



Public Service Commission

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

DATE: December 16, 1997
TO: Kelly Biegalski, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 971437-TI, Financial Intranet, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *PL*

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 Financial Intranet, Inc. (FIN) for the period ending September 30, 1997 and the unaudited projected income statement for the period ending August 31, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, FIN has adequate liquidity but reports a zero balance for common equity. The company projects

ACK _____
 AFA _____
 APP _____
 CAF _____
 CMU _____
 CTR _____
 EAG _____
 LEG _____
 LIN _____
 OPC _____
 RCH _____
 SEC _____
 WAS _____
 JTH _____

an adequate level of profitability.

In this matter, FIN 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.

The applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that it projects profitability for the twelve-month period ending August 31, 1998. The company states that it is a public company that is raising debt in the public capital markets. 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

13095 DEC 22 5

FPSC-RECORDS/REPORTING

DOCKET NO. 971437-TI
FINANCIAL INTRANET, INC.
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE

FROM UNAUDITED FINANCIAL STATEMENTS

AS
OF
SEPTEMBER 30, 1997

CURRENT ASSETS	\$467,500
CURRENT LIABILITIES	\$55,000
CURRENT RATIO	8.50
CASH	\$62,500
COMMON EQUITY	\$0
TOTAL DEBT	\$315,000
PREFERRED STOCK	\$0
TOTAL INVESTOR CAPITAL	\$315,000
COMMON EQUITY RATIO	0%
NET INCOME	\$2,398,000 *
RETURN ON EQUITY	NMF

NMF=NO MEANINGFUL FIGURE

* PROJECTED NET INCOME, 12 MONTHS ENDING
AUGUST 31, 1998