



Public Service Commission

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

DATE: March 16, 1998  
 TO: Paula Isler, Division of Communications  
 FROM: Pete Lester, Division of Auditing and Financial Analysis *PL*  
 RE: Docket No. 971603-TI, Microsun Telecommunications, 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 Microsun Telecommunications, Inc. (Microsun) for the period ended December 31, 1997 for the balance sheet and the projected period ending December 31, 1998 for the income statement. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Microsun has adequate liquidity and ownership equity. The company projects that it will be profitable in 1998.

ACK \_\_\_\_\_  
 AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_

In this matter, Microsun 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.

LEG \_\_\_\_\_  
 LIN \_\_\_\_\_  
 OPC \_\_\_\_\_  
 RCH \_\_\_\_\_

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it has established a \$100,000 line of credit with River Bank. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

SEC 1 cc: Division of Legal Services  
 WAS \_\_\_\_\_ Division of Records and Reporting (2)

OTH \_\_\_\_\_

DOCUMENT NUMBER-DATE

03391 MAR 20 98

FPSC-RECORDS/REPORTING

DOCKET NO. 971603-TI  
MICROSUN TELECOMMUNICATIONS, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS  
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

AS  
OF  
DECEMBER 31, 1997

CURRENT ASSETS	21,458
CURRENT LIABILITIES	7,500
CURRENT RATIO	2.86
CASH	1,457
COMMON EQUITY	28,957
TOTAL DEBT	0
PREFERRED STOCK	0
TOTAL INVESTOR CAPITAL	28,957
COMMON EQUITY RATIO	100%
NET INCOME	145,780 *
RETURN ON EQUITY	83% *

\* BASED ON PRO FORMA FINANCIAL STATEMENTS  
AS OF 12/31/98