993 were \$11,697 and \$17,839, respectively.

Based on the outstanding balance at December 31, 1994, the minimum aggregate annual maturities of long-term debt for the five years following 1994 are \$2,506,784 in 1995, \$3,204,913 in 1996, \$4,000,000 in 1997, \$5,200,000 in 1998 and \$6,400,000 in 1999.

Interest paid during the years ended December 31, 1994 and 1993 was \$2,028,469 and \$3,040,435, respectively.

4. Management agreement

The Operating Partnership has entered into a management agreement with Rifkin & Associates, Inc. (Rifkin), whose sole stockholder is a limited partner and is affiliated with the general partners. The agreement provides that Rifkin shall manage the Operating Partnership and shall receive annual compensation equal to 4% of gross revenues from operations. Management fees for the years ended December 31, 1994 and 1993 were \$617,004 and \$593,252, respectively.

R/N SOUTH FLORIDA CABLE MANAGEMENT LIMITED PARTNERSHIP  
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
December 31, 1994 and 1993

5. Lease commitments

At December 31, 1994, the Operating Partnership had lease commitments under long-term operating leases as follows:

1995	\$144,593
1996	\$102,832
1997	\$ 52,532
1998	\$ 49,042
1999	\$ 47,342

Rent expense, including pole rent, was \$292,395 and \$283,545 for the years ended December 31, 1994 and 1993, respectively.

DEPOSIT

DATE

D577  
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JUL 28 1997

\*\* DRAFT



RIFKIN/NARRAGANSETT SOUTH FLORIDA CATV LIMITED PARTNERSHIP

360 S. MONROE  
SUITE 600  
DENVER, CO 80209

NO. 103410

DATE 07-25-97

\*\*\*\$100.00\*\*\*

PAY\*\*ONE HUNDRED DOLLARS

FLORIDA PUBLIC SERVICE COMMISSION

TO  
THE  
ORDER  
OF

RIFKIN/NARRAGANSETT SOUTH FLORIDA CATV LIMITED PARTNERSHIP

*Kevin B. Allen*