



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

DATE: June 9, 1997
 TO: Tom Williams, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
 RE: Docket No. 970602-TX, World Telecommunications Services, Inc. Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *APC* *ALM*

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 Telecommunications Services, Inc. (WTS) for the six month period ending January 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, WTS has minimal liquidity, sufficient common equity and reported a positive net income for the period.

- ACK _____
- AFA _____
- APP _____
- CAF _____
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- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

In this matter, WTS 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 by noting that the Company will maintain capital from internally generated funds. 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. : 970602-TX
WORLD TELECOMMUNICATION SERVICE, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 01/31/97
CURRENT ASSETS	\$44,982
CURRENT LIABILITIES	111,866
CURRENT RATIO	0.40
CASH	400
COMMON EQUITY	138,513
TOTAL DEBT	4,035
TOTAL INVESTOR CAPITAL	142,547
COMMON EQUITY RATIO	97%
NET INCOME	70,198
RETURN ON EQUITY	51%

NMF = No Meaningful Figure