



Public Service Commission

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

DATE: June 4, 1997
 TO: Tom Williams, Division of Communications
 FROM: David Draper, Division of Auditing and Financial Analysis *DD* *ALM*
 RE: Docket No. ~~970652-TI~~, SecurFone America, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ARC*

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 SecurFone America, Inc. (SFA) for the four month period ending March 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, SFA reports negative net income for the period, but has adequate liquidity and sufficient common equity.

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In this matter, SFA 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. In addition, the Company's ownership contributed approximately \$1.1 million dollars to establish the Company and is willing to do another capital infusion if necessary. 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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FPSC-RECORDS/REPORTING

DOCKET NO. : 970652-
SECURFONE AMERICA, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 03/31/97
CURRENT ASSETS	\$1,115,448
CURRENT LIABILITIES	253,249
CURRENT RATIO	4.40
CASH	128,448
COMMON EQUITY	815,690
TOTAL DEBT	862,200
TOTAL INVESTOR CAPITAL	1,677,890
COMMON EQUITY RATIO	49%
NET INCOME	(280,110)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure