



Public Service Commission

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

DATE: November 13, 1996
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL ALM*
RE: Docket No. 961168-TI, Family Telecommunications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ARC*

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 for the 7 months ending July 31, 1996 for Family Telecommunications, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability. The company attests that it has the financial capability to provide IXC service.

ACK _____ Based on this representation, the application appears adequate for certification purposes.

AFA _____

APP _____ cc: Division of Legal Services

CAF _____ Division of Records and Reporting

CMU _____

CTR _____

EAG _____

LEG _____

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SEC 1

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DOCUMENT NUMBER-DATE

12149 NOV 14 96

FPSC-RECORDS/REPORTING

DOCKET NO. 961168-TI
FAMILY TELECOMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

7 MONTHS
ENDED
JULY 31, 1996

CURRENT ASSETS	645,394
CURRENT LIABILITIES	513,541
CURRENT RATIO	1.26
CASH	22,426
COMMON EQUITY	1,392,201
TOTAL DEBT	627,251
TOTAL INVESTOR CAPITAL	2,019,452
COMMON EQUITY RATIO	69%
NET INCOME	92,201
RETURN ON EQUITY	7%