



Public Service Commission

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

DATE: May 28, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD APC*
RE: Docket No. 970563-TT, Elias Ventures, Inc. d/b/a American Freeway 100, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *MD*

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 Elias Ventures, Inc. d/b/a American Freeway 100 (AMF) for the twelve (12) month period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AMF has adequate liquidity, sufficient common equity and produced a positive net income in 1996.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

In this matter, AMF 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, the Company notes that it has a line of credit for two hundred thousand dollars (\$200,000) with Valley National Bank for operating purposes which may be drawn upon as needed. 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

DOCUMENT NUMBER-DATE
05463 MAY 30 5
FPSC-RECORDS/REPORTING

DOCKET NO. : 9705-011
ELIAS VENTURES, INC.
d/b/a AMERICAN FREEWAY 100

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$658,949
CURRENT LIABILITIES	25,657
CURRENT RATIO	25.68
CASH	39,700
COMMON EQUITY	645,226
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	645,226
COMMON EQUITY RATIO	100%
NET INCOME	645,226
RETURN ON EQUITY	100%

NMF = No Meaningful Figure