



Public Service Commission

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

DATE: February 6, 1998
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 980068-TI, ACS Systems, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *gms*

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 Fidelity National Financial, Inc. the parent company of ACS Systems, Inc. (ACS), for the nine-month period ended September 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ACS's parent has adequate liquidity, ownership equity, and profitability.

- ACK _____
- AFA _____ In this matter, ACS is asking for a certificate to provide IXC service. Staff notes the limited
- APP _____ nature of the application. For purposes of granting a certificate based on the financial
- AF _____ information provided, the financial capability appears adequate.
- CMU _____
- CTR _____ The applicant attests to its financial capability to provide and maintain the proposed
- EAG _____ telecommunications service by noting that it is a switchless reseller and does not have significant
- LEG _____ capital investment. The applicant also notes that it will fund operations from internally
- LIN _____ generated funds and that it can borrow funds or receive funds from its parent. Based on this
- OPC _____ showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- RCH _____ cc: Division of Legal Services
- SEC _____ Division of Records and Reporting (2)
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
 02108 FEB 11 8
 FPSO-RECORDS/REPORTING

**DOCKET NO. 980068-TI
ACS SYSTEMS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE**

**FROM UNAUDITED FINANCIAL STATEMENTS IN
FIDELITY NATIONAL FINANCIAL, INC.'S FORM 10-Q.
THIS IS THE PARENT COMPANY OF ACS SYSTEMS, INC.**

IN THOUSANDS	NINE MONTHS ENDED SEPTEMBER 30, 1997
CURRENT ASSETS	213,582
CURRENT LIABILITIES	79,460
CURRENT RATIO	2.69
CASH	80,329
COMMON EQUITY	153,789
TOTAL DEBT	150,918
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	304,707
COMMON EQUITY RATIO	50%
NET INCOME	27,985
RETURN ON EQUITY	18%