



Public Service Commission

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

DATE: July 28, 1999
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 990674-TX, Project Management Solutions, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Project Management Solutions, Inc. (Project) for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Project has adequate liquidity but insufficient common equity. It reported positive net income for the period.

In this matter, Project is asking for a certificate to provide alternative local exchange telecommunications 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 noting that its equity would be positive if a shareholder loan was considered equity. Project will be a reseller with minimal capital requirements. Also, the company can obtain any necessary funding from stockholders. 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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FPSO-RECORDS/REPORTING

Vertical list of initials: AFA, APP, CAP, CML, CTR, EAG, JES, MFS, OFC, PRR, SFC, WAW, QTH

DOCKET NO. 990674-T
PROJECT MANAGEMENT SOLUTIONS
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
12/31/98

CURRENT ASSETS	\$59,006
CURRENT LIABILITIES	37,760
CURRENT RATIO	1.56
CASH	27,652
COMMON EQUITY	(25,048)
TOTAL DEBT	139,057
TOTAL PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	55,572
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE