



Public Service Commission

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

DATE: April 26, 2001
TO: Toni McCoy, Division of Regulatory Oversight
FROM: Pete Lester, Division of Economic Regulation *PL* *CSA*
RE: Docket No. 010152-TX, Global Connection of America, Inc., 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 Global Connection of America, Inc. (GCA) for the period ending May 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GCA has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, GCA is asking for a certificate to provide alternative local exchange telecommunications 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 it is financially supported by its owners and that it has positive cash flow from operations. 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

05366 MAY-16

FPSC-RECORDS&REPORTING

DOCKET NO. 010152-TX
GLOBAL CONNECTION OF AMERICA, INC.
ALEC CERTIFICATE

FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>05/31/2000</u>
CURRENT ASSETS	\$408,530
CURRENT LIABILITIES	216,986
CURRENT RATIO	1.88
CASH	110,514
COMMON EQUITY	154,863
TOTAL DEBT	64,100
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	218,963
COMMON EQUITY RATIO	71%
NET INCOME	97,353
RETURN ON EQUITY	63%