



Public Service Commission

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

DATE: August 3, 2000
TO: Toni McCoy, Division of Regulatory Oversight *ALM*
FROM: Pete Lester, Division of Economic Regulation *PL*
RE: Docket No. 000510-TX, Enkido, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Enkido, Inc. (Enkido) for the period ending June 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Enkido has adequate liquidity, sufficient common equity, and reported a positive net income for the period.

In this matter, Enkido is asking for a certificate to provide alternative local exchange telecommunications service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

APP _____
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OTH _____

_____ The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has a statement from its bank confirming that it has \$50,000 in cash. 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
09631 AUG-98
FDSC-RECORDS/REPORTING

DOCKET NO. 000510-TX
ENKIDO, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>06/30/2000</u>
CURRENT ASSETS	\$7,059,872
CURRENT LIABILITIES	732,571
CURRENT RATIO	9.64
CASH	204,948
COMMON EQUITY	3,635,118
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	3,635,118
COMMON EQUITY RATIO	100%
NET INCOME	1,922,497
RETURN ON EQUITY	53%