



Public Service Commission

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

ORIGINAL

DATE: September 19, 1997
 TO: Tom Williams, Division of Communications
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL APC ALM*
 RE: Docket No. 971081-TI, Pride America, Inc., Financial Analysis *of Certificate*
 Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 of Pride America, Inc. (Pride) for the period ending July 23, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Pride has adequate liquidity and ownership equity. As a start-up company, it does not have an income statement.

In this matter, Pride is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 by stating that it has good liquidity, it has the investment in place to commence operations, and it has a strong management team. 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 (2) ✓

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DOCKET NO. 971081-TI
PRIDE AMERICA, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED BALANCE SHEET
START-UP COMPANY

AS OF
JULY 23, 1997

CURRENT ASSETS	152,877
CURRENT LIABILITIES	121,677
CURRENT RATIO	1.26
CASH	1,558
COMMON EQUITY	386,218
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	386,218
COMMON EQUITY RATIO	100%
NET INCOME	--
RETURN ON EQUITY	--

* START-UP COMPANY, NO INCOME STATEMENT