



# Public Service Commission

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

**DATE:** March 14, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL APC*  
**RE:** Docket No. 970269-TX, City of Ocala, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ALM*

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 City of Ocala (Ocala) for the period ending September 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Ocala has adequate liquidity, fund equity, and profitability.

In this matter, Ocala 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. 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

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**DOCKET NO. 970289-TX  
CITY OF OCALA  
ALEC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE**

**FROM UNAUDITED FINANCIAL STATEMENTS**

**PERIOD ENDING  
SEPTEMBER 30, 1996**

<b>CURRENT ASSETS</b>	<b>20,228,641</b>
<b>CURRENT LIABILITIES</b>	<b>10,436,262</b>
<b>CURRENT RATIO</b>	<b>1.94</b>
<b>CASH</b>	<b>5,599,890</b>
<b>FUND EQUITY</b>	<b>87,796,448</b>
<b>TOTAL DEBT</b>	<b>20,937,627</b>
<b>TOTAL INVESTOR CAPITAL</b>	<b>108,734,075</b>
<b>COMMON EQUITY RATIO</b>	<b>81%</b>
<b>NET INCOME</b>	<b>5,525,403</b>
<b>RETURN ON EQUITY</b>	<b>6%</b>