



Public Service Commission

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

DATE: February 26, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 9-0122-TX, Strategic Technologies, Inc., Financial Analysis for *APC* Certificate Application for Alternative Local Exchange Telecommunications Service *TS*

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 Strategic Technologies, Inc. (STI) for the period ending November 30, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, STI has adequate ownership equity, but minimal liquidity and negative net income.

Considering the unaudited financial statements and the company's financial condition, staff could not recommend that STI collect deposits or rates subject to refund without posting a bond or letter of credit. However, in this matter, STI is asking for a certificate to provide alternative local exchange telecommunications service. Under the minimal requirements of the statute, the application appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

• DOCKET NO. 960122-TX
• STRATEGIC TECHNOLOGIES, INC.
• Alternative Local Exchange Service
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/96
CURRENT ASSETS	\$8,174
CURRENT LIABILITIES	61,010
CURRENT RATIO	0.13
CASH	0
COMMON EQUITY	4,793,200
TOTAL DEBT	0
NET INVESTOR CAPITAL	4,793,200
COMMON EQUITY RATIO	100%
NET INCOME (LOSS)	(1,612)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure