



Public Service Commission ORIGINAL

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

DATE: October 5, 1998
TO: Lou Yambor, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis ALM APC
RE: Docket No. 981021-TI, Global Telesys Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Global Telesys Corporation (Global) for the period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. As the

ACK attached schedule shows, Global has adequate liquidity, sufficient common equity and reported a positive net income for the period.

AFA
APP In this matter, Global 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.

CAF
CMU
CTR The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it is a switchless reseller with no facilities and that it can obtain additional capital from shareholders if necessary. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

OPC cc: Division of Legal Services
RCH Division of Records and Reporting (2)

SEC
WAS
OTH

DOCUMENT NUMBER-DATE

10982-OCT-6 88

#PSC-RECORDS/REPORTING

DOCKET NO. 981021-
GLOBAL TELESYS CORPORATION
IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS
OF ACCESS COMMUNICATIONS CORPORATION,
THE PARENT COMPANY

	AS OF <u>03/31/98</u>
CURRENT ASSETS	\$593,257
CURRENT LIABILITIES	621,547
CURRENT RATIO	0.95
CASH	37,563
COMMON EQUITY	109,492
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	109,492
COMMON EQUITY RATIO	100%
NET INCOME	96,756
RETURN ON EQUITY	88%