



Public Service Commission

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

DATE: April 17, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*
RE: Docket No. 961406-TI, International Telephone Group, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC*

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 International Telephone Group, Inc. (ITG) for the period ending March 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, ITG has adequate liquidity, ownership equity, and profitability.

ACK In this matter, ITG is asking for a certificate to provide IXC service. Staff notes the limited nature of the application. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

CAF The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has no need for additional funding for services yet it maintains a line of credit for \$100,000. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LEG cc: Division of Legal Services
LIN Division of Records and Reporting

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OTH

DOCUMENT NUMBER - DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 961406-TI
INTERNATIONAL TELEPHONE GROUP, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

12 MONTHS ENDING
MARCH 31, 1997

CURRENT ASSETS	406,778
CURRENT LIABILITIES	66,761
CURRENT RATIO	6.09
CASH	25,824
COMMON EQUITY	372,264
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	372,264
COMMON EQUITY RATIO	100%
NET INCOME	123,069
RETURN ON EQUITY	33%