

## Public Service Commission

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

ALM

DATE: January 3, 1997

TO: Tom Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis PL

RE: Docket No. 961278-TI, Telecard Communications International, Inc., Financial

Analysis for Certificate Application for Intrastate Interexchange Telecommunications

Service

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 accountant's review, for the 12 months ended July 31, 1996 for Telecard Communications International, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity and profitability but it has inadequate ownership equity. The company attests that it has the financial capability to provide IXC service.

Based on this representation, the application appears adequate for certification purposes.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMER- NUMBER STATE

00356 JAN 105

FPSC - RECORDS/FEPORTING

DOCKET NO. 961278-TI TELECARD COMMUNICATIONS INTERNATIONAL, INC. IXC CERTIFICATE FINANCIAL ANALYS'S ATTESTATION DONE

## FROM ACCOUNTANT'S REVIEW

PERIOD ENDED JULY 31, 1996

CURRENT ASSETS	60,452
CURRENT LIABILITIES	3,636
CURRENT RATIO	16.63
CASH	60,452
COMMON EQUITY	13,244
TOTAL DEBT	1,516,743
TOTAL INVESTOR CAPITAL	1,529,987
COMMON EQUITY RATIO	1%
NET INCOME	107,053
RETURN ON EQUITY	808%