



Public Service Commission

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

DATE: April 25, 2000
TO: Toni McCoy, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 000433-TX, AmeriMex Communications Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Handwritten initials and signature: ALM

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 AmeriMex Communications Corporation (AMC) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ACT has adequate liquidity, but reports negative owner's equity and negative income for the period.

In this matter, AMC is asking for a certificate to provide alternative local exchange telecommunications service. For purposes of granting a certificate based on the financial information provided, the financial capability appears minimal.

Vertical list of initials: AFA, APP, CAF, CMU, CTR, EAG, LEG, MAS, OPC, RRR, SEC, WAW, DTH

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that AMC proposes to operate as a reseller in the state of Florida, and will incur minimal capital or operating expenses. In addition, AMC has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow. 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

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FPSC-RECORDS/REPORTING

DOCKET NO. 000433-T  
AMERIMEX COMMUNICATIONS CORP.

ALTERNATIVE LOCAL EXCHANGE SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$34,501
CURRENT LIABILITIES	25,684
CURRENT RATIO	1.34
CASH	27,401
COMMON EQUITY	(96,307)
TOTAL DEBT	264,488
TOTAL INVESTOR CAPITAL	168,181
COMMON EQUITY RATIO	NMF
NET INCOME	(123,178)
RETURN ON EQUITY	NMF.

NMF = No Meaningful Figure