



Public Service Commission

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

DATE: March 25, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *W*
RE: Docket No. 960295-TI, World Long Distance, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC [signature] TP*

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:

- ACK _____
 - AFA _____
 - APP _____
 - CAF _____ and
 - CMU _____
 - CTR _____
 - EAG _____
 - LEG _____
 - LIN _____
 - OPC _____
 - RCHI _____
 - SEC _____
 - WASB _____
 - WTH _____
- (3) The Legislature finds that the competitive provision of telecommunications service, including local exchange telecommunications service, is in the public interest.
- (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 World Long Distance, Inc. (WLDI), which commenced operations on January 2, 1996, for the period ending January 25, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WLDI has adequate ownership equity, but minimal liquidity and reports negative net income.
- Considering the unaudited financial statements and the company's financial condition, staff could not recommend that WLDI collect deposits or rates subject to refund without posting a bond or letter of credit. It should be noted that WLDI plans to offer prepaid debit cards and, as a result, customer funds could be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability of the company appears minimal.

cc: Division of Legal Services
Division of Records and Reporting

DOCKET NO. 960295-T1
WORLD LONG DISTANCE, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS

NOTE: Company offers prepaid debit cards.

FROM UNAUDITED FINANCIAL STATEMENTS
A DEVELOPMENT STAGE ENTERPRISE

AS
OF
01/25/96

CURRENT ASSETS	\$6,000
CURRENT LIABILITIES	39,000
CURRENT RATIO	0.15
CASH	6,000
COMMON EQUITY	67,209
TOTAL DEBT	70,000
NET INVESTOR CAPITAL	137,209
COMMON EQUITY RATIO	49%
NET INCOME	(9,110)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure

*NOTE: Company commenced operations on January 2, 1996