



Public Service Commission

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

DATE: September 7, 1999
TO: Tommy Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 990912-TI, Affordable Voice Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials: ALM, APC, and a 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 financial statements of Affordable Voice Communications, Inc. (AVC) for the period ending May 1, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, AVC has adequate liquidity and sufficient common equity. For 1999, AVC projects a loss.

AFA
APP
CAF
CMU
CTR
EAG
LEG
MAS
OPC
PAI
SEC
WAW
OTH
In this matter, AVC 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 noting that it has no debt and projects positive cash flow. The company has billing, customer service, tax payment, and provider settlement capabilities. 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

11173 SEP 17 99

FPSC-RECORDS/REPORTING

DOCKET NO. 990912-TT
AFFORDABLE VOICE COMMUNICATIONS, INC.
IXC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>05/01/99</u>
CURRENT ASSETS	\$108,129
CURRENT LIABILITIES	3,150
CURRENT RATIO	34.33
CASH	108,129
COMMON EQUITY	177,079
TOTAL DEBT	0
TOTAL PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	177,079
COMMON EQUITY RATIO	100%
NET INCOME	(163,654) *
RETURN ON EQUITY	-92% *

* Projected for 1999.