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April 1, 2005

Mr. Rick Moses, Chief, Bureau of Quality Service
Division of Competitive Markets and Enforcement
Florida Public Service Commission
Capital Circle Office Center
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

RECEIVED-FPSC
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COMMISSION
CLERK

RE: FTRI FY 2005 / 2006 Budget

Dear Mr. Moses:

The purpose of this letter is to forward a copy of the FY 2005 / 2006 budget that was recently approved by the Florida Telecommunications Relay, Inc. (FTRI) Board of Directors.

The budget as approved by the Board projects total revenues to be \$17,114,765 and total expenses to be \$18,399,840. The difference will be transferred from the surplus account, which should be approximately \$3,458,395 at the end of the current fiscal year.

Based on the best information available to us, the Board has approved a recommendation to keep the surcharge at its current level of \$.15 for the new fiscal year. We estimate that a surcharge at this level would enable FTRI to maintain its current level of service for the next year. This approach will also allow for reduction of the surplus fund to an approximate level of one-month expenditures as authorized by the FPSC.

As of March 2005, FTRI has over 315,000 individuals in the client database. It is evident that FTRI and its regional partners are reaching out to meet the telecommunications access needs of residents who are deaf, hard of hearing, deaf/blind, or speech impaired. Outreach continues to play a major role in FTRI's mission as we look forward to another successful year creating awareness and telephone independence for the 1.6 million potential clients in Florida.

- CMP _____
- COM _____
- CTR _____
- ECR _____
- GCL _____
- OPC _____
- MMS _____
- RCA _____
- SCR _____
- SEC 1
- OTH _____

With this budget submission FTRI would also propose a modification of one of the ordering paragraphs routinely included in the Order approving the budget. Specifically in each order approving the budget submitted by FTRI since the first budget in 1991, the Commission has included the following language in an Ordering paragraph:

"... FTRI may move amounts between these five categories not to exceed 10% of the category from which the funds are being moved; greater movement shall require prior Commission authorization."

DOCUMENT NUMBER - DATE

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FPSC-COMMISSION CLERK

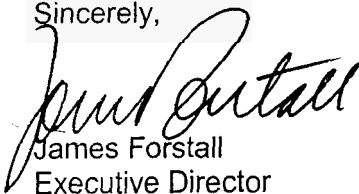
While such language may have served a purpose at the time it was initially propounded in 1991, the need for and potential benefit of such language has diminished over the years. The limitation as currently written only applies to movement of amounts between budget categories and serves only to limit the flexibility of FTRI in performing its duties as the Administrator of TASA. So long as the surcharge is not affected, there should be no limitation on movement of amounts from one category to another.

At no time since its organization in 1991, has FTRI sought a revision to the surcharge other than with the budget approval. Because the program realized a surplus account in the early years, there were years when the surcharge was set to produce less revenue than needed to fund the program in order to reduce this surplus but other than those planned events, FTRI has maintained its budget. There have been years when FTRI spent less than was budgeted in one or more of the five categories, but because of the surplus that is available, it was not necessary to transfer between categories for any over budget category. As the program goes forward, it is the view of the Board that spending priority go to pay for the relay and equipment distribution and, should it be necessary to transfer funds from other accounts to maintain these programs, FTRI should have that flexibility without any unnecessary delay. Accordingly FTRI proposes that the order not include the quoted language.

Accepting the modification as suggested herein would not have any adverse impact on the role or responsibilities of the Commission with respect to TASA, nor would it reduce in any way the information which the Commission receives. Currently, FTRI files copies of its quarterly financials with the Commission, after review and approval by the Board and these would still be filed and available for review. The same is true for the approved budget, audit and annual report; these would all be filed just as they are now. The purpose of submitting this request is not to diminish or affect in any way the statutory oversight authority of the Commission. Rather, the purpose is to eliminate unnecessary, impractical, and outdated language from the budget approval orders.

Should you have questions or desire additional information, please do not hesitate to call me at 205-1470 ext. 230 or email at jforstall@ftri.org.

Sincerely,



James Forstall
Executive Director

Enclosure

cc: FTRI Board of Directors

FLORIDA TELECOMMUNICATIONS RELAY, INC.
FISCAL YEAR 2005-2006 BUDGET

	2004-2005 APPROVED BUDGET	2004-2005 ESTIMATED REV & EXPEND	2005-2006 PROPOSED BUDGET	VARIANCE 2004-2005 BDGT 2005-2006 BDGT
OPERATING REVENUE				
1	17,852,927	17,646,882	17,073,358	(779,569)
2	14,950	42,291	41,407	26,457
3	0	0	0	0
	TOTAL OPERATING REV	17,689,173	17,114,765	(753,112)
OTHER REVENUE/FUNDS				
4	1,463,383	2,075,610	3,458,395	1,995,012
	TOTAL REVENUE	19,764,783	20,573,160	1,241,900
OPERATING EXPENSES				
CATEGORY I - RELAY SERVICES				
5	8,133,661	7,936,048	9,357,596	1,223,935
	SUBTOTAL-CATEGORY I	7,936,048	9,357,596	1,223,935
CATEGORY II - EQUIPMENT & REPAIRS				
6	355,806	176,400	189,600	(166,206)
7	5,680	0	8,520	2,840
8	86,220	54,000	36,000	(50,220)
9	39,745	21,603	20,798	(18,947)
10	13,000	12,990	13,000	0
11	450,000	453,095	433,200	(16,800)
12	3,548,655	3,354,839	3,709,476	160,821
13	10,936	10,805	11,972	1,036
14	136,800	60,000	72,000	(64,800)
15	24,500	12,250	12,250	(12,250)
16	5,260	4,120	4,320	(940)
17	301,430	188,529	189,309	(112,121)
18	53,721	73,113	66,834	13,113
19	1,120	336	560	(560)
20	112,560	72,602	55,809	(56,751)
	SUBTOTAL-CATEGORY II	4,494,682	4,823,648	(321,785)
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING				
21	43,040	22,724	33,573	(9,467)
22	1,942,755	1,859,810	2,045,739	102,984
23	47,568	47,250	94,188	46,620
24	3,732	684	0	(3,732)
	SUBTOTAL-CATEGORY III	1,930,468	2,173,500	136,405

FLORIDA TELECOMMUNICATIONS RELAY, INC
FISCAL YEAR 2005-2006 BUDGET

	2004-2005 APPROVED BUDGET	2004-2005 ESTIMATED REV & EXPEND	2005-2006 PROPOSED BUDGET	VARIANCE 2004-2005 BDGT 2005-2006 BDGT
CATEGORY IV - OUTREACH				
25 Outreach Expense	995,450	873,926	731,568	(263,882)
SUBTOTAL-CATEGORY IV	995,450	873,926	731,568	(263,882)
CATEGORY V - GENERAL & ADMINISTRATIVE				
26 Advertising	6,600	2,944	3,600	(3,000)
27 Accounting/Auditing	14,575	14,525	14,961	386
28 Legal	72,000	72,000	72,000	0
29 Computer Consultation	18,200	18,316	39,578	21,378
30 Bank Charges	2,412	1,772	1,051	(1,361)
31 Dues & Subscriptions	3,256	1,782	3,256	0
32 Office Furniture Purchase	4,660	4,575	1,738	(2,922)
32A Less: Capitalized Portion	0	0	0	0
33 Office Equipment Purchase	37,414	31,516	21,870	(15,544)
33A Less: Capitalized Portion	0	0	0	0
34 Depreciation	0	0	0	0
35 Office Equipment Lease	4,925	4,256	4,175	(750)
36 Insurance-Health/Life/Dsblty	218,994	187,171	235,964	16,970
37 Insurance-Other	6,582	5,835	6,074	(508)
38 Office Expense	17,427	17,373	23,848	6,421
39 Office Moving Expense	0	0	0	0
40 Postage	24,703	16,245	28,372	3,669
41 Printing	3,496	4,391	3,321	(175)
42 Rent	81,181	81,181	83,616	2,435
43 Utilities	7,383	9,449	9,504	2,121
44 Retirement	66,925	55,297	67,177	252
45 Employee Compensation	493,545	427,136	495,406	1,861
46 Temporary Employment	58,240	31,840	81,496	23,256
47 Taxes - Payroll	37,756	31,715	37,899	143
48 Taxes - Unemplmt Comp	5,306	6,531	7,182	1,876
49 Taxes - Licenses	61	61	61	0
50 Telephone	23,201	18,242	19,859	(3,342)
51 Travel & Business	36,950	17,230	34,325	(2,625)
52 Equipment Maint.	7,215	2,181	7,215	0
53 Employee Training/Dev	7,160	7,160	6,360	(800)
54 Meeting Expense	3,960	540	3,420	(540)
55 Miscellaneous Expense	200	0	200	0
SUBTOTAL-CATEGORY V	1,264,327	1,071,264	1,313,528	49,201
TOTAL EXPENSES	17,575,966	16,306,388	18,399,840	823,874
REVENUE LESS EXPENSES	1,755,294	3,458,395	2,173,320	418,026