



# Public Service Commission

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

**DATE:** September 22, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. ~~970000-PI~~ *APC*, Communication Opportunity, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *mmg*

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 Communication Opportunity, Inc. (COI) for the ten month period ending January 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, COI has adequate liquidity, sufficient common equity and reports a positive net income for the period.

In this matter, COI 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)✓

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DOCUMENT NUMBER-DATE

09856 SEP 23 1997

FPSC-RECORDS/REPORTING

DOCKET NO. : 971163  
COMMUNICATION OPPORTUNITY, INC.

**IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS**

**FROM UNAUDITED FINANCIAL STATEMENTS**

**FOR A TEN MONTH PERIOD  
ENDING  
01/31/97**

<b>CURRENT ASSETS</b>	<b>\$285,778</b>
<b>CURRENT LIABILITIES</b>	<b>72,043</b>
<b>CURRENT RATIO</b>	<b>3.97</b>
<b>CASH</b>	<b>48,220</b>
<b>COMMON EQUITY</b>	<b>98,132</b>
<b>TOTAL DEBT</b>	<b>200,000</b>
<b>TOTAL INVESTOR CAPITAL</b>	<b>298,132</b>
<b>COMMON EQUITY RATIO</b>	<b>32%</b>
<b>NET INCOME</b>	<b>51,519</b>
<b>RETURN ON EQUITY</b>	<b>54%</b>

**NMF = No Meaningful Figure**