



Public Service Commission

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

**DATE:** September 15, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 991092-TX, The Basico Group, Financial Analysis for Certificate *APC*  
 Application for Alternative Local Exchange Telecommunications Service *[Signature]*

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 financial statements of The Basico Group (TBG) for the seven month period ending July 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TBG has adequate liquidity, sufficient common equity and reports a positive net income for the period.

AFA \_\_\_\_\_ In this matter, TBG is asking for a certificate to provide alternative local exchange  
 APP \_\_\_\_\_ telecommunications service. For purposes of granting a certificate based on the financial  
 CAF \_\_\_\_\_ information provided, the financial capability appears adequate. The applicant attests to its  
 CMU \_\_\_\_\_ financial capability to provide and maintain the proposed telecommunications service by noting that  
 CTR \_\_\_\_\_ the company will increase available capital from continuing operations. In addition, TBG has the  
 EAG \_\_\_\_\_ ability to obtain additional financing through traditional commercial lending institutions. Based on  
 LEG \_\_\_\_\_ this showing, the applicant appears to meet the financial capability standard of Section 364.337,  
 MAS \_\_\_\_\_ Florida Statutes.  
 OPC \_\_\_\_\_  
 PAJ \_\_\_\_\_  
 SEC \_\_\_\_\_  
 WAW \_\_\_\_\_  
 OTH \_\_\_\_\_

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

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 991092-~~TX~~  
THE BASICO GROUP

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/99
CURRENT ASSETS	\$8,800
CURRENT LIABILITIES	0
CURRENT RATIO	NMF
CASH	2,672
COMMON EQUITY	18,639
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	18,639
COMMON EQUITY RATIO	100%
NET INCOME	19,867
RETURN ON EQUITY	107%

NMF = No Meaningful Figure