



Public Service Commission

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

DATE: July 24, 1997
 TO: Tom Williams, Division of Communications
 FROM: David Draper, Division of Auditing and Financial Analysis *DD*
 RE: Docket No. 970721-TI, Debitcom, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM AP1*

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 Debitcom, Inc. (DCI) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DCI has minimal liquidity, but reports sufficient common equity and positive net income.

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

In this matter, DCI 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 by noting that the Company will increase available capital from continuing operations. 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

07582 JUL 28 97

FRSC-RECORDS/REPORTING

DOCKET NO. : 97072
DEBITCOM, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$13,624
CURRENT LIABILITIES	23,825
CURRENT RATIO	0.57
CASH	9,799
COMMON EQUITY	19,127
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	19,127
COMMON EQUITY RATIO	100%
NET INCOME	28,685
RETURN ON EQUITY	150%

NMF = No Meaningful Figure