



Public Service Commission

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

DATE: October 14, 1999
TO: Brenda Harkins, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 991413-TX, Tallahassee Community College, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials and signatures, including 'ALM' and 'D.J. Draper'.

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 general purpose financial statements of The State of Florida, which includes Tallahassee Community College (TCC), for the fiscal year ending June 30, 1998. TCC is a state community college and as such follows the Governmental Accounting Standards Board's (GASB) guidelines and is presented as a component unit in The State of Florida financial statements. As the attached schedule shows, Florida's Community Colleges (including TCC) have adequate liquidity and \$3.7 billion in assets.

In this matter, TCC is asking for a certificate to provide alternative local exchange telecommunications 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 by noting that it is a government funded organization. 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 (2)

- FA
PP
AF
MU
TR
AG
EG
AS
PC
AI
EC
IAW
TH

DOCUMENT NUMBER-DATE

13202 OCT 27 99

OFFICE OF THE PUBLIC SERVICE COMMISSION

DOCKET NO. : 991413-TX
TALLAHASSEE COMMUNITY COLLEGE

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS OF THE STATE OF FLORIDA IN
ACCORDANCE WITH GASB (FUND ACCOUNTING)

| | FOR THE FISCAL YEAR ENDED 06/30/98 (,000) |
|---|---|
| <u>COMPONENT UNIT: COMMUNITY COLLEGES</u> | |
| ASSETS AND OTHER DEBITS | \$3,778,282 |
| LIABILITIES | 453,019 |
| REVENUES & SOURCES OVER EXPENDITURES RATIO | 8.34 |
| <hr/> TOTAL CASH | <hr/> 50,533 |
| EQUITY & OTHER CREDITS | 3,325,263 |
| TOTAL LIABILITIES | <u>453,019</u> |
| TOTAL ASSETS OF THE COMPONENT UNIT: <u>COMMUNITY COLLEGES **</u> | <hr/> 3,778,282 |

**A COMPONENT UNIT IS REPORTED SEPARATELY FROM THE GENERAL FUND. 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.