



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

DATE: September 4, 1996
 TO: Tom Williams, Division of Communications
 FROM: Sonja Jones, Division of Auditing and Financial Analysis *305 APC ALM*
 RE: Docket No. 960954-TX, CFT Inc., Financial Analysis for Certificate Application *WMT*
 for Alternative Local Exchange Telecommunications Service

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 unaudited financial statements of CFT Inc. (CFT) for the periods ending December 31, 1994 and December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CFT has adequate liquidity and ownership equity but reports negative net income.

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

In this matter, CFT 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 it is privately held and its financial obligations to the owner have been satisfied. Further, the applicant's current leases for facilities are in good standing, and these obligations are paid out of its incoming revenues from its established customer base for Internet access.

cc: Division of Legal Services
 Division of Records and Reporting

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 9/5/96

DOCKET NO. 960954-TX
CFT INC.
ALEC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/95	AS OF 12/31/94
CURRENT ASSETS	\$37,923	\$17,025
CURRENT LIABILITIES	0	0
CURRENT RATIO	NMF	NMF
CASH	31,123	17,025
COMMON EQUITY	79,170	27,265
TOTAL DEBT	0	0
TOTAL INVESTOR CAPITAL	79,170	27,265
COMMON EQUITY RATIO	100%	100%
NET INCOME	(7,690)	(3,080)
RETURN ON EQUITY	NMF	NMF

NMF = No Meaningful Figure