



# Public Service Commission

## -Memorandum

**DATE:** April 21, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Pete Lester, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 970241-TI, Tel-Central Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *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 Tel-Central Communications, Inc. (Tel-Central) for the six month period ending December 31, 1995. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Tel-Central has adequate liquidity, ownership equity, and profitability.

ACK  
AFA  
APP  
CAF  
CMU  
CTR  
EAG  
LEG

In this matter, Tel-Central 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has more than \$1 million in assets, less than \$500,000 in liabilities, and more than \$1.5 million in sales in its first six months of operation. 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  
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FISCAL REPORTING

DOCKET NO 970241-TI  
TEL-CENTRAL COMMUNICATIONS, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM ACCOUNTANT'S COMPILATION

6 MONTHS ENDING  
DECEMBER 31, 1995

CURRENT ASSETS	720,439
CURRENT LIABILITIES	112,338
CURRENT RATIO	6.41
CASH	6,545
COMMON EQUITY	560,342
TOTAL DEBT	346,973
TOTAL INVESTOR CAPITAL	907,315
COMMON EQUITY RATIO	62%
NET INCOME	560,342
RETURN ON EQUITY	100%