



Public Service Commission

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

DATE: December 8, 1999
TO: Tommy Williams, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis
RE: Docket No. 991646-TI, Telemanagement Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

Handwritten initials and signatures including 'ALM' and 'ED'.

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 Services, Inc. (TSI) for the period ending June 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.

In this matter, TSI is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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. TSI's principals are committed to contributing additional funds in the amount of \$200,000 to support the company's 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)

Vertical list of abbreviations: AFA, APP, CAF, CMU, CTR, EAG, LEG, MAS, OPC, RRR, SEC, WAW, OTH.

DOCUMENT NUMBER-DATE
T5203 DEC 13 89
FPSC-RECORDS/REPORTING

DOCKET NO. 991646-1
TELEMANAGEMENT SERVICES, INC

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 06/30/99

CURRENT ASSETS	\$460,206
CURRENT LIABILITIES	292,877
CURRENT RATIO	1.57
CASH	251
COMMON EQUITY	390,296
LONG-TERM DEBT	0
TOTAL INVESTOR CAPITAL	390,296
COMMON EQUITY RATIO	100%
NET INCOME	211,461
RETURN ON EQUITY	54%