



## Public Service Commission

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

**DATE:** March 12, 1997

**TO:** Tom Williams, Division of Communications

**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD MC ALM*

**RE:** Docket No. 970110-TX, COMUSA, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *mg*

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 balance statement for the period ending March 1, 1997 and the projected income statement for 1997, of COMUSA, Inc. (COMUSA). An audit could change one's opinion of the company's financial condition. As the attached schedule shows, COMUSA projects a net income for 1997 and has sufficient liquidity but reports marginal common equity.

\*CK \_\_\_\_\_  
AFA \_\_\_\_\_  
APP \_\_\_\_\_  
CAF \_\_\_\_\_  
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In this matter, COMUSA is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has available to it a credit line of twenty-five thousand dollars arranged through Halifax Reality and Mortgage Company. Based on this representation, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LCH \_\_\_\_\_  
REC \_\_\_\_\_  
WAS \_\_\_\_\_  
GTH \_\_\_\_\_

cc: Division of Legal Services  
1 Division of Records and Reporting

DOCUMENT NUMBER-DATE

02761 MAR 17 97

FPSC-RECORDS/REPORTING

DOCKET NO. : 970111 TX  
COMUSA, INC.

ALTERNAT LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/01/97
CURRENT ASSETS	\$2,000
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	2,000
COMMON EQUITY	1,000
TOTAL DEBT	4,000
TOTAL INVESTOR CAPITAL	5,000
COMMON EQUITY RATIO	20%
NET INCOME (PROJECTED)	285,780
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure