

State of Florida



# Public Service Commission

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TALLAHASSEE, FLORIDA 32399-0850

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

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**DATE:** April 9, 2013  
**TO:** Ann Cole, Commission Clerk, Office of Commission Clerk  
**FROM:** Curtis J. Williams, Regulatory Analyst IV, Office of Telecommunications  
**RE:** Docket No. 110013-TP - Document Filing

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*[Signature]*

Please file the attached letter from James Forstall, Executive Director, Florida Telecommunications Relay, Inc. (FTRI), in Docket No. 110013-TP. The letter addresses FTRI's 2013/2014 Proposed Budget.

Please let me know if you have any questions.

## Attachments

Cc: Bob Casey  
Beth Salak  
Cindy Miller

DOCUMENT NUMBER-DATE  
01816 APR-9 13  
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April 1, 2013

OFFICE OF  
TELECOMMUNICATIONS

Mr. Robert Casey, Public Utilities Supervisor  
Division of Regulatory Analysis  
Florida Public Service Commission  
2540 Shumard Oak Boulevard  
Tallahassee, FL 32399-0866

DOCKET NO. 110013-TP

RE: FTRI FY 2013/2014 Budget

Dear Mr. Casey:

I am pleased to forward a copy of the FY 2013/2014 budget that was recently approved by the Florida Telecommunications Relay, Inc. (FTRI) Board of Directors. This budget was reviewed by our Budget Committee and the Board and was adopted by the Board on March 25, 2013.

The budget, with the inclusion of the proposed NDBEDP, as approved by the Board projects total revenues at the current surcharge level of \$.11 to be \$8,771,408 and total expenses to be \$9,329,613. The difference of \$558,205 will be transferred from the surplus account, which should be approximately \$12,509,743 at the end of the current fiscal year. Although a surcharge of \$.11 would produce a shortfall in meeting FTRI's operating expenses, we have not proposed to revise the surcharge because we believe there are sufficient funds in the surplus account to offset the difference. Attached is the Income Statement that reflects the proposed FY 2013/2014 budget.

As of February 2013, FTRI has over 482,700 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 be a large part of our efforts and we are planning to sustain these activities in order to continue to reach out to the estimated 3 million potential clients in Florida by creating awareness and telephone independence.

Should you have questions or desire additional information, please do not hesitate to email me at [jforstall@ftri.org](mailto:jforstall@ftri.org).

Sincerely,

James Forstall  
Executive Director

Enclosure

cc: FTRI Board of Directors

DOCUMENT NUMBER-DATE

01816 APR-9 2013

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**Florida Telecommunications Relay, Inc.**

**Income Statement  
FY 2013/2014  
11 cents Surcharge**

Income

|         |           |           |                  |
|---------|-----------|-----------|------------------|
| Revenue |           |           |                  |
|         | Surcharge | 8,270,823 |                  |
|         | Interest  | 41,753    |                  |
|         | NDBEDP    | 458,832   |                  |
|         |           |           | <u>8,771,408</u> |

Expense

|              |           |           |                  |
|--------------|-----------|-----------|------------------|
| Category I   |           |           |                  |
|              | DP Relay  | 3,065,857 |                  |
| Category II  |           |           |                  |
|              | Equipment | 2,543,446 |                  |
| Category III |           |           |                  |
|              | RDC       | 1,197,390 |                  |
| Category IV  |           |           |                  |
|              | Outreach  | 684,503   |                  |
| Category V   |           |           |                  |
|              | General   | 1,379,585 |                  |
| Category VI  |           |           |                  |
|              | NDBEDP    | 458,832   |                  |
|              |           |           | <u>9,329,613</u> |

Net Projected 2013/2014 Income (558,205)

Florida Telecommunications Relay, Inc.  
Fiscal Year 2013/2014 Budget @ .11 cents surcharge

|   | 2012/2013<br>APPROVED<br>BUDGET | 2012/2013<br>ESTIMATED<br>REV & EXPEND | 2013/2014<br>PROPOSED<br>BUDGET | VARIANCE<br>2012/2013<br>2013/2014 |
|---|---------------------------------|--|---------------------------------|------------------------------------|
| <b>OPERATING REVENUE</b>                                    |                                 |  |                                 |                                    |
| 1 Surcharges  | 8,979,396                       | 8,776,341                              | 8,270,823                       | (708,573)                          |
| 2 Interest Income   | 33,459                          | 58,039                                 | 41,753                          | 8,294                              |
| 3 NDBEDP  | 458,832                         | 175,000                                | 458,832                         | 0                                  |
| <b>TOTAL OPERATING REV</b>                                  | <b>9,471,687</b>                | <b>9,009,380</b>                       | <b>8,771,408</b>                | <b>(700,279)</b>                   |
| <b>OTHER REVENUE/FUNDS</b>                                  |                                 |  |                                 |                                    |
| 4 Surplus Account   | 12,293,694                      | 12,509,743                             | 11,444,256                      | (849,438)                          |
| <b>TOTAL REVENUE</b>  | <b>21,765,381</b>               | <b>21,519,123</b>                      | <b>20,215,664</b>               | <b>(1,549,717)</b>                 |
| <b>OPERATING EXPENSES</b>                                   |                                 |  |                                 |                                    |
| <b>CATEGORY I - RELAY SERVICES</b>                          |                                 |  |                                 |                                    |
| 5 DPR Provider  | 4,791,636                       | 4,523,357                              | 3,065,857                       | (1,725,779)                        |
| <b>SUBTOTAL-CATEGORY I</b>                                  | <b>4,791,636</b>                | <b>4,523,357</b>                       | <b>3,065,857</b>                | <b>(1,725,779)</b>                 |
| <b>CATEGORY II - EQUIPMENT &amp; REPAIRS</b>                |                                 |  |                                 |                                    |
| 6 TDD Equipment   | 0                               | 0                                      | 0                               | 0                                  |
| 7 Large Print TDD's   | 5,700                           | 5,000                                  | 5,000                           | (700)                              |
| 8 VCO/HCO - TDD   | 6,000                           | 5,820                                  | 6,000                           | 0                                  |
| 9 VCO Telephone   | 4,960                           | 2,707                                  | 3,720                           | (1,240)                            |
| 10 Dual Sensory Equipment                                   | 20,000                          | 20,000                                 | 20,000                          | 0                                  |
| 11 CapTel Phone Equipment                                   | 88,000                          | 37,950                                 | 55,000                          | (33,000)                           |
| 12 VCP Hearing Impaired                                     | 2,547,880                       | 1,908,766                              | 2,275,486                       | (272,394)                          |
| 13 VCP Speech Impaired                                      | 18,038                          | 10,692                                 | 31,840                          | 13,802                             |
| 14 TeliTalk Speech Aid                                      | 45,000                          | 21,600                                 | 33,000                          | (12,000)                           |
| 15 Jupiter Speaker phone                                    | 37,500                          | 18,000                                 | 30,000                          | (7,500)                            |
| 16 In-Line Amplifier  | 1,000                           | 500                                    | 1,000                           | 0                                  |
| 17 ARS Signaling Equip                                      | 29,700                          | 24,288                                 | 26,400                          | (3,300)                            |
| 18 VRS Signaling Equip                                      | 21,000                          | 16,500                                 | 20,000                          | (1,000)                            |
| 19 Accessories & Supplies                                   | 10,000                          | 10,000                                 | 10,000                          | 0                                  |
| 20 Telecomm Equip Repair                                    | 65,000                          | 50,000                                 | 26,000                          | (39,000)                           |
| <b>SUBTOTAL-CATEGORY II</b>                                 | <b>2,899,778</b>                | <b>2,131,823</b>                       | <b>2,543,446</b>                | <b>(356,332)</b>                   |
| <b>CATEGORY III - EQUIPMENT DISTRIBUTION &amp; TRAINING</b> |                                 |  |                                 |                                    |
| 21 Freight-Telecomm Equip                                   | 39,000                          | 48,000                                 | 55,000                          | 16,000                             |
| 22 Regional Distr Centers                                   | 1,378,088                       | 1,107,255                              | 1,122,390                       | (255,698)                          |
| 23 Workshop Expense   | 70,000                          | 65,000                                 | 0                               | (70,000)                           |
| 24 Training Expense   | 10,000                          | 2,000                                  | 20,000                          | 10,000                             |
| <b>SUBTOTAL-CATEGORY III</b>                                | <b>1,497,088</b>                | <b>1,222,255</b>                       | <b>1,197,390</b>                | <b>(299,698)</b>                   |

Florida Telecommunications Relay, Inc.  
Fiscal Year 2013/2014 Budget @ .11 cents surcharge

|  | 2012/2013<br>APPROVED<br>BUDGET | 2012/2013<br>ESTIMATED<br>REV & EXPEND | 2013/2014<br>PROPOSED<br>BUDGET | VARIANCE<br>2012/2013<br>2013/2014 |
|--|---------------------------------|--|---------------------------------|------------------------------------|
| <b>CATEGORY IV - OUTREACH</b>                    |                                 |  |                                 |                                    |
| 25 Outreach Expense                              | 684,503                         | 647,716                                | 684,503                         | 0                                  |
| SUBTOTAL-CATEGORY IV                             | 684,503                         | 647,716                                | 684,503                         | 0                                  |
| <b>CATEGORY V - GENERAL &amp; ADMINISTRATIVE</b> |                                 |  |                                 |                                    |
| 26 Advertising                                   | 5,600                           | 5,600                                  | 5,600                           | 0                                  |
| 27 Accounting/Auditing                           | 25,392                          | 25,325                                 | 23,646                          | (1,746)                            |
| 28 Legal   | 72,000                          | 72,000                                 | 72,000                          | 0                                  |
| 29 Computer Consultation                         | 49,560                          | 23,907                                 | 19,040                          | (30,520)                           |
| 30 Dues & Subscriptions                          | 4,187                           | 4,160                                  | 4,285                           | 98                                 |
| 31 Office Furniture Purchase                     | 2,450                           | 2,450                                  | 5,000                           | 2,550                              |
| 32 Office Equipment Purchase                     | 8,950                           | 8,202                                  | 7,700                           | (1,250)                            |
| 33 Office Equipment Lease                        | 2,330                           | 2,016                                  | 2,074                           | (256)                              |
| 34 Insurance-Hlth/Life/Dsblty                    | 303,215                         | 315,509                                | 356,764                         | 53,549                             |
| 35 Insurance-Other                               | 7,523                           | 6,390                                  | 6,893                           | (630)                              |
| 36 Office Expense                                | 17,413                          | 16,053                                 | 17,449                          | 36                                 |
| 37 Postage                                       | 16,822                          | 10,696                                 | 11,660                          | (5,162)                            |
| 38 Printing                                      | 2,893                           | 1,889                                  | 2,078                           | (815)                              |
| 39 Rent  | 90,156                          | 90,004                                 | 90,148                          | (8)                                |
| 40 Utilities                                     | 8,400                           | 7,350                                  | 8,084                           | (316)                              |
| 41 Retirement                                    | 80,960                          | 74,734                                 | 77,547                          | (3,413)                            |
| 42 Employee Compensation                         | 563,543                         | 531,812                                | 552,326                         | (11,217)                           |
| 43 Temporary Employment                          | 21,600                          | 15,600                                 | 17,200                          | (4,400)                            |
| 44 Taxes - Payroll                               | 43,189                          | 40,770                                 | 42,254                          | (935)                              |
| 45 Taxes - Unemplmt Comp                         | 6,426                           | 2,844                                  | 2,810                           | (3,616)                            |
| 46 Taxes - Licenses                              | 65                              | 65                                     | 65                              | 0                                  |
| 47 Telephone                                     | 24,039                          | 19,854                                 | 21,322                          | (2,717)                            |
| 48 Travel & Business                             | 22,295                          | 16,725                                 | 19,234                          | (3,061)                            |
| 49 Equipment Maint.                              | 1,669                           | 1,658                                  | 1,741                           | 72                                 |
| 50 Employee Training/Dev                         | 7,158                           | 5,575                                  | 5,665                           | (1,493)                            |
| 51 Meeting Expense                               | 5,741                           | 4,790                                  | 7,000                           | 1,259                              |
| 52 Miscellaneous Expense                         | 0                               | 0                                      | 0                               | 0                                  |
| SUBTOTAL-CATEGORY V                              | 1,393,576                       | 1,305,978                              | 1,379,585                       | (13,991)                           |
| <b>CATEGORY VI - NDBEDP</b>                      |                                 |  |                                 |                                    |
| 53 NDBEDP - Expense                              | 458,832                         | 175,000                                | 458,832                         | 0                                  |
| SUBTOTAL-CATEGORY VI                             | 458,832                         | 175,000                                | 458,832                         | 0                                  |
| <b>TOTAL EXPENSES</b>                            | <b>11,725,413</b>               | <b>10,006,129</b>                      | <b>9,329,613</b>                | <b>(2,395,800)</b>                 |
| <b>REVENUE LESS EXPENSES</b>                     | <b>10,039,968</b>               | <b>11,512,994</b>                      | <b>10,886,051</b>               | <b>846,083</b>                     |