



Public Service Commission

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

DATE: July 23, 1997
TO: Tom Williams, Division of Communications
FROM: David Draper, Division of Auditing and Financial Analysis *AD ALM*
RE: Docket No. 970625-TT, International Marketing & Advertising, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *AFC*

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 International Marketing & Advertising, Inc. (IMA) for the period ending December 31, 1996. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, IMA reports negative net income for the period, but has adequate liquidity and sufficient common equity.

In this matter, IMA 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 IMA has obtained investments of over \$1.5 million to initiate its telecommunications services. 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. : 970625
INTERNATIONAL MARKETING & ADVERTISING, INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$821,224
CURRENT LIABILITIES	152,052
CURRENT RATIO	5.40
CASH	5,267
COMMON EQUITY	1,378,133
TOTAL D ^E BT	86,309
TOTAL INVESTOR CAPITAL	1,464,442
COMMON EQUITY RATIO	94%
NET INCOME	(299,800)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure