



# Public Service Commission

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

**DATE:** March 8, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD*  
**RE:** Docket No. 990026-TI, May Systems, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 May Systems, Inc. (MSI) for the eight month period ending August 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MSI has adequate liquidity, sufficient common equity and reported positive income for the period.

In this matter, MSI is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate. The applicant attests to its 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 financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services  
Division of Records and Reporting (2)

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DOCKET NO. 990026  
MAY SYSTEMS, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 08/31/98
CURRENT ASSETS	\$55,314
CURRENT LIABILITIES	10,021
CURRENT RATIO	5.52
CASH	7,364
COMMON EQUITY	175,791
TOTAL DEBT	429,156
TOTAL INVESTOR CAPITAL	604,947
COMMON EQUITY RATIO	29%
NET INCOME	77,593
RETURN ON EQUITY	44%

NMF = No Meaningful Figure