



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

**DATE:** July 24, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD*  
**RE:** Docket No. ~~970827-TX~~, Everglades National Communication Network, Inc.,  
 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 Everglades National Communication Network, Inc. (ENCN) for the four month period ending May 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ENCEN reports negative net income for the period, but has adequate liquidity and sufficient common equity.

In this matter, ENCEN is asking for a certificate to provide alternative local exchange telecommunications 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, the company notes if additional capital is needed it is prepared to issue stock through a private offering. It has received preliminary commitments to purchase stock up to the amount of two hundred thousand dollars (\$200,000). 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)

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DOCKET NO. : 970827-~~111~~  
EVERGLADES NATIONAL COMMUNICATION NETWORK, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 05/31/97
CURRENT ASSETS	\$61,400
CURRENT LIABILITIES	13,500
CURRENT RATIO	4.55
CASH	49,400
COMMON EQUITY	105,308
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	105,308
COMMON EQUITY RATIO	100%
NET INCOME	(20,600)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure