



Public Service Commission

ORIGINAL
FILE COPY

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

DATE: April 17, 1997
TO: Tom Williams, Division of Communications
FROM: Pete Lester, Division of Auditing and Financial Analysis *ALM*
RE: Docket No. 970323-T1, The Millennium Group Telemanagement LLC, 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 The Millennium Group Telemanagement LLC (Millennium) for the period ending October 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Millennium has adequate liquidity, but it has a low equity ratio and it experienced a loss during the period.

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

In this matter, Millennium 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 marginal.

Although an analysis of the financial statements reveals the applicant is in a marginal financial position, the applicant attests to its financial capability to provide the proposed telecommunications service by noting that it requires no additional funding to provide services and that it recently raised \$1,130,000 in equity and debt financing. 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
04207 APR 25 97
REC'D-RECORDS & REPORTING

**DOCKET NO. 970323-TI
THE MILLENNIUM GROUP TELEMAGEMENT LLC
IXC CERTIFICATE
FINANCIAL ANALYSIS
ATTESTATION DONE**

FROM ACCOUNTANT'S COMPILATION

**1 MONTH ENDING
OCTOBER 31, 1998**

CURRENT ASSETS	606,799
CURRENT LIABILITIES	470,681
CURRENT RATIO	1.29
CASH	9,951
MEMBERS' CAPITAL	101,870
TOTAL DEBT	340,775
TOTAL INVESTOR CAPITAL	442,645
COMMON EQUITY RATIO	23%
NET INCOME	(23,649)
RETURN ON EQUITY	NEGATIVE