



Public Service Commission

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

DATE: September 16, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 971089-TX, Axsys, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *ppg*

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 Axsys, Inc. (Axsys) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Axsys has adequate liquidity, sufficient common equity and reported a positive net income for the period.

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In this matter, Axsys is asking for a certificate to provide alternative local exchange telecommunications service. 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 additional financing will be provided by the sole-owners of Axsys, Richard and Jean Reiner, if necessary. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
1 Division of Records and Reporting (2) ✓

OTH RECEIVED & FILED

FPSC-BUREAU OF RECORDS

DOCUMENT NUMBER-DATE

09461 SEP 17 96

FPSC-RECORDS/REPORTING

DOCKET NO. : 971089
AXSYS, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$45,426
CURRENT LIABILITIES	23,733
CURRENT RATIO	1.91
CASH	2,102
COMMON EQUITY	16,850
TOTAL DEBT	4,842
TOTAL INVESTOR CAPITAL	21,692
COMMON EQUITY RATIO	78%
NET INCOME	11,678
RETURN ON EQUITY	69%

NMF = No Meaningful Figure