



# Public Service Commission

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

DATE: September 24, 1997  
 TO: Tom Williams, Division of Communications  
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL APC ALM*  
 RE: Docket No. 971010-TI, Executive Business Centers, Inc., 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 Executive Business Centers, Inc. (EBC) for the period ending May 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, EBC has inadequate liquidity and negative ownership equity. The company reports a profit for the period.

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In this matter, EBC 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 marginal.

Although the analysis of the applicant's financial statements reveals a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that its parent company will fund the company as needed. EBC also states that it has a number of sources of financing, and it is currently obtaining a line of credit. 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) ✓

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 971010-TI  
EXECUTIVE BUSINESS CENTERS, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

	YEAR ENDED MAY 31, 1997
CURRENT ASSETS	98,268
CURRENT LIABILITIES	185,320
CURRENT RATIO	0.53
CASH	38,036
COMMON EQUITY	(132,690)
TOTAL DEBT	94,485
PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	7,317
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE

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