



Public Service Commission

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

DATE: June 29, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 990643-TI, Com Tec Communications of Pompano Beach FL, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Com Tec Communications of Pompano Beach FL (CTC) for the period ending June 15, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CTC has adequate liquidity and sufficient common equity. The company is new and has not generated any measurable income.

In this matter, CTC is asking for a certificate to provide IXC 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. 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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- APP _____
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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 990643-11
COM TEC COMMUNICATIONS OF POMPANO BEACH FL

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/15/99
CURRENT ASSETS	\$7,851
CURRENT LIABILITIES	920
CURRENT RATIO	8.53
CASH	7,851
COMMON EQUITY	89,683
TOTAL DEBT	25,880
TOTAL INVESTOR CAPITAL	115,563
COMMON EQUITY RATIO	78%
NET INCOME	0
RETURN ON EQUITY	0%

NMF = No Meaningful Figure