



# Public Service Commission

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

**DATE:** February 9, 1999  
**TO:** Nancy Pruitt, Division of Communications  
**FROM:** David J. Draper, Division of Auditing and Financial Analysis *ALM*  
**RE:** Docket No. 990041-TI, Glyphics Communications, Inc., Financial Analysis for Certificate Application for Intrastate Interexchange Telecommunications Service

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 Glyphics Communications, Inc. (GCI) for the eleven month period ending November 30, 1998. An audit could change one's opinion of the company's financial condition. As the attached schedule shows, GCI has adequate liquidity, sufficient common equity and reported a positive net income for the period.

In this matter, GCI 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 by noting that it has adequate liquid assets to provide and maintain the proposed telecommunications service. In addition, the company has structured its retail pricing so that its per minute rate covers its per minute cost, thus assuring an almost instantaneous positive cash flow. 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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DOCUMENT NUMBER-DATE

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FPSC-RECORDS/REPORTING

DOCKET NO. 99004  
GLYPHICS COMMUNICATIONS, INC.

IXC TELECOMMUNICATION SERVICE  
FINANCIAL ANALYSIS

FROM UNAUDITED FINANCIAL STATEMENTS

	AS OF 11/30/98
CURRENT ASSETS	\$507,407
CURRENT LIABILITIES	45,846
CURRENT RATIO	11.07
CASH	474,338
COMMON EQUITY	582,359
TOTAL DEBT	275,827
TOTAL INVESTOR CAPITAL	858,186
COMMON EQUITY RATIO	68%
NET INCOME	1,144,305
RETURN ON EQUITY	196%

NMF = No Meaningful Figure