



Public Service Commission

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

DATE: September 4, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 970842-TI, ICT Services Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *APC*

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 financial statements, based on an accountants' compilation, of International Communications Technologies, Inc., the parent company of ICT Services Corporation (ICT), for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ICT has adequate liquidity and ownership equity but reports negative net income.

In this matter, ICT is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 it recently received \$1.5 million in debt financing, it has banking references, and it has funds available from its parent. 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) ✓

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DOCKET NO. 970842-TI
ICT SERVICES CORPORATION
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM ACCOUNTANTS' COMPILATION FOR
INTERNATIONAL COMMUNICATIONS TECHNOLOGIES, INC.,
PARENT COMPANY OF ICT SERVICES CORPORATION

YEAR
ENDED
DECEMBER 31, 1995

CURRENT ASSETS	170,360
CURRENT LIABILITIES	77,743
CURRENT RATIO	2.19
CASH	13,480
COMMON EQUITY	180,482
TOTAL DEBT	111,713
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	292,195
COMMON EQUITY RATIO	62%
NET INCOME	(80,236)
RETURN ON EQUITY	NEGATIVE