



Public Service Commission

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

DATE: October 11, 1999
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis *AD APC ALM*
RE: Docket No. 990286-TI, Universal Telecommunications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *[Signature]*

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 Universal Telecommunications, Inc. (UTI) for the six month period ending July 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, UTI has adequate liquidity, sufficient common equity and positive net income for the period.

In this matter, UTI is asking for a certificate to provide IXC service. For purposes of granting a certificate based on the financial information provided, the financial capability appears adequate.

The applicant attests to its financial capability by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

- AFA _____
- APP _____
- CAF _____
- CMU _____
- CTR _____
- EAG _____
- LEG _____
- MAS _____
- OPC _____
- PAI _____
- SEC 1
- WAW _____
- OTH _____

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

DOCUMENT NUMBER-DATE

12514 OCT 14 99

FPSC-RECORDS/REPORTING

DOCKET NO. 990286-
UNIVERSAL TELECOMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 07/31/99
CURRENT ASSETS	\$235,568
CURRENT LIABILITIES	4,250
CURRENT RATIO	55.43
CASH	135,129
COMMON EQUITY	269,106
TOTAL DEBT	4,250
TOTAL INVESTOR CAPITAL	273,356
COMMON EQUITY RATIO	98%
NET INCOME	259,106
RETURN ON EQUITY	96%

NMF = No Meaningful Figure