



## Public Service Commission

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

**DATE:** February 18, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David Draper, Division of Auditing and Financial Analysis <sup>ALM</sup>  
**RE:** Docket No. 970099-TI, NBCC of Broward, Inc., d/b/a Telesystems of South <sup>APC</sup> Florida, Financial Analysis for Certificate Application for Intrastate Interexchange <sup>197</sup> 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 NBCC of Broward, Inc., d/b/a Telesystems of South Florida (TSF) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TSF reports a positive net income but has marginal liquidity and a minimal amount of equity relative to the amount of current liabilities.

In this matter, TSF is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal. However, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has sufficient capital to maintain their obligations and service. Based on this representation, 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

DOCUMENT NUMBER-DATE  
 01944 FEB 20 1997  
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DOCKET NO. : 9700-1  
NBCC of BROWARD, INC.  
d/b/a TELESYSTEMS OF SOUTH FLORIDA  
IX TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$328,687
CURRENT LIABILITIES	378,675
CURRENT RATIO	0.87
CASH	94,455
COMMON EQUITY	32,245
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	32,245
COMMON EQUITY RATIO	100%
NET INCOME	41,927
RETURN ON EQUITY	130%