



Public Service Commission ORIGINAL

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

DATE: February 6, 2001
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 010109-TX, Globaltron Communications Corporation, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service

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 unaudited financial statements of Globaltron Communications Corporation (GCC) for the nine month period ending September 30, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GCC reported negative net income, but has adequate liquidity and sufficient common equity.

In this matter, GCC 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 adequate. The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the company will maintain capital from internally generated funds. 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)

Vertical list of initials: A, C, CTR, ECR, LEG, GPO, PAI, RGO, SEC, SER, DTH

DOCUMENT NUMBER-DATE

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FPSC-RECORDS-REPORTING

DOCKET NO. 010109-TX
GLOBALTRON COMMUNICATIONS CORPORATION

ALTERNATIVE LOCAL EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 09/30/2000
CURRENT ASSETS	\$27,231,801
CURRENT LIABILITIES	16,464,341
CURRENT RATIO	1.65
CASH	2,453,409
COMMON EQUITY	21,013,195
TOTAL DEBT	24,047,068
TOTAL INVESTOR CAPITAL	45,060,263
COMMON EQUITY RATIO	47%
NET INCOME	(8,047,182)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure