



ORIGINAL

Public Service Commission

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

DATE: April 8, 1998
 TO: Ray Kennedy, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 980424-TI, Americom Communications, LLC, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM AP PMS*

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 . . .

ACK _____ Regarding the showing of financial capability, the Finance staff has analyzed the unaudited
 AFA _____ financial statements of Americom Communications, LLC (ACL) for the period ending December
 APP _____ 31, 1997. An audit could change one's opinion of the company's financial condition. As the
 CAF _____ attached schedule shows, ACL has negative net income and minimal liquidity. Although the
 GND _____ applicant reports an equity ratio of 100%, the absolute amount of equity is less than 10% of the
 net loss reported for the period.

CTR _____ In this matter, ACL is asking for a certificate to provide IXC service. For purposes of granting
 SAC _____ a certificate based on the financial information provided, the financial capability appears
 LEO _____ minimal.

QLE _____ Although an analysis of the financial statements reveals the applicant is in a minimal financial
 position, the applicant attests to its financial capability to provide and maintain the proposed
 telecommunications service by noting that the company has acquired a revolving credit loan of
 two million dollars with Receivable Funding Corporation. 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)

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FILED IN THE REPORTING

DOCKET NO. 980424-TI
AMERICOM COMMUNICATIONS, LLC

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$1,990,992
CURRENT LIABILITIES	2,380,843
CURRENT RATIO	0.84
CASH	394,849
COMMON EQUITY	22,670
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	22,670
COMMON EQUITY RATIO	100%
NET INCOME	(280,422)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure