



Public Service Commission

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

DATE: August 27, 1998
TO: Paula Isler, Division of Communications
FROM: Eva P. Samaan, Division of Auditing and Financial Analysis *ED*
RE: Docket No. 980935-TI, Gloria Telecommunications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service *ALM APC [Signature]*

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 Gloria Telecommunications, Inc. (GTI) for the period ending June 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GTI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

ACK _____ In this matter, GTI is asking for a certificate to provide IXC service. Staff notes the limited
AFA _____ nature of the application and that no customer provided funds appear to be at risk. For purposes
APP _____ of granting a certificate based on the financial information provided, the financial capability
CAF _____ appears adequate.

CMU _____ The applicant attests to its financial capability to provide and maintain the proposed
CTR _____ telecommunications service by noting that it has available financing through open lines of credit
EAG _____ with Zions Bank and with First Union National Bank. Based on this showing, the applicant
LEG _____ appears to meet the financial capability standard of Section 364.337, Florida Statutes.

LIN _____ cc: Division of Legal Services
OPC _____ Division of Records and Reporting (2)

RCH _____
SEC 1
WAS _____
OTH _____

DATE
 J. O. F. L. O. SEP 1 1998

DOCKET NO. 980935-11
GLORIA TELECOMMUNICATIONS INC.

IXC TELECOMMUNICATION SERVICE
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS AS OF 06/30/98

CURRENT ASSETS	\$237,023
CURRENT LIABILITIES	117,243
CURRENT RATIO	2.02
CASH	93,627
OWNERSHIP EQUITY	156,935
TOTAL DEBT	117,243
TOTAL INVESTOR CAPITAL	274,178
COMMON EQUITY RATIO	57%
NET INCOME	107,404
RETURN ON EQUITY	68%

NMF = No Meaningful Figure