



Public Service Commission

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

DATE: March 14, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *SJS APC ACM*
 RE: Docket No. 960197-TX, National Telecommunications of Florida, Inc. d/b/a NationalTel, Financial Analysis for Certificate Application for Alternative Local Exchange Telecommunications Service *2/28/96 TJD*

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 and unaudited financial statements of National Telecommunications of Florida, Inc. (NTF) for the periods ending March 31, 1994 and March 31, 1995. As the attached schedule shows, NTF has adequate liquidity, ownership equity, and profitability.

In this matter, NTF 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 of the company appears adequate.

cc: Division of Legal Services
Division of Records and Reporting

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DOCUMENT NUMBER-DATE
 03721 APR-1 1996
 FPSC-RECORDS/REPORTING

DOCKET NO. 960197-TX
NATIONAL TELECOMMUNICATIONS OF FLORIDA, INC.
d/b/a NationalTel
LEC CERTIFICATE
FINANCIAL ANALYSIS

FROM AUDITED and UNAUDITED FINANCIAL STATEMENTS

| | Audited: AS OF 03/31/94 | Unaudited: AS OF 03/31/95 |
|----------------------|----------------------------------|------------------------------------|
| CURRENT ASSETS | \$7,777,107 | \$10,050,974 |
| CURRENT LIABILITIES | 6,411,550 | 6,997,120 |
| CURRENT RATIO | 1.21 | 1.44 |
| CASH | 1,372,730 | 2,994,939 |
| COMMON EQUITY | 2,517,612 | 5,012,266 |
| TOTAL DEBT | 835,218 | 508,129 |
| NET INVESTOR CAPITAL | 3,352,830 | 5,520,395 |
| COMMON EQUITY RATIO | 75% | 91% |
| NET INCOME | 3,004,787 | 5,295,194 |
| RETURN ON EQUITY | 119% | 106% |

NOTE: Above Figures are from the Combined Financial Statements of
National Telecommunications of Florida, Inc. and NTC, Inc.