



# Public Service Commission

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

**DATE:** November 17, 1997  
**TO:** Tom Williams, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *DD ALM*  
**RE:** Docket No. 971156-TI, Interactive Media Technologies, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *TPC*

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 Interactive Media Technologies, Inc. (IMT) 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, IMT has minimal liquidity, negative common equity, and negative net income for the period.

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In this matter, IMT 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. In addition, the Company has signed an investment banking agreement with Clayton, Dunning and Company, Inc., to conduct a one million dollar Rule 504 stock offering. Based on this showing, the applicant appears to meet the financial capability standard of Section 364.337, Florida Statutes.

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

DOCUMENT NUMBER-DATE

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EPSC RECORDS/REPORTING

DOCKET NO. : 971156-TI  
INTERACTIVE MEDIA TECHNOLOGIES, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 12/31/96
CURRENT ASSETS	\$334,794
CURRENT LIABILITIES	521,297
CURRENT RATIO	0.64
CASH	14,494
COMMON EQUITY	(316,033)
TOTAL DEBT	304,770
TOTAL INVESTOR CAPITAL	(11,263)
COMMON EQUITY RATIO	NMF
NET INCOME	(353,759)
RETURN ON EQUITY	NMF

NMF = No Meaningful Figure