

State of Florida



Public Service Commission

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

DATE: May 30, 2001
TO: Nancy Pruitt, Division of Communications
FROM: David J. Draper, Division of Auditing and Financial Analysis
RE: Docket No. 010749-TI, Miketronics, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

[Handwritten initials] *ALM* *[Handwritten initials]*

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 Miketronics, Inc. (Miketronics) for the period ending December 31, 2000. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, Miketronics has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, Miketronics 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 to provide and maintain the proposed telecommunications service by noting that Miketronics has obtained a fifty thousand dollar line of credit. 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
07014 JUN-5 01
FPSC-RECORDS/REPORTING

DOCKET NO. 010749-TI
MIKETRONICS, INC.

IXC EXCHANGE SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/2000
CURRENT ASSETS	\$494,045
CURRENT LIABILITIES	26,039
CURRENT RATIO	18.97
CASH	8,123
COMMON EQUITY	488,005
TOTAL DEBT	0
TOTAL INVESTOR CAPITAL	488,005
COMMON EQUITY RATIO	100%
NET INCOME	312,400
RETURN ON EQUITY	64%

NMF = No Meaningful Figure