



# Public Service Commission

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

**DATE:** October 28, 1999  
**TO:** Tommy Williams, Division of Communications  
**FROM:** Eva P. Samaan, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 991543-TI, United Technological Systems, Inc. d/b/a Uni-Tel, Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *opc*

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 United Technological Systems, Inc. d/b/a Uni-Tel (UNT) for the period ending August 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, UNT has adequate liquidity, sufficient common equity and reported a positive net income for the period.

AFA \_\_\_\_\_  
 APP \_\_\_\_\_  
 CAF \_\_\_\_\_  
 CMU \_\_\_\_\_  
 CTR \_\_\_\_\_  
 EAG \_\_\_\_\_  
 LEG \_\_\_\_\_  
 MAS \_\_\_\_\_  
 OPC \_\_\_\_\_  
 PAI \_\_\_\_\_  
 SEC 1 \_\_\_\_\_  
 WAW \_\_\_\_\_  
 OTH \_\_\_\_\_

In this matter, UNT is asking for a certificate to provide IXC service. Staff notes the limited nature of the application and that no customer provided funds appear to be at risk. 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. S. K. Mohan, the CEO/President of UNT, states that the company has available additional financing in the amount of \$2,000,000 through its line of credit with American First National Bank. 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 (2)

DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 08/31/99

CURRENT ASSETS	\$2,758,194
CURRENT LIABILITIES	962,613
CURRENT RATIO	2.87
CASH	529,762
COMMON EQUITY	1,825,479
LONG-TERM DEBT	1,593,887
TOTAL INVESTOR CAPITAL	3,419,366
COMMON EQUITY RATIO	53%
NET INCOME	631,348
RETURN ON EQUITY	35%