



Public Service Commission

ORIGINAL

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

DATE: May 18, 1998
 TO: Paula Isler, Division of Communications
 FROM: David J. Draper, Division of Auditing and Financial Analysis *DD*
 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 balance sheet of Microsun Telecommunications, Inc. (MTI) for the period ending December 31, 1997, and a projected twelve month income statement for the period ending December 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, MTI has adequate liquidity, sufficient common equity and projects a positive net income for a twelve month period.

ACK _____
 AFA _____
 APP _____ In this matter, MTI is asking for a certificate to provide IXC service. For purposes of granting
 CAF _____ a certificate based on the financial information provided, the financial capability appears
 CMU _____ adequate. The applicant attests to its financial capability to provide and maintain the proposed
 CTR _____ telecommunications service by noting that it has established a \$100,000 line of credit with River
 EAG _____ Bank. Based on this showing, the applicant appears to meet the financial capability standard of
 Section 364.337, Florida Statutes.

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

OPC _____
 RCH _____
 SEC 1 _____
 WAS _____
 OTH _____

DOCUMENT NUMBER-DATE
05815 MAY 28 1998
 FPSC-RECORDS/REPORTING

DOCKET NO. 971603-11
MICROSUN TELECOMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/97
CURRENT ASSETS	\$21,458
CURRENT LIABILITIES	7,500
CURRENT RATIO	2.86
CASH	1,458
COMMON EQUITY	28,958
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	28,958
COMMON EQUITY RATIO	100%
PROJECTED NET INCOME (1)	145,780
PROJECTED RETURN ON EQUITY	83%

NMF = No Meaningful Figure

(1) BASED ON PROFORMA FINANCIAL STATEMENTS AS OF 12/31/98