



Public Service Commission

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

DATE: November 18, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM APC*
 RE: Docket No. 971239-TX, Atlas Communications, Ltd., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC*

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 Atlas Communications, Ltd. (ATC) for the six month period ending June 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ATC reports a positive net income for the period, but has minimal liquidity and negative common equity.

ACK _____
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In this matter, ATC is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, ATC factors its accounts receivable to provide additional financing and has the ability to borrow funds from commercial banks when necessary. 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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FPSC REG. INFO REPORTING

DOCKET NO. : 971239-TX
ATLAS COMMUNICATIONS, LTD

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/97
CURRENT ASSETS	\$20,341,875
CURRENT LIABILITIES	23,964,510
CURRENT RATIO	0.85
CASH	871,614
COMMON EQUITY	(2,927,459)
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	(2,927,459)
COMMON EQUITY RATIO	NMF
NET INCOME	242,240
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure