



# Public Service Commission

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

**DATE:** September 16, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM* *APC*  
**RE:** Docket No. 971190-TX, Business Technology Systems, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 Business Technology Systems, Inc. (BTS) for the six month period ending June 30, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BTS has sufficient common equity, but reports marginal liquidity and negative net income.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LIN \_\_\_\_\_
- OTC \_\_\_\_\_
- ROH \_\_\_\_\_
- SEN \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

In this matter, BTS is asking for a certificate to provide alternative local exchange telecommunications service. 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 by noting that it has access to lines of credit in the amount of \$535,000 dollars. 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 (2)

DOCUMENT NUMBER - DATE  
09532 SEP 19 97  
FPSC-RECORDS/REPORTING

DOCKET NO. : 97119 X  
BUSINESS TECHNOLOGY SYSTEMS, INC.

ALTERNATIVE LOCAL EXCHANGE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 06/30/97
CURRENT ASSETS	\$372,975
CURRENT LIABILITIES	354,683
CURRENT RATIO	1.05
CASH	14,981
COMMON EQUITY	122,152
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	122,152
COMMON EQUITY RATIO	100%
NET INCOME	(36,116)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure