



Public Service Commission

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

DATE: March 8, 2000
TO: Tommy Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 000071-TI, Total Call International, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM*

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 Total Call International, Inc. (TCI) for the period ending October 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, TCI has inadequate liquidity and insufficient common equity. For the period, the company reported a loss.

In this matter, TCI 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that the principals of the company have committed to providing an additional \$100,000 if needed. 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)

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FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF <u>10/31/1999</u>
CURRENT ASSETS	\$349,247
CURRENT LIABILITIES	395,046
CURRENT RATIO	0.88
CASH	68,191
COMMON EQUITY	(8,329)
TOTAL DEBT	0
PREFERRED STOCK	0
COMMON EQUITY RATIO	NMF
NET INCOME	(8,329)
RETURN ON EQUITY	NEGATIVE
NMF=NO MEANINGFUL FIGURE	

The Commission staff has reviewed the financial statements of Total Call International, Inc. (TCI) for the period ending 10/31/1999. The financial statements were prepared in accordance with the requirements of the Commission's rules. The Commission staff has reviewed the financial statements and has concluded that the financial statements are presented in accordance with the requirements of the Commission's rules. The Commission staff has also reviewed the financial statements and has concluded that the financial statements are presented in accordance with the requirements of the Commission's rules.