



Public Service Commission

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

RECEIVED-FPSC
93 JUN 16 AM 11:24
FPSC RECORDS AND REPORTING
ALM
AP

DATE: June 9, 1998
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis PL
RE: Docket No. 980369-TI, Simple Communications Technologies, 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 Simple Communications Technologies, Inc. (Simple) for the period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Simple has adequate liquidity and profitability. The company's equity ratio is somewhat low.

In this matter, Simple 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 low overhead and, as a switchless reseller, it will have low capital needs. 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)

- BACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
06333 JUN 16 98
FPSC-RECORDS/REPORTING

DOCKET NO. 980369-TI
SIMPLE COMMUNICATIONS TECHNOLOGIES, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

	THREE MONTHS ENDED MARCH 31, 1998
CURRENT ASSETS	822,157
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	419,125
COMMON EQUITY	892,512
TOTAL DEBT	1,544,200
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	2,436,712
COMMON EQUITY RATIO	37%
NET INCOME	889,154
RETURN ON EQUITY	100%