



# Public Service Commission

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

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**DATE:** April 18, 1996  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *swj*  
**RE:** Docket No. 960373-TI, North American Communications Control, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

*ALM* *[Signature]* *1996*

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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 of North American Communications Control, Inc. (NACC) for the period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NACC has adequate profitability but marginal liquidity and ownership equity.

In this matter, NACC is asking for a certificate to provide IXC 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.

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE  
04645 APR 23 1996  
FPSC-RECORDS/REPORTING

DOCKET NO. 960373-TI  
NORTH AMERICAN COMMUNICATIONS CONTROL, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95
CURRENT ASSETS	\$862,567
CURRENT LIABILITIES	1,109,791
CURRENT RATIO	0.78
COMMON EQUITY	56,131
TOTAL DEBT	93,626
TOTAL INVESTOR CAPITAL	149,757
COMMON EQUITY RATIO	37%
NET INCOME	89,552
RETURN ON EQUITY	160%