



Public Service Commission

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

DATE: August 18, 1998
TO: Louis Yambor, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *DD* *ALM*
RE: Docket No. 980896-TI, CommuniGroup, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *DD*

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 CommuniGroup, Inc. (CGI) for the period ending December 31, 1997. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, CGI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____
AFA _____ In this matter, CGI is asking for a certificate to provide IXC service. For purposes of granting
AFP _____ a certificate based on the financial information provided, the financial capability appears
CAF _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
CMU _____ telecommunications service by noting that it has sufficient assets to provide for unanticipated
CTR _____ contingencies. Based on this showing, the applicant appears to meet the financial capability
 standard of Section 364.337, Florida Statutes.

EAG _____
LEG _____ cc: Division of Legal Services
 Division of Records and Reporting (2) ✓

LIN _____
OPC _____
RCH _____
SEC 1 _____
WAS _____
OTJ _____

DOCUMENT DATE
 1998 AUG 21 8

DOCKET NO. 980896
COMMUNIGROUP, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97 (000)
CURRENT ASSETS	\$196,858
CURRENT LIABILITIES	161,342
CURRENT RATIO	1.22
CASH	18,245
COMMON EQUITY	111,438
TOTAL DEBT	35,830
TOTAL INVESTOR CAPITAL	147,267
COMMON EQUITY RATIO	76%
NET INCOME	64,099
RETURN ON EQUITY	58%

NMF = No Meaningful Figure