



ORIGINAL
Public Service Commission

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

DATE: September 18, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DPC ALM*
RE: Docket No. ~~971158-TI~~, Strategic Technologies, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Strategic Technologies, Inc. (STI) for the twelve month period ending November 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, STI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
A/A _____
A/T _____
C/C _____
C/H _____
E _____
L/S _____
S _____
W/S _____
O/H _____

In this matter, STI 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. STI is a wholly-owned subsidiary of Lennar Financial Services, Inc. which will support its subsidiary if additional capital is needed. 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 SEP 22 5

FPSC-RECORDS/REPORTING

DOCKET NO. : 971158-
STRATEGIC TECHNOLOGIES, INC

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/96
CURRENT ASSETS	\$4,575,999
CURRENT LIABILITIES	245,803
CURRENT RATIO	18.62
CASH	500
COMMON EQUITY	6,439,659
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	6,439,659
COMMON EQUITY RATIO	100%
NET INCOME	1,646,460
RETURN ON EQUITY	26%

NMF = No Meaningful Figure