



Public Service Commission

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

DATE: April 18, 1996
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 960383-TI, GTN Corp. d/b/a Global Telecom Network, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *April 18 1996*

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 GTN Corp. d/b/a Global Telecom Network (GTN) for the six-month period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GTN has adequate liquidity, ownership equity, and profitability.

In this matter, GTN is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

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DOCKET NO. 960383-TI
GTN CORP. d/b/a GLOBAL TELECOM NETWORK
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE
6 MONTHS ENDING
12/31/95

CURRENT ASSETS	\$809,437
CURRENT LIABILITIES	593,102
CURRENT RATIO	1.36
CASH	6,110
COMMON EQUITY	191,592
TOTAL DEBT	184,401
TOTAL INVESTOR CAPITAL	375,993
COMMON EQUITY RATIO	51%
PROFIT **	84,030
RETURN ON EQUITY	44%

** Profit figure is "profit before tax"
Net Income figure not provided