



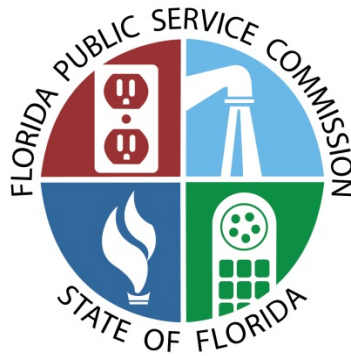
*The Status of the
Telecommunications Access System Act of 1991*



DECEMBER 2016



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PREPARED BY

The Florida Public Service Commission
Office of Telecommunications

Table of Contents

I. Overview.....	1
II. State Level Developments.....	5
A. FTRI Budget and Annual Surcharge Established	5
B. Relay Service Provider.....	5
III. Federal Level Developments	6
A. Compensation Rates.....	6
B. Video Relay Service (VRS)	6
IV. Distribution of Specialized Telecommunications Equipment	7
V. Relay Calling Volume.....	9
VI. Advisory Committee.....	10
A. TASA Advisory Committee Meeting - April 13, 2016	10
B. TASA Advisory Committee Meeting - October 20, 2016	11
VII. Conclusion.....	12
Appendix A FTRI Budget for 2015-2016 and 2016-2017 Fiscal Years.....	13
Appendix B FTRI Annual Report.....	15
Appendix C Florida Relay Service Information	43
Glossary	51

List of Figures

Figure 1 FTRI Financial Report.....	2
Figure 2 FTRI Equipment Distribution History.....	2
Figure 3 New Recipients of Equipment and Training	3
Figure 4 FTRI Clients Served	3
Figure 5 TASA Surcharge History	4
Figure 6 2015-2016 Eligibility Certifiers	7
Figure 7 Equipment Distributed by FTRI.....	8
Figure 8 Traditional Relay and CapTel Service Minutes of Use.....	9
Figure 9 TASA Advisory Committee.....	10

I. Overview

Chapter 427, Florida Statutes (F.S.), established the Telecommunications Access System Act of 1991 (TASA). Section 427.704(9), F.S., requires the Florida Public Service Commission (FPSC or Commission) to prepare an annual report, which shall be available on the Commission's Internet website, on the operation of the telecommunications access system.

It is estimated that approximately 2.5 to 3 million¹ of the estimated 20 million persons living in Florida have been diagnosed as having a hearing loss. To meet the needs of these Florida citizens, the state legislature established a telecommunications access system to provide equitable basic access to the telecommunications network for individuals who are deaf, hard of hearing, deaf-blind, or speech impaired.

Pursuant to TASA, the Commission is responsible for establishing, implementing, promoting, and overseeing the administration of a statewide telecommunications access system to provide access to telecommunications relay services by people who are deaf, hard of hearing, deaf-blind or speech impaired and those who communicate with them. To that end, the FPSC directed the local exchange companies (LECs) to form a not-for-profit corporation, known as Florida Telecommunications Relay, Inc. (FTRI). Under oversight of the FPSC, FTRI fulfills some of the requirements of TASA by providing for the distribution of specialized equipment required for telecommunications services to the deaf, hard of hearing, deaf-blind, or speech impaired and for outreach in the most cost-effective manner.

The FPSC continues to be responsive to the needs of the deaf, hard of hearing, deaf-blind, and speech impaired community in Florida. FTRI continues to expand its outreach programs which increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 23 regional distribution centers conducted 1,877 outreach activities during the last fiscal year.

The Telecommunications Relay industry is changing rapidly. Traditional relay service minutes continue to decrease because users are transitioning to Internet Protocol Relay, Video Relay Service, Internet Protocol Captioned Telephone Service, and CapTel captioning service. Furthermore, the increased distribution and service improvement of CapTel has enriched the lives of people who would not normally use traditional relay service.

¹ 2015 Florida Coordinating Council for the Deaf and Hard of Hearing Biennial Report to Governor Rick Scott, the Florida Legislature & the Supreme Court and "Demographics and Statistics," Florida Telecommunications Relay, Inc., <http://ftri.org/index.cfm/go/public.view/page/12>, accessed on October 3, 2016.

The figures below provide a statistical summary of the status of the Telecommunications Access System. Figure 1 shows the Florida relay revenues and expenses for the 2015-2016 fiscal year.

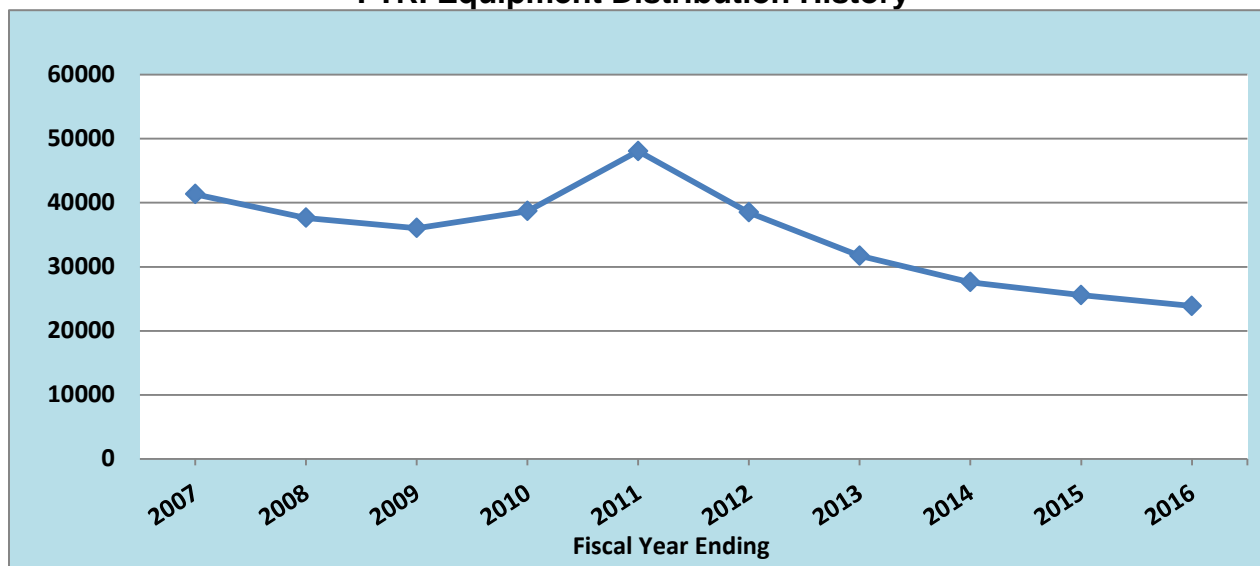
**Figure 1
FTRI Financial Report**

Account	7/01/15 – 6/30/16
Total Revenue	\$8,233,605
Relay Services Expense	3,376,471
Equipment and Repairs	1,549,998
Equipment Distribution	950,604
Outreach	583,747
Administrative Expense	856,312
National Deaf-Blind Equipment Program	173,628
Revenue Less Expenses	\$742,845

Source: Florida Telecommunications Relay Inc.'s 2015-2016 Annual Report.

FTRI distributed 23,876 pieces of relay equipment for fiscal year 2015-2016. Figure 2 shows the number of pieces of relay equipment distributed from fiscal year ending June 30, 2006 through fiscal year ending June 30, 2016. The single piece of equipment that is predominantly distributed by FTRI is the volume control telephone for the hard of hearing.

**Figure 2
FTRI Equipment Distribution History**



Source: Florida Telecommunications Relay, Inc.'s 2006-2007 Annual Report through 2015-2016 Annual Report.

Figure 3 reflects the number of new recipients receiving equipment and training for the 2015-2016 fiscal year. The number of new recipients is lower than the number of pieces of distributed new equipment referenced in Figure 2 because a significant number of recipients received more than one piece of equipment. In most circumstances, clients are allowed to have two pieces of equipment on loan through the program.

Figure 3
New Recipients of Equipment and Training

Type of Recipient	New Recipients 7/01/15–6/30/16
Deaf	49
Hard of Hearing	12,513
Speech Challenged	58
Dual Sensory	0
Total	12,620

Source: Florida Telecommunications Relay, Inc.'s 2015-2016 Annual Report.

Figure 4 reflects the number of persons served each fiscal year by FTRI from 2006-2007 through 2015-2016.

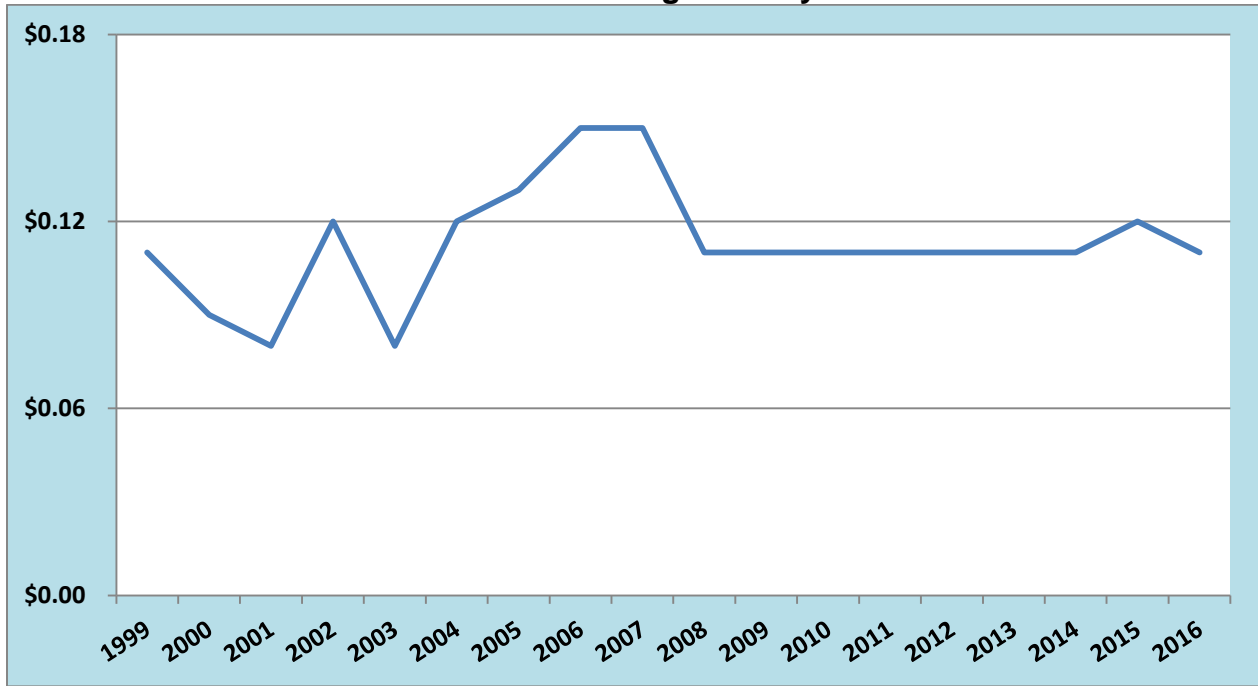
Figure 4
FTRI Clients Served

Fiscal Year	New	Modified	Exchange	Return	Follow-Up	Customer Calls	Total
2006-2007	18,937	2,356	14,498	4,871	1,531	16,327	58,520
2007-2008	17,428	1,932	15,087	4,531	1,264	19,659	59,901
2008-2009	17,170	952	14,918	4,399	691	21,446	59,576
2009-2010	18,190	1,170	16,658	4,503	667	20,001	61,189
2010-2011	24,299	734	20,492	5,593	999	16,252	68,369
2011-2012	19,287	576	16,988	5,462	866	19,464	62,643
2012-2013	15,078	474	14,519	5,399	985	23,495	59,950
2013-2014	13,671	486	12,787	5,315	963	29,467	62,689
2014-2015	13,408	309	11,133	5,102	958	28,347	59,257
2015-2016	12,620	231	10,700	4,685	665	27,751	56,652

Source: Florida Telecommunications Relay, Inc.'s 2006-2007 Annual Report through 2015-2016 Annual Report.

The TASA surcharge for fiscal year 2016-2017 is currently 11 cents per month. Figure 5 provides a historical view of the TASA surcharge collected monthly from each local exchange telecommunications company subscriber's basic telecommunications access line since July 1, 1999.

**Figure 5
TASA Surcharge History**



Source: Florida Public Service Commission Website at <http://www.floridapsc.com/Telecommunication/FloridaRelay#>.

Additional financial and statistical information is contained in the appendices to this report. Appendix A provides the approved budget and actual expenses for FTRI for fiscal year 2015-16 and the approved budget for fiscal year 2016-17. Appendix B is FTRI's annual report to the Commission that contains information on the equipment distribution program and audited financial statements for FTRI. Appendix C contains usage information on the various relay services compiled from Sprint Communications Company, L.P. (Sprint) monthly reports.

II. State Level Developments

Section 427.704, F.S., charges the Commission with overseeing the administration of a statewide telecommunications access system to provide access to Telecommunications Relay Services (TRS) by persons who are deaf, hard of hearing, deaf-blind or speech impaired, or those who communicate with them. TRS, created by Title IV of the Americans with Disabilities Act of 1990, enables an individual with a hearing or speech disability to communicate by telephone or other device through the telephone system.

A. FTRI Budget and Annual Surcharge Established

On July 21, 2016, the FPSC issued an order setting the budget for FTRI and establishing the annual surcharge.² The order:

- Reduced the monthly TRS³ surcharge by one penny to \$0.11 per month for Fiscal Year 2016/2017, effective September 1, 2016.
- Required the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to bill the \$0.11 surcharge for fiscal year 2016/2017, effective September 1, 2016.
- Required FTRI to reduce its proposed budget by \$305,387.
- Provides FTRI flexibility, if needed, to shift up to ten percent from one expense category to another as a management tool.

B. Relay Service Provider

After a RFP was issued and bids submitted and evaluated, the FPSC awarded the current relay provider contract to Sprint, effective March 1, 2015, for a period of three years. The contract contains options to extend the contract for four additional one-year periods, and requires mutual consent by both parties to extend the contract.

² Order No. PSC-16-0280-PAA-TP in Docket No. 140029-TP.

³ See 47 U.S.C. § 225(a)(3) (defining TRS); see also section 103 of the Twenty-First Century Communications and Video Accessibility Act of 2010 (CVAA), Pub. L. No. 111-260, 124 Stat. 2751 (2010), as codified in various sections of 47 U.S.C., and amended by Pub. L. No. 111-265, 124 Stat. 2795 (2010) (making technical corrections to the CVAA). TRS is provided in a variety of ways. Interstate TRS calls, and all Internet Protocol (IP) based TRS calls, both intrastate and interstate, are compensated from the Interstate Telecommunications Relay Service Fund. See, e.g., *Provision of Improved Telecommunications Relay Services and Speech-to-Speech Services for Individuals with Hearing and Speech Disabilities*, CC Docket 98-67, Declaratory Ruling and Second Further Notice of Proposed Rule Making, 17 FCC Rcd 7779, 7784-86, ¶¶ 15-22 (2002) (declining to apply jurisdictional separation of costs to Internet Protocol Relay Service (IP Relay), and directing the Federal TRS Fund Administrator to reimburse all IP Relay minutes from the Fund).

III. Federal Level Developments

Chapter 427, F.S., requires the relay system to be compliant with regulations adopted by the Federal Communications Commission (FCC) to implement Title IV of the Americans with Disabilities Act. The FCC mandates the minimum requirements for services a state must provide, certifies each state program, and periodically proposes changes in the stipulated services. One such proposed change is the possibility of the states funding the intrastate portion of the cost to provide Internet relay services.

A. Compensation Rates

On June 30, 2016, the FCC's Consumer and Governmental Affairs Bureau adopted per-minute compensation rates to be paid from the Interstate Telecommunications Relay Services Fund (TRS Fund, or Fund) for the year beginning July 1, 2016, for all telecommunications relay services.⁴ The order also determines the percentage factor used to calculate how much interstate and international revenue telecommunications carriers and other covered service providers must contribute to the TRS Fund.

Based on recommendations from the Interstate TRS Fund Administrator, effective July 1, 2016, the per-minute compensation rates for interstate and Internet-based TRS, other than video relay service, shall be: (1) for interstate traditional TRS, \$2.6245; (2) for interstate Speech-to-Speech relay service, \$3.7555; (3) for interstate captioned and Internet Protocol captioned telephone service, \$1.9058; and (4) for IP Relay, \$1.40.

B. Video Relay Service (VRS)

In 2013, the FCC amended its rules to improve the structure, efficiency, and quality of the video relay service (VRS) program, and took steps to improve the effectiveness of its interoperability and portability rules, in order to improve functional equivalence and VRS availability for consumers, ease of compliance by providers, and overall efficiency in the operation of the TRS program. The Commission encouraged the continuation of efforts to develop voluntary, consensus standards to facilitate interoperability and portability. The VRS Task Group of the SIP Forum, and a successor group, the Relay User Equipment Forum, have produced standards believed to satisfy the Commission's objectives.

Through Further Notice of Proposed Rulemaking, released August 4, 2016, the FCC proposes to incorporate those standards by reference into the VRS interoperability rule.⁵ The notice also included a process that will readily enable revisions to this rule to reflect future amendments or changes in these standards.

⁴ FCC Order, DA 16-750, GC Docket No. 03-123, released June 30, 2016, https://apps.fcc.gov/edocs_public/attachmatch/DA-16-750A1.pdf, accessed December 2, 2016.

⁵ FCC Further Notice of Proposed Rulemaking, CG Docket No. 10-51, released August 4, 2016, https://apps.fcc.gov/edocs_public/attachmatch/DA-16-893A1.pdf, accessed December 2, 2016.

IV. Distribution of Specialized Telecommunications Equipment

To be in compliance with Section 427.704(9), F.S., the Relay Administrator must file a report annually with the Commission by November 1 and include the status of the distribution of specialized telecommunications devices. The Relay Administrator, which is presently FTRI, distributes specialized equipment required for telecommunications services to the deaf, hard of hearing, deaf-blind, or speech impaired and also provides outreach and educational programs for Florida Relay Services. FTRI continues to expand its outreach programs which increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 23 regional distribution centers conducted 1,877 outreach activities and signed up 14 new businesses as Relay Friendly Business Partners during the last fiscal year.⁶

During 2016, FTRI increased its outreach efforts. FTRI's primary outreach effort centered around expanding its advertising campaign by advertising the relay program all year using insert advertisements. FTRI has experimented with newspaper inserts since 2012. However, FTRI has not previously advertised in newspapers all 12 months of the year using insert flyers.

Figure 6 provides a listing of professionals involved with the certification of client applications for the 2015-2016 equipment distribution program, and Figure 7 identifies the types and quantity of equipment that were distributed to end-users for the last two fiscal years. FTRI, along with its regional distribution centers, loans this equipment to qualified deaf, hard of hearing, deaf-blind, or speech impaired individuals at no charge for as long as they need it. To receive this equipment, individuals must complete an FTRI application, have it signed by an approved certifier, and either mail it to FTRI or visit a regional distribution center in their area.

Figure 6
2015-2016 Eligibility Certifiers

Category of Certifier	Number of Approved Applications
Deaf Service Center Director	8,682
Audiologist	2,382
Hearing Aid Specialist	1,166
Licensed Physician	282
State Certified Teacher	3
State Agency	0
Speech Pathologist	100
Federal Agency	5
Total	12,620

Source: Florida Telecommunications Relay, Inc.'s. 2015-2016 Annual Report.

⁶ Fourteen businesses signed up as "Relay Friendly" partners and were given access to training information designed to help businesses train employees on how to communicate via the Florida Relay Service with individuals who are deaf, hard of hearing, deaf-blind, or speech impaired.

**Figure 7
Equipment Distributed by FTRI***

Equipment Distributed by FTRI	Units Distributed 7/1/14 – 6/30/15	Units Distributed 7/1/15 – 6/30/16
1. Volume Control Telephone for Hearing Impaired (VCP)	24,286	22,940
2. Audible Ring Signaler (ARS)	281	143
3. Visual Ring Signaler (VRS)	358	286
4. Telecommunications Device for the Deaf (TDD) or Teletype Device (TTY)	51	72
5. Caption Telephone (CapTel)	435	334
6. Other – Includes In-line amplifier, phones for the speech challenged, hearing carry-over phone, and voice-carry-over phone.	230	214
Total	25,564	23,876

Source: Florida Telecommunications Relay, Inc.'s 2014-2015 Annual Report and 2015-2016 Annual Report.

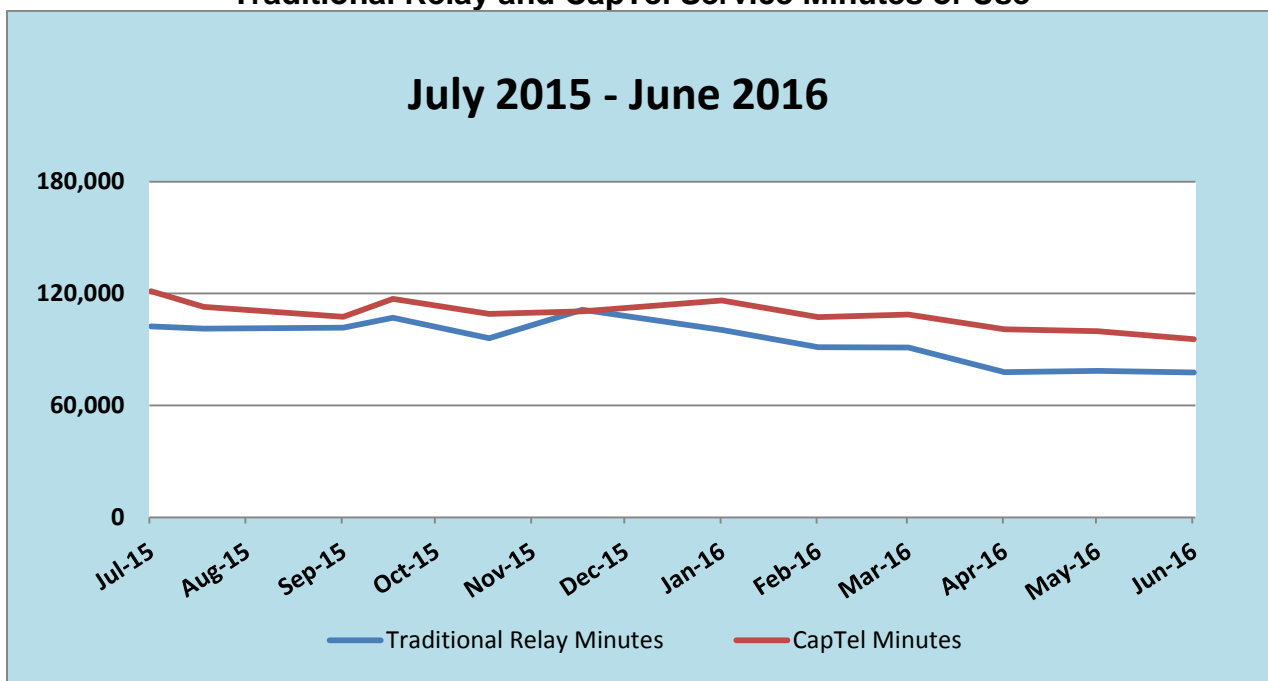
**Margin of Error ± 1%*

V. Relay Calling Volume

In Figure 8, traditional relay minutes of use and CapTel⁷ minutes of use for July 2015 and June 2016 are reflected. Between July 2015 and June 2016, the total number of billable minutes of use for traditional relay calls were 1,136,390. Total CapTel minutes of use between July 2015 and June 2016 were 1,306,669.

Traditional relay minutes of use and CapTel minutes of use are tracked separately due to the cost differential of the two services. While relay minutes currently have a cost of \$1.09 per minute, CapTel service has a cost of \$1.61 per minute because of its specialized service.

Figure 8
Traditional Relay and CapTel Service Minutes of Use



Source: July 2015 - June 2016 monthly bills from Sprint Relay.

⁷ When using CapTel service, the captioned telephone user dials the number he or she wishes to call. The user is automatically connected to a captioned telephone relay operator at the TRS facility. The specialized TRS facility equipment, in turn, automatically connects the captioned telephone user's line to a second outgoing line from the TRS facility to the called party. The captioned telephone user does not need to dial an 800 or 711 exchange to reach the TRS facility and set up the call, nor is there any interaction with the relay operator (by either party to the call). The relay operator, instead of typing what the called party says, repeats what the called party says into a computer and voice recognition technology automatically transcribes it from the relay operator's voice into text, which is then transmitted directly to the user. The use of voice recognition technology allows the captions to appear on the captioned telephone nearly simultaneously with the called party's spoken words. Throughout the call, the relay operator is completely transparent and does not participate in the call by voicing any part of the conversation.

VI. Advisory Committee

In accordance with Section 427.706, F.S., the FPSC established an advisory committee to advise the FPSC and FTRI concerning the Telecommunications Access System. The advisory committee provides the expertise, experience, and perspective of people who are deaf, hard of hearing, deaf-blind, or speech impaired to the Commission and to the FTRI regarding the operation of the telecommunications access system. The committee also advises the Commission and the Administrator on any matter relating to the quality and cost-effectiveness of the telecommunications relay service and the specialized telecommunications devices distribution system. Members of the committee are not compensated for their services, but are entitled to per diem and travel expenses for travel to committee meetings. The advisory committee can consist of up to ten individuals. Figure 9 shows the current members of the TASA advisory committee.

Figure 9
TASA Advisory Committee

Recommending Organization	Name of Member
Florida Coordinating Council for the Deaf and Hard of Hearing	Chris Littlewood
Deaf and Hard of Hearing Services of the Treasure Coast, Inc.	Rick Kottler
Florida Deaf/Blind Association	Cheryl Rhodes
Florida Telecommunications Industry Association (formerly known as Florida Telephone Association)	Maryrose Sirianni
Hearing Loss Association of America Florida	Richard Herring
Florida Association of the Deaf, Inc.	Tom D'Angelo
Florida Association of the Deaf, Inc.	Tim Wata

Source: Florida Public Service Commission Website

<http://www.floridapsc.com/Telecommunication/TASAAdvisoryCommittee>

A. TASA Advisory Committee Meeting - April 13, 2016

At the April 13, 2016 meeting, the topics discussed included recent FCC and FPSC actions regarding relay service, FTRI's fiscal year 2016-2017 proposed budget, Florida Relay traffic trends, service quality testing, and CapTel service.

Included in FTRI's presentation were details of its fiscal year 2016-2017 budget request. FTRI presented that its proposed budget maintained the relay surcharge at 12 cents per access line, projected \$7,796,894 in revenues, and \$7,505,109 in expenses. FTRI also discussed in detail its requested \$153,674 increase in outreach expense to continue promoting and creating awareness about the relay program.

B. TASA Advisory Committee Meeting - October 20, 2016

The October 20, 2016 TASA meeting included an FPSC staff presentation on recent FCC and FPSC actions regarding relay service, a presentation by FTRI on its 2015-2016 Annual Report, and a presentation by Sprint on its operations, including call volumes for TRS and CapTel service.

FTRI's Annual Report presentation included details on its operations, including client servicing, equipment distribution, and outreach activities. FTRI's presentation also included information on the operations of contracted services through Regional Distribution Centers. Also, Sprint presented an overview of its Relay service in Florida, operational updates, and outreach activities to promote the Florida Relay.

Sprint's presentation included the announcement that the company has changed its brand name from Sprint Relay to Sprint Accessibility. Sprint Accessibility explained that the purpose of the new brand is to demonstrate the company's ongoing dedication to serve customers with any type of disability. Sprint Accessibility further explained that this is a name change and that there will be no impact to the Florida Relay program.

VII. Conclusion

The FPSC will continue to be responsive to the needs of the deaf, hard of hearing, deaf-blind, and speech impaired Community in Florida. FTRI continues to expand its outreach programs which increase consumer awareness of both FTRI's programs and the relay system.

The Telecommunications Relay industry is changing rapidly. Traditional relay service minutes continue to decrease because users are transitioning to IP Relay, VRS, IP CTS, and CapTel captioning service. Furthermore, the increased distribution and service improvement of CapTel has enriched the lives of people who would not normally use traditional relay service.

Appendix A

FTRI Budget for 2015-2016 and 2016-2017 Fiscal Years

	Commission Approved Budget 2015-2016	Actual Revenue And Expenses 2015-2016	Commission Approved Budget 2016-2017
Operating Revenue			
<i>Surcharges</i>	\$8,249,890	\$8,028,146	\$7,297,393
<i>Interest Income</i>	33,941	31,831	34,188
<i>NDBEDP</i>	468,749	173,628	0
<i>Miscellaneous Income</i>	0	0	0
<i>Total Revenues</i>	8,752,580	8,233,605	7,331,581
<i>Surplus Account</i>	15,722,595	16,643,691	16,775,550
GRAND TOTAL FUNDS	24,475,175	24,877,296	24,107,131
CATEGORY I. Operating Expenses/ Relay Services			
<i>Sprint</i>	3,971,499	3,376,471	3,192,039
CATEGORY II. Equipment & Repairs			
<i>VCPH cordless</i>	0	1,034,085	
<i>VCPS-RC200</i>	0	4,634	
<i>Large Print TDDs</i>	0	0	
<i>VCO/HCO – TDD</i>	720	0	1,533
<i>VCO Telephone</i>	0	492	-
<i>Dual Sensory Equipment</i>	5,000	0	-
<i>CapTel Phone Equipment</i>	0	0	-
<i>VCP Hearing Impaired</i>	1,440,645	282,537	1,415,745
<i>VCP Speech Impaired</i>	1,386	601	689
<i>TeliTalk Speech Aid</i>	18,000	6,000	7,200
<i>Jupiter Speaker Phone</i>	0	0	
<i>In-Line Amplifier</i>	0	0	
<i>ARS/VRS Signaling Equipment</i>	22,581	8,166	8,557
<i>Accessories & Supplies</i>	2,980	0	481
<i>Telecom Equipment Repair</i>			
	199,074	81,523	89,829
TOTAL CATEGORY II	1,690,386	1,549,998	1,524,034
CATEGORY III. Equipment Distribution & Training			
<i>Freight-Telecom Equipment</i>	74,314	44,113	43,225
<i>Regional Distribution Centers</i>			
	978,423	906,023	981,481
<i>Workshop Expense</i>	0	0	0
<i>Training Expense</i>	2,000	468	624
TOTAL CATEGORY III	1,054,737	950,604	1,025,330

	Commission Approved Budget 2015-2016	Actual Revenue And Expenses 2015-2016	Commission Approved Budget 2016-2017
CATEGORY IV. Outreach			
<i>Outreach Expense</i>	\$574,626	\$583,747	\$574,626
TOTAL CATEGORY IV	574,626	583,747	574,626
CATEGORY V. General & Administrative			
<i>Advertising</i>	2,641	793	1,340
<i>Accounting/Auditing</i>	24,896	20,437	26,140
<i>Legal</i>	72,000	71,388	71,400
<i>Computer Consultation</i>	23,970	9,829	7,187
<i>Computer Software</i>	0	2,238	0
<i>Dues & Subscriptions</i>	3,034	2,624	3,439
<i>Furniture and Equipment Purchases</i>	12,750	745	4,507
<i>Depreciation</i>		6,213	0
<i>Office Equipment Lease</i>	1,886	1,615	1,695
<i>Insurance- Health/ Life/Disability/Other</i>	158,262	121,941	114,077
<i>Office Expense</i>	16,524	14,357	14,197
<i>Postage</i>	9,917	5,242	4,489
<i>Printing</i>	1,537	539	719
<i>Rent</i>	91,280	86,453	93,921
<i>Utilities</i>	5,808	3,444	5,065
<i>Retirement</i>	58,575	56,583	59,101
<i>Employee Compensation</i>	408,471	386,020	393,852
<i>Temporary Staff</i>	8,000	7,230	9,640
<i>Taxes-Payroll</i>	32,507	31,083	29,669
<i>Taxes-Unemployment Comp</i>	1,863	0	2,012
<i>Taxes-Licenses</i>	65	0	0
<i>Telephone</i>	18,670	16,195	15,595
<i>Travel & Business</i>	16,296	7,316	9,755
<i>Equipment Maintenance</i>	1,353	766	937
<i>Employee Training</i>	7,000	425	567
<i>Meeting & Interpreter</i>	5,733	2,836	3,641
TOTAL CATEGORY V	991,935	856,312	883,693
CATEGORY VI. NDBEDP			
<i>NDBEDP Expense</i>	468,749	173,628	0
TOTAL CATEGORY VI.	468,749	173,628	0
GRAND TOTAL EXPENSES	8,751,932	7,490,760	7,199,722

Appendix B FTRI Annual Report



Annual Report 2015 - 2016

TASA – Florida Statutes Chapter 427

Message from the Executive Director



As you read in the subsequent pages, you'll find both the Equipment Distribution Program (EDP) and Outreach program had a productive fiscal year 2015/2016. Here are a few highlights:

- 28,919 individuals were served with new, modify, exchange, return, or follow-up service throughout the state.
- 12,620 new clients received service.
- 16,299 existing clients received modify, exchange, return, or follow-up service.
- 23,876 pieces of specialized telecommunications equipment were distributed.
- Processed 27,751 customer service calls.
- Received 3,452 online inquiries through the FTRI website.
- Verified more than 87,906 EDP forms.
- 1,877 outreach activities were performed by FTRI and the Regional Distribution Centers (RDC) throughout Florida.
- Conducted 1,282 off-site telephone equipment distributions.
- We continued to collaborate with other organizations and/or state agencies for outreach activities.
- Managed the NDBEDP for Florida.
- We continued to place a high priority on protecting the integrity of client information by making security enhancements to our processing system.
- We operated within budget requirements.
- We received high marks from the external auditors for the financial records and internal controls FTRI has in place.

These highlights are some of our accomplishments in fiscal year 2015/2016 that reflect the broad scope of the FTRI organization to provide quality services to the residents of Florida.


James Forstall, FTRI Executive Director



TASA Requirements

In response to the Telecommunications Access System Act of 1991 (TASA), the Florida Public Service Commission (FPSC) directed the local exchange companies (LECs) to form a not-for-profit corporation to fulfill the requirements of TASA. Florida Telecommunications Relay, Inc. (FTRI) registered with the Florida Department of State as a not-for-profit corporation effective June 13, 1991, and is exempt from Florida sales tax as a 501(c) (3) organization.

Mission Statement

Florida Telecommunications Relay, Inc. (FTRI), as the designated administrator, shall carry out the intent of the Telecommunications Access System Act (TASA) by providing access terminals required for basic telecommunications services to hearing impaired, speech impaired, and dual sensory impaired persons in the most cost effective manner.

Equipment Distribution Program

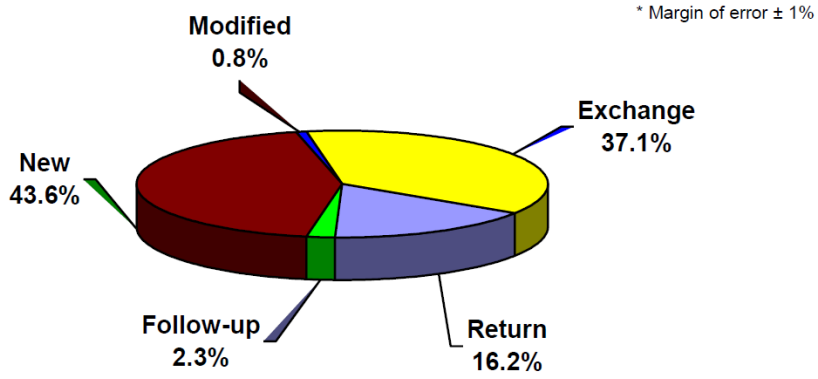
FTRI utilizes a regional distribution system for approximately eighty percent of the State of Florida, with centralized distribution from the administrative office in Tallahassee accounting for the remaining twenty percent.

FTRI contracted with twenty-four non-profit agencies to provide services as Regional Distribution Centers (RDCs). In these areas persons who are deaf, hard of hearing, or speech impaired have applications certified and processed (**New** service), receive equipment and training, and are supplied with any additional services. These may include modifying from one type of equipment to another (**Modified** service), exchanging for the same type of equipment (**Exchange** service), returning any equipment that is no longer necessary (**Return** service), and additional training services as needed (**Follow-up** service).

Additional training on equipment is provided to individuals requesting the training at no charge.

Client Services

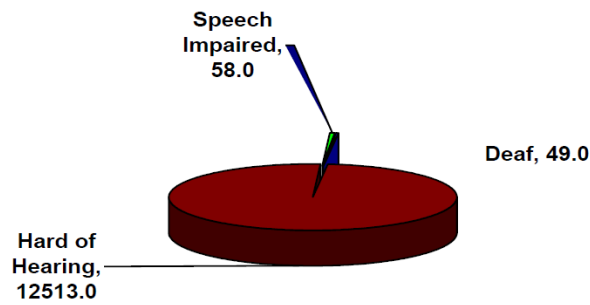
The total number of EDP services provided by FTRI for fiscal year 2015/2016 was **28,919***. The average number of EDP services provided monthly was **2,409**.



New Client Eligibility

FTRI served **12,620** new clients during the reporting period. Clients certified as eligible for the FTRI program are classified into four distinct groups:

Group	New Clients
Deaf	49
Hard of Hearing	12,513
Speech Challenged	58
Dual Sensory	0
Total	12,620



New Client Certification

Professionals involved with the certification of client applications for the equipment distribution program were as follows:

Category of Certifier	Quantity of Approved Applications
Deaf Service Center Director	8,682
Audiologist	2,382
Hearing Aid Specialist	1,166
Licensed Physician	282
State Certified Teacher	3
State Agency	0
Speech Pathologist	100
Federal Agency	5
Total	12,620

New Client Age Groups

The 2015/2016 breakdown of new recipients by age group is as follows:

Age Group	Recipients
3 – 9	5
10 – 19	14
20 – 29	11
30 – 39	36
40 – 49	118
50 – 59	427
60 – 69	1,478
70 – 79	3,573
80 – 89	4,829
90 – 99	2,055
100 – 109	74
Total	12,620

More people in the 80 to 89 age group received equipment than those of any other specific age group. Approximately eighty-three percent of all recipients served in this fiscal year were seventy years of age or older.

New Client County of Residence

FTRI is a statewide program serving all 67 counties. The following is a breakdown of **new** clients by county of residence:

County	Recipients	County	Recipients
Alachua	148	Lake	362
Baker	11	Lee	450
Bay	217	Leon	108
Bradford	23	Levy	25
Brevard	273	Liberty	3
Broward	1,100	Madison	4
Calhoun	3	Manatee	152
Charlotte	181	Marion	329
Citrus	411	Martin	169
Clay	85	Monroe	11
Collier	202	Nassau	14
Columbia	45	Okaloosa	63
Dade	516	Okeechobee	16
DeSoto	7	Orange	227
Dixie	8	Osceola	20
Duval	237	Palm Beach	1,747
Escambia	272	Pasco	425
Flagler	230	Pinellas	776
Franklin	5	Polk	620
Gadsden	24	Putnam	80
Gilchrist	8	Santa Rosa	59
Glades	1	Sarasota	206
Gulf	19	Seminole	125
Hamilton	4	St. Johns	112
Hardee	2	St. Lucie	153
Hendry	7	Sumter	334
Hernando	165	Suwannee	48
Highlands	86	Taylor	5
Hillsborough	688	Union	5
Holmes	18	Volusia	788
Indian River	93	Wakulla	11
Jackson	45	Walton	6
Jefferson	7	Washington	21
Lafayette	5		
		Total	12,620

Counties in **bold** are located close to Regional Distribution Centers. RDC contracts do not assign counties to specific contracted entities in order to assure that clients receive the best and most convenient service available.

Equipment

FTRI currently distributes the following specialized telecommunications equipment:

1. Text Telephone
2. Amplified Telephone for the Hard of Hearing
3. Amplified Telephone for the Speech Disabled
4. Voice Carry-Over Telephone
5. Deaf Blind Communicator
6. In-Line Amplifier
7. Voice Carry-Over/Hearing Carry-Over/TTY
8. Specialized speakerphone for individuals with hearing loss and limited mobility
9. TeliTalk Telephone
10. Captioned Telephone

FTRI also distributes amplified, flashing, or vibrating ringer devices to alert clients to incoming telephone calls. These devices are:

1. Audible Ring Signaler
2. Visual Ring Signaler
3. Tactile Ring Signaler

Each piece of equipment is supported by the standard manufacturer warranty. Equipment that is determined to be out of warranty and beyond repair is retired. Equipment that meets specific criteria is repaired/refurbished to “like new” and reissued.

Equipment Vendors

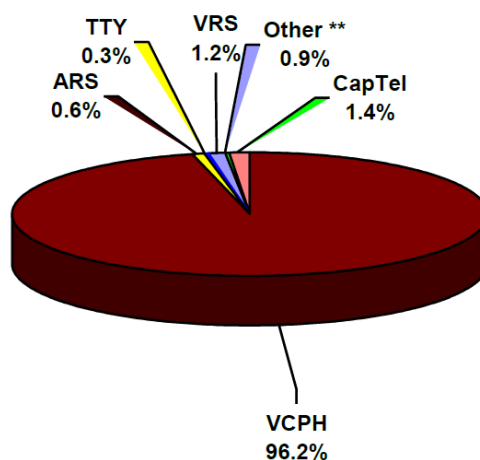
FTRI works with several equipment vendors to supply specialized telecommunications equipment. Some of these include:



Distributed Equipment

FTRI distributes both new and refurbished equipment. Equipment distributed during fiscal year 2015/2016 numbered **23,846*** units. The monthly equipment distribution average was **1,987**.

* Margin of error $\pm 1\%$



** Includes In-line amplifier, phones for the speech challenged, hearing carry-over phone, and voice carry-over phone.

Quality Assurance

FTRI maintains a quality assurance system to monitor the services, training, and equipment provided by contracted agencies.

Postcard questionnaires are mailed to a random selection of clients served by each Regional Distribution Center or the FTRI office. Four thousand three hundred and thirty-six (4,336) questionnaires were mailed during this fiscal year and FTRI received 1,227 responses for a nearly 28 percent return rate. Ninety-four percent of the responses were positive. Negative responses are resolved by either contacting the client directly or referring to the RDC for follow-up.

Also, FTRI's automated email system sent quality assurance surveys to 4,360 new clients the subsequent day after receiving service and received 1,239 responses for a 28.42 percent response rate. Clients requesting follow-up were contacted by FTRI Customer Care.

Outreach

Throughout the past fiscal year FTRI's outreach efforts have stabilized throughout the state. The Regional Distribution Centers (RDCs) continue to provide outreach services to their respective communities to disseminate information about FTRI's programs and Florida Relay service.

The following activities were conducted.

Outreach Activities
FTRI / RDC conducted 1,877 outreach activities throughout the state.
Administered a statewide print media campaign in Fall 2015 and Spring 2016 using customized RDC ads covering major markets. The combined circulations of the newspapers in the campaign total 7,514,754.
14 businesses signed up as "Relay Friendly Business Partners Program" (BPP) through the FTRI website.
Information about both Florida Relay and FTRI EDP was made available to over 500 employees through the BPP.
Visited 21 TASA Approved Certifiers.
FTRI continued to partner with organizations and/or state agencies (FAD, FLALDA, HLAA-FL, Sprint, TSC, FDVR, FASC, FLAA, FLASHA, FLA, FCCDHH, FSHHP, FCEC, FCOA, FASP, FDVA, CVSOAF, FSGA) for outreach activities.
Launched a CapTel insert ad campaign for the Florida Relay Service.
Continued distribution of a monthly E-newsletter for RDC staff.
Continued an aggressive posting Memes on FTRI's Twitter and Facebook account with the assistance of Clarity.
Developed and implemented web-based training programs using Go-To-Meeting program for RDC staff on important topics relative to the FTRI program (RDC Training Sessions).
Provided approximately 655 (EDP) and 38 (Outreach) hours of comprehensive training to RDCs during this fiscal year.
Contributed articles for publication in HLA-FL, FAD, FLAA, FCOA, FAHSA, FSHHP, Florida Department of Elder Affairs, the Florida Health Care Association and Florida Geriatric Society.
Developed, in partnership with ClearSounds, content library and memes.
Emailed quality assurance surveys to 4,360 new clients who provide an email address with their application. FTRI also developed and emailed 30-day follow-up quality assurance survey to 4,249 clients ensure they are satisfied with their equipment.

FTRI – Equipment Distribution Program

FTRI advertised in major dailies, community newspapers using insert ads throughout the state.

Fall Campaign



(Back and front of 8 1/2 x 11 insert ad)





Connecting People to People



Spring Campaign

FREE PHONE!
For those with hearing loss

Qualified Florida residents can receive one of these amplified telephones FREE from Florida Telecommunications Relay, Inc. (FTRI), a nonprofit distributor of amplified telephones for people with hearing loss and speech challenges.

Clarity® XLC3.4™

Community Center for the Deaf and Hard of Hearing of Manatee and Sarasota Counties
628 Cypress Avenue - Venice, FL 34285 - (941) 488-5709
www.ftri.org/free

Florida Telecommunications FTRI Relay, Inc.
#KeepFloridaConnected

FREE PHONE!
For those with hearing loss

Qualified Florida residents can receive one of these amplified telephones FREE from Florida Telecommunications Relay, Inc. (FTRI), a nonprofit distributor of amplified telephones for people with hearing loss and speech challenges:

Clarity® XLC3.4™

- Amplifies calls over 30dB
- Amplifies outgoing speech
- Loud and clear speakerphone
- High contrast Talking Caller ID
- Illuminated talking dial pad
- Extra loud flashing ringer
- Hearing aid compatible
- Ask up to four ringtones

Community Center for the Deaf and Hard of Hearing of Manatee and Sarasota Counties
628 Cypress Avenue - Venice, FL 34285 (941) 488-5709

Florida Telecommunications FTRI Relay, Inc.
#KeepFloridaConnected www.ftri.org/free

(Back and front of 8 1/2 x 11 insert ad)

A free solution for those with hearing loss.

Are you or a loved one missing out on important conversations? Hearing loss can be frustrating and lead to isolation. Now, there's no reason to be left out any longer.

If you are a resident of Florida and have a certified hearing loss, you can get the Clarity® XLC3.4™ Amplified Cordless Phone for FREE from Florida Telecommunications Relay, Inc. (FTRI), a statewide nonprofit 501(c)(3). Clarity phones are an easy-to-use solution that offer amplification and tone control so every call sounds crystal clear.

Contact FTRI today to find out how you can hear loud and clear for free!

Deaf and Hard of Hearing Services of Florida
8610 Galen Wilson Blvd, Bldg B Suite 100
Port Richey, FL 34668
(727) 853-1010

Florida Telecommunications FTRI Relay, Inc.
#KeepFloridaConnected www.ftri.org/free

Get This Amplified Phone FREE!

The Clarity XLC3.4 Amplified Cordless Phone is a loud, easy-to-use home phone featuring 50+dB of digital amplified sound and four levels of tone control.

See reverse side to find out how you can get this phone absolutely FREE as a Florida resident!

Florida Telecommunications FTRI Relay, Inc.

clarity





Connecting People to People



Social Media Campaign

Website banner ads

FREE PHONE!
for those with hearing loss

NEW PRODUCT XLC3.4*

- 50dB of amplification
- Caller ID screen
- Loud and clear speakerphone
- ClarityLogic™ customer support

Florida Telecommunications FTRI Relay, Inc.

Working together to help Florida seniors gain communication independence again!

Florida Telecommunications FTRI Relay, Inc.

#KeepFloridaConnected

Please come to one of the following locations: (305) 992-2222 or visit us at www.ftri.org/locations

FGS is kicking off 2016 by announcing the renewal of their partnership with FTRI, the distributor of amplified telephones to Floridians with hearing loss!

Learn more about FTRI at 800-222-3448 and #KeepFloridaConnected

Florida Telecommunications Relay, Inc.

Facebook ads

Jacksonville residents with hearing loss... get the amplified phone you need to stay connected.

#KeepFloridaConnected

Florida Telecommunications Relay, Inc. sponsored

Apply and receive your phone at Deaf & Hearing Resources of Palm Beach County.

Palm Beach County residents with hearing loss... get the amplified phone you need to stay connected.

#KeepFloridaConnected

FTRI - West Palm Beach

10000 17196 0/000

Like Comment Retweet

FB/Twitter Memes

DID YOU KNOW THAT 18% OF SENIORS LIVE ALONE?

DON'T LET THEM FEEL LONELY!

CALL OR VISIT THEM TODAY.

#KEEPFLORIDACONNECTED

ALONE WE CAN DO SO LITTLE; TOGETHER WE CAN DO SO MUCH.

#KEEPFLORIDACONNECTED

- HELEN KELLER

Did you know nearly **30%** of teens experience ringing or buzzing in the ears?

#KeepFloridaConnected





Connecting People to People



Florida Relay

In addition to FTRI and RDCs conducting presentations and exhibiting, the CapTel provided by Florida Relay Service was advertised using 8½ x 11 insert ad in selected newspapers.

TASA Approved Certifiers

FTRI partnered with 21 new TASA approved certifiers who referred individuals with hearing loss to the FTRI programs to receive specialized telephones and services. FTRI provides all certifiers, as well as other collaborated partners, with applications, brochures and other printed materials for dissemination to people that visit their office or agencies.



NDBEDP (National Deaf-Blind Equipment Distribution Program)

FTRI continued to distribute equipment to qualified deaf-blind residents in the state of Florida. During this report period, 17 qualified individuals have been provided equipment and training while 42 existing clients received on-going assistance. Ninety-eight (98) pieces of equipment were distributed.

Closing Statement

FTRI continues to maintain its status as an administrative center, concentrating on oversight of the Regional Distribution Center (RDC) contractors, and equipment vendors. Since the inception of the Equipment Distribution Program in 1986, over 528,698 Florida residents have been provided with telecommunications equipment and support services.



**FLORIDA TELECOMMUNICATIONS RELAY, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015**

CONTENTS

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	3
Statements of Activities	5
Statements of Cash Flows	6
NOTES TO THE FINANCIAL STATEMENTS	7
SUPPLEMENTAL INFORMATION	11

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August 23, 2016

To the Board of Directors
Florida Telecommunications Relay, Inc.
Tallahassee, Florida

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Florida Telecommunications Relay, Inc. (a nonprofit organization), which comprise the statements of financial position as of June 30, 2016 and 2015, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an

opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Telecommunications Relay, Inc. as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenses by Category is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Moore Ellison & McDuffie, CPAs, PA
MOORE ELLISON & MCDUFFIE, CPA'S, PA

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2016 AND 2015

ASSETS

CURRENT ASSETS	<u>2016</u>	<u>2015</u>
Cash and Cash Equivalents	\$16,552,936	\$15,682,385
Accounts Receivable	723,081	840,755
Prepaid Expenses	<u>8,351</u>	<u>7,933</u>
	<u>17,284,368</u>	<u>16,531,073</u>
 PROPERTY AND EQUIPMENT		
Office Furniture	46,919	46,919
Office Equipment	92,807	91,862
Dual Sensory Equipment	<u>80,273</u>	<u>80,273</u>
	219,999	219,054
Less: Accumulated Depreciation	<u>(207,312)</u>	<u>(201,099)</u>
	<u>12,687</u>	<u>17,955</u>
 OTHER ASSETS		
Deposits	<u>7,839</u>	<u>7,839</u>
 TOTAL ASSETS	 <u>\$ 17,304,894</u>	 <u>\$16,556,867</u>

**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF FINANCIAL POSITION - CONTINUED
AS OF JUNE 30, 2016 AND 2015

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	<u>2016</u>	<u>2015</u>
Accounts Payable	\$ 615,424	\$ 617,194
Accrued Leave Payable	<u>45,779</u>	<u>38,827</u>
TOTAL LIABILITIES	661,203	656,021
NET ASSETS		
Unrestricted Net Assets	<u>16,643,691</u>	<u>15,900,846</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,304,894</u>	<u>\$ 16,556,867</u>

**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015

REVENUES	<u>2016</u>	<u>2015</u>
Surcharge Revenue	\$ 8,028,146	\$ 7,765,108
National Deaf-Blind Equipment Distribution Program	173,628	250,550
Investment Earnings	<u>31,831</u>	<u>43,513</u>
TOTAL REVENUES	<u>8,233,605</u>	<u>8,059,171</u>
EXPENSES		
Category I-Relay Service	3,376,471	3,377,734
Category II-Equipment & Repair	1,549,998	1,556,922
Category III-Equipment Distribution	950,604	1,018,344
Category IV-Outreach	583,747	568,124
Category V-General & Administrative	856,312	928,524
Category VI-Nat Deaf-Blind Equip Distr Prog	<u>173,628</u>	<u>250,550</u>
TOTAL EXPENSES	<u>7,490,760</u>	<u>7,700,198</u>
CHANGE IN UNRESTRICTED NET ASSETS	742,845	358,973
NET ASSETS, BEGINNING OF YEAR	<u>15,900,846</u>	<u>15,541,873</u>
NET ASSETS, END OF YEAR	<u>\$ 16,643,691</u>	<u>\$ 15,900,846</u>

**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED
JUNE 30, 2016 AND 2015

	<u>2016</u>	<u>2015</u>
Operating Activities		
Change in Net Assets	\$ 742,845	\$ 358,973
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities		
Depreciation	6,213	6,620
Decrease (Increase) in Assets:		
Accounts Receivable	117,674	116,300
Prepaid Expenses	(418)	(2,864)
Deposits	-	1,100
Increase (Decrease) in Liabilities:		
Accounts Payable	(1,770)	(258,149)
Accrued Expenses	6,952	(5,027)
Net Cash From Operating Activities	<u>871,496</u>	<u>216,953</u>
Investing Activities		
(Purchase) / Disposal of Fixed Assets	(945)	(5,518)
Net Cash Used By Investing Activities	<u>(945)</u>	<u>(5,518)</u>
Net Increase / (Decrease) in Cash	870,551	211,435
Cash at Beginning of Period	<u>15,682,385</u>	<u>15,470,950</u>
Cash at End of Period	<u>\$ 16,552,936</u>	<u>\$ 15,682,385</u>
 Supplemental Disclosures		
Income		
Interest Income	\$ 31,831	\$ 43,513

**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

**FLORIDA TELECOMMUNICATIONS RELAY, INC
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015**

A. Organization

The Florida Telecommunications Relay, Inc. (the Organization) is a not-for-profit that was incorporated in June of 1991 under the laws of the State of Florida for the purpose of acting as an administrator of the Telecommunications Access Systems Act, pursuant to s.427.704(2). The Organization is responsible for providing relay services and the distribution of specialized telecommunications devices. The devices for the deaf, blind, hard of hearing, and speech impaired persons are distributed free of charge to clients certified by designated specialists in the speech and hearing field. The Florida Public Service Commission regulates the Organization which is funded through a surcharge on access lines of residents of the State of Florida.

B. Significant Accounting Policies

A summary of the Company's significant accounting policies consistently applied in the preparation of the accompanying financial statements are as follows:

Basis of Accounting

The Company utilized the accrual basis of accounting, whereby income is recognized as earned and expenses are recognized as obligations are incurred.

Cash and Cash Equivalents

Cash and cash equivalents consist of short-term investments with an original maturity of three months or less, cash on deposit, money market funds and certificates of deposit.

Accounts Receivable

Accounts receivable consists of surcharges collected by the various telephone companies for the previous month. All collections are due to the Organization from the telephone companies by the 15th of the following month. The Organization has established an allowance for doubtful accounts and uses the reserve method for recognizing bad debts. As of June 30, 2016, management believes all receivables are collectible.

Property and Equipment

Property and Equipment are recorded at cost. Improvements are capitalized, while expenditures for maintenance and repairs are expensed as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statements of operations. Property and equipment are depreciated over estimated service lives as follows:

Office Furniture	5 years	straight-line
Office Equipment	5 years	straight-line
Dual-Sensory Equipment	5 years	straight-line

SEE INDEPENDENT AUDITORS' REPORT

FLORIDA TELECOMMUNICATIONS RELAY, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEARS ENDED JUNE 30, 2016 AND 2015

Income Taxes

The Organization, a Florida not-for-profit corporation, is exempt under Internal Revenue Code 501(c)(3) and has been determined to be other than a private foundation. Therefore, no provision for income taxes has been made.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. Operating Lease Commitments

The Organization leases office space under a non-cancelable operating lease, dated November 26, 2001. The current lease term began on February 29, 2012 and expires on February 28, 2017. The base rent payable, per month, is \$7,380, for the years ended June 30, 2016 and 2015.

The Organization leases its copier under a non-cancelable operating lease dated June 26, 2013. The lease is for a period of 48 months. Monthly lease payments are \$92, for the years ended June 30, 2016 and 2015.

Maturities of the leases payable in each of the next five years, as of June 30, 2016 and 2015, are approximated as follows:

<u>Year Ending</u>	<u>2016</u>
June 30, 2017	\$ 60,146
June 30, 2018	0
June 30, 2019	0
June 30, 2020	0
June 30, 2021	0
Thereafter	0
Total	<u>\$ 60,146</u>

<u>Year Ending</u>	<u>2015</u>
June 30, 2016	\$ 89,667
June 30, 2017	60,146
June 30, 2018	0
June 30, 2019	0
June 30, 2020	0
Thereafter	0
Total	<u>\$ 149,813</u>

SEE INDEPENDENT AUDITORS' REPORT

FLORIDA TELECOMMUNICATIONS RELAY, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015

D. Retirement Plan

The Organization contributes to a multiple employer, qualified, defined benefit pension plan, sponsored by the National Telecommunications Cooperative Association. Employees begin participating in the plan quarterly, coincident with their date of employment. Contributions to the plan are paid quarterly and based on 11.1% of compensation for all full-time employees and part-time employees, who work at least 1,000 hours per calendar year. Benefits will be paid to participants in an amount dependent on years of service, and the final average salary as defined in the plan document. Retirement expense for the fiscal years ended June 30, 2016 and 2015 were \$56,583 and \$61,858, respectively.

E. Current Vulnerability Due to Certain Concentrations

The Organization maintains two bank accounts at Regions Bank. Accounts at this institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At June 30, 2016 and 2015, the Organization had deposits at Regions Bank in excess of FDIC insured limits.

Regions Bank qualifies as a public depository under Chapter 280, Florida Statutes which defines the Florida Security for Public Deposits Act. The Organization considers itself a qualified public depositor under this Act. The Act provides that qualified public depositories must maintain eligible collateral having market value equal to 50% of the average daily balance for each month of all public deposits in excess of any applicable deposit insurance held by the depository during the twelve months immediately preceding the date of any computation of the balance. As such, the depository is not required to hold collateral in the Organization's benefit. The Public Depository Security Trust Fund, as created under the laws of the State of Florida, would be required to pay the Organization for any deposits not covered by depository insurance or collateral pledged by the depository, as previously described. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public sector depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

During the years ended June 30, 2016 and 2015, the Organization recognized \$8,028,146 and \$7,765,108, respectively, of surcharge revenue. The amounts represent 98% and 96%, respectively, of total revenue and support.

SEE INDEPENDENT AUDITORS' REPORT

**FLORIDA TELECOMMUNICATIONS RELAY, INC
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015**

F. Related Party Transactions

There were no related party transactions discovered during the course of our audit.

G. Commitments and Contingencies

Currently, the Organization has not accrued any liabilities associated with any legal action or threatened legal action.

H. Uncertain Tax Positions

The IRS has three years to audit your tax returns and assess any additional tax liabilities.

I. Subsequent Events

Management has considered subsequent events through August 23, 2016, the date which the financial statements were available to be issued. No items requiring additional adjustment or disclosure have been identified.

SEE INDEPENDENT AUDITORS' REPORT

SUPPLEMENTAL INFORMATION

FLORIDA TELECOMMUNICATIONS RELAY, INC
SCHEDULES OF EXPENSES BY CATEGORY
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015

CATEGORY I - RELAY SERVICE	<u>2016</u>	<u>2015</u>
Dual Party Relay Provider	<u>\$ 3,376,471</u>	<u>\$ 3,377,734</u>
 CATEGORY II - EQUIPMENT AND REPAIR		
ARS/VRS Signaling Equipment	\$ 8,166	\$ 16,962
CAPTEL Equipment	-	15,985
Telecommunications Equipment Repair	81,523	187,826
TeliTalk Speech Aid Phone	6,000	13,800
VCO Telephone	-	492
VCO / HCO TDD	2,530	-
VCP Hearing Impaired	439,896	282,537
VCP Speech Impaired	517	601
VCPH Cordless	1,011,366	1,034,085
VCPS-RC200	-	4,634
	<u>\$ 1,549,998</u>	<u>\$ 1,556,922</u>
 CATEGORY III - EQUIPMENT DISTRIBUTION		
Freight/Telecommunications Equipment	\$ 44,113	\$ 65,782
Regional Distribution Centers	906,023	952,094
Training	468	468
	<u>\$ 950,604</u>	<u>\$ 1,018,344</u>
 CATEGORY IV - OUTREACH		
Outreach - General	<u>\$ 583,747</u>	<u>\$ 568,124</u>

**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

FLORIDA TELECOMMUNICATIONS RELAY, INC
SCHEDULES OF EXPENSES BY CATEGORY - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2016 AND 2015

CATEGORY V - GENERAL AND ADMINISTRATIVE	<u>2016</u>	<u>2015</u>
Accounting/Auditing	\$ 20,437	\$ 23,900
Advertising	793	655
Computer Consultation	9,829	8,428
Computer Software	2,238	1,613
Depreciation	6,213	6,620
Dues and Subscriptions	2,624	2,115
Employee Compensation	386,020	411,168
Employee Training	425	7,950
Equipment Maintenance	766	1,136
Furniture and Equipment Purchases	745	379
Insurance	121,941	152,252
Legal	71,388	72,080
Meeting and Interpreter Expense	2,836	5,015
Office Equipment Lease	1,615	1,773
Office Expense	14,357	13,658
Payroll Taxes	31,083	34,698
Postage	5,242	8,514
Printing	539	1,095
Rent	86,453	79,565
Retirement	56,583	61,858
Telephone	16,195	16,113
Travel and Business Expense	7,316	15,773
Utilities	3,444	2,166
Temporary Staff	7,230	-
	<u>\$ 856,312</u>	<u>\$ 928,524</u>

CATEGORY VI - NATIONAL DEAF-BLIND EQUIPMENT DISTRIBUTION PROGRAM

Program Expenses	<u>\$ 173,628</u>	<u>\$ 250,550</u>
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**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**

**Appendix C
Florida Relay Service Information**

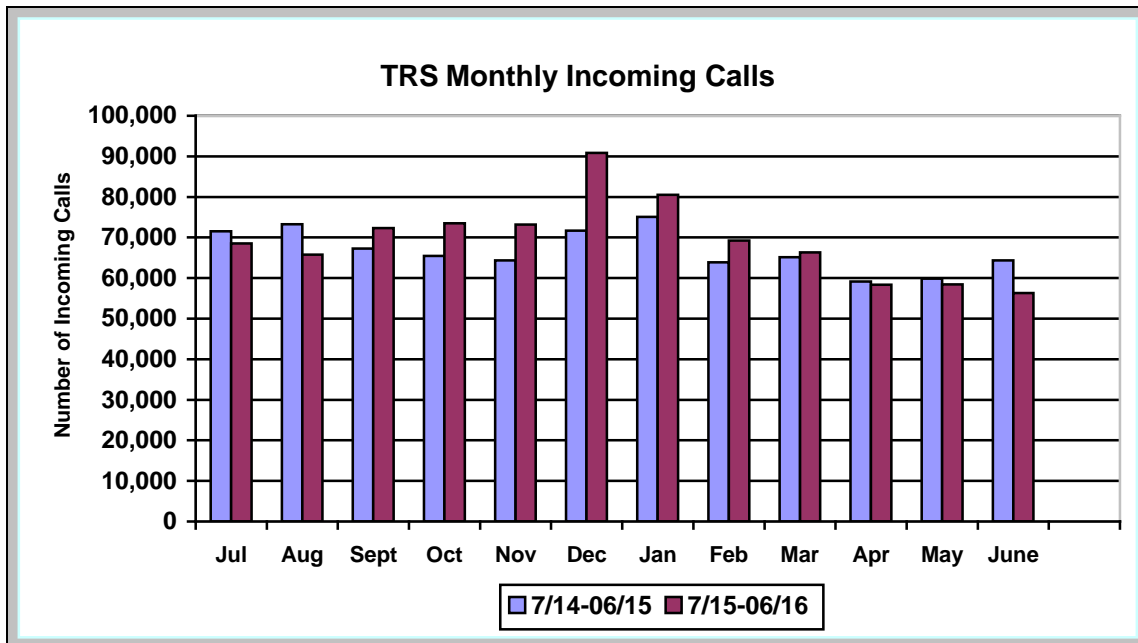
Sprint

TABLE OF CONTENTS

TRS Monthly Incoming Calls.....	44
TRS Monthly Incoming Calls by Type.....	45
TRS Monthly Incoming and Outgoing Calls	46
TRS Monthly Outgoing Calls by Type.....	47
TRS Monthly Outgoing Local vs. Long Distance Calls	48
TRS Completed Outgoing Monthly Call Distribution.....	49
CapTel Minutes and Charges.....	50

TRS Monthly Incoming Calls			
Total Incoming Calls July 2014 – June 2015		Total Incoming Calls July 2015 – June 2016	
Jul	71,506	Jul	68,553
Aug	73,281	Aug	65,750
Sept	67,255	Sept	72,317
Oct	65,449	Oct	73,519
Nov	64,322	Nov	73,161
Dec	71,711	Dec	90,824
Jan	75,089	Jan	80,515
Feb	63,904	Feb	69,256
Mar	65,150	Mar	66,352
Apr	59,122	Apr	58,354
May	59,837	May	58,473
Jun	64,338	Jun	56,306
Total	800,964	Total	833,380

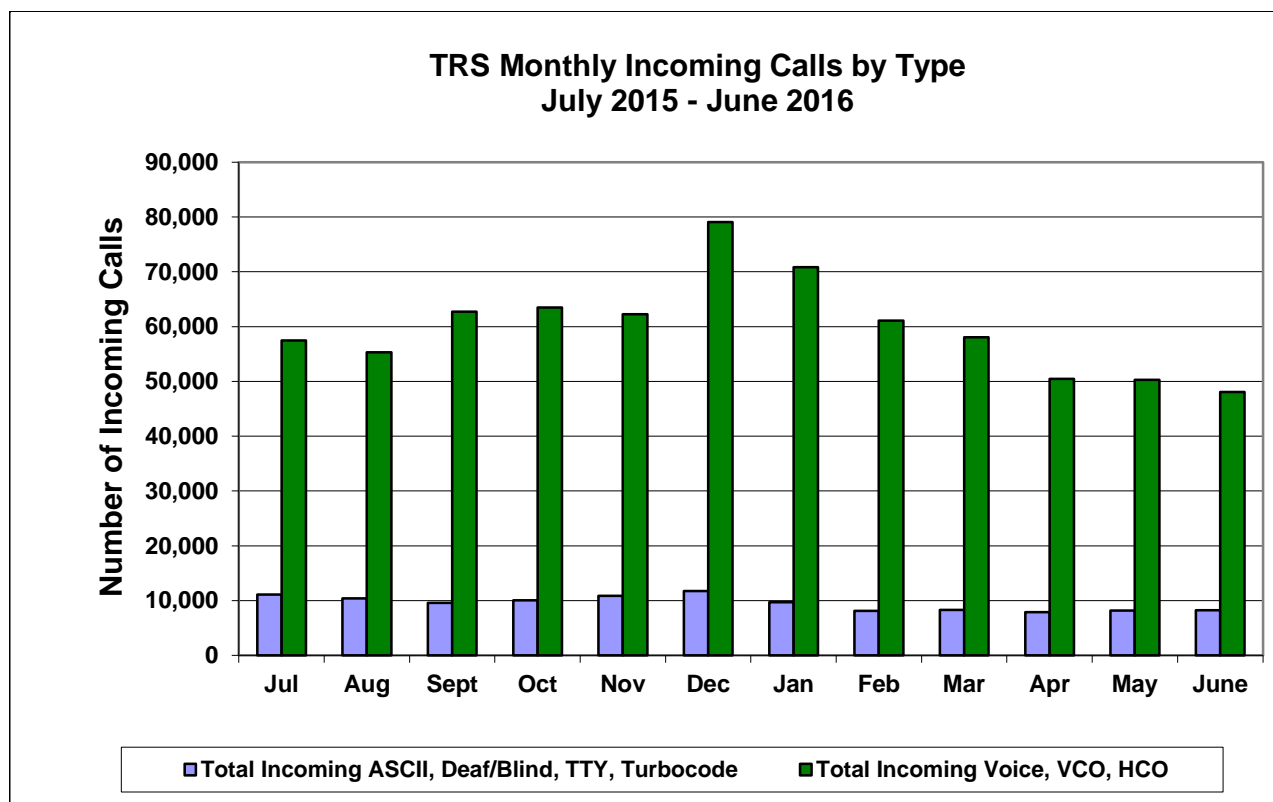
Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics – July 2015-June 2016.



Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics – July 2015-June 2016.

TRs Monthly Incoming Calls by Type July 2015 – June 2016										
Month	ASCII	Deaf/ Blind Baudot	TTY	Turbo -code	Total ASCII, Deaf/Blind Baudot, TTY, Turbo-code	Voice	VCO	HCO	Total Voice, VCO, HCO	Total Incoming Calls
July	388	9	9,222	1,479	11,098	54,424	2,987	44	57,455	68,553
Aug	441	45	9,256	671	10,413	52,598	2,688	51	55,337	65,750
Sept	448	6	8,654	490	9,598	59,684	2,986	49	62,719	72,317
Oct	580	1	8,976	489	10,046	60,285	3,138	50	63,473	73,519
Nov	372	13	10,180	325	10,890	59,728	2,512	31	62,271	73,161
Dec	373	1	10,973	387	11,734	76,332	2,725	33	79,090	90,824
Jan	365	18	8,907	386	9,676	68,574	2,237	28	70,839	80,515
Feb	373	13	7,445	311	8,142	58,857	2,238	19	61,114	69,256
March	550	2	7,454	314	8,320	55,601	2,371	60	58,032	66,352
April	716	0	6,920	262	7,898	48,237	2,112	107	50,456	58,354
May	551	0	7,393	250	8,194	48,078	2,146	55	50,279	58,473
June	485	0	7,482	297	8,264	45,870	2,109	63	48,042	56,306
Total	5,642	108	102,862	5,661	114,273	688,268	30,249	590	719,107	833,380

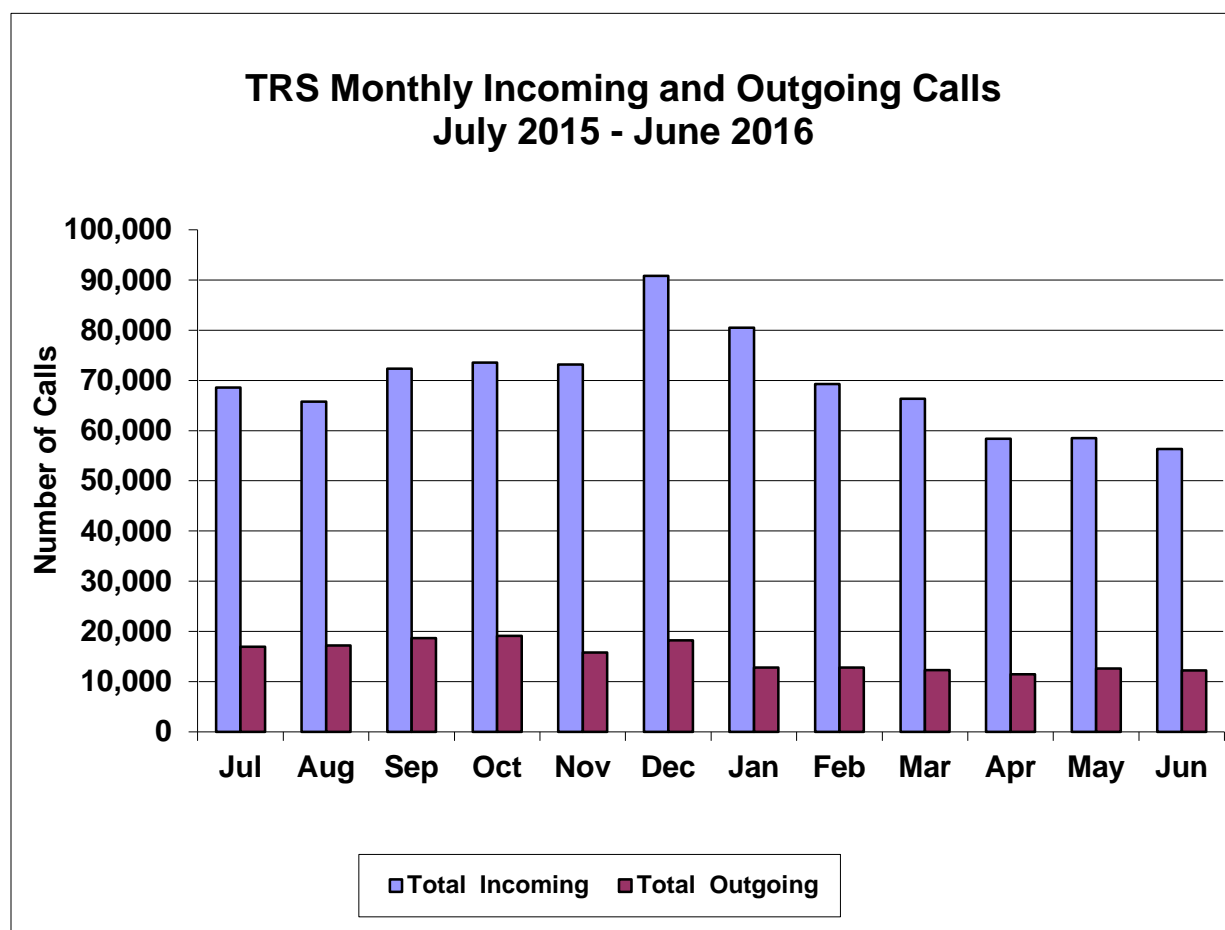
Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2015-June 2016.



Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2015-June 2016.

TRS Monthly Incoming and Outgoing Calls July 2015 – June 2016				
Month	Total Incoming	Incomplete Outgoing	Complete Outgoing	Total Outgoing
July	68,553	3,350	13,605	16,955
Aug	65,750	3,881	13,333	17,214
Sept	72,317	4,433	14,257	18,690
Oct	73,519	4,670	14,466	19,136
Nov	73,161	3,868	11,949	15,817
Dec	90,824	4,599	13,603	18,202
Jan	80,515	2,584	10,252	12,836
Feb	69,256	2,359	10,456	12,815
March	66,352	2,099	10,179	12,278
April	58,354	2,255	9,222	11,477
May	58,473	2,864	9,771	12,635
June	56,306	2,648	9,595	12,243
Total	833,380	39,610	140,688	180,298

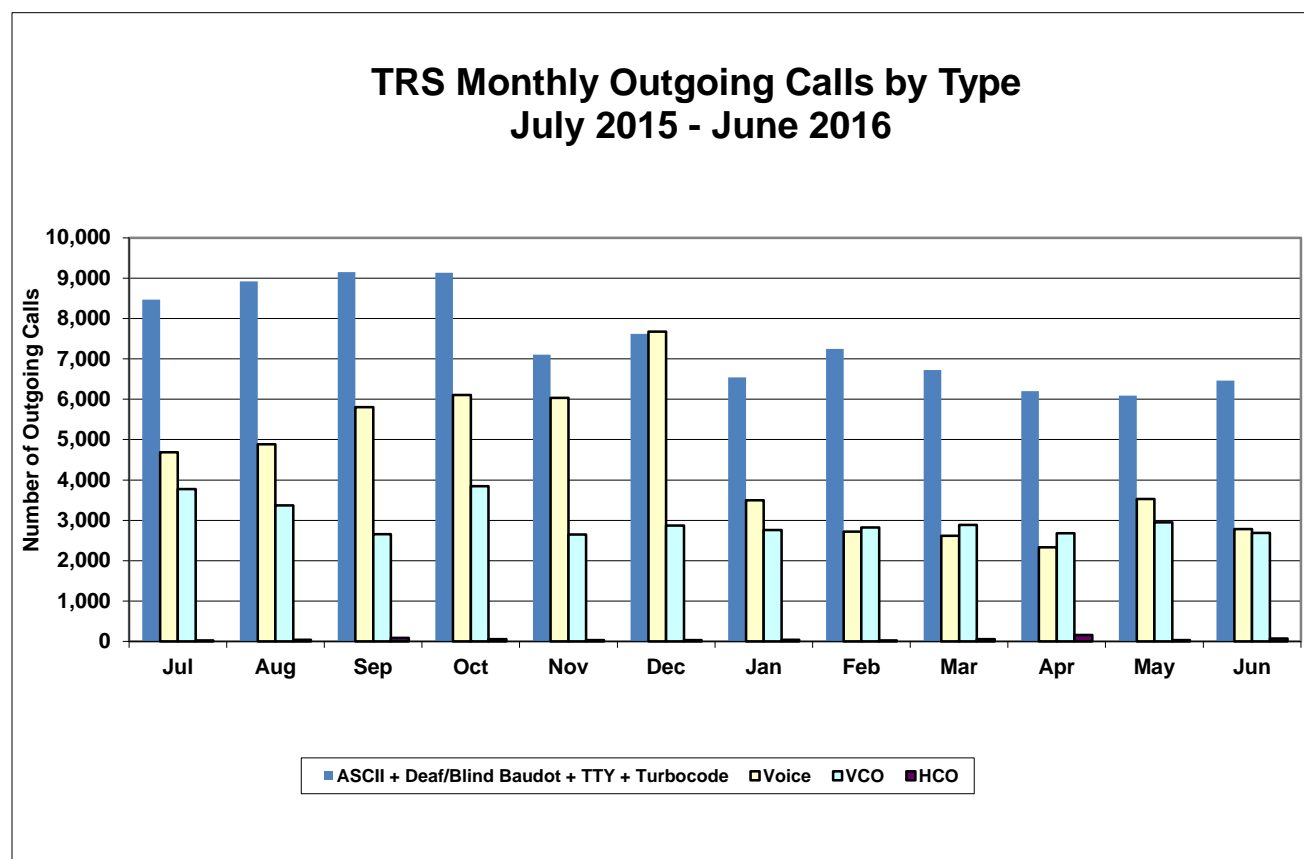
Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2015-June 2016.



Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2015-June 2016.

TRS Monthly Outgoing Calls by Type July 2015 – June 2016										
Month	ASCII	Deaf/ Blind Baudot	TTY	Turbo- code	Total ASCII, Deaf/Blind, Baudot, TTY, Turbo- code	Voice	VCO	HCO	Total Voice, VCO, HCO	Total Outgoing Calls
July	272	0	6,261	1,936	8,469	4,686	3,773	27	8,486	16,955
Aug	307	2	7,681	925	8,915	4,884	3,372	43	8,299	17,214
Sept	252	0	8,266	627	9,145	5,805	3,655	85	9,545	18,690
Oct	273	3	8,342	514	9,132	6,103	3,845	56	10,004	19,136
Nov	265	10	6,471	359	7,105	6,031	2,645	36	8,712	15,817
Dec	255	0	6,909	455	7,619	7,677	2,870	36	10,583	18,202
Jan	289	77	5,662	515	6,543	3,494	2,757	42	6,293	12,836
Feb	279	25	6,516	426	7,246	2,720	2,823	26	5,569	12,815
March	325	1	6,067	331	6,724	2,616	2,884	54	5,554	12,278
April	421	0	5,478	298	6,197	2,434	2,684	162	5,280	11,477
May	289	0	5,516	286	6,091	3,528	2,949	67	6,544	12,635
June	245	0	6,180	280	6,705	2,781	2,685	72	5,538	12,243
Total	3,472	118	79,349	6,952	89,891	52,759	36,942	706	90,407	180,298

Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2015-June 2016.

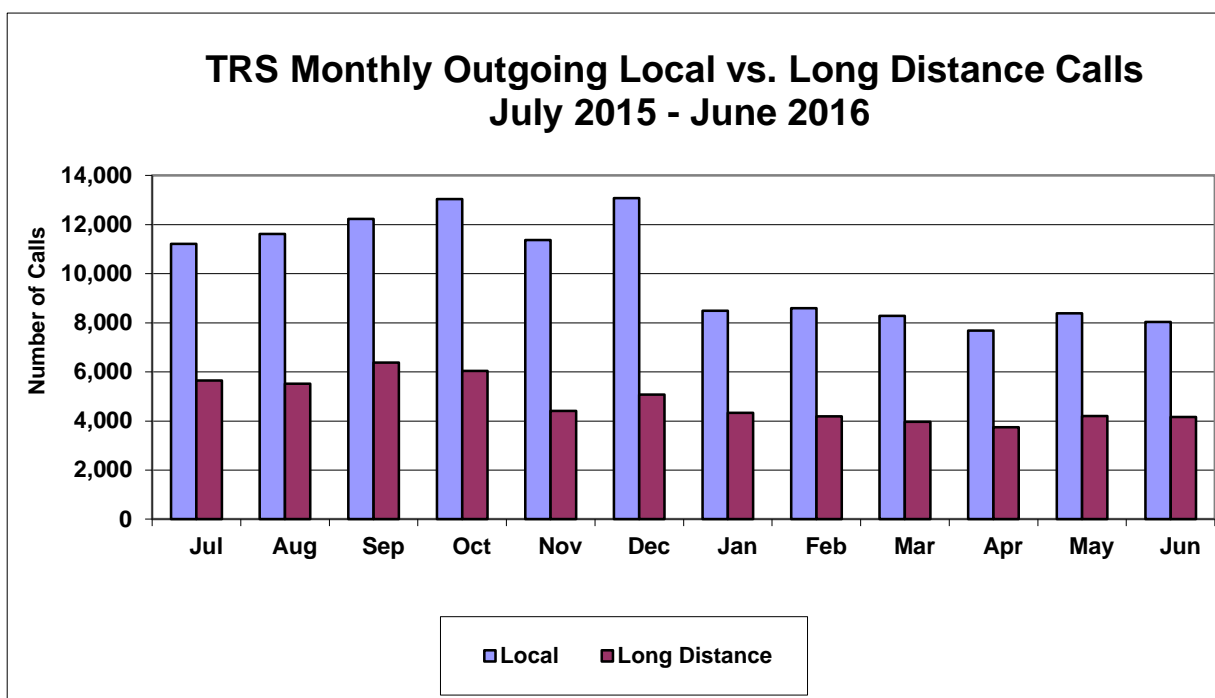


Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2015-June 2016.

TRS Monthly Outgoing Local vs. Long Distance Calls July 2015 – June 2016⁸

Month	Local	Total Long Distance	Toll Free	Intrastate Intralata	Intrastate Interlata	Interstate	International
July	11,216	5,649	2,235	87	1,233	2,081	13
Aug	11,617	5,516	1,844	76	1,360	2,226	10
Sept	12,237	6,384	2,387	140	1,387	2,439	31
Oct	13,046	6,038	2,481	165	1,352	2,003	37
Nov	11,376	4,414	1,972	176	812	1,343	111
Dec	13,086	5,077	2,281	366	965	1,251	214
Jan	8,489	4,332	2,306	135	657	1,024	210
Feb	8,592	4,196	1,893	74	845	1,200	184
March	8,281	3,966	1,932	61	848	972	153
April	7,687	3,744	1,805	55	694	1,183	7
May	8,391	4,206	2,069	168	668	1,298	3
June	8,032	4,162	1,792	137	818	1,411	4
Total	122,050	57,684	24,997	1,640	11,639	18,431	977

Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2015-June 2016.

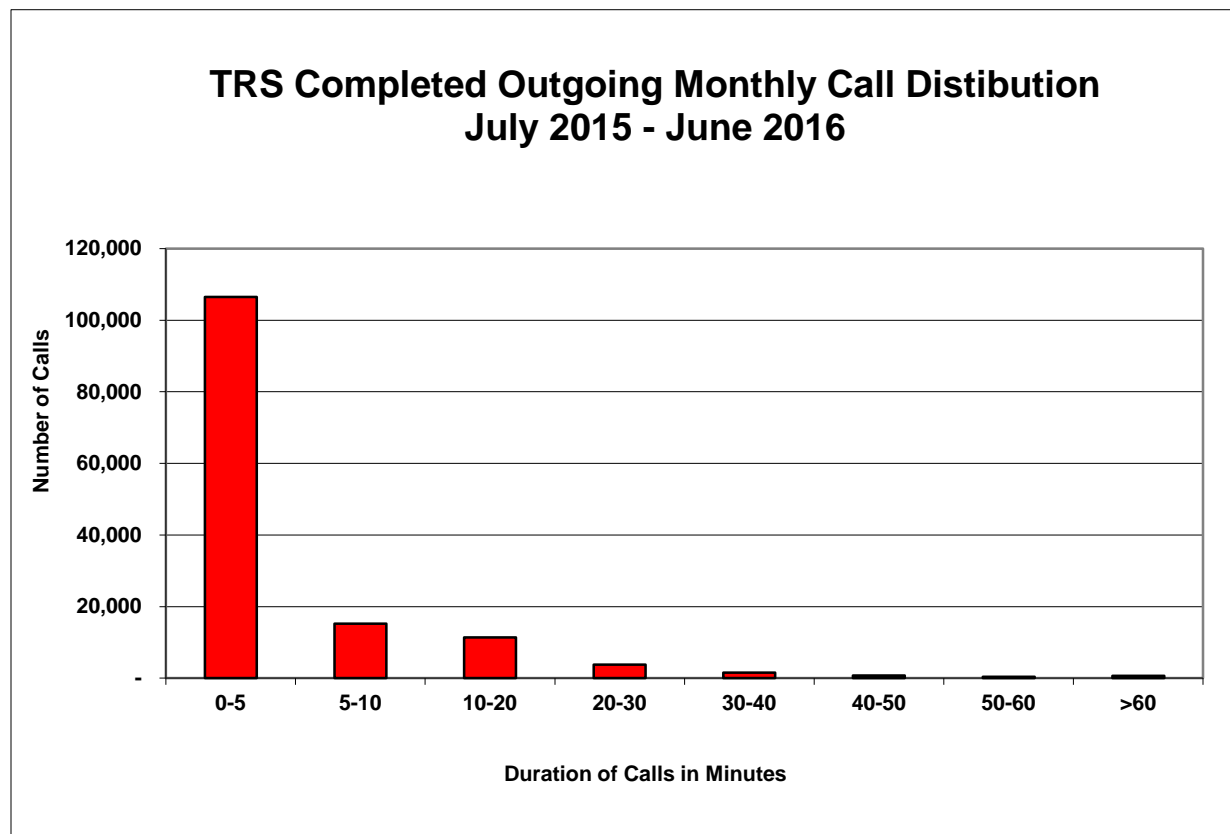


Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2015-June 2016.

⁸ Does not include Directory Assistance Calls.

TRS Completed Outgoing Monthly Call Distribution July 2015 – June 2016								
In Minutes								
Month	0-5	5-10	10-20	20-30	30-40	40-50	50-60	>60
July	10,530	1,407	1,039	297	146	68	36	82
Aug	10,318	1,399	1,033	304	119	60	43	57
Sept	11,105	1,451	1,124	311	120	53	36	57
Oct	11,229	1,468	1,089	354	135	73	42	76
Nov	9,154	1,253	917	354	132	56	35	48
Dec	10,367	1,268	1,035	323	140	52	27	63
Jan	7,488	1,253	902	350	114	59	39	47
Feb	7,705	1,230	940	325	125	59	25	47
March	7,308	1,230	1,020	321	148	67	37	48
April	6,803	1,128	791	264	107	64	25	40
May	7,342	1,119	733	290	129	65	27	66
June	7,188	1,069	797	280	114	66	24	57
Total	106,537	15,275	11,420	3,773	1,529	742	396	688

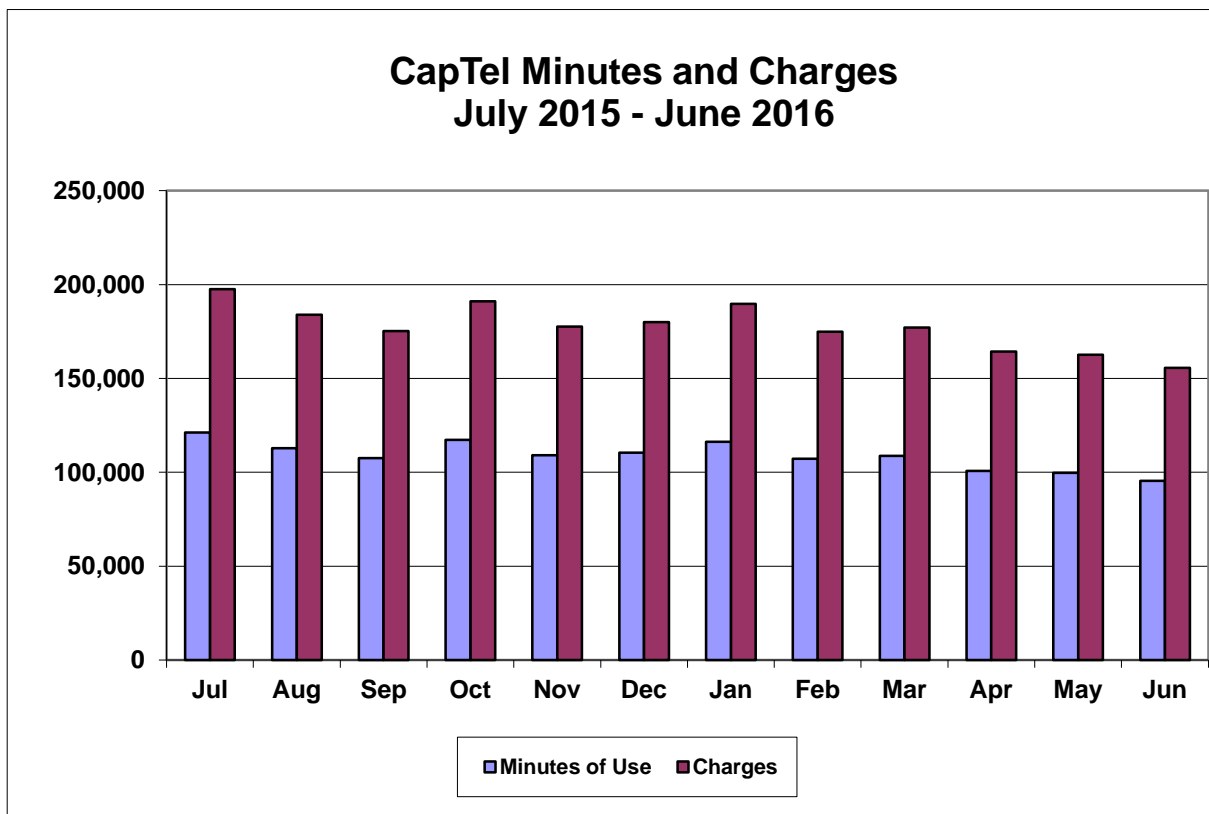
Source: Sprint Telecommunications Relay Services Report – Call Profile Number of Outbound Calls for FL - July 2015-June 2016.



Source: Sprint Telecommunications Relay Services Report – Call Profile Number of Outbound Calls for FL - July 2015-June 2016.

CapTel Minutes and Charges July 2015 – June 2016		
Month	Minutes of Use	Charges (\$)
July	121,204	\$197,562
Aug	112,843	\$183,933
Sept	107,547	\$175,302
Oct	117,210	\$191,053
Nov	109,030	\$177,719
Dec	110,488	\$180,096
Jan	116,356	\$189,659
Feb	107,304	\$174,906
March	108,696	\$177,174
April	100,800	\$164,305
May	99,745	\$162,585
June	95,446	\$155,577
Total	1,306,669	\$2,129,871

Source: Sprint Monthly Traffic Report



Source: Sprint Monthly Traffic Report

Glossary

Administrator A nonprofit corporation⁹ created by the local exchange telephone companies pursuant to Commission Order No. 24462, dated May 1, 1991. This nonprofit corporation was created in June 1991 and is known as the Florida Telecommunications Relay, Inc. (FTRI). The FTRI has three basic roles: (1) to collect the surcharge revenues from the local exchange telephone companies and pay the relay service provider,¹⁰ (2) to distribute and maintain specialized telecommunications devices,¹¹ and (3) to provide community outreach and training on use of the relay service and specialized telecommunications devices.¹² FTRI's office is located in Tallahassee.

Advisory Committee A group of up to ten individuals recommended by various organizations representing both the telephone industry and individuals who are deaf, hard of hearing, speech impaired, or deaf-blind.¹³ The advisory committee's role is to provide input to both the Florida Public Service Commission (FPSC) and the Administrator on the development and operation of the Telecommunications Access System. The advisory committee has been actively involved in the implementation of Telecommunications Access System Act since May 1991 and meets with the Commission staff regularly.

ARS (Audible Ring Signaler) A signaler with a ring volume up to 95 decibels which rings when the telephone rings. When the ringer is turned off, a light will still flash when the phone rings.

ASCII The American Standard Code for Information Interexchange employs an eight bit code and can operate at any standard transmission baud rate including 300, 1200, 2400, and higher. Baud rate is a measure of how fast data is moving between instruments that use serial communication. The standard ASCII character set consists of 128 decimal numbers ranging from 0 through 127 assigned to letters, numbers, punctuation marks, and the most common special characters. Computers use ASCII code, while most telecommunications devices for the deaf use Baudot which has a fixed baud rate of 45.5.

Baudot A seven bit code, only five of which are information bits. Baudot is used by some text telephones to communicate with each other at a 45.5 baud rate.

CA A Communications Assistant translates or interprets conversation between two or more end users of telecommunications relay service. CA supersedes the term "TDD operator."

CapTel A captioned telephone service which uses a telephone that looks similar to a traditional telephone but also has a text display that allows the user, on one standard telephone line, to listen to the other party speak and simultaneously read captions of what the other party is saying.

Dialogue RC 200 A phone which has voice activated answering, designed for people with any degree of mobility and dexterity loss.

⁹ Section 427.704(2), F.S.

¹⁰ Section 427.705(1)(d),(g),F.S.

¹¹Section 427.705(1)(a), F.S.

¹² Section 427.705(1)(a),(b), F.S.

¹³ Section 427.706, F.S.

Dual Sensory Impaired Having both a permanent hearing impairment and a permanent visual impairment and includes deaf/blindness.

FCC Federal Communications Commission.

FPSC or Commission The Florida Public Service Commission, which has overall responsibility for implementation and oversight of the Relay system.¹⁴

FTRI The Florida Telecommunications Relay, Inc., which is the nonprofit corporation formed to serve as the Telecommunications Access System Act Administrator.

HCO Hearing Carry Over is a form of relay service in which the person with the speech impairment is able to listen to the other end user and, in reply, the CA speaks the text as typed by the person with the speech disability.

IP CTS Internet Protocol Captioned Telephone Service. IP CTS allows a person who can speak and who has some residual hearing to simultaneously listen to what is said over the telephone and read captions of what the other person is saying. An Internet connection carries the captions between the relay provider and the user.

Internet Protocol (IP) Relay Allows people who have difficulty hearing or speaking to communicate with anyone in the world through an Internet connection using a computer and the Internet, rather than with a TTY and a standard telephone line.

LEC Local Exchange Company

Jupiter Speaker Phone A speaker phone which provides hands-free telephone access and accommodates speech-impaired, hearing-impaired, and mobility-impaired individuals.

Provider The entity that provides relay service.¹⁵

Regional Distribution Centers Non-profit agencies across Florida contracted by FTRI to provide equipment distribution services.

TASA Telecommunications Access System Act of 1991.

TDD The Telecommunications Device for the Deaf is a type of machine that allows people who are deaf, hard of hearing, or speech impaired to communicate over the phone using a keyboard and a viewing screen.

TeliTalk The TeliTalk speech aid is specifically designed to meet the needs of approximately 3,000 speech impaired people in Florida who have had laryngectomies. The TeliTalk Speech Aid is a telephone unit with an electro-larynx device attached and is operated just like any other speech aid, allowing for a variety of neck placements and oral straw use.

¹⁴ Section 427.704(1), F.S.

¹⁵ Section 427.704(3)(a), F.S.

TRS (1) The Tactile Ring Signaler for deaf/blind people is a signaler which vibrates to let the individual know when the telephone is ringing. (2) Telecommunications Relay Service.

TTY A Text Telephone is a machine that employs graphic communication in the transmission of coded signals through a wire or radio communication system. TTY supersedes the term "TDD" or "telecommunications device for the deaf."

Turbo Code A feature that allows for enhanced transmission and the capability to interrupt during transmission during relay calls on text telephones. Turbo Code is an enhanced TTY protocol which has a higher data rate than regular Baudot protocol and is in full ASCII compliance.

Tykriphone A hands-free speakerphone which accommodates speech-impaired and mobility-impaired individuals.

VCO Voice Carry Over is a form of TRS in which the person with the hearing disability is able to speak directly to the other end user. The CA types the response back to the person with the hearing disability. The CA does not voice the conversation.

VCP The Volume Control Phone is a phone for the hearing or speech impaired which amplifies the incoming voice from 0 to 40 decibels.

VRS (1) Video Relay Service is a telecommunications relay service that allows people with hearing or speech disabilities and who use sign language to communicate with voice telephone users through video equipment. The video link allows the CA to view and interpret the party's signed conversation and then relay the conversation back and forth with a voice caller. (2) A Visual Ring Signaler is a signaler which connects to a lamp and makes the light flash on and off when the telephone rings.