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June 28, 2000

Florida Public Service Commission  
Division of Administration  
2540 Shumard Oak Blvd.  
Gunter Building  
Tallahassee, Florida 32399-0850

DEPOSIT DATE  
D 3 1 8  
JUN 30 2000

Re: NTEGRITY TELECONTENT SERVICES INC.  
Docket No. 000706

Dear Sir:

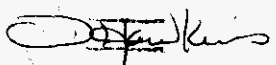
In accordance with the request of staff member, Dave Draper, enclosed herewith for filing with the Commission, please find an original and six (6) copies of the above captioned corporation's recent financial statements, in further support of the Company's APPLICATION FOR AUTHORITY TO PROVIDE INTEREXCHANGE TELECOMMUNICATIONS SERVICES WITHIN THE STATE OF FLORIDA, along with a check in the amount of \$250.00 to cover filing fees relating to same which was returned for signature.

Please contact the undersigned if you have additional questions or concerns.

Very truly yours,

EARLY, LENNON, PETERS & CROCKER, P.L.C.

APP \_\_\_\_\_  
CAF \_\_\_\_\_ Patrick D. Crocker  
CMP \_\_\_\_\_ PDC/pas  
COM \_\_\_\_\_  
CTR \_\_\_\_\_  
OCR \_\_\_\_\_ ee+ Dave Draper  
ESG \_\_\_\_\_  
ESD \_\_\_\_\_

  
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DOCUMENT NUMBER DATE  
08017 JUN 30 8  
FPSC-RECORDS/REPORTING

**Ntegrity Telecontent Services, Inc.**  
**Income Statements**  
**For the Twelve Months Ending December 31, 1999**

	<u>December (Actual)</u>	<u>December (Budget)</u>	<u>Diff.</u>	<u>YTD (Actual)</u>	<u>YTD (Budget)</u>	<u>Diff.</u>
<b>Income Statement</b>						
Revenues - Local	\$143,871	\$483,602	(\$339,731)	\$3,305,612	\$1,386,869	\$1,918,743
Revenues - Long Distance	88,900		88,900	881,005		881,005
Revenues - Other	(2,022)		(2,022)	67,449		67,449
<b>Total Revenues</b>	<b>230,749</b>	<b>483,602</b>	<b>(252,853)</b>	<b>4,254,066</b>	<b>1,386,869</b>	<b>2,867,197</b>
Allowances	(15,000)	(2,418)	(12,582)	(135,809)	(6,935)	(128,874)
<b>Net Revenues</b>	<b>215,749</b>	<b>481,184</b>	<b>(265,435)</b>	<b>4,118,257</b>	<b>1,379,934</b>	<b>2,738,323</b>
Cost of Revenues	217,189	374,735	(157,546)	4,219,611	1,151,137	3,068,474
<b>Gross Margin</b>	<b>(1,440)</b>	<b>106,449</b>	<b>(107,889)</b>	<b>(101,354)</b>	<b>228,797</b>	<b>(330,151)</b>
Gross Margin %	-0.7%	22.1%	-22.8%	-2.5%	16.6%	-19.0%
<b>Sales Expenses</b>	<b>62,515</b>	<b>65,000</b>	<b>(2,485)</b>	<b>330,205</b>	<b>297,375</b>	<b>32,830</b>
Units Sold		2,000	(2,000)		9,150	(9,150)
<b>General &amp; Administrative Expenses</b>						
Salaries - Executive	39,625	28,638	10,987	363,839	171,828	192,011
Salaries - Administrative	30,660	11,500	19,160	342,265	52,375	289,890
Benefits	6,803	5,653	1,150	82,389	34,251	48,138
Rent	5,862	4,121	1,741	69,892	20,605	49,287
Telephone and Utilities	(16,927)	2,500	(19,427)	95,365	15,000	80,365
Advertising and Promotion	8,079	13,317	(5,238)	43,188	47,343	(4,155)
Maintenance and Repairs	3,177		3,177	24,235		24,235
Travel and Entertainment	9,814	3,500	6,314	71,835	21,000	50,835
Moving Expenses					24,000	(24,000)
Equipment Rental	1,643	1,550	93	13,840	9,300	4,540
Insurance	1,769	1,194	575	17,857	7,162	10,695
Bank Fees	1,187	1,880	(693)	13,617	4,707	8,910
Legal & Professional	100,177	9,300	90,877	471,665	75,950	395,715
Training		(20,000)	20,000	(17,486)		(17,486)
Office Supplies and Postage	4,364	1,000	3,364	44,924	6,000	38,924
Personal Property Tax Expense	1,000	723	277	12,000	4,334	7,666
Miscellaneous	75	5,000	(4,925)	10,776	30,000	(19,224)
Bad Debt Expense	300,000	14,508	285,492	1,410,000	41,606	1,368,394
<b>Total Operating Expenses</b>	<b>497,308</b>	<b>84,384</b>	<b>412,924</b>	<b>3,070,201</b>	<b>565,461</b>	<b>2,504,740</b>
<b>EBITDA</b>	<b>(561,263)</b>	<b>(42,935)</b>	<b>(518,328)</b>	<b>(3,501,760)</b>	<b>(634,039)</b>	<b>(2,867,721)</b>
EBITDA %	-260.1%	-8.9%	-251.2%	-85.0%	-45.9%	-39.1%
Depreciation	(1,533)	2,093	(3,626)	42,318	10,964	31,354
Amortization	1,168	1,500	(332)	20,537	9,000	11,537
<b>Operating Income</b>	<b>(560,898)</b>	<b>(46,528)</b>	<b>(514,370)</b>	<b>(3,564,615)</b>	<b>(654,003)</b>	<b>(2,910,612)</b>
Interest Expense, net	35,819	16,878	18,941	265,547	58,333	207,214
Other Income	8,906		8,906	(14,558)		(14,558)
<b>Income before Income Taxes</b>	<b>(605,623)</b>	<b>(63,406)</b>	<b>(542,217)</b>	<b>(3,815,604)</b>	<b>(712,336)</b>	<b>(3,103,268)</b>
Income Taxes						
<b>Net Income</b>	<b>(605,623)</b>	<b>(63,406)</b>	<b>(542,217)</b>	<b>(3,815,604)</b>	<b>(712,336)</b>	<b>(3,103,268)</b>

*See [Signature] - Controller/CFO 6/27/2000*

***Ntegrity Telecontent Services, Inc.***  
**Balance Sheets**  
**For the Twelve Months Ending December 31, 1999**

	<b>1999</b> <b>(Actual)</b>	<b>1999</b> <b>(Budget)</b>	<b>Diff.</b>
<b>ASSETS</b>			
Cash	\$133,960		\$133,960
Accounts Receivable	2,554,014	356,616	2,197,398
Less: Sales Allowances	(114,410)	(6,935)	(107,475)
Less: Allowance for Bad Debts	(1,703,416)	(41,606)	(1,661,810)
Net Accounts Receivable	736,188	308,075	428,113
Unbilled Revenues	315,118	466,676	(151,558)
Travel Advances	1,848		1,848
Prepaid Expenses	44,224	18,012	26,212
Preferred Stock Sub. Rec.	1,650,000		1,650,000
<b>Total Current Assets</b>	<b>2,881,338</b>	<b>792,763</b>	<b>2,088,575</b>
Furniture and Equipment	152,835	88,200	64,635
Leased Telemarketing Equipment	31,386		31,386
Less: Accumulated Depreciation	(52,908)	(10,964)	(41,944)
<b>Net Fixed Assets</b>	<b>131,313</b>	<b>77,236</b>	<b>54,077</b>
Deposits	46,621	446,172	(399,551)
Capitalized Financing Costs, Net	120,748	81,000	39,748
<b>Total Assets</b>	<b>3,180,020</b>	<b>1,397,171</b>	<b>1,782,849</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>			
Accounts Payable	2,935,870	365,469	2,570,401
Accrued Expenses	139,103	17,034	122,069
Accrued Interest	21,194	58,333	(37,139)
Customer Deposits	2,100		2,100
Taxes Payable	189,011		189,011
<b>Total Current Liabilities</b>	<b>3,287,278</b>	<b>440,836</b>	<b>2,846,442</b>
Revolver		252,728	(252,728)
Long Term Debt	2,754,889	1,400,000	1,354,889
Lease Liability	19,792		19,792
Deferred Rent	13,718		13,718
Deferred Tax Liability		5,942	(5,942)
<b>Total Long-Term Liabilities</b>	<b>2,788,399</b>	<b>1,658,670</b>	<b>1,129,729</b>
<b>Total Liabilities</b>	<b>6,075,677</b>	<b>2,099,506</b>	<b>3,976,171</b>
Common Stock	8	10,000	(9,992)
Additional Paid In Capital	10,000		10,000
Year-to-Date Income	(3,815,602)	(712,336)	(3,103,266)
Series A preferred Stock Subscribed	2,300,000		2,300,000
Retained Earnings	(1,390,063)		(1,390,063)
<b>Shareholders' Equity</b>	<b>(2,895,657)</b>	<b>(702,336)</b>	<b>(2,193,321)</b>
<b>Total Liabilities and Equity</b>	<b>3,180,020</b>	<b>1,397,170</b>	<b>1,782,850</b>

*See [Signature] - Controller/CFO 6/27/2000*

**Ntegrity Telecontent Services, Inc.**  
**Statement of Cash Flows**  
**For the Twelve Months Ending December 31, 1999**

	<u>December</u>	<u>Year to Date</u>
<b>Cash Flows</b>		
<b>Funds From (Used By) Operating Activities:</b>		
Net Income From Operations	(\$605,626)	(\$3,815,602)
Add Back Non-Cash Expenses:		
Depreciation and Amortization	(364)	62,855
Deferred Rent	(473)	5,015
Change in Current Assets and Current Liabilities:		
Accounts Receivable	881,181	(376,311)
Preferred Stock Sub. Receivable	(200,000)	(1,650,000)
Travel Advances	(550)	(1,848)
Unbilled Receivables	(236,081)	127,398
Prepaid Expenses	34,308	90,897
Deferred Telemarketing Expense	50,000	50,000
Accounts Payable	262,693	2,402,034
Accrued Expenses	(150,787)	(76,247)
Accrued Interest	(269,325)	(23,898)
Taxes Payable	4,878	140,215
Customer Deposits	300	1,900
Total Changes in Current Assets and Current Liabilities	376,617	684,140
<b>Net Cash Flow From (Used By) Operating Activities</b>	<b>(229,846)</b>	<b>(3,063,592)</b>
<b>Cash Flow From (Used By) Investing Activities:</b>		
Additions to Furniture and Fixtures	7,466	(49,080)
Deposits	25,000	(19,375)
<b>Net Cash Flow From (Used By) Investing Activities</b>	<b>32,466</b>	<b>(68,455)</b>
<b>Cash Flow From (Used By) Financing Activities:</b>		
Sale of Common Stock	8	8
Sale of A series Preferred Stock	300,000	2,300,000
Lease Liability	(720)	(8,073)
Issuance of Debt	354,889	1,354,889
Capitalized Financing Costs	(78,189)	(78,189)
<b>Net Cash Flow From (Used By) Financing Activities</b>	<b>654,177</b>	<b>3,568,635</b>
<b>Net Increase (Decrease) in Cash</b>	<b>456,797</b>	<b>436,588</b>
Cash at Beginning of Period	122,783	
Cash at End of Period	579,580	436,588
Check Total - Ending Cash per Book	133,960	

*Steve Hyman* Controller / CFO 6/27/2006