



# Public Service Commission

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

**DATE:** September 23, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM SUS APC*  
**RE:** Docket No. 960741-TX, World Access Communications Corp., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

Section 364.337 (1), Florida Statutes, requires the following:

The commission shall grant a certificate of authority to provide alternative local exchange 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 World Access Communications Corp. (WACC) 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, WACC has adequate liquidity, ownership equity, and profitability.

- ACK \_\_\_\_\_
  - AFA \_\_\_\_\_
  - APP \_\_\_\_\_
  - CAF \_\_\_\_\_
  - CMU \_\_\_\_\_
  - CTR \_\_\_\_\_
  - EAG \_\_\_\_\_
  - LEG \_\_\_\_\_
  - LIN \_\_\_\_\_
  - OPC \_\_\_\_\_
  - RCH \_\_\_\_\_
  - SEC \_\_\_\_\_
  - WAS \_\_\_\_\_
  - OTH \_\_\_\_\_
- In this matter, WACC is asking for a certificate to provide alternative local exchange telecommunications 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.
- The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has been in existence since 1991 and has been a certified Intrastate Interexchange Company in Florida for several years. Further, the applicant indicates that it is debt free and that it has sufficient working capital to support the requested service.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE

10239 SEP 25 96

FPSC-RECORDS/REPORTING

DOCKET NO. 960741-TX  
WORLD ACCESS COMMUNICATIONS CORP.  
ALEC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$6,230,178
CURRENT LIABILITIES	1,302,784
CURRENT RATIO	4.78
CASH	4,929,571
COMMON EQUITY	4,927,394
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	4,927,394
COMMON EQUITY RATIO	100%
NET INCOME	3,416,044
RETURN ON EQUITY	69%