

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-

DATE: March 25, 2014
TO: Carlotta Stauffer, Commission Clerk, Office of Commission Clerk
FROM: Curtis J. Williams, Office of Telecommunications *CW*
RE: Docket No. 110013-TP - Document Filing

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 2014/2015 Proposed Budget.

Please let me know if you have any questions.

Attachments

Cc: Bob Casey
Beth Salak
Cindy Miller
Pamela Page



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OFFICE OF
TELECOMMUNICATIONS

March 10, 2014

Mr. Curtis Williams, Regulatory Analyst IV
Office of Telecommunications
Florida Public Service Commission
2540 Shumard Oak Boulevard
Tallahassee, FL 32399-0866

RE: **FTRI FY 2014/2015 Budget**

Dear Mr. Williams:

I am pleased to forward a copy of the FY 2014/2015 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 10, 2014.

The budget, without the inclusion of the proposed NDBEDP, as approved by the Board projects total revenues at the current surcharge level of \$.11 to be \$8,069,377 and total expenses to be \$7,760,545. Attached is the Income Statement that reflects the FY 2014/2015 budget as approved by the Board of Directors.

As of January 2014, FTRI has over 495,043 individuals in the client database. FTRI and its regional partners continue to reach out to meet the telecommunications access needs of residents who are deaf, hard of hearing, deaf/blind, or speech challenge. Outreach continues to be a large part of our efforts to attract new clients and educate the general population about the Florida Relay System and the benefits this brings to our citizens.

Although we believe that outreach is an important element of the relay program, we are very aware that the number of new clients served continues to decrease and that trend is likely to continue. A major reason for this, we believe, is the decreasing use of landline and migration of users to other technologies such as wireless, VoIP, etc. The decrease in landlines users not only affects the equipment distribution program but more importantly reduces revenues because there are fewer landlines from which the surcharge is collected.

Should you have questions or desire additional information, please do not hesitate to email me at jforstall@ftri.org.

Sincerely,

A handwritten signature in black ink, appearing to read "James Forstall".

James Forstall
Executive Director

Enclosure

cc: FTRI Board of Directors

Florida Telecommunications Relay, Inc.

Income Statement

FY 2014/2015

11 cents Surcharge

Income

Revenue

Surcharge	8,013,558	
Interest	55,787	
NDBEDP	458,832	
		<u>8,528,177</u>

Expense

Category I

DP Relay 3,464,351

Category II

Equipment 1,537,932

Category III

RDC 1,018,089

Category IV

Outreach 607,200

Category V

General 1,150,298

Category VI

NDBEDP 458,832

8,236,702

Net Projected 2014/2015 Income 291,475

Florida Telecommunications Relay, Inc.
Fiscal Year 2014/2015 Budget @ .11 cents surcharge

	2013/2014 APPROVED BUDGET	2013/2014 ESTIMATED REV & EXPEND	2014/2015 PROPOSED BUDGET	VARIANCE 2013/2014 2014/2015
OPERATING REVENUE				
1 Surcharges	8,270,823	8,278,469	8,013,558	(257,265)
2 Interest Income	41,753	54,929	55,787	14,034
3 NDBEDP	458,832	286,578	458,832	0
TOTAL OPERATING REV	8,771,408	8,619,976	8,528,177	(243,231)
OTHER REVENUE/FUNDS				
4 Surplus Account	11,444,256	15,478,615	15,785,879	4,341,623
TOTAL REVENUE	20,215,664	24,098,591	24,314,056	4,098,392
OPERATING EXPENSES				
CATEGORY I - RELAY SERVICES				
5 DPR Provider	3,846,539	3,694,949	3,464,351	(382,188)
SUBTOTAL-CATEGORY I	3,846,539	3,694,949	3,464,351	(382,188)
CATEGORY II - EQUIPMENT & REPAIRS				
6 TDD Equipment	0	0	0	0
7 Large Print TDD's	5,000	0	0	(5,000)
8 VCO/HCO - TDD	6,000	0	0	(6,000)
9 VCO Telephone	3,720	0	0	(3,720)
10 Dual Sensory Equipment	20,000	0	10,000	(10,000)
11 CapTel Phone Equipment	55,000	32,850	38,700	(16,300)
12 VCP Hearing Impaired	2,275,486	1,257,827	1,240,342	(1,035,144)
13 VCP Speech Impaired	31,840	2,220	1,801	(30,039)
14 TeliTalk Speech Aid	33,000	18,000	9,000	(24,000)
15 Jupiter Speaker phone	30,000	0	7,546	(22,454)
16 In-Line Amplifier	1,000	300	600	(400)
17 ARS Signaling Equip	26,400	9,621	9,752	(16,648)
18 VRS Signaling Equip	20,000	16,080	16,080	(3,920)
19 Accessories & Supplies	10,000	1,764	2,000	(8,000)
20 Telecomm Equip Repair	26,000	200,839	202,111	176,111
SUBTOTAL-CATEGORY II	2,543,446	1,539,501	1,537,932	(1,005,514)
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING				
21 Freight-Telecomm Equip	55,000	84,742	84,742	29,742
22 Regional Distr Centers	1,122,390	906,059	932,347	(190,043)
23 Workshop Expense	0	0	0	0
24 Training Expense	20,000	1,000	1,000	(19,000)
SUBTOTAL-CATEGORY III	1,197,390	991,801	1,018,089	(179,301)

Florida Telecommunications Relay, Inc.
Fiscal Year 2014/2015 Budget @ .11 cents surcharge

	2013/2014 APPROVED BUDGET	2013/2014 ESTIMATED REV & EXPEND	2014/2015 PROPOSED BUDGET	VARIANCE 2013/2014 2014/2015
CATEGORY IV - OUTREACH				
25 Outreach Expense	684,503	648,329	607,200	(77,303)
SUBTOTAL-CATEGORY IV	684,503	648,329	607,200	(77,303)
CATEGORY V - GENERAL & ADMINISTRATIVE				
26 Advertising	5,600	4,828	4,905	(695)
27 Accounting/Auditing	23,646	25,432	28,336	4,690
28 Legal	72,000	72,000	72,000	0
29 Computer Consultation	19,040	19,022	18,690	(350)
30 Dues & Subscriptions	4,285	3,009	3,060	(1,225)
31 Office Furniture Purchase	5,000	340	500	(4,500)
32 Office Equipment Purchase	7,700	7,842	18,500	10,800
33 Office Equipment Lease	2,074	2,016	1,935	(139)
34 Insurance-Hlth/Life/Dsbty	356,764	254,319	209,578	(147,186)
35 Insurance-Other	6,893	9,211	9,292	2,399
36 Office Expense	17,449	16,429	17,014	(435)
37 Postage	11,660	12,317	12,527	867
38 Printing	2,078	1,829	1,860	(218)
39 Rent	90,148	90,946	91,184	1,036
40 Utilities	8,084	6,959	7,077	(1,007)
41 Retirement	77,547	66,965	66,925	(10,622)
42 Employee Compensation	552,326	467,520	498,750	(53,576)
43 Temporary Employment	17,200	15,600	8,000	(9,200)
44 Taxes - Payroll	42,254	35,613	38,155	(4,099)
45 Taxes - Unemplmt Comp	2,810	1,262	901	(1,909)
46 Taxes - Licenses	65	65	65	0
47 Telephone	21,322	18,174	19,138	(2,184)
48 Travel & Business	19,234	10,234	10,408	(8,826)
49 Equipment Maint.	1,741	1,326	1,349	(392)
50 Employee Training/Dev	5,665	5,200	7,000	1,335
51 Meeting Expense	7,000	3,096	3,149	(3,851)
52 Miscellaneous Expense	0	0	0	0
SUBTOTAL-CATEGORY V	1,379,585	1,151,554	1,150,298	(229,287)
CATEGORY VI - NDBEDP				
53 NDBEDP - Expense	458,832	286,578	458,832	0
SUBTOTAL-CATEGORY VI	458,832	286,578	458,832	0
TOTAL EXPENSES	10,110,295	8,312,712	8,236,702	(1,873,593)
REVENUE LESS EXPENSES	10,105,369	15,785,879	16,077,354	5,971,985