



Public Service Commission

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

DATE: September 15, 1999
 TO: Tommy Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis
 RE: Docket No. 990973-TI, Spartan Communications Corporation of North Carolina, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

DO ALM
 APC
 [Handwritten initials]

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 Spartan Communications Corporation of North Carolina (SNC) for the three month period ending March 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SNC has sufficient common equity and positive income, but reports marginal liquidity.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC _____
- WAW _____
- OTH _____

In this matter, SNC 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 to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. 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)

DOCUMENT NUMBER-DATE

11120 SEP 16 99

FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/31/99
CURRENT ASSETS	\$547,302
CURRENT LIABILITIES	554,076
CURRENT RATIO	0.99
CASH	44,855
COMMON EQUITY	42,969
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	42,969
COMMON EQUITY RATIO	100%
NET INCOME	26,176
RETURN ON EQUITY	61%

NMF = No Meaningful Figure