



Public Service Commission

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

DATE: March 3, 2000
TO: Nancy Pruitt, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 000132-TI, Telemanagement Systems, Inc., 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 Telemanagement Systems, Inc. (TSI) for the period ended September 30, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TSI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

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In this matter, TSI 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, should additional funding become necessary, three company officers have pledged \$10,000 each. 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

02933 MAR-68

FPSC-RECORDS/REPORTING

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

AS OF
09/30/1999

CURRENT ASSETS	\$360,605
CURRENT LIABILITIES	322,936
CURRENT RATIO	1.12
CASH	60,011
COMMON EQUITY	259,135
TOTAL DEBT	30,300
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	289,435
COMMON EQUITY RATIO	90%
NET INCOME	258,087
RETURN ON EQUITY	100%