



Public Service Commission

-M-E-M-O-R-A-N-D-U-M-

DATE: October 21, 1997
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DS* *ALM*
RE: Docket No. **971261-TI**, The City of Tallahassee, Financial Analysis for Certificate *HPC*
 Application for Intrastate Interexchange Telecommunications Service *[Signature]*

Section 364.337 (3), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide intrastate interexchange telecommunications service upon a showing that the applicant has sufficient technical, financial, and managerial capability to provide such service in the geographic area proposed to be served.

Also Section 364.01 (3) and (4) states that:

(3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.

and

(4)(d) The Commission shall exercise its exclusive jurisdiction in order to: (d) Promote competition by encouraging new entrants into telecommunications markets . . .

Regarding the showing of financial capability, the Finance staff has analyzed the audited combined financial statements of the City of Tallahassee (Tallahassee) for the period ending September 30, 1996. Tallahassee is a Municipal Corporation and as such follows Governmental Accounting Standards Board's (GASB) guidelines in presenting its financial information. As the attached schedule shows, Tallahassee has adequate liquidity and \$1.7 billion in assets.

In this matter, Tallahassee is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. Tallahassee will provide the initial start-up funds and will maintain capital through internally generated funds. The telecommunications operations will be classified as a proprietary fund type in accordance with GASB. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting (3)

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DOCKET NO. : 971261-TI
CITY OF TALLAHASSEE, FL.

IXC TELECOMMUNICATION SERVICES
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS IN ACCORDANCE WITH GASB
(FUND ACCOUNTING)

	AS OF 09/30/96 (,000)
CURRENT REVENUES & OTHER FINANCING SOURCES (ASSETS) *	\$136,888
CURRENT EXPENDITURES (LIABILITIES) *	137,009
REVENUES & SOURCES OVER EXPENDITURES RATIO	1.00
<hr/> TOTAL CASH OF ALL FUND TYPES & ACCOUNT GROUPS	174,150
TOTAL EQUITY & OTHER CREDITS OF ALL FUND TYPES & ACCOUNT GROUPS **	1,318,745
TOTAL LIABILITIES OF ALL FUND TYPES & ACCOUNT GROUPS **	378,432
<hr/> TOTAL ASSETS & OTHER DEBITS OF ALL FUND TYPES & ACCOUNT GROUPS **	1,697,177

* Consisting of all Governmental Funds (General, Special Revenue, Capital Project & Debt Service) and all Expendable Trust Funds

** A FUND IS DEFINED IN THE GASB CODIFICATION AS:

A fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities and balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.