



ORIGINAL
Public Service Commission

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

DATE: September 22, 1998
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED* *ALM*
RE: Docket No. 981093-TI, Comtex Corporation, Financial Analysis for Certificate *APC*
Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 Comtex Corporation (CC) for the period ending August 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
AFA _____ In this matter, CC is asking for a certificate to provide IXC service. Staff notes the limited
APP _____ nature of the application and that no customer provided funds appear to be at risk. For purposes
CAF _____ of granting a certificate based on the financial information provided, the financial capability
CMJ _____ appears adequate.

CTB _____ The applicant attests to its financial capability to provide and maintain the proposed
EAB _____ telecommunications service by noting that it has available financing through a line of credit with
LEB _____ Seafirst Bank of Bank of America. In addition, CC has accounts receivable of \$140,000 to
LFB _____ \$200,000 that have not been pledged to any lender. 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

10572 SEP 24 88

REC. REPT. & REPORTING

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 08/31/98

CURRENT ASSETS	\$165,729
CURRENT LIABILITIES	122,552
CURRENT RATIO	1.35
CASH	11,031
COMMON EQUITY	55,322
TOTAL DEBT	173,382
TOTAL INVESTOR CAPITAL	228,704
COMMON EQUITY RATIO	24%
NET INCOME	50,785
RETURN ON EQUITY	92%

NMF = No Meaningful Figure