



Public Service Commission

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

DATE: June 30, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 970705-TK, Golden Harbor of Florida, d/b/a Hometown Telephone, Inc.,
 Financial Analysis for Certificate Application for Alternative Local Exchange
 Telecommunications Service *ARC*

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 audited financial statements of Thrifty Call, Inc., parent company to Golden Harbor of Florida, d/b/a Hometown Telephone, Inc. (HTI) for the period ending December 31, 1996. As the attached schedule shows, HTI has minimal liquidity, but has sufficient common equity and generated a positive net income for the period.

In this matter, HTI is asking for a certificate to provide alternative local exchange telecommunications 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 by noting that the parent corporation will support it's subsidiary if additional capital is 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) ✓

- ACK _____
- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- LIN _____
- OPC _____
- RCH _____
- SEC _____
- WAS _____
- OTH _____

DOCUMENT NUMBER-DATE
 06629 JUL-15
 FPSC RECORDS/REPORTING

DOCKET NO. : 97070 X
GOLDEN HARBOR OF FLORIDA
d/b/a HOMETOWN TELEPHONE, INC.

ALTERNATIVE LOCAL EXCHANGE
FINANCIAL ANALYSIS

FROM AUDITED FINANCIAL STATEMENTS OF
THRIFTY CALL, INC.

	AS OF 12/31/96
CURRENT ASSETS	\$8,613,248
CURRENT LIABILITIES	10,761,131
CURRENT RATIO	0.80
CASH	120,428
COMMON EQUITY	7,971,564
TOTAL DEBT	5,837,303
TOTAL INVESTOR CAPITAL	13,808,867
COMMON EQUITY RATIO	58%
NET INCOME	5,846,509
RETURN ON EQUITY	73%

NMF = No Meaningful Figure