

April 5, 2004

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

991222-TP

RE: **FTRI FY 2004 / 2005 Budget**

Dear Mr. Moses:

The purpose of this letter is to forward a copy of the FY 2004 / 2005 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 \$17,867,877 and total expenses to be \$17,807,024.

Based on the best information available to us, the Board has approved a recommendation to increase the surcharge level to \$.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 FTRI to sustain a surplus at an approximate level of one-month expenditures as authorized by the FPSC.

As of February 29, 2004, FTRI has over 270,000 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

OTH

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

Sincerely,



James Forstall

Executive Director

Enclosures

cc: FTRI Board of Directors

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FLORIDA TELECOMMUNICATIONS RELAY, INC.

Budget Presentation FYE June 2005

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FLORIDA TELECOMMUNICATIONS RELAY, INC
FISCAL YEAR 2004-2005 BUDGET

	2003-2004 APPROVED BUDGET	2003-2004 ESTIMATED REV & EXPEND	2004-2005 PROPOSED BUDGET	VARIANCE 2003-2004 BDGT 2004-2005 BDGT
OPERATING REVENUE				
1 Surcharges	15,487,150	15,130,807	17,852,927	2,365,777
2 Interest Income	11,714	15,082	14,950	3,236
3 Service/Other	0	0	0	0
TOTAL OPERATING REV	15,498,864	15,145,889	17,867,877	2,369,013
OTHER REVENUE/FUNDS				
4 Surplus Account	925,212	1,563,702	1,463,383	538,171
TOTAL REVENUE	16,424,076	16,709,591	19,331,260	2,907,184
OPERATING EXPENSES				
CATEGORY I - RELAY SERVICES				
5 DPR Provider	8,011,548	7,603,854	8,133,661	122,113
SUBTOTAL-CATEGORY I	8,011,548	7,603,854	8,133,661	122,113
CATEGORY II - EQUIPMENT & REPAIRS				
6 TDD Equipment	445,278	344,500	355,806	(89,472)
7 Large Print TDD's	13,632	11,360	5,680	(7,952)
8 VCO/HCO - TDD	70,920	72,000	86,220	15,300
9 VCO Telephone	82,936	56,972	39,745	(43,191)
10 Dual Sensory Equipment	39,840	6,500	13,000	(26,840)
11 CapTel Phone Equipment		157,200	478,800	478,800
12 VCP Hearing Impaired	2,458,272	2,957,213	3,548,655	1,090,383
13 VCP Speech Impaired	14,612	9,098	10,936	(3,676)
14 TeliTalk Speech Aid	360,000	190,800	136,800	(223,200)
15 Jupiter Speaker phone		24,500	24,500	24,500
16 In-Line Amplifier	6,240	4,380	5,260	(980)
17 ARS Signaling Equip	266,281	251,199	301,430	35,149
18 VRS Signaling Equip	73,950	53,721	53,721	(20,229)
19 TRS Signaling Equip	1,344	560	1,120	(224)
20 Telecomm Equip Repair	87,566	90,659	112,560	24,994
SUBTOTAL-CATEGORY II	3,920,871	4,230,662	5,174,233	1,253,362
CATEGORY III - EQUIPMENT DISTRIBUTION & TRAINING				
21 Freight-Telecomm Equip	47,112	19,087	43,040	(4,072)
22 Regional Distr Centers	1,267,752	1,451,576	1,942,755	675,003
23 Workshop Expense	43,235	34,112	47,568	4,333
24 Training Expense	32,400	20,554	3,732	(28,668)
SUBTOTAL-CATEGORY III	1,390,499	1,525,329	2,037,095	646,596

FLORIDA TELECOMMUNICATIONS RELAY, INC.
FISCAL YEAR 2004-2005 BUDGET

	2003-2004 APPROVED BUDGET	2003-2004 ESTIMATED REV & EXPEND	2004-2005 PROPOSED BUDGET	VARIANCE 2003-2004 BDGT 2004-2005 BDGT
CATEGORY IV - OUTREACH				
25 Outreach Expense	892,900	830,300	1,100,450	207,550
SUBTOTAL-CATEGORY IV	892,900	830,300	1,100,450	207,550
CATEGORY V - GENERAL & ADMINISTRATIVE				
26 Advertising	3,000	6,786	6,600	3,600
27 Accounting/Auditing	28,000	14,150	14,575	(13,425)
28 Legal	72,000	72,000	72,000	0
29 Computer Consultation	4,690	10,005	18,200	13,510
30 Bank Charges	2,160	2,342	2,412	252
31 Dues & Subscriptions	2,365	1,940	3,256	891
32 Office Furniture Purchase	9,574	2,733	7,041	(2,533)
32A Less: Capitalized Portion	0	0	0	0
33 Office Equipment Purchase	34,311	15,036	39,628	5,317
33A Less: Capitalized Portion	0	0	0	0
34 Depreciation	0	0	0	0
35 Office Equipment Lease	4,712	3,315	4,925	213
36 Insurance-Hlth/Life/Dsblty	183,893	160,116	238,418	54,525
37 Insurance-Other	5,660	5,800	6,634	974
38 Office Expense	20,648	17,595	22,427	1,779
39 Office Moving Expense	0	0	0	0
40 Postage	24,703	15,650	24,703	0
41 Printing	4,052	3,101	3,496	(556)
42 Rent	78,816	78,816	81,181	2,365
43 Utilities	6,290	6,027	7,383	1,093
44 Retirement	58,352	55,596	69,637	11,285
45 Employee Compensation	516,391	439,971	513,545	(2,846)
46 Temporary Employment	19,404	37,676	101,920	82,516
47 Taxes - Payroll	39,504	33,658	39,286	(218)
48 Taxes - Unemplmt Comp	4,094	4,030	5,571	1,477
49 Taxes - Licenses	61	61	61	0
50 Telephone	21,286	19,791	23,201	1,915
51 Travel & Business	28,096	33,314	36,950	8,854
52 Equipment Maint.	6,615	6,615	7,215	600
53 Employee Training/Dev	4,900	3,238	7,160	2,260
54 Meeting Expense	3,220	6,701	3,960	740
55 Miscellaneous Expense	200	0	200	0
SUBTOTAL-CATEGORY V	1,186,997	1,056,063	1,361,585	174,588
TOTAL EXPENSES	15,402,815	15,246,208	17,807,024	2,404,209
REVENUE LESS EXPENSES	1,021,261	1,463,383	1,524,236	502,975

<p align="center">FLORIDA TELECOMMUNICATIONS RELAY, INC. SURCHARGE IMPACT PROJECTION ON FTRI BUDGET OVER NEXT THREE YEARS Budget Projection FYE June 2005</p>

In the past FTRI has been impacted by various lump sum payments either increasing or decreasing our fund balance. Some examples are the liquidated damages the FPSC assessed against MCI for contract violations. A donation received from MCI due to a settlement regarding litigation concerning various telecommunication issues. Credits received for NECA payments by MCI. Payment for Relay changes due to FCC requirements and purchase of Caller ID. During this budget year the FPSC has approved CapTel Relay service for Florida.

In addition FTRI can be adversely affected by legislative activity and other market conditions such as recession, industry consolidation and mergers among other factors.

Example 1

Under Example 1 we compare the results of changing the surcharge from 13 cents to 14 cents, 15 cents, and 16 cents for the fiscal year ended June 30, 2005.

Surcharge level:	@ .16	Proposed level @ .15	@ .14	Current level @ .13
Revenues on 120,221,728 access lines	\$19,043,122	\$17,852,927	\$16,662,731	\$15,472,536
Interest (+) Income	21,417	14,950	8,484	4,010
Beginning (+) Fund Balance	1,463,383	1,463,383	1,463,383	1,463,383
Expenses (-) Year End June 2004	17,807,024	17,807,024	17,807,024	17,807,024
Ending Fund Balance	\$ 2,720,898	\$ 1,524,236	\$327,574	<\$ 867,094>

<p>Each increase of 1 cent in surcharge level equals \$1,190,195 for access lines projected in fiscal year end 2005. The Public Service Commission has agreed in the past that FTRI should maintain an amount equal to one month's disbursement requirements in the surplus account.</p>

Example 2

In example 2 we assume a 2 percent decrease in access lines and a 3 percent increase each subsequent year in expenses for the year projected over the previous fiscal year. These assumptions are supported by historical data. Over the last eight years the average increase in expenses has been 2.7 percent per year.

Access lines	120,221,728	117,817,293	115,460,947
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	<u>Fiscal Year End 2005</u>	<u>Fiscal Year End 2006</u>	<u>Fiscal Year End 2007</u>
Surcharge level:	@ .15	@ .16	@ .16
Revenues	\$17,852,927	\$18,662,259	\$18,289,014
Interest Income	14,950	17,057	15,435
Beg Fund Balance	1,463,383	1,255,539	1,314,163
Expenses	17,807,024	18,341,235	18,891,472
Ending Fund Balance	<u>\$ 1,524,236</u>	<u>\$ 1,862,317</u>	<u>\$ 1,275,294</u>

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

REVENUE

REVENUE	2001/2002 ACTUAL =====	2002/2003 ACTUAL =====	2003/2004 TOTAL 6 MONTHS =====	YEAR END ESTIMATE 2003/2004 =====	2003/2004 APPROVED BUDGET =====	2004/2005 PROPOSED BUDGET =====	VARIANCE BETWEEN BUDGETS =====
1 Surcharge	15,279,745	10,341,114	7,341,819	15,130,807	15,487,150	17,852,927	2,365,777
2 Interest	139,965	60,440	7,926	15,082	11,714	14,950	3,236
3 Misc. Revenue	0	0	0	0	0	0	0
**Fund Balance @ July 01				1,563,702		1,463,383	1,463,383
TOTAL REVENUE	15,419,710	10,401,554	7,349,745	16,709,591	15,498,864	19,331,260	3,832,396

Budrev2005

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

REVENUE CATEGORY

- 1A. Surcharge revenue for year-end is based on year to date through November plus December through June estimated at a 3.0% decrease over the same periods last year. See attached chart. Access lines are currently showing a 3.6% decrease in the six month period July through December 2003 to 2004.

123,939,925 access lines

July –Feb lines $82854673 \times .12 \times .99 = \$9,843,135$

Mar – Jun lines $41085252 \times .13 \times .99 = \underline{\$5,287,672}$
\$15,130,807

- 1B. Surcharge revenues for FY 2004/2005 are based on a 3.0% decrease in the total number of access lines reported and estimated in FY 2003/2004. The rate of decline for the past several years has been between .6 percent to 3.3 percent. In 2001/2002 fiscal year a dramatic drop in access line growth occurred and has continued each subsequent year. Continued movement of the general population to wireless telephone use will continue to erode the access lines being reported. FTRI is recommending, based on the projected level of expenses for the program, that the surcharge be increased to 15 cents. This will generally cover the estimated amount of expenses leaving the surplus fund at approximately one to one and a half times the amount of expenses for one month. See Surcharge Impact Projection (Attachment 2) for illustration of estimated surcharge levels and budgeted expenses.

120,221,728 access lines $\times .99 \times \$0.15 = \underline{\$17,852,927}$

- 2A. Interest Income, year-end 2004, is based on earnings from our two AmSouth accounts. FTRI is drawing down the accounts at a rate of approximately \$47,000 per month during the first six months of 2003/2004. FTRI has used an estimated 1 percent interest rate for all accounts.

Non-Profit Money Market	0.70% interest rate reported as of 12/31/2003	Balance of \$ 690,050.17
Public Funds Account	1.12% interest rate reported as of 12/31/2003	Balance of \$ 515,943.53

Interest Accumulation Charts attached providing the total FYE estimate is \$15,082

- 2B. Interest on the AmSouth Public Funds Account and AmSouth Non-Profit Money Market Account are provided in the charts attached. FTRI has used an estimated 1 percent interest rate for all accounts.

Total projected is **\$14,950**

REVENUE CATEGORY *continued...*

- 3A. Other Income for FY 2003/2004 is estimated at \$0 for this fiscal year.
- 3B. Other Income for FY 2004/2005 is estimated at **\$0**.
- 4A. The fund balance at July 1, 2003 for FY 2003/2004 was \$1,563,702 in contrast to FTRI's projection during the last budget cycle of \$925,212. The fund balance of \$1,563,702 was taken from our audited financial report for fiscal year ending June 30, 2003. The amount is listed as Cash under Current Assets on the Statement of Financial Position. The amount is an aggregate of our AmSouth Bank accounts.
- 4B. The fund balance at July 1, 2004 for FY 2004/2005 is estimated to be **\$1,463,383** and is computed by subtracting estimated year-end expenditures from estimated year-end revenues for FY 2003/2004. As planned in the reduction of the surcharge to 8 cents during fiscal year 2002/2003 FTRI has drawn down cash reserves to a level closer to one month's cash disbursements of approximately 1.5 million. FY 2003/2004 surcharge level was set at 12 cents. January 2004 the PSC approved CapTel service and the surcharge as of March 1, 2004 was changed to 13 cents.

Access Line History Analysis

	actuals FY 91-92	actuals FY 92-93	actuals FY 93-94	actuals FY 94-95	actuals FY 95-96	actuals FY 96-97	actuals FY 97-98	actuals FY 98-99	actuals FYE 2000
July	7,238,836	7,522,430	7,808,606	8,154,202	8,373,690	9,164,096	9,502,287	10,410,829	10,429,890
August	7,292,686	7,400,702	7,782,714	8,191,796	8,569,712	8,946,995	9,506,911	10,449,947	10,444,331
September	7,339,876	7,513,296	7,866,008	8,231,683	8,606,008	9,043,945	9,539,337	9,802,702	10,363,375
October	7,399,538	7,538,681	7,914,086	8,300,060	8,671,761	9,102,804	9,626,936	9,710,682	10,285,941
November	7,458,390	7,710,286	7,989,123	8,526,452	8,752,909	9,190,700	9,626,956	9,941,595	9,962,150
December	7,563,591	7,772,815	8,063,344	8,338,274	8,820,078	9,266,633	9,626,976	10,129,213	10,031,498
January	7,607,696	7,806,891	8,083,560	8,507,383	8,899,215	9,343,629	9,626,996	8,858,244	9,992,488
February	7,694,650	7,838,812	8,181,697	8,589,529	8,968,053	9,417,838	9,627,016	9,690,221	10,036,067
March	7,685,906	7,871,793	8,193,839	8,605,520	8,964,281	9,458,728	9,627,036	10,245,679	10,154,017
April	7,639,059	7,836,075	8,193,062	8,574,116	8,957,833	9,453,356	9,627,056	10,224,241	10,173,229
	7,574,004	7,792,382	8,147,594	8,545,761	8,955,137	9,464,052	9,627,076	10,189,064	10,117,793
June	7,558,240	7,780,173	8,150,618	8,527,405	8,981,397	9,481,844	9,627,096	10,236,537	10,874,800
Total	90,052,472	92,384,336	96,374,251	101,092,181	105,520,074	111,334,620	115,191,679	119,888,954	122,865,579
Average	7,504,373	7,698,695	8,031,188	8,424,348	8,793,340	9,277,885	9,599,307	9,990,746	10,238,798
% incr over prior year	(Base Year)	2.59%	4.32%	4.90%	4.38%	5.51%	3.46%	4.08%	2.48%

61,517,185

6 six month
data July to Dec.

Access Line History Analysis

	actuals FYE 2001	actuals FYE 2002	actuals FYE 2003	estimate FYE 2004	estimate FYE 2005	FYE 2004 estimate @ .12	FYE 2005 estimate @ .14	FYE 2005 estimate @ .15	FYE 2005 estimate @ .16
July	10,626,055	10,470,715	10,765,386	10,256,294	9,948,605	\$1,218,448	\$1,378,877	\$1,477,368	\$1,575,859
August	10,768,417	10,796,551	10,709,983	10,354,954	10,044,305	\$1,230,169	\$1,392,141	\$1,491,579	\$1,591,018
September	10,696,657	10,722,056	10,761,431	10,392,402	10,080,630	\$1,234,617	\$1,397,175	\$1,496,974	\$1,596,772
October	10,712,000	10,730,444	10,695,869	10,227,592	9,920,764	\$1,215,038	\$1,375,018	\$1,473,233	\$1,571,449
November	10,898,325	10,776,322	10,784,725	10,461,183	10,147,348	\$1,242,789	\$1,406,422	\$1,506,881	\$1,607,340
December	10,802,462	10,750,450	10,731,150	10,409,216	10,096,939	\$1,236,615	\$1,399,436	\$1,499,395	\$1,599,355
January	10,959,030	10,751,663	10,716,187	10,394,701	10,082,860	\$1,234,891	\$1,397,484	\$1,497,305	\$1,597,125
February	11,373,430	10,827,700	10,678,692	10,358,331	10,047,581	\$1,230,570	\$1,392,595	\$1,492,066	\$1,591,537
March	11,076,930	10,876,757	10,757,606	10,434,878	10,121,831	\$1,342,969	\$1,402,886	\$1,503,092	\$1,603,298
April	10,957,179	10,806,278	10,633,987	10,314,967	10,005,518	\$1,327,536	\$1,386,765	\$1,485,819	\$1,584,874
May	10,815,375	10,727,614	10,501,609	10,186,561	9,880,964	\$1,311,010	\$1,369,502	\$1,467,323	\$1,565,145
June	10,773,592	10,760,804	10,462,728	10,148,846	9,844,381	\$1,306,157	\$1,364,431	\$1,461,891	\$1,559,350
Total	130,459,452	128,997,354	128,199,353	123,939,925	120,221,728	\$15,130,807	\$16,662,731	\$17,852,927	\$19,043,122
Average	10,871,621	10,749,780	10,683,279	10,328,327	10,018,477	far-Jun .13			
% incr over prior year	6.18%	-1.12%	-0.62%	-3.32%	-3.00%				

64,503,916	64,246,538	64,448,544
4.86%	-0.40%	0.31%

November through June 2004 is estimated at a negative 3.00% over the same month in the previous year. This will yield a decrease in total access lines.

2004/2005 at <3.00%>.

Surcharge changed to .13 March 1, 2003

As of Feb 19, 2004

Access Line History Analysis

	actuals FYE 2001	actuals FYE 2002	actuals FYE 2003	estimate FYE 2004	estimate FYE 2005	FYE 2004 estimate @ .12	FYE 2005 estimate @ .14	FYE 2005 estimate @ .15	FYE 2005 estimate @ .16	decrease 2003 to 2004
July	10,626,055	10,470,715	10,765,386	10,256,294	9,948,605	\$1,218,448	\$1,378,877	\$1,477,368	\$1,575,859	-4.73%
August	10,768,417	10,796,551	10,709,983	10,354,954	10,044,305	\$1,230,169	\$1,392,141	\$1,491,579	\$1,591,018	-3.31%
September	10,696,657	10,722,056	10,761,431	10,392,402	10,080,630	\$1,234,617	\$1,397,175	\$1,496,974	\$1,596,772	-3.43%
October	10,712,000	10,730,444	10,695,869	10,227,592	9,920,764	\$1,215,038	\$1,375,018	\$1,473,233	\$1,571,449	-4.38%
November	10,898,325	10,776,322	10,784,725	10,461,183	10,147,348	\$1,242,789	\$1,406,422	\$1,506,881	\$1,607,340	-3.00%
December	10,802,462	10,750,450	10,731,150	10,409,216	10,096,939	\$1,236,615	\$1,399,436	\$1,499,395	\$1,599,355	-3.00%
January	10,959,030	10,751,663	10,716,187	10,394,701	10,082,860	\$1,234,891	\$1,397,484	\$1,497,305	\$1,597,125	-3.00%
February	11,373,430	10,827,700	10,678,692	10,358,331	10,047,581	\$1,230,570	\$1,392,595	\$1,492,066	\$1,591,537	-3.00%
March	11,076,930	10,876,757	10,757,606	10,434,878	10,121,831	\$1,342,969	\$1,402,886	\$1,503,092	\$1,603,298	-3.00%
April	10,957,179	10,806,278	10,633,987	10,314,967	10,005,518	\$1,327,536	\$1,386,765	\$1,485,819	\$1,584,874	-3.00%
May	10,815,375	10,727,614	10,501,609	10,186,561	9,880,964	\$1,311,010	\$1,369,502	\$1,467,323	\$1,565,145	-3.00%
June	10,773,592	10,760,804	10,462,728	10,148,846	9,844,381	\$1,306,157	\$1,364,431	\$1,461,891	\$1,559,350	-3.00%
Total	130,459,452	128,997,354	128,199,353	123,939,925	120,221,728	\$15,130,807				
Average	10,871,621	10,749,780	10,683,279	10,328,327	10,018,477	Mar-Jun .13				
% incr over prior year	6.18%	-1.12%	-0.62%	-3.32%	-3.00%					

Interest Income Accumulation Chart

FYE estimate June 2004

Budget 2005

for srchge @.12 earning 1.0%

AmSouth Public Funds

YE 2003 Ending Balance

1563702

YE 2004 (15130807+1563702)-15246208

1448301

115401

9616.75

	Fund Bal	Less Exp.		BAL-EXP	Int	New Bal
	-----	-----		=====	=====	=====
BEG BAL	1563702	9616.75	July	1554085	1295.07	1555380
	1555380	9616.75	Aug	1545764	1288.14	1547052
	1547052	9616.75	Sept	1537435	1281.20	1538716
	1538716	9616.75	Oct	1529099	1274.25	1530374
	1530374	9616.75	Nov	1520757	1267.30	1522024
	1522024	9616.75	Dec	1512407	1260.34	1513668
	1513668	9616.75	Jan	1504051	1253.38	1505304
	1505304	9616.75	Feb	1495688	1246.41	1496934
	1496934	9616.75	Mar	1487317	1239.43	1488557
	1488557	9616.75	Apr	1478940	1232.45	1480172
	1480172	9616.75	May	1470556	1225.46	1471781
	1471781	9616.75	June	1462164	1218.47	1463383
		-----			-----	
		115401			15081.89	

estimated Total interest earned
 Year-end June 2004

 15081.89

Interest Income Accumulation Chart

FYE estimate June 2005

for srchge @.15 earning 1.0%

Budget 2005

AmSouth Public Funds

YE 2004 Ending Balance

1463383

YE 2005 (17852927 +1463383)-17807024

1509286

-45903

-3825.25

	Fund Bal	Less Exp.		BAL-EXP	Int	New Bal
	-----	-----		=====	=====	=====
BEG BAL	1463383	-3825.25	July	1467208	1222.67	1468431
	1468431	-3825.25	Aug	1472256	1226.88	1473483
	1473483	-3825.25	Sept	1477308	1231.09	1478539
	1478539	-3825.25	Oct	1482365	1235.30	1483600
	1483600	-3825.25	Nov	1487425	1239.52	1488665
	1488665	-3825.25	Dec	1492490	1243.74	1493734
	1493734	-3825.25	Jan	1497559	1247.97	1498807
	1498807	-3825.25	Feb	1502632	1252.19	1503884
	1503884	-3825.25	Mar	1507710	1256.42	1508966
	1508966	-3825.25	Apr	1512791	1260.66	1514052
	1514052	-3825.25	May	1517877	1264.90	1519142
	1519142	-3825.25	June	1522967	1269.14	1524236
		-----			-----	
		-45903			14950.49	

Total interest earned

14950.49

Year-end June 2005

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

CATEGORY I

	2001/2002 ACTUAL	2002/2003 ACTUAL	2003/2004 TOTAL 6 MONTHS	YEAR END ESTIMATE 2003/2004	2003/2004 APPROVED BUDGET	2004/2005 PROPOSED BUDGET	VARIANCE BETWEEN BUDGETS
	=====	=====	=====	=====	=====	=====	=====
OPERATING EXPENSES							
CATEGORY I							
5 Relay Service DPR Provider	9,345,718	8,890,898	3,770,988	7,603,854	8,011,548	8,133,661	122,113
SUBTOTAL CAT I	9,345,718	8,890,898	3,770,988	7,603,854	8,011,548	8,133,661	122,113

Bdfye2005

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

CATEGORY I

- 5A. FRS year-end estimate is calculated using actual minutes billed for the first six months of FYE 2003/2004 plus the actual amounts January through June from last fiscal year decreased by 5 percent conservatively. A 7.5 percent decrease was realized during the first 6 months of fiscal year 2004 as compared to the same period in fiscal year 2003. A decrease in minutes may be due to internet relay, email and video relay. CapTel relay service will also have an impact on traditional relay minutes. As of January 2004 billing the CapTel information showed 196 users/units with an approximate 33 calls per user averaging 2.5 billable minutes per call. $(196 \times 33) \times 2.5 = 16,170$ billable minutes $\times 5$ months = 80850 billable minutes possible to be billed in the remainder of this fiscal year.

Estimated Year end billable minutes	10,255,645 X .73 For Traditional Relay
Estimated Year end billable minutes (Fiscal Year End June 30, 2004)	80,850 X 1.45 For CapTel Relay
Estimated traditional relay	\$7,486,621
Estimated CapTel relay.....	<u>\$ 117,233</u>
TOTAL	7,603,854

- 5B. The proposed budget is based on a projection provided by the relay provider. The contract rate is 73 cents per billable minute for traditional relay and \$1.45 per minute for CapTel relay.

Using the chart attached as provided by SPRINT a 7.6% reduction and 8% reduction in billable minutes were presented. FTRI chose to use the more conservative reduction of 7.6% for traditional relay to include in this budget. CapTel was presented as a 14 month projection starting with 232 phones in service. Currently only 196 users have been reported on the CapTel report sent with the January 2004 relay bill. FTRI used the first 12 months of the projection to more closely replicate the number of CapTel phones expected to be in the field during the budget period.

Traditional relay billable minutes projected by SPRINT FYE June 2005.....	9,347,974
At .73 per minute a total projection of	\$6,824,021
CapTel billable minutes projected by SPRINT FYE June 2005.....	903,200
At 1.45 per minute a total projection of	\$1,309,640
TOTAL RELAY COST.....	<u>\$8,133,661</u>

FTRI

History of DPR-FRS Billing

Using billable minutes

	FY-2001	FY-2002	FY-2003	FY-2004	FY-2005	Sprint Projection Fiscal Year End 2005		
July	948,879	951,634	972,320	878,181	834,272	811,439	9.68%	
August	975,507	1,033,638	964,869	880,785	836,746	813,845	8.71%	
September	913,044	929,414	902,468	849,068	806,615	784,539	5.92%	
October	961,188	976,014	957,032	874,915	831,169	808,482	8.58%	
November	901,701	925,611	889,500	816,196	775,386	754,245	8.24%	
December	896,278	919,588	900,155	866,593	823,263	801,064	3.73%	
January	962,514	1,001,899	946,278	898,964	854,016	807,910	5.00%	
February	853,325	906,819	854,032	811,330	770,764	729,152	5.00%	
March	962,642	973,645	923,625	877,444	833,572	788,569		
April	914,625	956,594	889,390	844,921	802,674	759,340	5,586,344	2003
May	974,439	968,796	885,486	841,212	799,151	756,007	5,165,738	2004
June	919,050	911,228	858,986	816,037	775,235	733,382	420,606	7.53%
	11,183,192	11,454,880	10,944,141	10,255,645	9,742,863	9,347,974		
	1.09%	2.43%	-4.46%	-6.29%	-5.00%			

minutes x .73 minutes x .73 minutes x .73 minutes x .73
 \$7,989,222.93 \$7,486,620.96 \$7,112,289.91 \$6,824,021.02

6,737,798	6,532,622	6,064,702
	-3.045%	-7.163%
first 7 months comparison showing a decrease of 3.045 % 2002 to 2003 FY		

5,596,597 5,735,899 5,586,344 5,165,738 4,907,451
 #DIV/0! 2.49% -2.61% -7.53% -5.00%

Florida Relay Billable Minute Projections

FY 2003-2004

FY 2004-2005

		7.6% reduction		8.0% reduction
Jul-03	878181	Jul-04	811439	807927
Aug-03	880785	Aug-04	813845	810322
Sep-03	849068	Sep-04	784539	781143
Oct-03	874980	Oct-04	808482	804982
Nov-03	816283	Nov-04	754245	750980
Dec-03	866952	Dec-04	801064	797596
Jan-04	874361	Jan-05	807910	804412
Feb-04	789126	Feb-05	729152	725996
Mar-04	853430	Mar-05	788569	785156
Apr-04	821796	Apr-05	759340	756052
May-04	818189	May-05	756007	752734
Jun-04	793703	Jun-05	733382	730207
Total	10116854		9347974	9307507
		x 73 =		
		6,824,021		

NOTE: Jan 04-June 04 figures projected with 7.6% reduction based on prior 6 months (Jul 03-Dec 03)
 Operations project a 8.0% reduction for FY 2004-2005
 There was a 7.0% reduction from 2002 to 2003 (actual calendar years)

100 phones a month

Breakdown of estimated allocation of minutes.

	Phones	Minutes		VCO Migration Minutes	New User Minutes
1st month	232	23,200		8,352	14,848
2nd month	300	30,000		10,800	19,200
3rd month	400	40,000		14,400	25,600
4th month	500	50,000		18,000	32,000
5th month	600	60,000		21,600	38,400
6th month	700	70,000		25,200	44,800
7th month	800	80,000		28,800	51,200
8th month	900	90,000		32,400	57,600
9th month	1,000	100,000		36,000	64,000
10th month	1,100	110,000		39,600	70,400
11th month	1,200	120,000		43,200	76,800
12th month	1,300	130,000	903,200	46,800	83,200
13th month	1,400	140,000		50,400	89,600
14th month	1,500	150,000		54,000	96,000
Total	11,932	1,193,200		429,552	763,648
			x \$1.45 =		
			\$1,309,640.00		

64% of all CapTel Trialists are first time relay users

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

CATEGORY II

OPERATING EXPENSES	2001/2002 ACTUAL	2002/2003 ACTUAL	2003/2004 TOTAL 6 MONTHS	YEAR END ESTIMATE 2003/2004	2003/2004 APPROVED BUDGET	2004/2005 PROPOSED BUDGET	VARIANCE BETWEEN BUDGETS
<u>CATEGORY II</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>	<u>=====</u>
Equip. & Repairs							
6 TTY Equipment	248,000	358,800	271,000	344,500	445,278	355,806	(89,472)
7 Large Print TTY	10,740	7,868	11,360	11,360	13,632	5,680	(7,952)
8 VCO/HCO TTY	60,885	60,885	36,000	72,000	70,920	86,220	15,300
9 VCO Telephone	39,465	50,104	28,055	56,972	82,936	39,745	(43,191)
10 Dual Sensory Eq.	28,825	27,470	0	6,500	39,840	13,000	(26,840)
11 CapTel phone			0	157,200		478,800	478,800
12 VCP Hearing Im	2,149,687	2,549,859	1,427,860	2,957,213	2,458,272	3,548,655	1,090,383
13 VCP Speech Im	13,573	17,731	4,364	9,098	14,612	10,936	(3,676)
14 TeliTalk Spch Aid		78,000	90,000	190,800	360,000	136,800	(223,200)
15 Jupiter spkr phne			12,250	24,500		24,500	24,500
16 In-Line Amp.	6,315	5,422	2,320	4,380	6,240	5,260	(980)
17 ARS Sign. Eq.	283,888	287,035	131,716	251,199	266,281	301,430	35,149
18 VRS Sign. Eq.	70,321	69,117	22,088	53,721	73,950	53,721	(20,229)
19 TRS Sign. Eq.	1,680	1,560	0	560	1,344	1,120	(224)
20 Telecom Eq Repair	194,993	48,454	46,780	90,659	87,566	112,560	24,994
 SUBTOTAL CAT II	 3,108,372	 3,562,305	 2,083,793	 4,230,662	 3,920,871	 5,174,233	 1,253,362

CAT-II

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

CATEGORY II

FTRI has used a seven-month average for some equipment projections if data for January (month seven of the fiscal year) was available from purchasing and shipping documents. Some equipment that is purchased in bulk or infrequently were projected based on the planned purchases or orders placed rather than a seven-month average.

- 6A. TTY equipment year-end estimate is based on purchases through the end of the year. FTRI expects to order 250 more units this fiscal year. Average distribution is 70 units per month for TTY model (4425) and an average of 15 per month for TTY model (425). Inventory balances as of November 30, 2003 were 262 model 4425 units and 213 model 425 units.

As of November 2003	\$271,000	
Order 250 units of 4425 model at \$294 each	\$ 73,500	
No model 425 units will be ordered	<u>\$ 0</u>	
Total		\$344,500

- 6B. The FY 2004/2005 proposed budget for TTY's is based on 102 units per month. Using 2002, 2003 and estimated 2004 units distributed. Historically 15% of the TTY's distributed have been model 425 and 85% have been 4425 models.

4425 Superprint (1,229 x 85%) x \$294 = \$307,230	
425 Miniprint (1,229 x 15%) x \$264 = \$ 48,576	
Total	<u>\$355,806</u>

- 7A. Large visual display (LVD) TTY year-end estimate is \$11,360. Year to date November 2003 current inventory is 19. FTRI is distributing about 1 per month. Therefore no additional units are needed this fiscal year. All requests can be filled from current inventory on hand.
- 7B. The FY 2004/2005 proposed budget for LVD TTY is based on the current level of distribution, about 1 per month. FTRI plans to place an order for 10 units @ \$568 for a total of **\$5,680** during the budget year.
- 8A. VCO/HCO-TTY year-end estimate is \$72,000. Current inventory of 68 units are ready and available to ship. The average distribution is 33 units per month for 7 months would be a total of 231 units. Total units expected, 231, less current inventory balance of 68 leaves a balance of 163 units needed to complete distribution expected for year end 2004. An order for 200 units should be made prior to year end to meet the expected distribution total. 200 units x \$180.00 = \$36,000.00 plus December 2003 total to date \$36,000 = \$72,000.00.
- 8B. The FY 2004/2005 budget for VCO/HCO-TTY is based on current average distribution of 30 units per month for 12 months totaling 360 units. A 33% increase for new clients is applied yielding 479 total units projected. 479 units x \$180.00 = **\$86,220**.

CATEGORY II continued...

- 9A. VCO-Telephone year-end estimate is \$56,972. July through November 2003 average units per month was 42 units. FTRI expects to place additional orders totaling 294 units.

July through November 2003 year to date	= \$ 20,795.00
Additional orders expected for 294 units at \$123.05 each	= \$ 36,176.70
Total	\$ 56,971.70

- 9B. The FY 2004/2005 budget for VCO-Telephone is based on average units distributed and migration of users to CapTel. The average units for fiscal year ended 2003 is 43 units per month and the average July 2003-December 2003 is 42 units. The average 42 units for 12 months is 504 units expected. Based on CapTel information there is an expected migration of VCO users to CapTel use. Data submitted by SPRINT indicates 64% of CapTel are new relay users and 36% may be current or previous VCO users. 504 units x 36% = 181 users migrating to CapTel. 504 expected units less 181 users migrating to CapTel = 323 potential users still receiving VCO phones.

323 units x price of \$123.05 = **\$39,745.15.**

- 10A. Dual sensory equipment year-end estimate is \$6,500. Year to date we have purchased no (0) Tykriphones. FTRI has found an alternate source for the Tykriphone. The GEWA Jupiter phone from Zygo industries is less expensive and more functional. Instead of a black box it is styled like a standard phone set and functions as a standard phone as well as working in conjunction with a Dynavox. We are anticipating possibly 1 Telebraille units to be purchased between now and June. No one is currently manufacturing new complete units.

- 10B. The FY 2004/2005 proposed budget for Dual Sensory is based on possible needs of the deaf/blind community.

2 Telebraille units x \$6,500 each = **\$13,000**

- 11A. CapTel service was approved January 2004 with a start date of March 1, 2004. FTRI will be responsible for payment of the current equipment being used as well as paying for the relay service. Currently there are approximately 150 users of CapTel equipment from the trial period. A special price of \$250 each is being charged for the trial period phones. Normal price is \$350 each. FTRI estimates that we may be able to start to provide phones by April 2004 or May 2004. Currently the Manufacturer is limiting the quantity of phones to 100 per month.

150 trial period users x \$250 = \$37,500
100 per month x 3 months = 300 units x \$350 = \$105,000
300 units x \$35 warranty for 1 year = \$10,500
300 units x \$9 silkscreen FTRI logo on equipment = \$2,700
300 units x \$5 FTRI custom logo box = \$1,500
Total = \$157,200

CATEGORY II continued...

- 11B. CapTel equipment is expected to cost (per the manufacturer) \$350 each. In addition the manufacturer has limited the amount we can purchase to 100 units per month. FTRI has not received any information concerning extended warranty pricing or other costs related to the CapTel phone. FTRI is estimating a one year extended warranty to cost 10 percent of the purchase price.

100 units x 12 months = 1200 units
1200 units x \$350 price each for equipment = \$420,000
1200 units x \$35 for 1 year extended warranty = \$42,000
1200 units x \$9 for custom silk screen of FTRI logo on the equipment = \$10,800
1200 units x \$5 for custom FTRI box with logo = \$6,000
Total cost = **\$478,800**

- 12A. Volume control telephone for hearing-impaired (VCPH) year-end estimate is \$2,957,213. February through June is based on the average number of units over the past 7 months.

July 2003 through January 2004 year to date 32,245 units x \$53.50	\$ 1,725,108
February through June 2004 (average units 4606 x \$53.50) x 5 months	<u>\$ 1,232,105</u>
Total year-end projection	\$ 2,957,213

- 12B. FTRI expects purchases of volume control phones to increase by 20% mostly due to increases in new clients. Purchases of VCPH phones for Fiscal year end 2003 were 23.5% higher than 2002 fiscal year. Using the 2003/2004 expected year end total of 55,275 units increased by 20 percent for new clients, FTRI projects our year end 2004/2005 total units to be 66,330.

June 2005 year end budget is 66,330 units x \$53.50 each = **\$ 3,548,655**

- 13A. Volume control telephones for speech impaired (VCPS) are currently being purchased from Walker division of Plantronics (model, Ameriphone XL25s). For the first seven months July through January an average of 16.5 units per month were purchased.

Average of 16.5 x 12 = 198 x 45.95 = \$9,098

- 13B. The FY 2004/2005 proposed budget for VCPS is based July 2003 – January 2004 average of 16.5 units increased by 20 percent for new clients.

(16.5 units per month x 12 months) = (198 units x 20%) + 198 units = 238 units
238 x \$45.95 = **\$10,936**

CATEGORY II continued...

- 14A. Griffin Laboratories has developed a speech aid unit that combines an Electrolarynx and a standard telephone unit to assist speech impaired to access the telecommunications system. July through November 2003 average is 24 units.

December to June = $24 \times 7 = 168$ units
168 units x \$600 = \$100,800
Year to date purchased is = \$90,000
Total = \$190,800

- 14B. The TeliTalk average units for July – December 2003 is 23 units. FTRI has experienced a 18% decrease in TeliTalk clients.

$23 \times 18\% \text{ drop in units}$
 $19 \times \$600 = 11,400 \times 12 = \mathbf{\$136,800}.$

- 15A. The GEWA Jupiter phone replaces the Tykriphone.

20 planned to be purchased x \$612.50 =	\$12,250
YTD July- November 2003	<u>\$12,250</u>
Total is	\$24,500

- 15B. FTRI plans to purchase 40 GEWA Jupiter phones. We purchase 20 at a time for maximum discount.

$40 \times \$612.50 = \mathbf{\$24,500}$

- 16A. In-Line Amplifier equipment average is 18 per month, July 2003 through January 2004. Fiscal year-end June 2004 is an extrapolation based on the first seven months average.

Year to date January 2004, 129 units x \$20	= \$ 2,580
February 2004 through June 2004 is 90 units x \$20	= <u>\$ 1,800</u>
Total	\$ 4,380

- 16B. Budget for 263 units for the year-ended 2005. Most clients choose an amplified telephone over the In-Line Amplifier.

Fiscal year end 2004 estimate of 219units x 20% increase = 263 units
 $263 \text{ units} \times \$20.00 \text{ per unit} = \mathbf{\$5,260}$

- 17A. Audible Ring Signalers (ARS) year-end is based on an extrapolation of data available through January 2004. An average of 966 units per month were purchased through January.

Average units of $966 \times 12 = 11592$
 $11592 \times \$21.67 = \$251,199$

CATEGORY II continued...

- 17B. The FY 2004/2005 proposed budget for ARS is based on the average of 966 units increased by 20% for new clients.

$$\begin{aligned} 966 \text{ units} \times 12 &= 11592 \times 20\% = 13910 \text{ units} \\ 13910 \times \$21.67 &= \mathbf{\$301,430} \end{aligned}$$

- 18A. Visual Ring Signalers (VRS) year-end estimate is based on an average of 127 units per month. The cost per unit is \$35.25 and the year-end projection is an extrapolation of the first seven months.

$$\text{Average of } 127 \times 12 = 1524 \times \$35.25 = \mathbf{\$53,721}$$

- 18B. VRS quantity actually decreased in 2004 from fiscal year end 2003 average units per month. FTRI expects this amount to remain the same throughout the 2004/2005 budget year.

$$(127 \text{ units per month} \times 12 \text{ months}) = 1524 \text{ units} \times \$35.25 = \mathbf{\$53,721}$$

- 19A. Tactile Ring Signalers (TRS) year-end is based an extrapolation of the first seven months and prior year data. An average of less than one per month is purchased so far this fiscal year. FTRI expects to purchase a total of 5 units.

$$\text{Total units} = 5 \times \$112 = \$560.$$

- 19B. The FY 2004/2005 proposed budget. The budgeted amount is for 10 units from Silent Call.

$$10 \text{ units} \times \$112 = \mathbf{\$ 1,120}.$$

- 20A. Telecommunication equipment repair amount for FY 2003/2004 is an extrapolation of the average of repairs for July through November 2003. Repairs are broken down by type and averaged year to date. TTY repairs are based on the average of units sent back for repair and invoiced. Most Out of Warranty units are replaced rather than repaired. FTRI is analyzing the cost effectiveness of repairs and warranty periods of different lengths.

$$\begin{aligned} \text{Average VCPH monthly is } \$4,400.78 \text{ and all other repairs average } \$3,154.15, \text{ total monthly is } \$7,554.93. \\ \$7,554.93 \times 12 &= \$90,659.16 \end{aligned}$$

- 20B. The FY 2004/2005 proposed budget uses 2003/2004 year to date averages increased 20% for new client on VCPH and 3 % for other equipment. CapTel repairs are included at 10% of purchased units averaging \$35 per repair estimated.

$$\text{Total is } \mathbf{\$112,560}$$

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

CATEGORY III

	OPERATING EXPENSES	2001/2002 ACTUAL	2002/2003 ACTUAL	2003/2004 TOTAL 6 MONTHS	YEAR END ESTIMATE 2003/2004	2003/2004 APPROVED BUDGET	2004/2005 PROPOSED BUDGET	VARIANCE BETWEEN BUDGETS
	<i>CATEGORY III</i>	=====	=====	=====	=====	=====	=====	=====
	Equip. Distrib. & Training							
21	Freight Tel. Eq.	37,171	32,466	9,288	19,087	47,112	43,040	(4,072)
22	RDC	1,061,733	1,190,443	720,897	1,451,576	1,267,752	1,942,755	675,003
23	Workshop Exp.	0	32,192	33,981	34,112	43,235	47,568	4,333
24	Training Exp.	95,368	52,636	13,090	20,554	32,400	3,732	(28,668)
	SUBTOTAL <i>CAT III</i>	1,194,272	1,307,737	777,256	1,525,329	1,390,499	2,037,095	646,596

Bdcat132005

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

CATEGORY III

21A. Freight line item includes shipments from Ultratec, Sonic Alert, and Silent Call for shipment of TTYs, VRS, and TRS; also included is outgoing shipments from FTRI via UPS and call tagged equipment to be returned via UPS. The year-end estimate is an extrapolation of the first five months. Monthly average of \$1,590.60 per month x 12 months = \$19,087.

21B. The FY 2004/2005 proposed budget is based on the following:

TTY: 1,229 units x \$5.75 = \$7,066.75
LVD-TTY: 10 units from Ultratec x \$10.00 = \$100
VCO/HCO-TTY: 479 units x \$5.00 = \$2395
GEWA Jupiter phone: 40 units x \$10.00 = \$400
VRS: 1,560 units x \$6.00 = \$9,360
TRS: 10 units from Silent Call x \$10.00 = \$100
Dual Sensory: Telebraille 2 x \$123 = \$246
TeliTalk Speech Aid: 228 units x \$8.00 = \$1,824
CapTel estimated 1200 units x \$5.75 = \$6,900
UPS shipping of TTY parts and supplies, Ameriphone parts and supplies
and call tags and special handling required shipments to clients based
on monthly average July to December 2003 \$1220.31 x 12 = \$14,648

Total: **\$43,040**

22A. Regional Distribution year-end estimate is based on actual payments for July through November. Total year-end estimate is based on actual payments projected through the end of the year and adding Jacksonville as an RDC (see chart) \$1,451,576.

22B. The FY 2004/2005 proposed budget is based on an analysis of invoices and services. The average number of services per year 1994-2003 on average is 24,200. FTRI increased this number by 20% for new clients for a total of 29,040 services. An extrapolation based on the number of each service was made based on historic percentages. Two new RDCs are included at the annual average RDC cost. The Board of Directors' agreed to increase rates by 3%, as a one-time increase in order for a comprehensive compensation evaluation to be performed for the following contact year.

Total FYE 2005 = **\$1,942,755** See attached charts

CATEGORY III continued...

- 23A. Workshop expense for FY 2003/2004 will be \$34,112. The workshop held in November 2003 was completed and all related expenses have been posted. No additional expenses are expected this fiscal year.
- 23B. The FY 2004/2005 proposed budget includes travel, meals and lodging expenses for training agencies and regional distribution center representatives to attend a 3-day workshop on equipment training and FTRI distribution procedures. Fifty-six attendees are expected at a cost of \$462 per attendee plus travel cost interpreter fees conference room fees and cleanup and speakers.

3 nights x \$109 = \$327

Meals at \$45 per day = \$135

for a total of \$462 per attendee for meals and lodging

Travel round trip for each center, total of 10298 miles at .375 per mile = \$3,862

Food Lodging & Travel total is 56 x \$462 = \$25,872

FTRI staff will arrive early to set up 1 extra night and food at \$1,848

FTRI staff travel in 4 rental cars estimated total at \$1600

Interpreter fees of \$3,760 + CART fees \$3,000 = \$6,960

Interpreter (ASL & CART) Rooms & Food of \$2,310

Conference room setup/clean-up of \$2,000

Special guest speakers estimated at \$2,500

Speakers Rooms & Food of \$616

Conference total = \$47,568

- 24A. Training FY 2003/2004 year-end estimate is based on the analysis of actual invoices plus an estimate for the last 6 months.

Total year end estimate

\$ 20,554

- 24B. The FY 2004/2005 budget is based on the FY 2003/2004 monthly average. Gainesville is the only training agency. FTRI expects Gainesville to become an RDC by January 2005.

Gainesville average is \$622 per month x 6 months as a training agency = **\$ 3,732**

RDC Invoice summary PROJECTION - 2005

total = 1451575.98

budget fye 2004= 1267752

County	Name	Jul-03	Aug-03	Sep-03	Oct-03	Nov-03	Dec-03	totals	avgs
1 Dade	Deaf Service Bureau	17846.69	9796.54	17092.99	29072.51	30709.72	17374.88	121893.33	20315.56
2 Broward	United Hearing & DS	10708.44	11759.00	11733.00	17133.22	9986.04	10881.08	72200.78	12033.46
3 Palm Bch	DSC Palm Bch Cnty	11591.12	12759.00	11246.00	14213.00	10546.00	13422.16	73777.28	12296.21
4 Volusia	Deaf & Hard of Hrng	4133.00	4269.00	4430.00	3429.00	3282.00	2750.00	22293.00	3715.50
5 Duval	CIL of Jacksonville							0.00	0.00
6 Pensacola	DSC NW Florida	7321.40	7083.96	6072.44	6708.20	5739.84	5341.32	38267.16	6377.86
9 Citrus	Crystal River	3675.44	4370.20	3438.40	9575.80	3884.04	3134.64	28078.52	4679.75
10 Pasco	DSC Pasco Cnty	8552.00	6179.00	6035.80	10096.60	9468.20	6622.00	46953.60	7825.60
11 Hillsbrgh	DSC of Hillsb. Cnty							0.00	0.00
12 Pinellas	DHC for Tampa Bay	17870.52	12444.56	10504.72	13831.08	15295.60	10701.80	80648.28	13441.38
13 Man/Sara	DSC Man/Sarasota	7982.00	7296.00	8593.00	8727.00	6842.00	6376.00	45816.00	7636.00
16 St Lucie	Treasure Coast	4612.52	3732.56	3624.28	4582.00	3720.00	4276.28	24547.64	4091.27
17 Lee	DSC of Sthwst Fla	4024.00	3703.20	4506.00	4408.20	3900.80	4784.64	25326.84	4221.14
18 Orng/Sem	CIL Of Central Fla	4390.00	3979.00	4072.00	8896.00	4874.00	5372.00	31583.00	5263.83
19 Polk	Cntrl Fla Spch & Hrng	3330.00	4009.00	3016.00	3817.00	3946.00	2801.00	20919.00	3486.50
20 Brevard	Space Coast CIL	5154.33	3838.96	4398.88	4235.26	4209.90	4323.28	26160.61	4360.10
21 Charlotte	HIP Charlotte Cty	5694.27	4897.92	6390.36	9551.79	8267.94	9487.15	44289.43	7381.57
22 Lake/Smtr	DSC Lake/Sumter Cty					3790.60	3945.16	7735.76	3867.88

average budget 12 mnths

105646.00

Jan-03 Feb-03 Mar-03 Apr-03 May-03 Jun-03 totals

1 Dade	Deaf Service Bureau	20315.56	20315.56	20315.56	20315.56	20315.56	20315.56	121893.33	20315.56
2 Broward	United Hearing & DS	12033.46	12033.46	12033.46	12033.46	12033.46	12033.46	72200.78	12033.46
3 Palm Bch	DSC Palm Bch Cnty	12296.21	12296.21	12296.21	12296.21	12296.21	12296.21	73777.28	12296.21
4 Volusia	Deaf & Hard of Hrng	3715.50	3715.50	3715.50	3715.50	3715.50	3715.50	22293.00	3715.50
5 Duval	CIL of Jacksonville					7562.00	7562.00	15124.00	2520.67
6 Pensacola	DSC NW Florida	6377.86	6377.86	6377.86	6377.86	6377.86	6377.86	38267.16	6377.86
9 citrus	Crystal River	4679.75	4679.75	4679.75	4679.75	4679.75	4679.75	28078.52	4679.75
10 Pasco	DSC Pasco Cnty	7825.60	7825.60	7825.60	7825.60	7825.60	7825.60	46953.60	7825.60
11 Hillsbrgh	DSC of Hillsb. Cnty							0.00	0.00
12 Pinellas	Friends of DSC	13441.38	13441.38	13441.38	13441.38	13441.38	13441.38	80648.28	13441.38
13 Man/Sara	DSC Man/Sarasota	7636.00	7636.00	7636.00	7636.00	7636.00	7636.00	45816.00	7636.00
16 St Lucie	Treasure Coast	4091.27	4091.27	4091.27	4091.27	4091.27	4091.27	24547.64	4091.27
17 Lee	DSC of Sthwst Fla	4221.14	4221.14	4221.14	4221.14	4221.14	4221.14	25326.84	4221.14
18 Orng/Sem	CIL Of Central Fla	5263.83	5263.83	5263.83	5263.83	5263.83	5263.83	31583.00	5263.83
19 Polk	Cntrl Fla Spch & Hrng	3486.50	3486.50	3486.50	3486.50	3486.50	3486.50	20919.00	3486.50
20 Brevard	Space Coast CIL	4360.10	4360.10	4360.10	4360.10	4360.10	4360.10	26160.61	4360.10
21 Charlotte	HIP Charlotte Cty	7381.57	7381.57	7381.57	7381.57	7381.57	7381.57	44289.43	7381.57
22 Lake/Smtr	DSC Lake/Sumter Cty	3867.88	3867.88	3867.88	3867.88	3867.88	3867.88	23207.28	3867.88
		120993.63	120993.63	120993.63	120993.63	128555.63	128555.63	741085.75	

7562.10

average
center

FLORIDA TELECOMMUNICATIONS RELAY, INC.

RDC Payment History

Service	93/94	94/95	95/96	96/97	97/98	98/99	99/00	00/01	01/02	02/03	03/04	Proposed 04/05	Proposed 05/06	Proposed 06/07
New	.03 per population	.05 per population	.05 per population	2% of payment	.01 + \$21 per unit	\$26.92 per unit	\$37	\$37	\$37	\$37	\$37	\$38.11	\$39.25	\$40.43
Modified							\$28	\$28	\$28	\$28	\$28	\$28.84	\$29.70	\$30.59
Exchange							\$10	\$10	\$18	\$18	\$18	\$18.54	\$19.09	\$19.66
Return							\$10	\$10	\$10	\$10	\$10	\$10.30	\$10.60	\$10.91
Follow-up							\$10	\$10	\$10	\$10	\$10	\$10.30	\$10.60	\$10.91
Homebound								\$16 + service	\$16 + service	\$16 + service	\$16 + service	\$16.48 + service	\$16.97 + service	\$17.47 + service
Outreach					\$ per activity	\$ per activity	\$ per activity	\$ per activity	\$ per activity	(6) \$ per activity (6) \$2K-8K	\$5K-20K per contract	\$5K-20K	\$5K-20K	\$5K-20K
Addendum Exchange								\$28 ¹ new equipment	\$28 ¹					
Budgeted # of RDCs	\$300,000 4	\$692,000 12	\$710,124 12	\$710,124 12	\$710,124 12	\$779,496 12	\$777,521 12	\$927,092 13	\$1,375,248 14 ²	\$1,050,797 15	\$1,267,752 16	\$1,942,755 19	??	??
RDC Actual	271,329	677,333	682,799	673,933	660,986	713,950	898,331	1,158,685	1,061,733	1,190,443				
OR Budgeted					\$82,500	\$82,500	\$36,000	\$36,500	\$50,000	\$60,000	\$220,000	\$250,000	??	??
OR Actual	149,009	154,991	9,207	4,190	61,556	30,187	20,765	34,334	28,902	64,761	195,000			

1993 – Began the regionalization pilot program for select agencies with .03 per targeted population.

1994 – Additional RDCs were added and an increase from .03 to .05 was realized.

1995 – No change in the payment method rate.

1996 – 2% increase in the total dollar amount for a six-month period.

1997 – New pay method was introduced at .01 per targeted population plus \$21 for each unit of service with CAP. Outreach was introduced during this budget cycle.

1998 – The .01 was factored into the per unit price increasing the price to \$26.92 for each unit of service provided with CAP. Outreach continued under same format.

1999 – Each service unit was assigned a specific rate, CAP removed. Outreach continued under same format.

2000 – Homebound was added and the exchange rate was increased from \$10 to \$28 for a 12-month period because of the introduction of new telephones (XL-40 and XL-25S). The rates for other services remain unchanged. Outreach continued under same format.

2001 – Exchange rate increased from \$10 to \$18. Outreach continued under same format.

2002 – Rates remain unchanged and new Outreach payment method was introduced for six-month period.

2003 – Rates remain unchanged. New Outreach payment method extended for 12-months, RDCs were contracted for different amounts depending on the type proposals submitted. Contracts were awarded as low as \$5,000 upward of \$20,000.

2004 – Proposed 3% COL increase for each service. Outreach will be contracted based on past year performance.

2005 - Proposed 3% COL increase for each service. Outreach will be contracted based on past year performance.

2006 - Proposed 3% COL increase for each service. Outreach will be contracted based on past year performance.

¹ One time exchange increase for a 12-month period (March 2001 – March 2002) due to new equipment.

² ILRC in Jacksonville decided not to renew its contract in FY 2002/2003.

⇒ RDCs have unlimited revenue potential under current contractual arrangements.

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

CATEGORY IV

OPERATING EXPENSES	2001/2002 ACTUAL	2002/2003 ACTUAL	2003/2004 TOTAL 6 MONTHS	YEAR END ESTIMATE 2003/2004	2003/2004 APPROVED BUDGET	2004/2005 PROPOSED BUDGET	VARIANCE BETWEEN BUDGETS
CATEGORY IV	=====	=====	=====	=====	=====	=====	=====
Outreach							
25 Outreach Exp.	742,137	791,134	496,379	830,300	892,900	1,100,450	207,550
SUBTOTAL CAT IV	742,137	791,134	496,379	830,300	892,900	1,100,450	207,550

Bdcat42005

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

CATEGORY IV

- 25A. Year-end estimate for Outreach is based on year to date data and expected purchases. Total = \$830,300
- 25B. The FY 2004/2005 Outreach budget is based on the projection supplied by the Outreach Manager.

FTRI General Operating Budget, EDP Support Projects & Resources \$ 764,450

SEE ATTACHMENT

FRS Marketing Campaign \$ 336,000

SEE ATTACHMENT

Total Outreach Budget for FY 2003/2004: **\$1,100,450**

APPROVED

FLORIDA TELECOMMUNICATIONS RELAY, INC.

FY 2004 / 2005

PROPOSED OUTREACH BUDGET

February 3, 2004
Page 1

LINE ITEMS/DESCRIPTIONS	2003/2004 Approved	2003/2004 6 Mon. Actual	2003/2004 Y/E Estimates	2004/2005 Proposed
General OR Operating Budget				
➤ Regional outreach activities (RDC/TA) liaison	\$220,000	\$	\$182,000	\$250,000
➤ OR regional workshops	\$ 12,000	\$	\$ 7,000	\$ 12,000
➤ Printing				
○ Newsletter	\$ 80,850	\$	\$ 80,850	\$ 93,000
○ Equipment application (English)	\$ 6,000	\$	\$ 6,000	\$ 6,000
○ Equipment application (Spanish)	\$ 2,500	\$	\$ 2,000	\$ 2,500
○ Equipment support forms	\$ 8,000	\$	\$ 8,000	\$ 8,000
○ Brochures and outreach materials	\$ 30,000	\$	\$ 40,000	\$ 44,000
➤ Clipping services	\$ 950	\$	\$ 950	\$ 950
➤ Travel (presentations/exhibits/conferences)	\$ 35,000	\$	\$ 25,000	\$ 35,000
➤ Promotional items/marketing materials	\$ 5,000	\$	\$ 7,000	\$ 7,000
➤ ASL Interpreters/CART	\$ 4,000	\$	\$ 0	\$ 4,000
➤ Photo development (clients/users)	\$ 2,000	\$	\$ 2,000	\$ 2,000
➤ Ad/publication / EDP OR	\$ 5,000	\$	\$ 5,000	\$ 5,000
➤ Presentation folders/manuals/banner displays	\$ 10,000	\$	\$ 10,000	\$ 10,000
➤ Spanish translations (English materials translated)	\$ 7,500	\$	\$ 7,000	\$ 7,500
➤ Website/Clearinghouse/Databases	\$ 10,000	\$	\$ 10,000	\$ 12,000
➤ Conference / Exhibit Fees	\$ 7,500	\$	\$ 7,500	\$ 8,000
➤ FTRI video reproducible(s)	\$ 2,500	\$	\$ 2,000	\$ 2,500
➤ FTRI PSA	\$ 37,500	\$	\$ 35,000	\$ 40,000
➤ Media Purchase	\$150,000	\$	\$150,000	\$200,000
➤ Spanish Translation of EDP video	\$ 0	\$	\$ 13,500	\$ 15,000
➤ Toll -Free Number	\$ 600	\$	\$ 0	\$ 0

FTRI EDP OR Budget

Page 1 Sub-Total

\$636,900

\$600,800

\$764,450

APPROVED

FLORIDA TELECOMMUNICATIONS RELAY, INC.

FY 2004 / 2005

PROPOSED OUTREACH BUDGET

February 3, 2004

Page 2

LINE ITEMS/DESCRIPTIONS	2003/2004 Approved	2003/2004 6 Mon. Actual	2003/2004 Y/E Estimates	2004/2005 Proposed
Outreach / Marketing Statewide Campaign for <i>Florida Relay</i>				
➤ Florida Relay				
○ Media Purchase (Cable/Broadcast)	\$125,000	\$	\$125,000	\$125,000
○ BPP follow-up/coordination/building BP(s)	\$ 35,000	\$	\$ 31,000	\$ 10,000
○ BPP Reproducible(s)-kit-print/video(s)	\$ 40,000	\$	\$ 20,000	\$ 5,000
○ Video/Reproducible(s)-other relay products	\$ 2,500	\$	\$ 2,500	\$ 2,500
○ Production/Placement	\$ 12,500	\$	\$ 12,500	\$ 12,500
○ Talk Shows/statewide promotion	\$ 0	\$	\$ 0	\$ 0
○ Survey	\$ 0	\$	\$ 0	\$ 25,000
○ Educational Relay kit (develop, design and print)	\$ 0	\$	\$ 0	\$100,000
➤ STS material	\$ 5,000	\$	\$ 5,000	\$ 5,000
➤ Spanish Open Captioning – PSA	\$ 0	\$	\$ 0	\$ 15,000
➤ Spanish open-captioning/10 min/BPP	\$ 13,500	\$	\$ 13,500	\$ 13,500
➤ FR brochures/support materials – printing	\$ 22,500	\$	\$ 20,000	\$ 22,500
Florida Relay OR Budget	Page 2 Sub-Total	\$256,000	\$229,500	\$336,000
Grand Total Outreach Budget		<u>\$892,900</u>	<u>\$830,300</u>	<u>\$1,100,450</u>

FLORIDA TELECOMMUNICATIONS RELAY, INC.

BUDGET FYE 6/2005

CATEGORY V

	OPERATING EXPENSES	2001/2002 ACTUAL	2002/2003 ACTUAL	2003/2004 TOTAL 6 MONTHS	YEAR END ESTIMATE 2003/2004	2003/2004 APPROVED BUDGET	2004/2005 PROPOSED BUDGET	VARIANCE BETWEEN BUDGETS
	CATEGORY V	=====	=====	=====	=====	=====	=====	=====
	Gen. & Admin.							
26	Advertising	984	3,264	686	6,786	3,000	6,600	3,600
27	Acct/Audit	14,075	14,125	14,150	14,150	28,000	14,575	(13,425)
28	Legal	72,026	72,000	36,000	72,000	72,000	72,000	0
29	Comp. Consul.	8,805	5,750	5,002	10,005	4,690	18,200	13,510
30	Bank Charges	1,658	1,948	1,171	2,342	2,160	2,412	252
31	Dues/Subscrip.	1,969	2,719	970	1,940	2,365	3,256	891
32	Office Furn.	3,763	7,781	1,453	2,733	9,574	7,041	(2,533)
33	Office Equip.	45,160	11,652	3,141	15,036	34,311	39,628	5,317
34	Depreciation	0	0	0	0	0	0	0
35	Office Eq.Leas	3,594	3,212	1,653	3,315	4,712	4,925	213
36	Ins. Health/Life	87,729	127,742	68,968	160,116	183,893	238,418	54,525
37	Ins. Other	5,122	5,093	1,937	5,800	5,660	6,634	974
38	Office Expense	9,925	13,493	7,275	17,595	20,648	22,427	1,779
39	Office MovingExp	1,893	0	0	0	0	0	0
40	Postage	10,425	18,430	7,825	15,650	24,703	24,703	0
41	Printing	5,378	4,339	1,551	3,101	4,052	3,496	(556)
42	Rent	65,045	77,316	39,018	78,816	78,816	81,181	2,365
43	Utilities	1,691	4,758	2,827	6,027	6,290	7,383	1,093
44	Retirement	37,227	42,653	23,018	55,596	58,352	69,637	11,285
45	Employ Comp.	340,635	386,491	216,070	439,971	516,391	513,545	(2,846)
46	Temp. Employ.	27,486	19,801	3,631	37,676	19,404	101,920	82,516
47	Taxes - Payroll	26,184	29,566	16,529	33,658	39,504	39,286	(218)
48	Tax-UnempCo	474	3,019	316	4,030	4,094	5,571	1,477
49	Taxes License	62	61	0	61	61	61	0
50	Telephone	33,699	18,816	9,895	19,791	21,286	23,201	1,915
51	Trvl & Bus Exp	13,066	14,904	16,657	33,314	28,096	36,950	8,854
52	Equip. Maint.	3,911	1,713	2,940	6,615	6,615	7,215	600
53	Employ. Traing	3,718	4,665	1,619	3,238	4,900	7,160	2,260
54	Meeting Exp	2,024	1,760	1,076	6,701	3,220	3,960	740
55	Misc. Expense	0	0	0	0	200	200	0
	SUBTOTAL CAT V	827,728	897,071	485,378	1,056,063	1,186,997	1,361,585	174,588
	TOTAL EXPENSES	15,218,227	15,449,145	7,613,794	15,246,208	15,402,815	17,807,024	2,404,209
	REV LESS EXP	201,483	(5,047,591)	(264,049)	1,463,383	96,049	1,524,236	1,428,187

CAT-V

A. YEAR-END ESTIMATE NOTES
B. FY 2004/2005 PROPOSED BUDGET NOTES

CATEGORY V

- 26A. Advertising year-end is based on average July – December 2003 plus projected ads for open positions through June 30, 2004. Total projected is \$6,786.
- 26B. The FY 2004/2005 proposed budget funds for advertising open positions. In addition it is sometimes necessary to advertise a position more than once, or to a broader market than just Tallahassee. FTRI intends to advertise for the five new positions. The budget is for five positions advertised and 4 turnovers two times in the year. (10 ads x \$300 and 3 ads x \$1,200) = **\$6,600**.
- 27A. Accounting year-end estimate is based on the cost of our annual audit and 990 return to the IRS. In addition \$300 is estimated for periodic meetings with auditor prior to audit. The audit was completed and delivered in September of 2003. Total = \$14,150.
- 27B. The Accounting/Audit budget for FY 2004/2005 will remain consistent with the audit costs for FY 2003/2004. After meeting with our auditor, Tony Starace, no increases are expected. A small amount is added for periodic meetings with the auditor and a slight cost increase. The total budgeted is **\$14,575**.
- 28A. Legal year-end estimate is based on a flat rate charged by legal counsel of \$6,000 per month. Total estimated year-end \$72,000.
- 28B. The Legal expense budget for FY 2004/2005 is the same as FY 2003/2004 based on the flat rate of \$6,000 per month. Total legal proposed budget is (\$6,000 x 12 months) = **\$72,000**.
- 29A. Computer Consultation year-end is based on year to date plus ongoing consultation. Total estimate is \$10,005.
- 29B. The FY 2004/2005 budget is based on funding for periodic technical assistance with network administration. Continued maintenance of the client database system and changes as needed are budgeted as well. Accounting software (Peachtree) technical support contract \$190. FTRI intends to contract with OSSI for maintenance to install the new server but also for ongoing maintenance. Total **\$18,200**.

CATEGORY V continued...

- 30A. Bank charges are expected to be \$2,342. The software to provide Direct Deposit of payroll and look up checks cleared and current deposit activity, other functions are available also, with AmSouth is \$195.17 per month on average. $\$195.17 \times 12 = \$2,342$.
- 30B. The FY 2004/2005 budget is expected to be **\$2,412** for Bank charges. A small increase in the cost is expected for electronic payments made and an increase in the cost of our software for bank access. FTRI's accounts with AmSouth bank consist of a Non-Profit Money Market Checking account and a secured Public Funds account.
- 31A. The FY 2003/2004 year-end estimate is based on SHHH membership, TEDPA membership, NTCA membership and NAD Broadcaster and other pertinent associations and subscriptions to periodicals covering the topics of accounting, human resources purchasing and general business management strategies. Total year-end estimate is \$1,940.
- 31B. Dues and subscriptions is for NTCA membership, TEDPA (Telecommunication Equipment Distribution Program Association) membership, SHHH membership and other memberships directly related to keeping FTRI informed of specialized telecommunications equipment technologies, target population concerns, accounting, human resources, business management and other pertinent issues. Total budget **\$3,256**.
- 32A. Office Furniture expenses at year-end are estimated to be \$2,733. Included is the cost for file cabinets, Framed wall hangings, and a new panel/divider for new office.
- 32B. The FY 2004/2005 budget is **\$7,041** for Office Furniture. Allow for one authorized additional staff (DPC-II) needing full setup and one person budgeted but not yet authorized (accounting) with related furniture, file cabinets and chairs. One cabinet for the Outreach area and two file cabinets to store accounting data from year-end.
- 33A. Office equipment year-end estimate is based on current year to date amount, computer upgrades and replacement of one unit one new computer for temporary DPC-I. Total year-end estimate is year to date November 2003 \$3,141, computer replacement \$1,200, sidekick \$332 for James replacing cell phone, Teltone line simulators for RDCs \$4,770, DPC-I new computer \$2293.50, security system \$3,300 for a year end total of \$15,036.
- 33B. Office equipment for fiscal year end 2005 budgets for new server for the network and website and new and replacement computers. If new employees are hired computer equipment and office equipment will be needed. Two new computers and office setups \$2,213.98, a new server \$12,000. Replacement desktop computers for staff at \$15,400. Also included is a new software necessary for the new server \$7,800. Total is **\$39,628**

CATEGORY V continued...

34A. Depreciation is \$0 for budgeting purposes.

34B. Depreciation is \$0 for budgeting purposes.

35A. Office equipment lease covers the postal meter. Quarterly payments of \$831 are due in March and June. Amounts paid through December 2003 are \$1,653.31. Year-end estimate \$3,315.

35B. The FY 2004/2005 proposed budget is based on the postal meter equipment plus lease of incidental equipment such as computers or LCD projector for Outreach or other presentations. Incidental equipment is \$250 per day for 3 days, twice a year. The postage meter is \$831 per quarter with an annual property tax assessment of \$101 on the equipment = **\$4,925** for the fiscal year 2004/2005 budget.

36A. Insurance-Health/Life year-end is based on billing received in January 2004. This covers life insurance, short and long term disability, dental and vision for 14 employees. Year end estimate of \$160,116.

36B. The FY 2004/2005 budget is based on covering 14 employees plus one new authorized position and one budgeted but unauthorized position. A cost increase based on the January 2003 cost increase of 16% is included for January 2005 through June 2005 premiums.

Total = **\$238,418**

37A. Insurance-Other covers workmen's compensation and commercial fire, theft, and liability insurance. The year-end estimate is for one more payment for workers compensation plus any adjustment for the workers compensation audit adjustment done annually. The total for year-end is \$5,800 based on invoices reviewed.

37B. The FY 2004/2005 budget for workers compensation insurance is based on salary. The estimated rate to cover employees required to travel to visit RDCs, training agencies, as well as other prudent business trips is \$1.10 per \$100 of compensation. All other employees (non-travel) are billed at a rate of 26 cents per \$100 of compensation. Commercial fire, theft and liability insurance is based on the last billing received for our new office space on Park Avenue. Total is **\$6,634**.

CATEGORY V continued...

- 38A. Office expense year-end is based on an extrapolation of the year to date total as of December 2003 and the anticipated needs over the January 2004 to June 2004 period. The total estimated at year-end June 2004 is \$17,595.
- 38B. The FY 2004/2005 budget is based on FY 2003/2004 experience. Additionally we are adding monthly security system monitoring fee at approximately \$50.00 per month and the office cleaning service quoted at \$350 per month. Also adding in the amount needed for the Outreach department office needs \$5,000. Total for FY 2004/2005 = **\$22,427**.
- 39A. Office moving expenses was the line item designated for costs to move the office to our new location. Total = \$0.
- 39B. Office moving expenses will not be incurred in the budget year.
- 40A. Postage expense covers postage cost in the postal meter for outgoing mail, Overnight service (FEDEX, DHL, AIRBOURNE) and UPS and FedEx ground charges for bulk mailing of applications, and permitted bulk-mailing rate for outgoing and return of quality assurance cards. Total year-end estimate is \$15,650.
- 40B. The FY 2004/2005 Postage expense budget is based on the analysis of actual invoices. Meter postage deposits of \$1,400 four times a year for normal outgoing mail including non-regional application mailings to individuals. UPS charges, overnight services, permit fees with the postal service, postage costs on those permits for bulk mail, and a one time special mailing to notify clients of a change in RDC status if necessary. FY 2004/2005 budget total is **\$24,703**.

Meter deposits $\$1,400 \times 4 = \$5,600$

Pitney Bowes rate guard service = \$180

UPS and FedEx ground and next day service average per month $\$649 \times 12 \text{ months} = \$7,788$

Permit & Accounting fees from post office for permit #533, #527 and our meter = \$775

Postage on Permit 533 QA card incoming average of \$300 per month $\times 12 \text{ months} = \$3,600$

Postage on Permit 527 averaging \$1,065 per quarter $\times 4 = \$4,260$

Special mailing = \$2,500

CATEGORY V continued...

41A. Printing costs end of year June 2004 are projected based on an extrapolation of the first six months. Business cards, letterhead and envelopes and printing of the Annual Report are included. Total year-end estimate is \$3,101.

41B. The FY 2004/2005 budget only includes printing costs for letterhead, envelopes, business cards, the annual report, RDC manuals, office manuals, client notifications of RDC status, & Board of Director packages or acknowledgements if needed. All client and equipment distribution forms, applications and related materials have been moved to the outreach line item.

FY 2004/2005 budget is based on analysis of invoices, averaged monthly and projected for the year **\$3,496.**

42A. Rent includes our current 4,304 square foot office space. Current lease payments are \$6,502.95 per month through February 2004. March 1, 2004 our lease payment goes to \$6,698.04. Year end estimate is \$78,816.

42B. Rent for our office space at 1820 E. Park Avenue with net square footage of 4,304. Gross square footage is 5225, which includes our portion of common areas.

Office Lease July through February at \$15.38 per square foot (or \$6698.04 per month)	\$53,585
Office Lease March through June at \$15.84 per square foot (or \$6898.98 per month)	<u>\$27,596</u>
TOTAL	\$81,181

43A. The year-end estimate for 2003/2004 Utilities at our office location on Park Avenue is based on our average usage. Garbage Service and Common Area Maintenance (CAM) are based on our estimate of costs, \$75 per month for CAM and Waste Management at \$50 per month. Due to the ongoing construction Garbage Service and Common Area Maintenance have not been billed. Starting 2004 we will be billed quarterly.

Total year-end estimate is \$6,027.

43B. The FY 2004/2005 budget for Utilities is based on analysis of invoices. Electric/Water/Sewer is averaging \$471.12 per month. FTRI is estimating a slight cost increase of 3% or \$14.13 based on the increase from last year for a total of \$485.25 per month. Dumpster Service is estimated at \$50 per month. Common Area Maintenance is estimated at \$75 per month. Total budgeted = **\$7,383.**

CATEGORY V continued...

- 44A. Retirement year-end is based on total salary estimated x 11.3% per our plan with NTCA Retirement and Security. Year to date December 2003 is \$23,018 plus January - March 2004 estimate \$13,755 and April – June 2004 estimate \$32,979 total \$55,596.
- 44B. The FY 2004/2005 budget for retirement is based on 11.3% of annual compensation. Compensation \$513,545 x 11.3% = \$58,030.58 and NTCA has imposed a surcharge to keep the retirement fund within PBGC guidelines at 2.26% = \$11,606.11 for a total of **\$69,637**.
- 45A. Employee compensation year-end is based on analysis of actual compensation paid 14 approved positions 11 of which are filled.
Total = \$439,971
- 45B. The FY 2004/2005 budget is based on current payroll for all filled positions, increased 4 percent (approved by the Board of Directors') for merit increases. The three open positions are budgeted to be filled at the bottom of the proposed salary range. Additionally two new positions are proposed due to the growth of the organization and are estimated at the bottom of the proposed ranges. One new position for a DPC-II was approved by the Board of Directors'. A second position for Accountant-II is proposed and budgeted, however the Board decided to evaluate the workflow over the next six months to determine necessity for the position.

Total employee compensation budget = **\$513,545**

- 46A. Temporary employment estimated at June 2004 to be \$37,676. Between July 2003 and February 2004 temporary staff was utilized to cover open and unfilled positions of Distribution Program Coordinator (DPC-I) and a 2nd Receptionist as well as an Accounting staff person. Additionally a temp for data entry has been used periodically to assist entering applications into the database.
- 46B. The FY 2004/2005 budget provides for assistance in various positions to cover staff absences and when assistance is needed for unfilled positions. Additional temporary help to handle large call volumes is one such instance. Budget projection for FY 2004/2005 is an estimate of using temporary staff in 3 positions to cover until a permanent placement can be made at 6 months for each position for a total of \$43,680. In addition temporary staff have been budgeted for the year to help handle the increased data entry and telephone calls. A data entry person and receptionist have been budgeted as temporary staff from a staffing agency to assist with this volume of work.

Total = **\$101,920**

- 47A. Taxes-payroll is 7.65% of total compensation, \$439,971 x 7.65% = \$33,658.
- 47B. The FY 2004/2005 budget is based on 7.65% of total compensation. \$513,545 x 7.65% = **\$39,286**.

CATEGORY V continued...

- 48A. Taxes-unemployment year-end is based on our rate of .0379 for January 2004 through June 2004. The rates are applied to taxable payroll (the first \$7,000 per employee). Year to date at last years rate of .0344 = \$316 for July to December 2003.

14 employees x \$7,000 wage limit = \$98,000
\$91,000 x .0379 (rate for 2004) = \$3,714
\$3,714 + \$316 (Year to date December) = \$4,030

- 48B. The FY 2004/2005 budget is based on our current rate for 2004 (.0379) times the first \$7,000 per employee computed on a calendar basis and paid quarterly. The rate is applied to each employee, so each new employee hired starts over with the \$7,000 wage limit.

15 employees budgeted x \$7,000 per employee wage limit x .0379 rate = \$4,775
Estimate 2 employee turnovers and 1 new hire x \$7,000 wage limit x .0379 rate = \$796
\$4,775 + \$796 = Year end 2005 budget **\$5,571**

- 49A. Taxes-licenses year-end will be \$61 for corporate registration (now known as the "Uniform Business Report") due May 1st of each year.

- 49B. The FY 2004/2005 budget is based on current year cost rounded up to the nearest dollar. Budgeted **\$61**.

- 50A. Telephone year-end estimate is based on analysis of invoices and monthly average during the first six months for cell phone, pager, ALLTEL long distance, 800 number, local service with KMC.

Monthly average of \$1,649.23 x 12 months = \$ 19,791

- 50B. The FY 2004/2005 budget is based on FY 2003/2004 actual, analysis of invoices and budgeted changes. Local service is with KMC, long distance and 800 service with ALLTEL, Wireless service is with ALLTEL, T1 with 512K is with KMC.

Conference Calls, Line 1 Communications \$65.59/month
Cell Phone for 4 employees \$285.98/month
Local Service includes T1 with 512K \$725.75 per month
Long Distance \$644.13 per month
T-mobile service for Fran \$36.23
Total monthly \$1,757.68 x 12 months = \$21,092.16
Plus 10 % adjustment for volume increase and misc cost increases \$2,109.22
Total **\$23,201**

CATEGORY V continued...

51A. Travel & Business expense year-end is based on an extrapolation of the first six months. Total \$33,314.

51B. The budget is based on expected trips to be taken over the year. The EDP Manager expects to take 8 trips and the DPC's are expected to take 12 trips this budget year visiting RDCs. The Exec. Dir. is estimated to take 10 Non-Outreach trips per year. The Business Manager is estimated at 3 trips per year. In addition 9 misc. trips are funded for other personnel.

A total of 42 trips averaging \$875 per trip = \$36,750

Administrative Assistant & other staff local mileage is estimated at \$200.00

Total = **\$36,950**

52A. Equipment maintenance covers maintenance contracts with copy/fax/scanner machine, as well as miscellaneous small repairs on office equipment not covered under a maintenance contract, computer hardware repair. Year-end estimate \$6,615 is based on the average year to date.

52B. The FY 2004/2005 budget is based on FY 2003/2004 average usage and quoted maintenance contract prices. This also covers repairs to computer hardware & other office equipment, projectors, overhead, postage equipment. Budget total is **\$7,215**.

53A. Employee training/development year-end is estimated at \$3,238 for staff development seminars and ASL classes. Most training has been focused on developing staff's sign language skill during this fiscal year as well as job specific skill programs.

53B. The FY 2004/2005 budget is set at **\$7,160** to allow for various training & development opportunities for staff to include sign language, time management, grammar and writing, or similar job specific skill programs.

54A. Meeting expense covers interpreter requirements. Year-end estimate is based on an extrapolation of the first six months of the fiscal year. Total \$6,701.

54B. The FY 2004/2005 budget is based on interpreter requirements 12 two hour board meetings per year, plus 6 two hour board committee meetings, plus 6 two hour contract or RDC meetings with personnel from those contracted agencies. Meetings for employee evaluations, talking with vendors or others are estimated at 8 per year and 12 staff meetings. Total budget = **\$3,960**.

55A. Miscellaneous year-end is estimated to be \$0.

55B. The FY 2004/2005 miscellaneous budget is set at **\$200** to cover any unanticipated situations. This line item is largely unused but may be needed to cover an expense that cannot be classified anywhere else.