



# Public Service Commission

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

**DATE:** February 13, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** Sonja Jones, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 961344-TI, Destiny Telecomm International, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *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 Destiny Telecomm International, Inc. (DTII) for the six-month period ending June 30, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, DTII has adequate liquidity, ownership equity, and profitability.

- ACK \_\_\_\_\_
- AFA \_\_\_\_\_
- APP \_\_\_\_\_
- CAF \_\_\_\_\_
- CMU \_\_\_\_\_
- CTP \_\_\_\_\_
- EAC \_\_\_\_\_
- LET \_\_\_\_\_
- SEC \_\_\_\_\_
- WAS \_\_\_\_\_
- OTH \_\_\_\_\_

In this matter, DTII 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. No additional capital expenditures will be required to expand into the State of Florida. In addition, the applicant's equity investor has committed additional funds for expansion of its operations. Furthermore, several financial institutions have committed to secured lines of credit up to 80% of any additional equity investment. 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

DOCUMENT NUMBER-DATE

01948 FEB 20 97

FPS-RECORDS/REPORTING

DOCKET NO. 961344-71  
DESTINY TELECOMM INTERNATIONAL, INC.  
IXC CERTIFICATE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX  
MONTHS ENDING  
6/30/96

CURRENT ASSETS	\$1,437,040
CURRENT LIABILITIES	32,031
CURRENT RATIO	44.86
CASH	535,586
COMMON EQUITY	2,827,225
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	2,827,225
COMMON EQUITY RATIO	100%
NET PROFIT BEFORE TAXE	2,708,612
RETURN ON EQUITY	96%