



Public Service Commission

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

ORIGINAL
FILE COPY

DATE: January 8, 1997
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ST*
RE: Docket No. 961225-TI, Hebron Communications Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM 1/8/97*

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 Hebron Communications Corporation (HCC) for the six-month period ending June 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, HCC has adequate liquidity, ownership equity, and is profitable.

In this matter, HCC 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service. The applicant notes that it will operate as a reseller and will have minimal capital requirements or expenses when starting its Florida operations. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

cc: Division of Legal Services
Division of Records and Reporting

DOCUMENT NUMBER-DATE

00466 JAN 14 97

FPSC-RECORDS/REPORTING

DOCKET NO. 961225
HEBRON COMMUNICATIONS CORPORATION
IXC CERTIFICATE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX
MONTHS ENDING
6/30/96

CURRENT ASSETS	\$2,696,175
CURRENT LIABILITIES	1,337,337
CURRENT RATIO	2.02
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%