



Public Service Commission

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

DATE: February 10, 1999
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 990093-TX, The Grand Condominium Association, 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 audited financial statements of The Grand Condominium Association, Inc. (GCA) for the period ending December 31, 1997. As the attached schedule shows, GCA has adequate liquidity and sufficient common equity, but reported a net loss for the period.

ACK _____
 AFA _____ In this matter, GCA 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
 CMM _____ financial capability to provide and maintain the proposed telecommunications service by noting
 CTR _____ the company has a \$300,000 line of credit with City National Bank of Miami. Based on this
 ERL _____ 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

01926 FEB 15 99

FPSC-RECORDS/REPORTING

DOCKET NO. 99009-7X
THE GRAND CONDOMINIUM ASSOCIATION, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$1,994,315
CURRENT LIABILITIES	397,040
CURRENT RATIO	5.02
CASH	1,410,724
COMMON EQUITY	1,476,872
TOTAL DEBT	7,766
TOTAL INVESTOR CAPITAL	1,484,638
COMMON EQUITY RATIO	99%
NET INCOME	(935,210)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure