



Public Service Commission

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

DATE: October 21, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *AD ALM*
RE: Docket No. 970997-TI, Cellular World, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *FFC*

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 audited financial statements of Cellular World, Inc. (CWI) for the period ending December 31, 1996. As the attached schedule shows, CWI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

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In this matter, CWI 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. Further, the company notes that \$1.2 million in additional equity is being offered through a private placement. 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

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REPORTING

DOCKET NO. : 970997-1
CELLULAR WORLD, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$6,501,742
CURRENT LIABILITIES	860,508
CURRENT RATIO	7.56
CASH	5,092,121
COMMON EQUITY	11,219,714
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	11,219,714
COMMON EQUITY RATIO	100%
NET INCOME	1,889,874
RETURN ON EQUITY	17%

NMF = No Meaningful Figure