



# Public Service Commission

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

**DATE:** April 15, 1999  
**TO:** Tommy Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM APC*  
**RE:** Docket No. 990318-TI, Ultimate Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Ultimate Communications, Inc. (Ultimate) for the period ending February 28, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Ultimate has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Ultimate is asking for a certificate to provide IXC 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 by noting that it keeps \$1.2 million in cash at all times, it projects \$4.8 million in net income for 1999, it owns its switch, and it is not burdened with excessive debt. 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

**04973 APR 20 8**

FPSC-RECORDS/REPORTING

DOCKET NO. 990318  
ULTIMATE COMMUNICATIONS, INC.  
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED, PROJECTED FINANCIAL STATEMENTS

TWO MONTHS  
ENDED  
02/28/99

CURRENT ASSETS	\$2,775,868
CURRENT LIABILITIES	2,251,151
CURRENT RATIO	1.23
CASH	1,627,058
COMMON EQUITY	1,021,229
TOTAL DEBT	190,000
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	1,211,229
COMMON EQUITY RATIO	84%
NET INCOME	828,489
RETURN ON EQUITY	81%