



Public Service Commission

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

DATE: January 28, 1999
 TO: Nancy Pruitt, Division of Communications
 FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *EO*
 RE: Docket No. 990038-TI, American Phone Services, Corp., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 American Services Corp. (ASC) for the period ending April 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ASC has adequate liquidity, but insufficient common equity and reported a net loss for the period.

APP In this matter, ASC 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 minimal.

LEG The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has available funds in excess of \$20,000 through its account with Wachovia Bank, NA. 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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REG. TELECOM. REPORTING

DOCKET NO. 990038
AMERICAN PHONE SERVICES, CORP.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 04/30/98

CURRENT ASSETS	\$155,403
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	145,086
COMMON EQUITY	4,777
TOTAL DEBT	225,225
TOTAL INVESTOR CAPITAL	230,002
COMMON EQUITY RATIO	2%
NET INCOME	(20,223)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure