



Public Service Commission

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

DATE: August 10, 2000

TO: Brenda Hawkins, Division of Regulatory Oversight

FROM: David J. Draper, Division of Economic Regulation

RE: Docket No. 000706-TI, Ntegrity Telecontent Services, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

ALM

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 Ntegrity Telecontent Services, Inc. (NTS) for the period ending December 31, 1999. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, NTS has minimal liquidity, negative common equity and negative income for the period.

In this matter, NTS 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 minimal.

Although an analysis of the financial statements reveals the applicant is in a minimal financial position, the applicant attests to its financial capability to provide and maintain the proposed telecommunications service by noting that NTS's investor will contribute additional financing, if needed. 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)

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DOCKET NO. 000706
INTEGRITY TELECONTENT SERVICES, INC.

IXC APPLICATION
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/1999
CURRENT ASSETS	\$2,881,338
CURRENT LIABILITIES	3,287,278
CURRENT RATIO	0.88
CASH	133,960
COMMON EQUITY	(2,895,657)
TOTAL DEBT	2,788,399
TOTAL INVESTOR CAPITAL	(107,258)
COMMON EQUITY RATIO	NMF
NET INCOME	(3,815,604)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure