



Public Service Commission

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

DATE: May 30, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *DD APC*
RE: Docket No. 970619-TI, VoCall Communications 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.

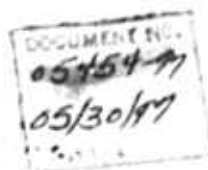
and

(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 VoCall Communications Corp. (VCC) for the twelve (12) month period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, VCC has minimal liquidity, sufficient common equity and produced a positive net income in 1996.

In this matter, VCC is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears marginal. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has established a \$975,000 open line of credit with its main vendor, Harris Corporation. In addition, as a result of its good credit rating and several years of experience, VCC has the ability to obtain additional financing through traditional commercial leading institutions. 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



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DOCKET NO. : 97061
VOCALL COMMUNICATIONS CORPORATION

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$1,502,633
CURRENT LIABILITIES	1,773,217
CURRENT RATIO	0.85
CASH	731,954
COMMON EQUITY	137,927
TOTAL DEBT	93,092
TOTAL INVESTOR CAPITAL	231,020
COMMON EQUITY RATIO	60%
NET INCOME	238,078
RETURN ON EQUITY	173%

NMF = No Meaningful Figure