



Public Service Commission

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

FILE COPY

DATE: July 10, 1997
TO: Tom Williams, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *ALM APC BND*
RE: Docket No. 970501-TS, Gaedeke Holdings Ltd, Financial Analysis for Certificate Application for Shared Tenant Service

Section 364.339 (2), Florida Statutes, requires the following:

The commission shall grant certificates to telecommunications companies upon showings that the applicants have sufficient technical, financial, and managerial capabilities to provide shared tenant services.

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 consolidated financial statements of Gaedeke Holdings Ltd (GHL) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition.

ACK _____ As the attached schedule shows, GHL has minimal liquidity, but reports sufficient common equity and positive net income for the period.

AFA _____

APP _____ In this matter, GHL is asking for a certificate to provide Shared Tenant 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. In addition, the Company notes that it has sufficient cash flow and cash reserves to provide for future capital and financial needs. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

CAF _____

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EAG _____

LEG _____

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cc: Division of Legal Services
Division of Records and Reporting (2)

SEP _____

WAS _____

OTH _____

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FPSC-RECORDS/REPORTING

DOCKET NO. : 970501-13
GAEDEKE HOLDINGS LTD.

SHARED TENANT TELECOMMUNICATION SERVICES
FINANCIAL ANALYSIS

FROM UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$2,748,465
CURRENT LIABILITIES	3,348,034
CURRENT RATIO	0.82
CASH	2,126,667
COMMON EQUITY	167,997,426
TOTAL DEBT	52,262,081
TOTAL INVESTOR CAPITAL	220,259,507
COMMON EQUITY RATIO	76%
NET INCOME	4,002,385
RETURN ON EQUITY	2%

NMF = No Meaningful Figure