



## ORIGINAL

## Public Service Commission

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

| DATE: | August 21, 1998  | M      |
|-------|--|--------|
| TO:   | Tommy Williams, Division of Communications   | ALM    |
| FROM: | Tommy Williams, Division of Communications<br>David J. Draper, Division of Auditing and Financial Analysis<br>Docket No. 980825-TX, Michael Servos, Financial Analysis | M N    |
| RE:   |  |        |
|       | Application for Alternative Local Exchange Telecommunications Service  | vice V |

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 . . .

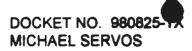
Regarding the showing of financial capability, the Finance staff has analyzed the unaudited personal financial statements of Michael Servos (MiS) for the period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MiS has adequate liquidity, sufficient net worth and positive net income for the period.

ACK \_\_\_\_\_\_In this matter, MiS is asking for a certificate to provide alternative local exchange AFA \_\_\_\_\_\_\_telecommunications service. For purposes of granting a certificate based on the financial AFP \_\_\_\_\_\_\_information provided, the financial capability appears adequate. The applicant attests to its CFF \_\_\_\_\_\_\_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 CFFT \_\_\_\_\_\_\_financial capability standard of Section 364.337, Florida Statutes

E.46. \_\_\_\_\_CC:

LC + ' Division of Legal Services Division of Records and Reporting (2)

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## ALTERNATIVE LOCAL EXCHANGE SERVICE FINANCIAL ANALYSIS

FROM UNAUDITED PERSONAL FINANCIAL STATEMENTS

|                                      | AS<br>OF<br>06/30/98 |
|--------------------------------------|----------------------|
| CURRENT ASSETS                       | \$13,300             |
| CURRENT LIABILITIES                  | 9,204                |
| CURRENT RATIO                        | 1.45                 |
| CASH                                 | 10,000               |
| NET WORTH                            | 178,000              |
| TOTAL LIABILITIES                    | 92,000               |
| TOTAL OF ALL LIABILITIES & NET WORTH | 270,000              |
| NET WORTH OVER TOTAL ASSETS          | 66%                  |
| ANNUAL PERSONAL INCOME               | 84,380               |
| NET INCOME OVER NET WORTH            | 47%                  |
| NMF = No Meaningful Figure           |                      |