



# Public Service Commission

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

**DATE:** March 28, 1996

**TO:** Tom Williams, Division of Communications

**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL*

*ALM*  
*mnt*

**RE:** Docket No. 960178-TI, Host Network, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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, company-provided financial statements of Host Network, Inc. (Host) for the 10 months ended November 30, 1995. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability.

ACK \_\_\_\_\_ For certification purposes, the financial capability appears adequate.

AFA \_\_\_\_\_

APP \_\_\_\_\_

cc: Division of Legal Services  
Division of Records and Reporting

CMU \_\_\_\_\_

CTR \_\_\_\_\_

EAG \_\_\_\_\_

LEG \_\_\_\_\_

LIN \_\_\_\_\_

OPC \_\_\_\_\_

RCH \_\_\_\_\_

SEC \_\_\_\_\_

WAS \_\_\_\_\_

OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

03718 APR-1 1996

FPSC-RECORDS/REPORTING

DOCKET NO. 960178-TI  
HOST NETWORK, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED COMPANY - PROVIDED FINANCIAL STATEMENTS

TEN MONTHS  
ENDING  
11/30/95

CURRENT ASSETS	\$529,794
CURRENT LIABILITIES	377,809
CURRENT RATIO	1.40
CASH	104,462
COMMON EQUITY	206,034
TOTAL DEBT	0
NET INVESTOR CAPITAL	206,034
COMMON EQUITY RATIO	100%
NET INCOME	173,559
RETURN ON EQUITY	84%