

Public Service Commission

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

DATE: November 18, 1996

TO: Tom Williams, Division of Communications

FROM: Pete Lester, Division of Auditing and Financial Analysis

RE: Docket No. 961182-TI, George A. Fredericks Telecommunications, 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

AFA -

CAF

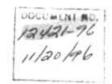
WAS ____

(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 for the year ending June 30, 1996 and the 9 months ending September 30, 1996 for George A. Fredericks Telecommunications, Inc. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity, ownership equity, and profitability. The company attests that it has the financial capability to provide IXC service.

Based on this representation, the application appears adequate for certification purposes.

cc: Division of Legal Services
Division of Records and Reporting



DOCKET NO. 961182-TI
GEORGE A. FREDERICKS TELECOMMUNICATIONS, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

BALANCE SHEET JUNE 30, 1996 INCOME STATEMENT 9 MONTHS ENDING SEPTEMBER 30, 1996

CURRENT ASSETS	42,480
CURRENT LIABILITIES	121
CURRENT RATIO	351.07
CASH	41,980
COMMON EQUITY	34,679
TOTAL DEBT	12,870
TOTAL INVESTOR CAPITAL	47,549
COMMON EQUITY RATIO	73%
NET INCOME	24,675
RETURN ON EQUITY	71%