



# Public Service Commission

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

**DATE:** June 27, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL ALM APC*  
**RE:** Docket No. 960536-TI, Zenex Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *10/8*

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 balance sheet and income statement of Zenex Long Distance, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability. Further, the company attests that it has the financial capability to provide IXC service.

For certification purposes, the application appears adequate.

cc: Division of Legal Services  
Division of Records and Reporting

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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 960536-T1  
ZENEX LONG DISTANCE, INC.  
INTEREXCHANGE CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

	<u>AS OF</u> <u>1/31/96 *</u>
CURRENT ASSETS	1,380,455
CURRENT LIABILITIES	1,204,554
CURRENT RATIO	1.15
CASH	103,976
COMMON EQUITY	307,302
PREFERRED STOCK	204,000
TOTAL DEBT	214,198
TOTAL INVESTOR CAPITAL	725,500
COMMON EQUITY RATIO	42%
NET INCOME	22,354 *
RETURN ON EQUITY	7% *

\* BALANCE SHEET WAS FOR 12 MONTHS; INCOME STATEMENT  
WAS FOR MONTH ENDING 1/31/96.