



# Public Service Commission

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

**DATE:** January 3, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *PL*  
**RE:** Docket No. 961225-TI, Hebron Communications Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM 8 100*

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 for the 12 months ended June 30, 1996 for Hebron Communications Corporation. An audit could change one's opinion of the company's financial condition. The company has adequate liquidity and ownership equity but it has low 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.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTR \_\_\_\_\_
- EAG \_\_\_\_\_
- LEG \_\_\_\_\_
- LI \_\_\_\_\_
- OF \_\_\_\_\_
- RC \_\_\_\_\_
- SEC 1
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

cc: Division of Legal Services  
Division of Records and Reporting

DOCUMENT NUMBER-DATE  
00355 JAN 10 97  
FPSC-RECORDS/REPORTING

DOCKET NO. 981225-T1  
HEBRON COMMUNICATIONS CORPORATION  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

SIX MONTHS  
ENDED  
JUNE 30, 1996

CURRENT ASSETS	2,696,175
CURRENT LIABILITIES	438,125
CURRENT RATIO	6.15
CASH	97,565
COMMON EQUITY	3,703,374
TOTAL DEBT	4,055,919
TOTAL INVESTOR CAPITAL	7,759,293
COMMON EQUITY RATIO	48%
NET INCOME	65,908
RETURN ON EQUITY	2%