

State of Florida



# Public Service Commission

CAPITAL CIRCLE OFFICE CENTER • 2540 SHUMARD OAK BOULEVARD  
TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** May 9, 2024

**TO:** Adam J. Teitzman, Commission Clerk, Office of Commission Clerk

**FROM:** Curtis J. Williams, Senior Analyst, Office of Industry Development and Market Analysis *CW*

**RE:** Docket No. 20240056-TP - Document Filing

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Please file the attached data request responses from Florida Telecommunications Relay, Inc. in Docket No. 20240056-TP.

Please let me know if you have any questions.

Thank you

Attachment

RECEIVED-FPSC  
2024 MAY -9 PM 4: 11  
COMMISSION  
CLERK

## Curtis Williams

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**From:** cbradley@ftri.org  
**Sent:** Monday, May 6, 2024 2:40 PM  
**To:** Curtis Williams  
**Cc:** Greg Fogleman; Jacob Imig; Tom McCabe  
**Subject:** Docket No. 20240056-TP - FTRI FY 2024-2025 Proposed Budget - Responses to First Set of Interrogatories  
**Attachments:** FTRI Response to PSC Qs on 2024-25 Budget.pdf; Corrected BUDGET PRESENTATION FY24-25 at 8 CENTS.pdf; Corrected - FTRI BUDGET FY24-25 LINE ITEM EXPLAIN at 8 CENTS.pdf; Corrected BUDGET PRESENTATION FY24-25 at 8 CENTS Final.xlsx  
**Importance:** High

CAUTION: This email originated from outside your organization. Exercise caution when opening attachments or clicking links, especially from unknown senders.

Curtis – good afternoon! Please see attached responses by FTRI to PSC questions regarding **Proposed 2024-2025 FTRI Budget** plus three other attachments, including an updated Excel version of corrected Budget.

After receiving PSC questions, my team decided to undergo an extensive and multiple reviews of our proposed budget. As a result of our review, we found variance errors **in Line Item #16** under both the **2023/2024 Estimated Revenue and Expenditures** column (2<sup>nd</sup> column) and under the **Estimated to Budget VARIANCE 2023/2024 2024/2025** (4<sup>th</sup> Column). Corrections were made to the variance numbers in these columns as well as their Subtotals for Category III.

As for the **2024/2025 Budget (3<sup>rd</sup> column)**, no changes were made to the budget figures except for **Line #3 – Surplus Account**. In this surplus account, we corrected the calculation leading to a higher surplus (\$20,175,809).

**Further explanations are provided in the attached FTRI Response to PSC Questions.** In answering PSC questions, we used corrected figures (in **BOLD**) from the Line-Item Information, where applicable.

Because of discovered variance errors, we are attaching both Corrected **Proposed 2024-2025 FTRI Budget** and **Corrected Line-Item Information** in this email plus Excel version of the corrected Budget.

I thank you and the PSC team for pointing out potential discrepancies in the Proposed 2024-2025 FTRI Budget that have led to a discovery of variance errors and an inaccurate amount in the surplus account.

The FTRI Board will be notified about this, and it will also be asked to approve corrections made to the Proposed 2024-2025 FTRI Budget.

Let me know if there are any further questions. Please accept our apologies for any confusion due to incorrect variance figures shown in the original Proposed 2024-2025 FTRI Budget.

*Cecil F. Bradley, Executive Director  
Florida Telecommunications Relay, Inc.  
1820 East Park Avenue, Suite 101  
Tallahassee, Florida 32301  
[Cbradley@ftri.org](mailto:Cbradley@ftri.org)  
850-270-2641 VP  
800-222-3448 Business Phone*

**From:** Curtis Williams <CJWillia@PSC.STATE.FL.US>

**Sent:** Thursday, April 25, 2024 12:00 PM

**To:** 'cbradley@ftri.org' <cbradley@ftri.org>

**Cc:** Greg Fogleman <GFoglema@PSC.STATE.FL.US>; Jacob Imig <JImig@psc.state.fl.us>

**Subject:** Docket No. 20240056-TP - FTRI FY 2024-2025 Proposed Budget - First Set of Interrogatories

**Importance:** High

Hello Cecil,

Attached is FPSC staff's First Set of Interrogatories in response to FTRI's FY 2024-2025 proposed budget. **Please respond to the items by May 9, 2024.**

Let me know if you have any questions.

Thank you

**Curtis J. Williams**

Public Utility Analyst

Florida Public Service Commission

Office of Industry Development & Market Analysis

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## FTRI's Response to Questions by PSC regarding FTRI's FY 2024/2025 Proposed Budget

After receiving initial questions by PSC, the FTRI team decided to undergo extensive and multiple reviews of the FTRI 2024-2025 Proposed Budget. and Ultimately, errors relating to variance figures were found in Line Item #16 under both the 2023/2024 Estimated Revenue and Expenditures column (2<sup>nd</sup> column) and under the Estimated to Budget VARIANCE 2023/2024 2024/2025 (4<sup>th</sup> Column). Therefore, necessary corrections (in **BOLD**) were made to the numbers in Line-Item #16 in both 2<sup>nd</sup> and 4<sup>th</sup> columns, as well as their Subtotals for Category III.

As for the 2024/2025 Budget (3<sup>rd</sup> column), no changes were made to all budget figures except for Line #3 – Surplus Account. It was incorrectly calculated. The correction showed a slightly higher surplus (\$20,175,809), also shown in **BOLD**, as opposed to the earlier amount of \$20,138,666 in the original 2024/2025 proposed budget. This resulted in a higher total revenue (+\$37,143).

In the Final Total line (Revenue Less Expenses) at the bottom of the last page of FTRI Proposed 2024-2025 Budget, correct figures are shown in **BOLD** for both columns: 2023/2024 Estimated Revenue and Expenditures and 2024/2025 Budget. In the line above this. The Total Expenses for this 3<sup>rd</sup> column (2024/2025 Budget) have not changed.

Attached are corrected FTRI Proposed 2024-2025 Budget and Line-Item Information with correct figures shown in **BOLD**.

To answer certain PSC questions, correct variance figures (in **BOLD**) were taken from the corrected Line-Item Information (Budget), where applicable.

The FTRI Board will be informed and asked to approve corrections made to the Proposed 2024-2025 FTRI Budget.

### **Answers to PSC Questions as submitted to FTRI on April 25, 2024.**

1. FTRI's Interest Income has increased significantly. FTRI has added a new line item for "Bank Charges." The budgeted amount for this line item was \$0.00 in FTRI's FY 2023/2024 Commission Approved Budget, \$35,695 in FTRI's FY 2023/2024 Expense Estimate, and \$37,108 in FTRI's FY 2024/2025 Proposed Budget.

Please explain what services are associated with "Bank Charges" expense.

**The Bank Charges are associated with FTRI's investment in three-month T-Bills with Regions Bank. The bank fees (0.2%), as required for this investment, are miniscule when compared to the average of 4% revenue**

generated from the T-Bills. In comparison, FTRI only earns .01% interest on its public fund (savings) account.

The primary reason for this not budgeted for 2023/2024 was that investments started in late March 2023.

2. In the explanation of Line Items section of FTRI's budget filing, FTRI appears to present an inconsistent explanation of Budget to Budget and Estimate to Budget Variance. For Example: Line Item 26 presents a "Budget to Budget" decrease of \$41,635 and a Estimated to Budget increase of \$54,063. However, FTRI states that "The amount budgeted for 2024/2025 Insurance-Health/Life/Disability account shows a \$41,635 decrease from FY 2023/2024 estimated expenditures."

Please provide clarification on if the explanations are referring to "Budget to Budget or Estimated to Budget." Please also identify all Line Items affected by the inconsistent explanation regarding Budget to Budget and Estimate to Budget.

Upon inspection of the Line-Item Explanation pages, the wrong number was plugged in. In the past, it was always the "Estimate Expenses to Budget" variance and that's what it should have been. It currently reads as "estimated" but the value is wrong since "budget to budget" variance value was used incorrectly.

As a refresher, the "Budget to Budget" column focuses on comparing proposed budget figures between 2023-2024 and 2024-2025 Budget Years. These columns focus on proposed budget that is developed each year and approved by the FTRI Board, and then submitted to PSC for approvals.

Again, as a refresher, the "Estimate to Budget variance" column focuses on "projected" total-year expenses during 2023-2024 Budget Year (12-month period) which is calculated, based on the first six months of actual expenses, plus an estimate of future expenditures for the remaining fiscal year. This estimate is not 100% definitive since future expenditures in the last six months of the 2023-2024 SFY could differ (either higher or lower than the total of actual expenses in the first six months).

To answer your question, the actual amount budgeted for 2024-2025 Insurance-Health/Life/Disability account shows an increase of \$54,063, based on 2023/2024 estimated to budget comparison. The increase is a result of FTRI's plan to fill two vacancies during SFY 2024-2025. Please see question #7 for our responses relating to the vacancies.

3. Line Item 6 shows an expense increase in Caption Call Equipment. Further, the FY 2023/2024 Commission approved budget for Caption Call Equipment was \$0.00. Data shows that Caption Call minutes of use and users continue to decline.

Please explain why FTRI believes it is necessary to increase Caption Call Equipment Expense considering the decline in minutes of use and users. Discuss why it was necessary to purchase Caption Call Equipment in FY 2023/2024, considering the Commission approved budget was \$0.00. Identify the equipment to be purchased, and if the equipment can also be used for basic TRS. In addition, identify the Line Item used to transfer funds to purchase the Caption Call equipment. Please also provide the price of Caption Call Equipment.

**Before we address this line item #6, FTRI needs to make it clear that this line no longer has anything to do with either CAPTEL or Caption Call devices since FTRI do not distribute these. FTRI recognizes that the name given for this line item #6 is inaccurate and not a correct name for the equipment that we would offer in this line. We would instead rename this line #6 as Caption Devices.**

**In this line item, we are adding a new device called “XLC8GLT Deluxe” which consists of XLC8 plus a Large Captioning Screen” (cost \$565 each). This only works with landlines and allows the customer to view larger captions on the screen via installed App while talking on the specialized phone (XLC8).**

4. Line Item 7 proposes a budgeted amount of \$284,697 for VCP Hearing Impaired Equipment for FY 2024/2025. However, the estimated expense for FY 2023/2024 is \$196,148.

Please provide further justification for the proposed \$88,549 increase in FY 2024/2025 budget expense over 2023/2024 estimated expense. Please provide the price for the VCP Hearing Impaired Equipment.

**This line item #7 (VCP Hearing Impaired) consists of several devices that FTRI offers, including Alto Plus and XLC8. The budget was built with current equipment the program offers. At the time of the budget some devices were discontinued and there was no replacement introduction were planned. Only now, toward the end of the fiscal year, we have found some replacements and new additional equipment which will make the estimated expense increase maybe not by much. We are adding a new product replacing out-of-production CL60. It is called E814CC with large easier-to-see phone buttons. The cost of this new device, E814CC, is \$129 each.**

**As for other VCPs, Alto Plus costs \$118.79 each, and XLC8 costs \$117.21 each.**

**NEW RESPONSE:** While this is not a question from PSC, I find it important to also explain Line Item #9, as it is currently listed as TELITALK Speech Aid. It will be renamed Speech Devices. In addition to TELITALK Speech Aid, we will be adding another new product by Teltex called “Speech Device with iBox and a Large Screen” in 2024-2025 SFY. This is a new device just recently made available and it only works with landlines. The cost of each device is \$1,380. Only a few will be acquired and distributed on demand since FTRI will rely on recommendations by Speech Language Pathologist for any eligible customer who seeks this new device.

5. Line Item 10 proposes a budgeted amount of \$89,123 for In-Line Amplifier Equipment for FY 2024/2025. However, the estimated expense for FY 2023/2024 is \$53,568.

Please provide further justification for the proposed \$35,555 increase in FY 2024/2025 budget expense over 2023/2024 estimated expense. Please provide the price of the XLCGo.

Some equipment was discontinued and FTRI has placed efforts in finding replacements and introducing new equipment. The budget was built with current equipment that FTRI has to offer. At the time of this budget development, some devices were discontinued and no replacements were planned. However, just now, toward the end of this fiscal year, we found several replacements and the new additional equipment could increase the total of estimated expense in the new fiscal year.

The increase in expenditure for line item #10, the In-Line Amplifier, is based on a projected increase in requests for our new item, Serene UA-50 In-Line Amplifier, which replaces the out-of-production SA-50. FTRI finds this new item to be beneficial to customers with hearing impairment and living in either assistive or nursing homes due to the different phone systems being used in those facilities. FTRI hopes to reach out to assistive and nursing homes in 2024-2025 and announce this new product.

The individual price of XLCGo is \$88.45.

6. Line Item 17 proposes a budgeted amount of \$25,000 for Training Expense for FY 2024/2025. However, the estimated expense for FY 2023/2024 is \$0.00.

Please provide justification for the proposed \$25,000 increase in FY 2024/2025 budget expense over 2023/2024 estimated expense.

Again, as a refresher, the “Estimate to Budget variance” focuses on “projected” total-year expenses during 2023-2024 Budget Year (12-month period) which is calculated, based on the first six months of actual expenses,

plus an estimate of future expenditures for the remaining fiscal year. This estimate is not 100% definitive since the expenses during the last six months of the 2023-2024 SFY could be higher than the first six months.

For instance, as of this writing, FTRI would have already hosted two live Zoom Training events (March and May) with RDCs, using Zoom, which would show substantial expenses of at least \$400 per Zoom training session. One more Zoom training session is expected before the end of the current fiscal year (in June). Therefore, we would project an estimated total expenditure of \$1200 for three Zoom training sessions in this current fiscal year.

During SFY 2024-2025, FTRI hopes to host as many as 6 live Zoom training sessions which could end up costing us a minimum of \$2,400. FTRI is also looking to sending one or a team of two of its staff to visit up to 8 Regional Distribution Centers (RDCs) and provide one-on-one training with RDC staff on either equipment distribution or outreach practices. Such one-on-one training could cost up to \$10,000 total for travel to RDCs (average of \$1,500 per trip to RDC). The total adjusted cost for training expense will be \$14,400 and is rounded off to \$15,000.

Therefore, because of this review, we request approval from PSC to adjust line item #17, Training Expense, from a total of \$25,000 to a new revised total of \$15,000 in training expenses for SFY 2024-2025.

7. Line Item 26 proposes a FY 2024/2025 budgeted amount of \$147,544 for Insurance-Health/Life/Disability Expense. The FY 2023/2024 estimated expense is \$93,481.

Please provide further explanation for the proposed increase in Line Item 26 expense.

The estimated expense for 2023/2024 is based on seven active employees at that time with three vacant positions (CHAT/Distribution Program Coordinator (DPC), Distribution Program Coordinator 3 (DPC3), and Accounts Payable (AP). FTRI also merged two positions [Accounts Receivable (AR) and Administrative Assistant] into a new combined position of Accounting and Administrative Assistant. In SFY 2024-2025, FTRI will start with seven active employees but hopes to fill two vacant positions (Distribution Program Coordinator (DPC) 3 and Chat/DPC). FTRI plans to convert DPC3 as new Outreach Specialist and fill Chat/DPC position (this position was proposed by PSC and approved) as soon as there is a chat inquiry demand. The activation of these two vacant positions will result in a higher expense in Line item #26. The 10<sup>th</sup> position, also unfilled, which is called AP (Accounts Payable) will remain vacant (“on stand-by”) until the employee now working as Accounting and Administrative Assistant can no longer handle both jobs simultaneously.



8. Line Item 34 proposes a FY 2024/2025 budgeted amount of \$513,176 for Employee Compensation Expense. The FY 2023/2024 estimated expense is \$409,468.

Please provide further explanation for the proposed increase in Line Item 34 expense.

**Please see #7 above (for line item 26) as the answers to this question are similar.**

9. What is the current total number of FTRI employees on payroll? What is the current number of budgeted FTRI positions?

**The current total number of FTRI employees on payroll is seven. The current number of budgeted FTRI positions is nine.**

**It is also important to note that the overall total number of approved FTRI positions is ten (10) as approved by both the Board and PSC during different fiscal years in the past.**

**Revised: 5/6/2024**

**CORRECTED**

**Florida Telecommunications Relay, Inc.  
Fiscal Year 2024/2025 Budget at 8 cents surcharge**

**(Corrections are highlighted in Yellow and in BOLD)**

	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025
<b>OPERATING REVENUE</b>					
1 Surcharges	3,102,955	2,904,778	2,349,642	(555,136)	(753,313)
2 Interest Income	682,040	863,497	1,099,754	236,257	417,714
<b>TOTAL OPERATING REVENUE</b>	<b>3,784,995</b>	<b>3,768,275</b>	<b>3,449,396</b>	<b>-318,879</b>	<b>-335,599</b>
<b>OTHER REVENUE/FUNDS</b>					
3 Surplus Account	19,024,958	19,653,370	<b>20,175,809</b>	522,439	1,150,851
<b>TOTAL REVENUE</b>	<b>22,809,953</b>	<b>23,421,645</b>	<b>23,625,205</b>	<b>203,560</b>	<b>815,252</b>
<b>OPERATING EXPENSES</b>					
<b>CATEGORY I - RELAY SERVICES</b>					
4 DPR Provider	1,299,227	1,299,227	921,793	(377,434)	(377,434)
<b>SUBTOTAL-CATEGORY I</b>	<b>1,299,227</b>	<b>1,299,227</b>	<b>921,793</b>	<b>(377,434)</b>	<b>(377,434)</b>
<b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>					
5 TTY/TDD	0	0	0	0	0
6 Caption Call Equipment	0	11,700	28,250	16,550	28,250
7 VCP Hearing Impaired	273,454	196,148	284,697	88,549	11,243
8 VCP Speech Impaired	0	0	0	0	0
9 TeliTalk Speech Aid	24,875	23,217	14,925	(8,292)	(9,950)
10 In-Line Amplifier	70,370	53,568	89,123	35,555	18,753
11 ARS Signaling Equip	665	0	270	270	(395)
12 VRS Signaling Equip	3,569	11,578	10,141	(1,437)	6,572
13 Accessories & Supplies	100	15,190	7,500	(7,690)	7,400
14 Telecomm Equip Repair	28,425	24,934	30,248	5,314	1,823
<b>SUBTOTAL-CATEGORY II</b>	<b>401,458</b>	<b>336,335</b>	<b>465,154</b>	<b>128,819</b>	<b>63,696</b>
<b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b>					
15 Freight-Telecomm Equip	41,475	37,143	37,000	(143)	(4,475)
16 <b>Regional Distr Centers</b>	249,291	<b>155,268</b>	200,000	<b>44,732</b>	(49,291)
17 Training Expense	25,000	0	25,000	25,000	0
<b>SUBTOTAL-CATEGORY III</b>	<b>315,766</b>	<b>192,411</b>	<b>262,000</b>	<b>69,589</b>	<b>(53,766)</b>

**CORRECTED**

**Florida Telecommunications Relay, Inc.**  
**Fiscal Year 2024/2025 Budget at 8 cents surcharge**  
**(Corrections are highlighted in Yellow and in BOLD)**

	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025
<b>CATEGORY IV - OUTREACH</b>					
18 Outreach Expense	562,433	562,433	579,306	16,873	16,873
SUBTOTAL-CATEGORY IV	562,433	562,433	579,306	16,873	16,873
<b>CATEGORY V - GENERAL &amp; ADMINISTRATIVE</b>					
19 Advertising	0	0	0	0	0
20 Accounting/Auditing	26,698	25,628	26,833	1,205	135
21 Legal	37,790	14,730	20,000	5,270	(17,790)
22 Computer Consultation	6,210	4,916	6,403	1,487	193
? Bank Charges	0	35,695	37,108	1,413	37,108
23 Dues & Subscriptions	1,700	2,492	2,500	8	800
24 Office Equipment Purchase	15,650	8,200	8,240	40	(7,410)
25 Office Equipment Lease	1,747	1,809	1,842	33	95
26 Insurance-Hlth/Life/Dsbly	189,179	93,481	147,544	54,063	(41,635)
27 Insurance-Other	11,405	12,733	15,605	2,872	4,200
28 Office Expense	12,762	12,743	13,820	1,077	1,058
29 Postage	3,100	2,060	2,060	0	(1,040)
30 Printing	750	544	750	206	0
31 Rent	94,950	94,844	94,842	(2)	(108)
32 Utilities	5,086	6,637	7,881	1,244	2,795
33 Retirement	88,469	70,106	88,469	18,363	0
34 Employee Compensation	521,992	409,468	513,176	103,708	(8,816)
35 Taxes - Payroll	39,932	29,831	39,258	9,427	(674)
36 Taxes - Unemplmt Comp	70	70	63	(7)	(7)
37 Taxes - Licenses	61	61	61	0	0
38 Telephone	17,178	16,708	16,750	42	(428)
39 Travel & Business	12,000	6,362	8,000	1,638	(4,000)
40 Equipment Maint.	1,350	1,597	1,250	(347)	(100)
41 Employee Training/Dev	500	0	500	500	0
42 Meeting & Interpreter Exp	5,500	4,715	5,500	785	0
SUBTOTAL-CATEGORY V	1,094,079	855,430	1,058,455	203,025	(35,624)
TOTAL EXPENSES	3,672,963	<b>3,245,836</b>	3,286,708	<b>40,872</b>	(386,255)
REVENUE LESS EXPENSES	19,136,990	<b>20,175,809</b>	<b>20,338,497</b>	162,688	1,201,507
<b>Net Income excluding Surplus</b>			<b>162,688</b>		

**CORRECTED**

**Line-Item Information**  
**FTRI FY 2024/2025 Board Approved Budget**  
(See changes in **BOLD**)

**Definitions:**

**YE Estimate:**

FTRI projects the YE (Year-End) Estimate based on Year-to-Date December of the current fiscal year plus calculated projections based on historical data available, including the impact of COVID-19 on FTRI and its partners, Regional Distribution Centers (DPC).

**Budget to Actual:**

FTRI understands, based on previous communications with the PSC staff, identifying this as the budgeted amount for a line item that should be no more than the YE estimated amount for the current fiscal year.

**Common Industry Acronyms Used:**

DPR – Dual Party Relay

AIMS – Automated Information Management System: FTRI uses this computer software to maintain information for the Equipment Distribution System.

TRS – Telecommunications Relay Service

FPSC – Florida Public Service Commission

FTRI – Florida Telecommunications Relay, Inc.

IP-CTS – Internet Protocol Captioned Telecommunications Service

CTS – Captioned Telecommunications Service

TDD – Texting Device for the Deaf, also known as a TTY.

TTY – Text Telephone, also known as a TDD.

VCO – Voice Carry-Over phone

HCO – Hearing Carry-Over phone

VCO/HCO – A Combined Voice Carry-Over and Hearing Carry-Over phone.

NDBEDP – National Deaf Blind Equipment Distribution Program. NDBEDP is also known as iCanConnect.

VCP or VCPH – Volume Control Phone

VCPS – Volume Control Phone for Speech Impaired

GEWA – brand name of the Jupiter Speaker Phone

ARS – Audible Ring Signaling device.

TRS – when used to describe equipment - Tactile Ring Signaling Device

TRS is also used to describe Telecommunications Relay Service

VRS – when used to describe equipment – Visual Ring Signaling Device

VRS can also be used to describe Video Relay Service

RDC – Regional Distribution Center (contracted with FTRI)

## OPERATING REVENUE

### 1. GL# 3050 - Surcharge Revenue

FTRI is showing a decrease of **\$555,136** in surcharges from FY 2023/2024 Estimated Revenue. As we do each year, actual access lines reported to us by the telephone companies are logged into a spreadsheet (Attachment A). For the months remaining in the current fiscal year-end, an estimate is made on expected access lines to be reported using a conservative estimate based on previous years. FTRI has conservatively selected a decrease of 9 percent for this estimate, historically over the past 3 years the decrease has been more than 9 percent. Additionally, FTRI applies the conservative estimated decrease of 9 percent to actual to date and year end estimated access lines to calculate the budget year estimated access lines. FTRI applies the current surcharge rate to those estimated access lines for the budget year and the corresponding administrative allowance of 1 percent. FTRI has used 8 cents per access line for this projection.

### 2. GL# 3450 - Interest Income.

Interest Income is estimated to increase **\$236,257** from FY 2023/2024 Estimated Interest Income. FTRI earns interest from Regions Bank Non-Profit Public Funds Money Market account at 0.01%. FTRI's Regions Bank Public Funds checking is not an interest-bearing account and requires maintaining a \$500,000 minimum balance. Interest income is also earned from Investment Trust Money Market account. FTRI purchases 3-month T-bills that will earn interest at maturity at average rate of 4.84% and any amounts not invested in T-bills will earn interest at 3.948% for being held in the Investment Trust Money Market account.

### 3. Surplus Account

Surplus Account Approved Budget Column is the figure from approved budget for 2023/2024. Surplus Account 2023/2024 Estimated Column is from bank statements dated June 2023 and aggregates the beginning balances of the bank accounts for the fiscal year 2023/2024 calculated as is  $4,210,159.78 + 512,087.94 + 14,931,122.26 = \$19,653,369.98$ . Surplus Funds in the Budget column is calculated as the ending balance of the Estimated column (Estimated Revenues plus Surplus Account less Estimated Expenses), for 2023/2024 to arrive at an Estimated beginning balance for Surplus Funds for the Budget year 2024/2025.

## RELAY SERVICES – CAT I

### 4. GL# 5110 - Dual Party Relay Provider

The DPR Provider account year end estimate is the same as budgeted for 2024/2025. On March 1, 2022, a new contract began with T-Mobile and the FPSC with new rates. Traditional TRS minutes are billed at \$1.60 per minute. while CapTel minutes are billed at \$1.67 per minute. Each year FTRI receives a budget estimate from the DPR provider. Attachment B is the spreadsheet provided by T-Mobile.

## EQUIPMENT – CAT II

NOTE: Due to COVID-19 FTRI continued to experience a notable change in numbers of clients served and equipment distributed. There is still no significant change in RDC distribution and Outreach after, almost, 24 months of COVID-19 disruption. Therefore, FTRI is budgeting equipment at the trailing twelve-month historical level as the 2024/2025 budget. Shorter or longer periods may be used for specific equipment as appropriate for achieving a data set reflective of expected future activity.

### 5. GL# 5210 - TTY/TDD Equipment.

Telecommunications Devices for the Deaf have traditionally been TTY (text telephones for the Deaf). Over the past decade or more, these units have become less preferred by Deaf consumers as they seek newer, mostly wireless or IP based, technology. FTRI still provide refurbished units to clients, as requested. No new units are budgeted.

### 6. GL# 5226 - Caption Call Equipment (previously known as CapTel Equip.)

The CapTel Equipment, 840 Plus, is no longer being bought as FTRI has enough inventory on hand and is refurbishing returned units. FTRI started Captions Call Equipment pilot program for the XLC8 GLT Deluxe at 20 units. FTRI is hopeful that this new equipment will be popular and is budgeting for purchase of new units during FY24-25. Captioning Phone Equipment line item shows a **\$16,550** increase from FY 2023/2024 estimated Expenditures.

### 7. GL# 5240 (corded)/5241 (cordless) - VCP Hearing Impaired

The VCP Hearing Impaired line item shows a **\$88,549** increase from FY 2023/2024 Estimated Expenditures. COVID lingering effects continue to disrupt the distribution of phones, mostly achieved through face-to-face meetings and local outreach events. Even so, the number of distributions of equipment has steadily come back up through our main office distributions.

#### 8. GL# 5250 - VCP Speech Impaired

FTRI is not budgeting an amount for an iPad pilot program for speech impaired. This pilot program from previous fiscal year was proposed but turned down by FL PSC. Over the past decade or more, new technology has become available to assist speech impaired to connect with the communications systems everyone uses. Captioning apps are some of the new technologies and FTRI is looking to pilot these to the community in future.

#### 9. GL# 5253 - TeliTalk Speech Aid

The TeliTalk Speech Aid line item shows a **\$8,292** decrease from FY 2023/2024 estimated expenditures. Budget is determined by using the TTM (trailing twelve month) historical consumer demand. Additionally, this is a single source supplied item and very depending on demand therefore historical data show a slight decline of these units being distributed.

#### 10. GL# 5255 - In-Line Amplifier

The In-Line Amplifier YE estimate is based on recent demand and the budget is **\$35,555** higher than year-end estimate 2023/2024. The XLCgo as a newer item and has been requested often as it works with the XLC8 volume control phone handset and base. The XLC volume control models are popular among our clients and often they are paired (XLC8 and XLCgo).

#### 11. GL#5261 - ARS Signaling Equipment (Audible Ring Signaling)

The ARS Signaling Equipment line item shows a **\$270 increase** from FY 2023/2024 Estimated Expenditures. Specifically, the CR200 signaling device that is both audible and visual (flashing light) and the audible SR200 device have been included in this line item. FTRI recommends maintaining a small amount in this line item as small amounts are distributed though the year.

#### 12. GL# 5262 - VRS Signaling Equipment (Visual Ring Signaling)

The VRS Signaling Equipment line item shows a **\$1,437 decrease** from FY 2023/2024 Estimated Expenditures. The Bellman-Symfon Visual flashing unit is being dropped from the program due to no demand. Sonic Alert TR-75 is budgeted. FTRI introduced the SquareGlow unit as a pilot and it has seen great success. Inquiries from clients of this equipment continues to grow and FTRI budgeted more purchases of this equipment for fiscal year 24-25.

13. GL# 5265 - Accessories & Supplies

The Accessories & Supplies line includes specific purchases for line filters, dual line adapters, batteries, equipment manuals, and specialized boxes for our refurbishment. This item shows a **\$7,690 decrease** from FY 2023/2024 Estimated Expenditures.

14. GL#5270-5274 - Telecommunication Equipment Repairs

More of our equipment have expired warranties so they are returned for repairs. The Telecommunication Equipment Repairs line item shows a **\$5,314 increase** from FY 2023/2024 Estimated Expenditures.

**EQUIPMENT DISTRIBUTION AND TRAINING – CAT III**

15. GL# 5310 - Freight-Telecommunication Equipment

The Freight-Telecommunication Equipment line item shows a **\$143 decrease** from FY 2023/2024 Estimated Expenditures. As XLC8, XLC-7, BT-914, CL-60, Alto, Alto-Plus units warranty expire then these units are shipped back for repair. New units are shipped to various clients and RDCs as ordered. The trailing 12-month average is used in projecting the budget.

16. GL# 5320-5327 - Regional Distribution Centers

The Regional Distribution Centers line item shows a **\$44,732 increase** from FY 2023/2024 Estimated Expenditures.

The fees for services provided by the RDCs will be kept the same as in 2023/2024. FTRI is hopeful that the increase in fees per services made last year would continue to incentivize the RDCs in providing more services, that said, services did see a small increase overall.

The below breakdown shows the costs included in this line item. These include internet hotspots connectivity and laptops for access to FTRI's client database (AIMS) and maintenance and upgrades to AIMS. All costs are specifically related to RDC fulfillment of the agreement to provide FTRI services, including several planned on-site audits of RDC.

**The first breakdown for FY 2023/2024 Estimated YE (see next page) is a correction reflecting the actual total of \$155,268 for Line Item #16. The incorrect figure for this Line Item #16 was previously listed as \$192,411, and this is actually the correct total for Category III.**



	FY 2023/2024 Estimated YE	FY 2024/2025 Proposed Budet
RDC Contracts	129,047	170,200
RDC Audit	1,192	3,000
RDC Support Services	0	0
RDC Wi-Fi hostpots	1,760	1,800
RDC AIMS Hardware	0	0
AIMS Projects	23,269	25,000
	<u>\$ 155,268</u>	<u>\$ 200,000</u>

#### 17. GL# 5340 - Training Expense

The Training Expense line item shows a **\$25,000 increase** from FY 2023/2024 Estimated Expenditures. FTRI continues to conduct Zoom web training/presentations with RDC staff as did during 2023/2024. FTRI plans to host RDC staff training sessions at FTRI main office. FTRI plans to reimburse some of the RDCs expenditures for their travels. Webinars will be used when face-to-face meetings are not possible for some RDC staff. FTRI believes that the hands-on training is needed to train new RDCs employee due to the new influx of new hires at RDCs. These sessions will also be planned when in area for audits or other purposes, to enhance the FTRI program and its relationship with RDCs. Cost budgeted is for Zoom web access and estimated cost coverage of RDCs travels.

#### **OUTREACH EXPENSE – CAT IV**

#### 18. GL# 5410-5417 - Outreach Expense

The Outreach Expense account shows a \$16,873 increase from FY 2023/2024 Estimated Expenditures. FTRI is recommending increasing the budget for Outreach Expense at 3%. The increase in budget will help cover the advertising vendors' increase in their prices and to keep up with inflations on a year-to-year basis. FTRI plans to expand outreach efforts including, continue advertising the program using newspaper insert ad (FSI), social media, and TV advertising.

	<u>FY 2023/2024</u> <u>Estimated YE</u>	<u>FY 2024/2025</u> <u>Proposed Budget</u>
General Expense	13,808	14,222
Travel Expense	23,625	24,334
RDC Outreach Services	94,500	97,335
Media Advertising	420,000	432,600
Outreach Printing	10,500	10,815
	<u>\$562,433</u>	<u>\$579,306</u>

## GENERAL AND ADMINISTRATIVE – CAT V

### 19. GL# 5501 - Advertising

Line item shows a \$0 increase from FY 2022/2023 Estimated Expenditures. FTRI budgeted to actual for advertising of possible open positions due to staff turnover. FTRI advertises using low-cost employment ads, free ad placements such as INDEED, LinkedIn, or other online service.

### 20. GL# 5504 – Accounting

The Accounting/Auditing line item shows a **\$1,205** increase from FY 2023/2024 Estimated Expenditures. This line item also includes expenses for payroll processing and payroll tax reporting. FTRI maintains the budget with 10 employees (including one for CHAT/DPC position, one for AP position, and one for Outreach Specialist which will be converted from DPC3 position) for payroll expenses.

### 21. GL# 5507 - Legal

The Legal account shows a **\$5,270 increase** from FY 2023/2024 Estimated Expenditures. FTRI is billed for legal services monthly at \$250 per hour for the first 12 hours of service per month with hours over 12 billed at \$225 per hour. The decrease is due to stability. Potential hiring of two new employees and legal advice relating to RDCs and vendors, this will produce extra communication with the lawyer.

### 22. GL# 5510 - Computer Consultation

The Computer Consultation line item shows an increase of **\$1,487** for the budget year end 2025. YE estimate for FY ending 2024 is the average of the first six months and extrapolated for the full 12 months. FTRI was quoted 36 hours of technical support, network administration, and desktop troubleshooting.

#### New Line Item. GL#5515 - Bank Charges

FTRI reintroduced a new line item to accurately represent bank charges. This was done due to the increase of fees from investment of treasury bills. Therefore, Bank Charges shows an increase of **\$1,413** from fiscal year 2023/2024. There was no budgeted amount on the previous budget.

#### 23. GL# 5519 - Dues & Subscriptions

The Dues & Subscriptions expense account shows an **\$8** increase from FY 2023/2024 Estimated Expenditures. Dues and subscriptions to organizations that we partner with and are directly involved in the communities we serve allowing staff and management to be informed about those communities.

#### 24. GL# 5530-5531 - Office Equipment and Computer Software

The Office Equipment Purchase line item shows a **\$40 increase** from FY 2023/2024 Estimated Expenditures. FTRI expects replacement of three (3) workstations. Purchase of Office 365 software, accounting software (Sage50), renewing Firewall support, and antivirus software are budgeted.

#### 25. GL# 5541 - Office Equipment Lease

Office Equipment Lease shows an increase of **\$33** from FY 2023/2024 estimated expenditures. FTRI leases a copier and the Pitney Bowes postage equipment.

#### 26. GL# 5544 - Insurance-Health/Life/Disability

The amount budgeted for 2024/2025 Insurance-Health/Life/Disability account shows a **\$54,063 increase** from FY 2023/2024 estimated expenditures. Factors impacting this line item, Chat function/DPC position being unfilled, placing AP position on reserve for the 2023/2024 year and the same for the new budgeted Outreach Specialist position (to be converted from vacant DPC3 position) which will assist Outreach Manager for the 2024/2025 budget year. FTRI estimated a 10% increase in premium based on response from our insurance agency along with historical costs over the past two years. Employees contribute 5% of the premium for single coverage and 10% of the difference between single and dependent coverage. During the budget year 2024/2025 FTRI anticipates staff of 10 employees with two vacant positions until filled and one in reserve (AP Position). FTRI has an insurance renewal date of June 1.

27. GL# 5547 - Insurance-Other

The Insurance-Other line item shows a **\$2,872** increase from FY 2023/2024 Estimated Expenditures. FTRI estimates that insurance will remain close to the actual 2023/2024 estimated amount for the budget year 2024/2025.

28. GL# 5551 - Office Expense

The Office Expense line item shows an increase of **\$1,077** from FY 2023/2024 estimated expenditures. This line item includes office supplies, paper, office cleaning, pest control, security system service, and shredding services.

29. GL# 5554 - Postage Expense

The Postage line item shows **no change** from FY 2023/2024 estimated expenditures. Application request mailings in addition to business reply mail permit fees and postage deposits and supplies for the meter.

30. GL# 5557 - Printing Expense

The Printing line item shows **an increase of \$206** from FY 2023/2024 estimated expenditures. This line item includes printing of FTRI's annual report, business cards, letterhead, envelopes.

31. GL# 5560 - Rent Expense

The Rent line item shows a decrease of **\$2** from FY 2023/2024 estimated expenditures. FTRI renewed its lease for three years at \$7,601.72 per month. FTRI's lease expired February 2022 and FTRI signed a new three-year lease. The decrease is due to decrease of fee for file storage. Rates became a bit more favorable due to using a local storage service.

32. GL# 5561 - Utility Expense

The Utilities line item shows an **\$1,244** increase from FY 2023/2024 estimated expenditures. This is based on a Twelve Month Trailing average analysis and the analysis shows an increase on the recent months.

33. GL# 5563 - Retirement

The Retirement line item shows **an increase of \$18,363** from FY 2023/2024 estimated expenditures. FY 2024/2025 estimate is lower than anticipated due to Chat functions/DPC position and Account Payable still being unfilled and the same for new budgeted Outreach Specialist position to be converted from DPC3. Retirement is based

on salary, budgeted salary increases, and related pension costs for administration of the program through FTRI's plan administrator NTCA. FY 2024/2025 budget includes ten (10) employees' projected salary.

34. GL# 5566 - Employee Compensation

Employee Compensation line item shows a **\$103,708 increase** from FY 2023/2024 estimated expenditures. FY 2023/2024 estimate is lower than anticipated due to unfilled FTRI Chat position/DPC, Accounts Payable to be in reserve, and new Outreach Specialist position (to be converted from DPC3). Nine to Ten employees are budgeted for FY 2024/2025 with an estimated 3% merit increase pool for current employees.

35. GL # 5572 - Payroll Taxes

The Payroll Taxes line item shows a **\$9,427 increase** from FY 2023/2024 estimated expenditures, which include budgeted FTRI Chat/DPC position, vacant Accounts Payable position, and new Outreach specialist position to be converted from DPC3. Taxes are budgeted at 7.65% of payroll expense. FTRI has pre-tax section 125 benefits that lower taxable income for employees paying Health Premiums as well as our 403b fully employee funded retirement program that is pre-tax. Ten employees are budgeted for FY 2024/2025 including two of three previously mentioned vacant positions to be filled.

36. GL# 5575 - Unemployment Compensation Taxes

The Unemployment Compensation Taxes line item shows a \$7 decrease from FY 2023/2024 estimated expenditures due to the new budgeted two positions to fill and Accounts Payable position to be in reserve. Unemployment Compensation Taxes is budgeted specific to the number of employees. The tax is on the first \$7,000 of income for each employee. Currently FTRI has been assigned a rate of .0010.

37. GL# 5578 - Taxes/Licenses

The Taxes-Licenses line item shows no change from FY 2023/2024 YE estimated. Taxes/Licenses fee is for FTRI's annual report to the Florida department of state corporate filing.

38. GL# 5581 - Telephone Expense

The Telephone line item shows a **\$42 increase** from FY 2023/2024 estimated expenditures.

39. GL# 5584 - Travel & Business Expense

The Travel & Business line item shows a **\$1,638 increase** from FY 2023/2024 estimated expenditures. Travel is based on five trips for staff or managers to meet with RDCs and/or vendors, one trip to TEDPA (For the Telecommunications Equipment Distribution Program Association) annual conference, and Executive Director meeting up to three community partners or events in Florida.

40. GL# 5591 - Equipment Maintenance

Equipment Maintenance line item shows a **\$347 decrease** from FY 2023/2024 estimated expenditures. FTRI budgets close to the estimated YE 2023/2024 amount.

41. GL# 5592 - Employee Training

The Employee Training line item shows a **\$500 increase** from FY 2023/2024 estimated expenditures. FTRI budgeted for a staff retreat that may be held off-site.

42. GL# 5594 - Meeting and Interpreter

The Executive Director has hearing loss, sign language interpreters are needed for meetings. This line item shows a **\$785 increase** from FY 2023/2024 estimated expenditures.

**\*\*NOTE 1\*\*** The previously submitted Line-Item Information Narrative listed incorrect values that were plugged in from the Proposed Budget. For instance, the variance value used was initially pulled from the "Budget-to-Budget" instead of the "Estimate Expenditure-to-Budget." Corrections made are in BOLD in these narratives.

**\*\*Note 2\*\*** During review and updating the figures, another oversight was found. In the Line-Item #16 Regional Distribution Centers, the incorrect estimated year end value was listed. Previously, the value plugged in was \$192,411 when it should have been \$155,268. The \$155,268 figure is now correctly listed in Line-Item #16, and the same for breakdown of expenses for this line item.

Updated 5/3/2024

**CORRECTED**

**Florida Telecommunications Relay, Inc.  
Fiscal Year 2024/2025 Budget at 8 cents surcharge  
(Corrections are highlighted in Yellow and in BOLD)**

	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025	
OPERATING REVENUE						
1	Surcharges	3,102,955	2,904,778	2,349,642	(555,136)	(753,313)
2	Interest Income	682,040	863,497	1,099,754	236,257	417,714
	TOTAL OPERATING REVENUE	3,784,995	3,768,275	3,449,396	-318,879	-335,599
OTHER REVENUE/FUNDS						
3	Surplus Account	19,024,958	19,653,370	<b>20,175,809</b>	522,439	1,150,851
	TOTAL REVENUE	22,809,953	23,421,645	23,625,205	203,560	815,252
OPERATING EXPENSES						
CATEGORY I - RELAY SERVICES						
4	DPR Provider	1,299,227	1,299,227	921,793	(377,434)	(377,434)
	SUBTOTAL-CATEGORY I	1,299,227	1,299,227	921,793	(377,434)	(377,434)
CATEGORY II - EQUIPMENT & REPAIRS						
5	TTY/TDD	0	0	0	0	0
6	Caption Call Equipment	0	11,700	28,250	16,550	28,250
7	VCP Hearing Impaired	273,454	196,148	284,697	88,549	11,243
8	VCP Speech Impaired	0	0	0	0	0
9	TeliTalk Speech Aid	24,875	23,217	14,925	(8,292)	(9,950)
10	In-Line Amplifier	70,370	53,568	89,123	35,555	18,753
11	ARS Signaling Equip	665	0	270	270	(395)
12	VRS Signaling Equip	3,569	11,578	10,141	(1,437)	6,572
13	Accessories & Supplies	100	15,190	7,500	(7,690)	7,400
14	Telecomm Equip Repair	28,425	24,934	30,248	5,314	1,823
	SUBTOTAL-CATEGORY II	401,458	336,335	465,154	128,819	63,696
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING						
15	Freight-Telecomm Equip	41,475	37,143	37,000	(143)	(4,475)
16	<b>Regional Distr Centers</b>	249,291	<b>155,268</b>	200,000	<b>44,732</b>	(49,291)
17	Training Expense	25,000	0	25,000	25,000	0
	SUBTOTAL-CATEGORY III	315,766	<b>192,411</b>	262,000	<b>69,589</b>	(53,766)

**CORRECTED**

**Florida Telecommunications Relay, Inc.  
Fiscal Year 2024/2025 Budget at 8 cents surcharge  
(Corrections are highlighted in Yellow and in BOLD)**

	2023/2024 APPROVED BUDGET	2023/2024 ESTIMATED REV & EXPEND	2024/2025 BUDGET	Estimated to Budget VARIANCE 2023/2024 2024/2025	Budget to Budget VARIANCE 2023/2024 2024/2025
<b>CATEGORY IV - OUTREACH</b>					
18 Outreach Expense	562,433	562,433	579,306	16,873	16,873
SUBTOTAL-CATEGORY IV	562,433	562,433	579,306	16,873	16,873
<b>CATEGORY V - GENERAL &amp; ADMINISTRATIVE</b>					
19 Advertising	0	0	0	0	0
20 Accounting/Auditing	26,698	25,628	26,833	1,205	135
21 Legal	37,790	14,730	20,000	5,270	(17,790)
22 Computer Consultation	6,210	4,916	6,403	1,487	193
? Bank Charges	0	35,695	37,108	1,413	37,108
23 Dues & Subscriptions	1,700	2,492	2,500	8	800
24 Office Equipment Purchase	15,650	8,200	8,240	40	(7,410)
25 Office Equipment Lease	1,747	1,809	1,842	33	95
26 Insurance-Hlth/Life/Dsblty	189,179	93,481	147,544	54,063	(41,635)
27 Insurance-Other	11,405	12,733	15,605	2,872	4,200
28 Office Expense	12,762	12,743	13,820	1,077	1,058
29 Postage	3,100	2,060	2,060	0	(1,040)
30 Printing	750	544	750	206	0
31 Rent	94,950	94,844	94,842	(2)	(108)
32 Utilities	5,086	6,637	7,881	1,244	2,795
33 Retirement	88,469	70,106	88,469	18,363	0
34 Employee Compensation	521,992	409,468	513,176	103,708	(8,816)
35 Taxes - Payroll	39,932	29,831	39,258	9,427	(674)
36 Taxes - Unemplmt Comp	70	70	63	(7)	(7)
37 Taxes - Licenses	61	61	61	0	0
38 Telephone	17,178	16,708	16,750	42	(428)
39 Travel & Business	12,000	6,362	8,000	1,638	(4,000)
40 Equipment Maint.	1,350	1,597	1,250	(347)	(100)
41 Employee Training/Dev	500	0	500	500	0
42 Meeting & Interpreter Exp	5,500	4,715	5,500	785	0
SUBTOTAL-CATEGORY V	1,094,079	855,430	1,058,455	203,025	(35,624)
TOTAL EXPENSES	3,672,963	<b>3,245,836</b>	3,286,708	<b>40,872</b>	(386,255)
REVENUE LESS EXPENSES	19,136,990	<b>20,175,809</b>	<b>20,338,497</b>	162,688	1,201,507
Net Income excluding Surplus			162,688		