



# Public Service Commission

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

**DATE:** April 25, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM APC*  
**RE:** Docket No. 970018-TI, CSI Corp. d/b/a Colorado CSI Corp., 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 unaudited financial statements of CSI Corp. d/b/a Colorado CSI Corp. (CSI) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CSI has adequate profitability, marginal liquidity, and minimal ownership equity.

In this matter, CSI 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it has provided and maintained services similar to those it proposes to provide in Florida to customers in Colorado since its inception in 1993. Further, the applicant states that it has shown a continuous pattern of growth and a healthy financial profit in Colorado and other states for the period from 1993 through the present. Finally, the applicant has consistently and timely met its financial obligations to its suppliers, vendors, landlords, and lenders. 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

DOCUMENT NUMBER - DATE

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- OPC \_\_\_\_\_
- RCH \_\_\_\_\_
- SEC / \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

DOCKET NO. 970018  
CSI CORP. d/b/a COLORADO CSI CORP.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$339,508
CURRENT LIABILITIES	431,680
CURRENT RATIO	0.79
CASH	17,975
COMMON EQUITY	14,331
TOTAL DEBT	64,158
TOTAL INVESTOR CAPITAL	78,489
COMMON EQUITY RATIO	18%
NET INCOME	75,537
RETURN ON EQUITY	527%

**State of Florida**

**Commissioners:**  
SUSAN F. CLARK, CHAIRMAN  
J. TERRY DEASON  
JULIA L. JOHNSON  
DIANE K. KIESLING  
JOE GARCIA



**DIVISION OF RECORDS &  
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**Public Service Commission**

January 6, 1997

Connie Domas, Law Clerk  
Olona & Associates, P.C.  
740 Magnolia Street  
Denver, Colorado 80220

RE: Docket No. 970018-TI

Dear Ms. Domas:

This will acknowledge receipt of an application for certificate to provide interexchange telecommunications service by Colorado CSI Corp, which was filed in this office on January 3, 1997 and assigned the above-referenced docket number. Appropriate staff members will be advised.

Division of Records and Reporting  
Florida Public Service Commission