



ORIGINAL

Public Service Commission

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33 JUN 11 AM 11:24
RECORDS AND REPORTING

DATE: June 9, 1998
TO: Kelly Biegalski, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis
RE: Docket No. 980491-TI, Coral Communications, Inc., Financial Analysis Certificate Application for Intrastate Interexchange Telecommunications Service

ALM
APC
[Handwritten initials]

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 Coral Communications, Inc. (Coral) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Coral has adequate liquidity and profitability. The company has a somewhat low equity ratio.

- ACK _____
- AFA _____
- APP _____
- CAF _____
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- EAG _____
- LEG _____
- LIN _____
- OPC _____
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- SEC 1
- WAS _____
- QTH _____

In this matter, Coral is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. 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 it has good liquidity and has access to additional sources of capital from its owners and from banks. 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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FPSC-RECORDS-REPORTING

DOCKET NO. 980491-TI
CORAL COMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

NINE MONTHS
ENDED
DECEMBER 31, 1997

CURRENT ASSETS	148,745
CURRENT LIABILITIES	117,762
CURRENT RATIO	1.26
CASH	86,107
COMMON EQUITY	62,103
TOTAL DEBT	133,878
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	195,981
COMMON EQUITY RATIO	32%
NET INCOME	478,015
RETURN ON EQUITY	770%