



Public Service Commission

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

DATE: March 7, 1997
TO: Tom Williams, Division of Communications
FROM: Sonja Jones, Division of Auditing and Financial Analysis *ALM APC*
RE: Docket No. 961344-TI, Destiny Telecomm International, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *WMS*

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. (DTI) 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, DTI has adequate liquidity, ownership equity, and profitability.

In this matter, DTI 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. The applicant notes that as a switchless reseller, it has no additional capital expenditure requirements. Further, the applicant has acquired lines of credit from several major financial institutions for purposes of expansion. These lines of credit provide for potential capital infusion in amounts relative to its operating margin. 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

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

FROM UNAUDITED FINANCIAL STATEMENTS

FOR THE SIX
MONTHS ENDED
6/30/96

CURRENT ASSETS	\$1,437,040
CURRENT LIABILITIES	32,031
CURRENT RATIO	44.86
CASH	535,586
COMMON EQUITY	2,827,226
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	2,827,226
COMMON EQUITY RATIO	100%
NET PROFIT BEFORE TAXE	2,708,612
RETURN ON EQUITY	96%