

State of Florida



Public Service Commission

ORIGINAL

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

DATE: June 9, 2000
TO: Nancy Pruitt, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000416-TI, American Farm Bureau, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 unaudited financial statements of American Farm Bureau, Inc. (AFB) for the period ending October 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AFB has adequate liquidity, sufficient common equity and reported a positive net income for the period.

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In this matter, AFB is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 will not require additional funding, it has no debt, and it has a superior brand name. 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)

DOCUMENT NUMBER-DATE

07217 JUN 13 8

FPSC-RECORDS/REPORTING

DOCKET NO. 000416-TI
AMERICAN FARM BUREAU, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	<u>AS OF</u> <u>10/31/1999</u>
CURRENT ASSETS	\$1,904,763
CURRENT LIABILITIES	893,014
CURRENT RATIO	2.13
CASH	115,373
COMMON EQUITY	1,122,295
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,122,295
COMMON EQUITY RATIO	100%
NET INCOME	970,263
RETURN ON EQUITY	86%