



# Public Service Commission

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

**DATE:** October 16, 1998  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 981254-TI, Network Communicatinos International Corporation, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ED*

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 Network Communicatinos International Corporation (NCIC) for the period ending March 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NCIC has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK \_\_\_\_\_ In this matter, NCIC is asking for a certificate to provide IXC service. Staff notes the limited  
AFA \_\_\_\_\_ nature of the application and that no customer provided funds appear to be at risk. For purposes  
APP \_\_\_\_\_ of granting a certificate based on the financial information provided, the financial capability  
CAF \_\_\_\_\_ appears adequate.

CMU \_\_\_\_\_ The applicant attests to its financial capability to provide and maintain the proposed  
CTR \_\_\_\_\_ telecommunications service by noting that its shareholders will supply additional capital if  
EAG \_\_\_\_\_ needed, to support future operations. Based on this showing, the applicant appears to meet the  
LEG \_\_\_\_\_ financial capability standard of Section 364.337, Florida Statutes.

LIN \_\_\_\_\_ cc: Division of Legal Services  
OPC \_\_\_\_\_ Division of Records and Reporting (2)

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STATE OF FLORIDA PUBLIC SERVICE COMMISSION

DOCKET NO. 981254  
NETWORK COMMUNICATINOS INTERNATIONAL CORPORATION

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF MARCH 31, 1998

CURRENT ASSETS	\$3,715,793
CURRENT LIABILITIES	2,514,735
CURRENT RATIO	1.48
CASH	(78,767)
COMMON EQUITY	1,005,413
TOTAL DEBT	2,514,735
TOTAL INVESTOR CAPITAL	3,520,148
COMMON EQUITY RATIO	29%
NET INCOME	159,940
RETURN ON EQUITY	16%

NMF = No Meaningful Figure