



Public Service Commission

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

DATE: June 20, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *SL ALM APC*
RE: Docket No. 970698-TT, Speer Virtual Media, Ltd., 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 Speer Virtual Media, Ltd. (SVM) for the three month period ending March 31, 1997. An audit could change one's opinion of the company's financial condition.

As the attached schedule shows, SVM has adequate liquidity, sufficient common equity and produced a positive net income for the period.

In this matter, SVM 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. The Company notes that it has access to more than two-million dollars in additional equity capital. 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 ✓

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DOCUMENT NUMBER - DATE

06368 JUN 25 97

FPSC-RECORDS/REPORTING

DOCKET NO. : 970698-T1
SPEER VIRTUAL MEDIA, LTD.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/31/97
CURRENT ASSETS	\$37,598
CURRENT LIABILITIES	14,522
CURRENT RATIO	2.59
CASH	1,674
COMMON EQUITY	844,323
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	844,323
COMMON EQUITY RATIO	100%
NET INCOME	63,577
RETURN ON EQUITY	8%

NMF = No Meaningful Figure