

State of Florida



Public Service Commission

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

DATE: June 6, 2001
TO: Tommy Williams, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 010705-TX, Palm Beach Community College, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 unaudited financial statements of Palm Beach Community College (PBCC) for the period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, PBCC has low liquidity, a sufficient fund balance and reported a net increase in its fund balance for the period.

In this matter, PBCC is asking for a certificate to provide alternative local exchange telecommunications 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 is a state-owned community college with sound finances. 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

07152 JUN-8 01

TPSC-RECORDS-REPORTING

DOCKET NO. 010705-TX
PALM BEACH COMMUNITY COLLEGE
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
UNRESTRICTED FUNDS

	<u>AS OF</u> <u>06/30/00</u>
CURRENT ASSETS	\$1,291,078
CURRENT LIABILITIES	2,861,832
CURRENT RATIO	0.45
CASH	395,473
FUND BALANCE	1,521,454
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL CAPITAL	1,521,454
FUND BALANCE TO CAPITAL	100%
NET INCREASE IN FUND BALANCE	593,568
RETURN ON FUND BALANCE	39%