



Public Service Commission

ORIGINAL

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

DATE: May 19, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 980542-TX, Buy-Tel Communications, Inc., Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *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 Buy-Tel Communications, Inc. (BTC) for the period ending April 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, BTC has minimum liquidity, negative common equity and reported negative net income for the period.

ACK _____
AFA _____
APP _____ In this matter, BTC 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 minimal.
CAF _____

CMU _____
CTR _____ Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that BTC will soon have access to \$100,000 in additional capital. Furthermore, BTC's sister companies, MBA Homes, Inc. and Austin Properties, will provide additional capital when needed. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.
EAG _____
LEG _____
LIN _____
OFC _____

RCH _____ cc: Division of Legal Services
SEC 1 _____ Division of Records and Reporting (2)

WAS _____
OTH _____

DOCUMENT NUMBER - DATE

05814 MAY 28 88

REC'D RECORDS & REPORTING

DOCKET NO. 980542-TX
BUY-TEL COMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 04/30/98
CURRENT ASSETS	\$20,900
CURRENT LIABILITIES	37,030
CURRENT RATIO	0.56
CASH	15,900
COMMON EQUITY	(12,630)
TOTAL DEBT	41,700
TOTAL INVESTOR CAPITAL	29,070
COMMON EQUITY RATIO	NMF
NET INCOME	(39,533)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure