



# Public Service Commission

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

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**DATE:** July 11, 2001  
**TO:** Toni McCoy, Division of Regulatory Oversight *JD* *ALM*  
**FROM:** David J. Draper, Division of Economic Regulation *ES*  
**RE:** Docket No. 010886-TI, Inmate Telephone, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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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 Inmate Telephone, Inc. (ITI) for the period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ITI has sufficient common equity and positive net income, but reports marginal liquidity for the period.

In this matter, ITI 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 by noting that the company will maintain capital from internally generated funds. 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

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DOCKET NO. 010886-T1  
INMATE TELEPHONE, INC

IXC APPLICATION  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/2000
CURRENT ASSETS	\$553,232
CURRENT LIABILITIES	907,963
CURRENT RATIO	0.61
CASH	456,016
COMMON EQUITY	788,395
TOTAL DEBT	1,032,230
TOTAL INVESTOR CAPITAL	1,820,625
COMMON EQUITY RATIO	43%
NET INCOME	296,272
RETURN ON EQUITY	38%

NMF = No Meaningful Figure

