



Public Service Commission

ORIGINAL

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

DATE: October 7, 1998
TO: Tommy Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
RE: Docket No. 981224-TX, Parklink 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 audited financial statements of Campuslink Communications Systems, Inc (CCS), whole owner of Parklink Communications, Inc. (PLC), for the nine month period ending March 31, 1998. As the attached schedule shows, CCS has minimal liquidity, negative common equity and reported negative net income for the period.

In this matter, PLC 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.

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 CCS has acquired an additional \$4.5 million line of credit to fund PLC's operations. Furthermore, CCS has signed a definitive merger agreement with Worldport Communications, Inc. (WPC), which will give CCS \$15 million in cash and two million shares of WPC. 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

11400 OCT 14 88

REC'D - RECORDS & REPORTING

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC 1
- WAS _____
- OTH _____

DOCKET NO. 981224
CAMPUSLINK COMMUNICATIONS SYSTEMS, INC. d/b/a PARKLINK
COMMUNICATIONS, INC.

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS OF CAMPUSLINK COMMUNICATIONS
SYSTEMS, INC., PARENT COMPANY OF PARKLINK COMMUNICATIONS, INC.

	AS OF 03/31/98 (,000)
CURRENT ASSETS	\$2,134
CURRENT LIABILITIES	6,158
CURRENT RATIO	0.35
CASH	339
COMMON EQUITY	(14,547)
TOTAL DEBT	2,619
TOTAL INVESTOR CAPITAL	(11,928)
COMMON EQUITY RATIO	NMF
NET INCOME	(2,279)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure