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1820 E. Park Avenue, Suite 101  
Tallahassee, FL 32301  
Voice: 800-222-3448  
TTY: 888-447-5620  
Business: 888-292-1950  
Fax: 850-656-6099  
www.ftri.org

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DIVISION OF  
COMPETITIVE SERVICES

COMMISSION  
CLERK

April 3, 2006

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

RE: FTRI FY 2006 / 2007 Budget

Dear Mr. Moses:

The purpose of this letter is to forward a copy of the FY 2006 / 2007 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 \$10,271,032 and total expenses to be \$15,819,767. The difference will be transferred from the surplus account, which should be approximately \$7,233,968 at the end of the current fiscal year.

Based on the best information available to us, the Board has approved a recommendation to reduce the surcharge to a level of \$.09 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 2006, FTRI has over 340,000 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.

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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](mailto:jforstall@ftri.org).

Sincerely,

James Forstall  
Executive Director

Enclosure

cc: FTRI Board of Directors

DOCUMENT NUMBER-DATE

02936 APR-3 06

FPSC-COMMISSION CLERK

FLORIDA TELECOMMUNICATIONS RELAY, INC.  
FISCAL YEAR 2006-2007 BUDGET

	2005-2006 APPROVED BUDGET	2005-2006 ESTIMATED REV & EXPEND	2006-2007 PROPOSED BUDGET	VARIANCE 2005-2006 BDGT 2006-2007 BDGT
<b>OPERATING REVENUE</b>				
1 Surcharges	17,073,358	17,359,833	10,207,582	(6,865,776)
2 Interest Income	41,407	83,226	63,450	22,043
3 Service/Other	0	0	0	0
<b>TOTAL OPERATING REV</b>	<b>17,114,765</b>	<b>17,443,059</b>	<b>10,271,032</b>	<b>(6,843,733)</b>
<b>OTHER REVENUE/FUNDS</b>				
4 Surplus Account	3,458,395	3,581,389	7,233,968	3,775,573
<b>TOTAL REVENUE</b>	<b>20,573,160</b>	<b>21,024,448</b>	<b>17,505,000</b>	<b>(3,068,160)</b>
<b>OPERATING EXPENSES</b>				
<b>CATEGORY I - RELAY SERVICES</b>				
5 DPR Provider	9,357,596	7,508,418	9,197,349	(160,247)
<b>SUBTOTAL-CATEGORY I</b>	<b>9,357,596</b>	<b>7,508,418</b>	<b>9,197,349</b>	<b>(160,247)</b>
<b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>				
6 TDD Equipment	189,600	147,000	173,400	(16,200)
7 Large Print TDD's	8,520	8,520	5,680	(2,840)
8 VCO/HCO - TDD	36,000	36,000	36,000	0
9 VCO Telephone	20,798	19,441	20,939	141
10 Dual Sensory Equipment	13,000	9,592	9,592	(3,408)
11 CapTel Phone Equipment	433,200	433,200	433,200	0
12 VCP Hearing Impaired	3,709,476	1,981,727	2,038,362	(1,671,114)
13 VCP Speech Impaired	11,972	14,839	16,067	4,095
14 TeliTalk Speech Aid	72,000	30,000	60,000	(12,000)
15 Jupiter Speaker phone	12,250	0	15,330	3,080
16 In-Line Amplifier	4,320	3,200	2,640	(1,680)
17 ARS Signaling Equip	189,309	178,618	183,675	(5,634)
18 VRS Signaling Equip	66,834	63,216	65,565	(1,269)
19 TRS Signaling Equip	560	0	560	0
20 Telecomm Equip Repair	55,809	42,108	36,072	(19,737)
<b>SUBTOTAL-CATEGORY II</b>	<b>4,823,648</b>	<b>2,967,461</b>	<b>3,097,082</b>	<b>(1,726,566)</b>
<b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b>				
21 Freight-Telecomm Equip	33,573	31,608	41,621	8,048
22 Regional Distr Centers	2,045,739	1,362,437	1,426,195	(619,544)
23 Workshop Expense	94,188	57,211	35,332	(58,856)
24 Training Expense	0	0	0	0
<b>SUBTOTAL-CATEGORY III</b>	<b>2,173,500</b>	<b>1,451,256</b>	<b>1,503,148</b>	<b>(670,352)</b>

FLORIDA TELECOMMUNICATIONS RELAY, INC.  
FISCAL YEAR 2006-2007 BUDGET

	2005-2006 APPROVED BUDGET	2005-2006 ESTIMATED REV & EXPEND	2006-2007 PROPOSED BUDGET	VARIANCE 2005-2006 BDGT 2006-2007 BDGT
CATEGORY IV - OUTREACH				
25 Outreach Expense	731,568	688,179	627,544	(104,024)
SUBTOTAL-CATEGORY IV	731,568	688,179	627,544	(104,024)
CATEGORY V - GENERAL & ADMINISTRATIVE				
26 Advertising	3,600	0	3,000	(600)
27 Accounting/Auditing	14,961	14,875	17,121	2,160
28 Legal	72,000	72,880	72,000	0
29 Computer Consultation	39,578	16,908	28,990	(10,588)
30 Bank Charges	1,051	1,476	1,520	469
31 Dues & Subscriptions	3,256	2,031	2,156	(1,100)
32 Office Furniture Purchase	1,738	1,824	5,588	3,850
32A Less: Capitalized Portion	0	0	0	0
33 Office Equipment Purchase	21,870	8,894	10,970	(10,900)
33A Less: Capitalized Portion	0	0	0	0
34 Depreciation	0	0	0	0
35 Office Equipment Lease	4,175	3,595	4,213	38
36 Insurance-Hlth/Life/Dsblty	235,964	194,877	250,866	14,902
37 Insurance-Other	6,074	5,700	6,313	239
38 Office Expense	23,848	23,843	26,654	2,806
39 Postage	28,372	16,989	22,736	(5,636)
40 Printing	3,321	4,053	4,057	736
41 Rent	83,616	84,276	88,104	4,488
42 Utilities	9,504	11,247	11,577	2,073
43 Retirement	67,177	64,391	74,952	7,775
44 Employee Compensation	495,406	486,724	552,743	57,337
45 Temporary Employment	81,496	64,715	86,674	5,178
46 Taxes - Payroll	37,899	36,510	42,285	4,386
47 Taxes - Unemplmt Comp	7,182	4,572	5,266	(1,916)
48 Taxes - Licenses	61	61	61	0
49 Telephone	19,859	20,867	26,490	6,631
50 Travel & Business	34,325	25,285	29,950	(4,375)
51 Equipment Maint.	7,215	1,558	8,156	941
52 Employee Training/Dev	6,360	3,787	7,760	1,400
53 Meeting Expense	3,420	3,228	4,342	922
54 Miscellaneous Expense	200	0	100	(100)
SUBTOTAL-CATEGORY V	1,313,528	1,175,166	1,394,644	81,116
TOTAL EXPENSES	18,399,840	13,790,480	15,819,767	(2,580,073)
REVENUE LESS EXPENSES	2,173,320	7,233,968	1,685,233	(488,087)