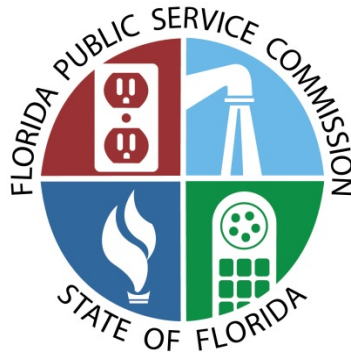




*The Status of the
Telecommunications Access System Act of 1991*



DECEMBER 2017



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Telecommunications Access System Act of 1991*



DECEMBER 2017

PREPARED BY

The Florida Public Service Commission
Office of Industry Development & Market Analysis

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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 on the operation of the telecommunications access system, which shall be available on the Commission's Internet website.

It is estimated that approximately 2.5 million of the estimated 21 million persons living in Florida have been diagnosed as having a hearing loss.¹ To meet the needs of these individuals, the state legislature established a statewide telecommunications access system. The purpose of this system is 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 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 the FPSC's oversight, 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. FTRI also performs outreach to increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 23 regional distribution centers conducted 1,410 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. The increased distribution and service improvement of CapTel has enriched the lives of people who would not normally use 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.

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 2016-2017 fiscal year.

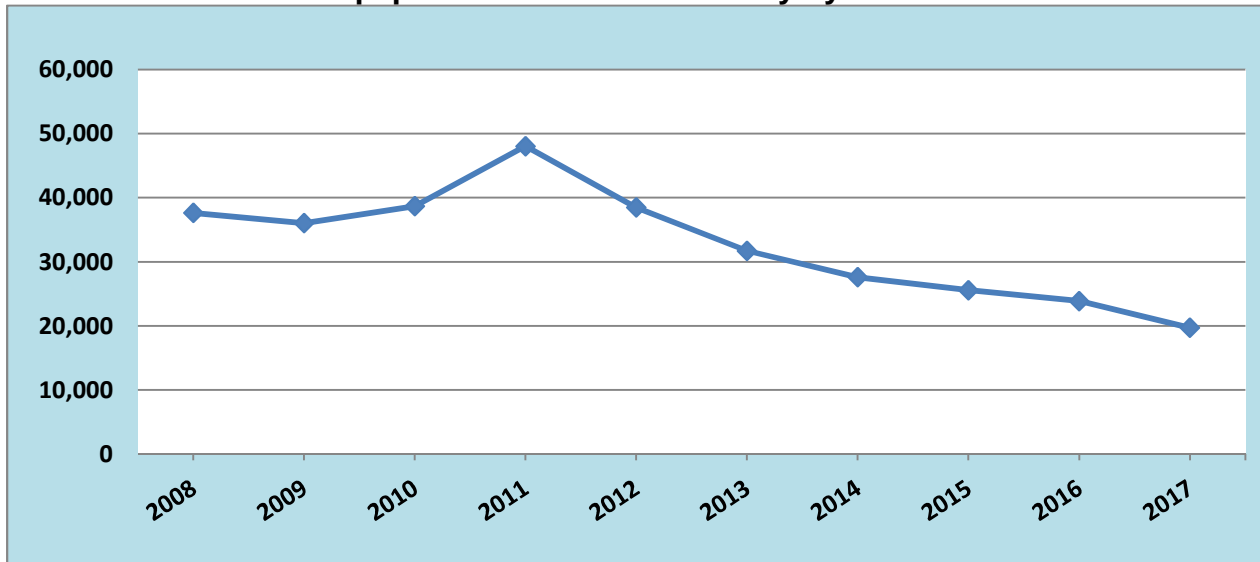
**Figure 1
FTRI Financial Report**

Account	7/01/16 – 6/30/17
Total Revenue	\$7,144,509
Relay Services Expense	2,764,571
Equipment and Repair Expense	1,305,755
Equipment Distribution Expense	790,668
Outreach Expense	574,053
Administrative Expense	930,659
Revenue Less Expenses	778,803

Source: Florida Telecommunications Relay Inc.'s 2016-2017 Annual Report.

FTRI distributed 19,715 pieces of relay equipment for fiscal year 2016-2017. Figure 2 shows the number of pieces of relay equipment distributed from fiscal year ending June 30, 2008 through fiscal year ending June 30, 2017. 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 by Fiscal Year**



Source: Florida Telecommunications Relay, Inc.'s 2007-2008 Annual Report through 2016-2017 Annual Report.

Figure 3 reflects the number of new recipients receiving equipment and training for the 2016-2017 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 7/01/16–6/30/17
Deaf	25
Hard of Hearing	10,932
Speech Challenged	67
Dual Sensory	0
Total	11,024

Source: Florida Telecommunications Relay, Inc.'s 2016-2017 Annual Report.

Figure 4 reflects the number of persons served each fiscal year by FTRI from 2007-2008 through 2016-2017.

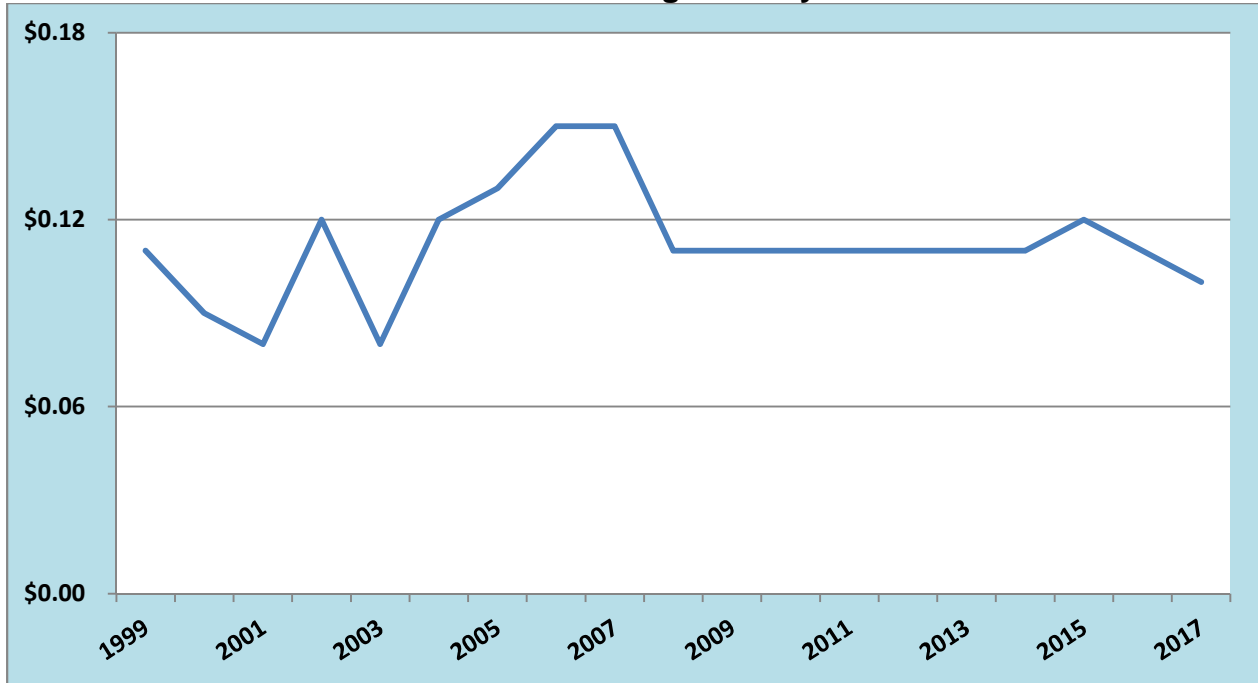
Figure 4
FTRI Clients Served

Fiscal Year	New	Modified	Exchange	Return	Follow-Up	Customer Calls	Total
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
2016-2017	11,024	192	8,110	3,911	768	24,933	48,938

Source: Florida Telecommunications Relay, Inc.'s 2007-2008 Annual Report through 2016-2017 Annual Report.

The TASA surcharge for fiscal year 2017-2018 is currently 10 cents per month. Figure 5 provides a historical view of the TASA surcharge collected monthly from each LEC basic telecommunications access line since July 1, 1999.

**Figure 5
TASA Surcharge History**



Source: <http://www.floridapsc.com/Files/PDF/Utilities/Telecomm/Relay/relaysurcharge.pdf>

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 2016-2017 and the approved budget for fiscal year 2017-2018. 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

Telecommunications Relay Service (TRS) was created by Title IV of the Americans with Disabilities Act of 1990 to enable an individual with a hearing or speech disability to communicate by telephone or other device through the telephone system. Section 427.704, F.S., charges the Commission with overseeing the administration of the statewide telecommunications access system to provide access to TRS.

A. FTRI Budget and Annual Surcharge Established

On March 1, 2017, FTRI filed its proposed budget for Fiscal Year 2017-2018 for FPSC consideration in Docket No. 20140029-TP. On September 7, 2017, the FPSC confirmed its decision made at the July 13, 2017 Commission Agenda Conference establishing FTRI's 2017-2018 budget and reducing the relay surcharge.² Specifically, the FPSC:

- Reduced the monthly TRS surcharge by one penny to \$0.10 per month for Fiscal Year 2017-2018, effective October 1, 2017 and required the incumbent local exchange companies, competitive local exchange companies, and shared tenant providers to bill the reduced surcharge.³
- Ordered FTRI to reduce its proposed budget by \$117,954.
- Ordered FTRI to require detailed, itemized bills from its legal counsel.
- Ordered FTRI to conduct in-house analyses for Insurance-Health/Life/Disability and Retirement expenses and required FTRI to provide the results of its analysis to Commission staff by January 31, 2018.

B. Relay Service Provider

The current Sprint Relay Contract expires February 28, 2018. On May 11, 2017, the FPSC released a Request for Proposals (RFP) to provide relay service in Florida beginning March 1, 2018. On September 7, 2017, after proposals were submitted and evaluated, the FPSC awarded the new relay provider contract to Sprint 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.⁴

²Order No. PSC-2017-0292-PAA-TP and Order No. PSC-2017-0347-FOF-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).

⁴ Docket No. 20170039-TP - Request for submission of proposals for relay service, beginning in March 2018, for the deaf, hard of hearing, deaf/blind, or speech impaired, and other implementation matters in compliance with the Florida Telecommunications Access System Act of 1991.

III. Federal Level Developments

Chapter 427, F.S., requires the Florida TRS 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.

A. Compensation Rates

On July 26, 1993, the FCC established the interstate Telecommunications Relay Service Fund (TRS Fund). The interstate TRS Fund compensates TRS providers for reasonable costs of providing interstate TRS. On June 30, 2017, the FCC's Consumer and Governmental Affairs Bureau adopted per-minute compensation rates to be paid from the interstate TRS Fund for the year beginning July 1, 2017, for all telecommunications relay services. 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, 2017, the per-minute compensation rates for interstate and Internet-based TRS became: (1) for interstate traditional TRS, \$2.9186; (2) for interstate Speech-to-Speech (STS) relay service, \$4.0496; (3) for interstate captioned telephone service (CTS) and Internet Protocol captioned telephone service (IP CTS), \$1.9467; and (4) for IP Relay, \$1.3350.⁵

B. State Relay Certification

On July 19, 2017, the FCC informed states that current state relay certifications will expire on July 25, 2018. The FCC requested that renewal applications be filed no later than October 1, 2017, to give the FCC sufficient time to review and rule on the applications prior to expiration of the existing certifications. The FPSC filed Florida's 2017 Recertification Application with the FCC on September 28, 2017.⁶

The Consumer and Governmental Affairs Bureau released for public comment each application for renewal and will review each application to determine whether the state TRS program has sufficiently documented that it meets or exceeds all of the applicable operational, technical and functional mandatory minimum standards set forth in Section 64.604 of the FCC's rules.

⁵ FCC Order, DA 17-642, GC Docket No. 03-123, Released June 30, 2017, https://apps.fcc.gov/edocs_public/attachmatch/DA-17-642A1.pdf, accessed November 1, 2017.

⁶ FCC Public Notice, DA 17-697, CG Docket No. 03-123, Released July 19, 2017, https://apps.fcc.gov/edocs_public/attachmatch/DA-17-697A1.pdf.

IV. Distribution of Specialized Telecommunications Equipment

To be in compliance with Section 427.704(9), F.S., the Relay Administrator must file a report with the Commission by November 1 of each year 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. FTRI also performs outreach activities to increase consumer awareness of both FTRI's programs and the relay system. FTRI and its 23 regional distribution centers conducted 1,410 outreach activities and signed up 8 new businesses as Relay Friendly Business Partners during the fiscal year.⁷

Figure 6 provides a listing of professionals involved with the certification of client applications for the 2016-2017 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
2016-2017 Eligibility Certifiers

Category of Certifier	Number of Approved Applications
Deaf Service Center Director	7,649
Audiologist	1,900
Hearing Aid Specialist	1,125
Licensed Physician	299
State Certified Teacher	4
State Agency	0
Speech Pathologist	46
Federal Agency	1
Total	11,024

Source: Florida Telecommunications Relay, Inc.'s. 2016-2017 Annual Report.

⁷ Eight 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 7/1/15 – 6/30/16	Units Distributed 7/1/16 – 6/30/17
1. Volume Control Telephone for Hearing Impaired (VCP)	22,940	18,867
2. Audible Ring Signaler (ARS)	143	197
3. Visual Ring Signaler (VRS)	286	177
4. Telecommunications Device for the Deaf (TDD) or Teletype Device (TTY)	72	39
5. Caption Telephone (CapTel)	334	256
6. Other – Includes In-line amplifier, phones for the speech challenged, hearing carry-over phone, and voice-carry-over phone.	214	179
Total	23,876	19,715

Source: Florida Telecommunications Relay, Inc.'s 2015-2016 Annual Report and 2016-2017 Annual Report.

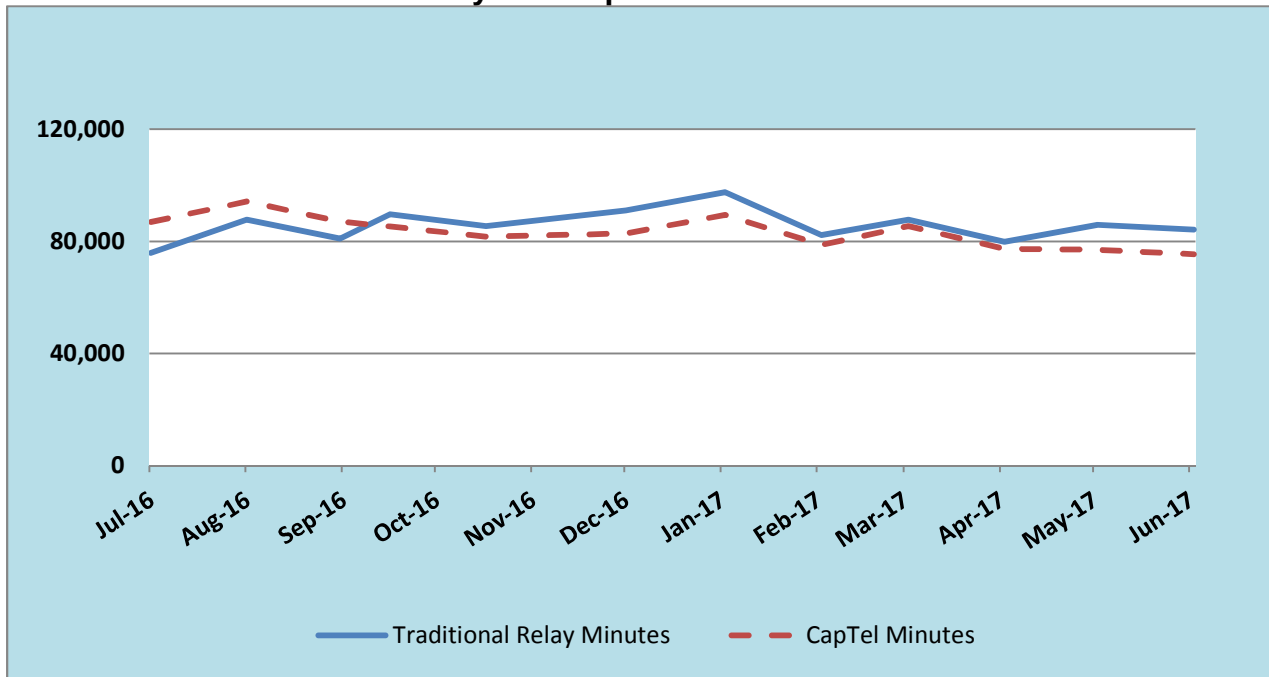
**Margin of Error ± 1%*

V. Relay Calling Volume

Figure 8 reflects the traditional relay minutes of use and CapTel minutes of use for July 2016 and June 2017.⁸ Between July 2016 and June 2017, the total number of billable minutes of use for traditional relay calls were 1,028,234. Total CapTel minutes of use for this period were 1,001,659.

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 \$1.63 per minute because of its specialized service.

Figure 8
Traditional Relay and CapTel Service Minutes of Use



Source: July 2016 - June 2017 monthly bills from Sprint Relay.

⁸ 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. TASA Advisory Committee

In accordance with Section 427.706, F.S., the FPSC established an advisory committee to advise the FPSC and FTRI concerning TRS. 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 TRS. The committee also advises the Commission and the Administrator on any matter relating to the quality and cost-effectiveness of TRS 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 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 and the Association for Late-Deafened Adults	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	Maryrose Sirianni
Florida Telecommunications Industry Association	Elizabeth Bradin
Florida Association of the Deaf, Inc.	Tom D'Angelo
Florida Association of the Deaf, Inc.	Tim Wata

Source: <http://www.floridapsc.com/Telecommunication/TASAAAdvisoryCommittee>

A. TASA Advisory Committee Meeting - April 26, 2017

At the April 26, 2017 meeting, the topics discussed included recent FCC and FPSC actions regarding relay service, FTRI's fiscal year 2017-2018 proposed budget, Florida relay traffic trends, service quality testing, and CapTel service. Staff also informed the committee of the Commission's plan to release the RFP to provide relay service, and requested input from committee members.

Included in FTRI's presentation were details of its fiscal year 2017-2018 budget request. FTRI presented that its proposed budget included a recommendation to reduce the relay surcharge from 11 cents to 10 cents per access line, projected \$6,224,425 in revenues, and \$5,969,260 in expenses.

B. TASA Advisory Committee Meeting - October 31, 2017

The October 31, 2017 Advisory Committee meeting included an FPSC staff presentation on recent FCC and FPSC actions regarding relay service, a presentation by FTRI on its 2016-2017 Annual Report, and a presentation by Sprint.

FTRI's Annual Report presentation included details on its operations, including client servicing, equipment distribution, and outreach activities. FTRI also provided information on the operations of contracted services through Regional Distribution Centers.

Sprint's presentation included an update on its operations, including call volumes for TRS and CapTel. Sprint also provided an update on its preparation and response to Hurricane Irma.

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 perform outreach activities that 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. 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 2016-2017 and 2017-2018 Fiscal Years

	Commission Approved Budget 2016-2017	Actual Revenue And Expenses 2016-2017	Commission Approved Budget 2017-2018
Operating Revenue			
<i>Surcharges</i>	\$7,297,393	7,095,414	6,273,379
<i>Interest Income</i>	34,188	49,095	53,849
<i>NDBEDP</i>	0	0	0
<i>Miscellaneous Income</i>	0	0	0
<i>Total Revenues</i>	7,331,581	7,144,509	6,327,228
<i>Surplus Account</i>	15,983,096	17,422,494	17,337,883
GRAND TOTAL FUNDS	23,314,677	24,567,003	23,665,111
CATEGORY I. Operating Expenses/ Relay Services			
<i>Sprint</i>	3,192,039	2,764,571	2,219,366
CATEGORY II. Equipment & Repairs			
<i>VCPH cordless</i>	0	938,707	0
<i>VCPS-RC200</i>	0	0	0
<i>Large Print TDDs</i>	0	0	0
<i>VCO/HCO – TDD</i>	1,533	9,200	4,600
<i>VCO Telephone</i>	0	0	0
<i>Dual Sensory Equipment</i>	0	0	0
<i>CapTel Phone Equipment</i>	0	0	0
<i>VCP Hearing Impaired</i>	1,415,745	237,809	1,249,948
<i>VCP Speech Impaired</i>	689	832	832
<i>TeliTalk Speech Aid</i>	7,200	5,400	9,000
<i>Jupiter Speaker Phone</i>	0	0	0
<i>In-Line Amplifier</i>	0	300	300
<i>ARS/VRS Signaling Equipment</i>	8,557	10,809	5,321
<i>VCPH Accessories</i>		41,700	
<i>Accessories & Supplies</i>	481	0	1,580
<i>Telecom Equipment Repair</i>	89,829	60,998	64,339
TOTAL CATEGORY II	1,524,034	1,305,755	1,335,920
CATEGORY III. Equipment Distribution & Training			
<i>Freight-Telecom Equipment</i>	43,225	38,756	40,442
<i>Regional Distribution Centers</i>	910,059	751,912	732,996
<i>Workshop Expense</i>	0	0	0
<i>Training Expense</i>	624	0	500
TOTAL CATEGORY III	953,908	790,668	773,938

	Commission Approved Budget 2016-2017	Actual Revenue And Expenses 2016-2017	Commission Approved Budget 2017-2018
CATEGORY IV. Outreach			
<i>Outreach Expense</i>	\$574,626	574,053	558,976
TOTAL CATEGORY IV	574,626	574,053	558,976
CATEGORY V. General & Administrative			
<i>Advertising</i>	1,340	1,458	658
<i>Accounting/Auditing</i>	26,140	21,228	20,533
<i>Legal</i>	71,400	72,000	36,000
<i>Computer Consultation</i>	7,187	9,426	5,580
<i>Computer Software</i>	0	2,575	0
<i>Dues & Subscriptions</i>	3,439	1,539	1,655
<i>Furniture and Equipment Purchases</i>	4,507	172	6,667
<i>Depreciation</i>	0	3,405	0
<i>Office Equipment Lease</i>	1,695	1,835	1,827
<i>Insurance- Health/ Life/Disability/Other</i>	136,091	148,249	185,420
<i>Office Expense</i>	14,197	14,320	13,719
<i>Postage</i>	4,489	7,084	7,541
<i>Printing</i>	719	1,554	1,514
<i>Rent</i>	93,921	91,409	92,062
<i>Utilities</i>	5,065	5,134	5,297
<i>Retirement</i>	65,585	57,509	73,734
<i>Employee Compensation</i>	434,973	422,745	445,106
<i>Temporary Staff</i>	9,640	0	0
<i>Taxes-Payroll</i>	33,275	33,991	30,091
<i>Taxes-Unemployment Comp</i>	2,012	0	1,725
<i>Taxes-Licenses</i>	0	0	61
<i>Telephone</i>	15,595	17,565	17,240
<i>Travel & Business</i>	18,700	14,730	13,585
<i>Equipment Maintenance</i>	937	930	746
<i>Employee Training</i>	567	342	975
<i>Meeting & Interpreter</i>	3,641	1,459	1,370
TOTAL CATEGORY V	955,115	930,659	963,106
CATEGORY VI. NDBEDP			
<i>NDBEDP Expense</i>	0	0	0
TOTAL CATEGORY VI.	0	0	0
GRAND TOTAL EXPENSES	7,199,722	6,365,706	5,851,306

Appendix B FTRI Annual Report



Connecting People to People



**Annual Report
2016 - 2017**

TASA – Florida Statutes Chapter 427

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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 2016/2017. Here are a few highlights:

- 23,995 individuals were served with new, modify, exchange, return, or follow-up service throughout the state.
- 11,024 new clients received service.
- 12,971 existing clients received modify, exchange, return, or follow-up service.
- 19,715 pieces of specialized telecommunications equipment were distributed.
- Processed 24,933 customer service calls.
- Received 2,674 online inquiries through the FTRI website.
- Verified more than 73,056 EDP forms.
- 1,410 outreach activities were performed by FTRI and the Regional Distribution Centers (RDC) throughout Florida.
- Conducted 949 off-site telephone equipment distributions.
- We continued to collaborate with other organizations and/or state agencies for outreach activities.
- 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 2016/2017 that reflect the broad scope of the FTRI organization to provide quality services to the residents of Florida.


James Forsvall, FTRI Executive Director

1



About FTRI

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

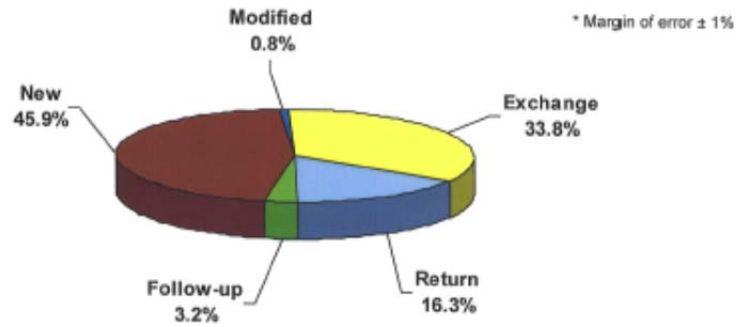
FTRI utilizes a regional distribution system for approximately eighty percent of the State of Florida, with centralized distribution from the administrative office in Tallahassee accounting for the remaining twenty percent.

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

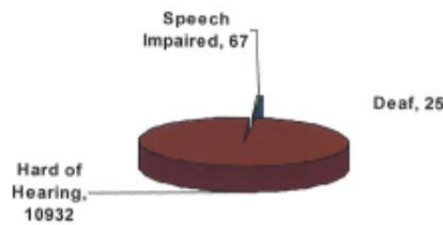
The total number of EDP services provided by FTRI for fiscal year 2016/2017 was **23,995***. The average number of EDP services provided monthly was **1,999**.



New Client Eligibility

FTRI served **11,024** new clients during the reporting period. Clients certified as eligible for the FTRI program are classified into four distinct groups:

Group	New Clients
Deaf	25
Hard of Hearing	10,932
Speech Challenged	67
Dual Sensory	0
Total	11,024



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	7,649
Audiologist	1,900
Hearing Aid Specialist	1,125
Licensed Physician	299
State Certified Teacher	4
State Agency	0
Speech Pathologist	46
Federal Agency	1
Total	11,024

New Client Age Groups

The 2016/2017 breakdown of new recipients by age group is as follows:

Age Group	Recipients
3 – 9	1
10 – 19	12
20 – 29	35
30 – 39	60
40 – 49	143
50 – 59	415
60 – 69	1,256
70 – 79	3,045
80 – 89	4,243
90 – 99	1,765
100 – 109	49
Total	11,024

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	88	Lake	296
Baker	8	Lee	259
Bay	111	Leon	116
Bradford	6	Levy	18
Brevard	316	Liberty	1
Broward	1,043	Madison	5
Calhoun	3	Manatee	95
Charlotte	130	Marion	387
Citrus	242	Martin	147
Clay	40	Monroe	9
Collier	246	Nassau	11
Columbia	21	Okaloosa	51
Dade	508	Okeechobee	20
DeSoto	4	Orange	109
Dixie	8	Osceola	13
Duval	792	Palm Beach	1,403
Escambia	267	Pasco	481
Flagler	219	Pinellas	690
Franklin	1	Polk	330
Gadsden	21	Putnam	29
Gilchrist	9	Santa Rosa	49
Glades	2	Sarasota	253
Gulf	15	Seminole	64
Hamilton	4	St. Johns	84
Hardee	3	St. Lucie	153
Hendry	8	Sumter	399
Hernando	158	Suwannee	40
Highlands	60	Taylor	4
Hillsborough	511	Union	1
Holmes	23	Volusia	447
Indian River	126	Wakulla	9
Jackson	20	Walton	11
Jefferson	2	Washington	22
Lafayette	3		
		Total	11,024

Counties in **bold** are located close to Regional Distribution Centers. RDC contracts do not assign counties to specific contracted entities 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. In-Line Amplifier
6. Voice Carry-Over/Hearing Carry-Over/TTY
7. Specialized speakerphone for individuals with hearing loss and limited mobility
8. TeliTalk Telephone
9. 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.

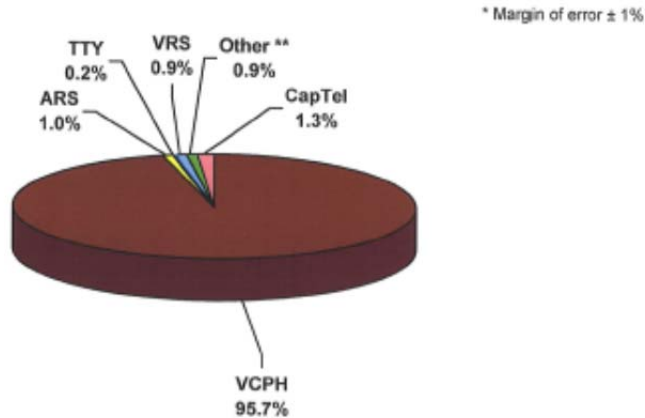
Equipment Vendors

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 2016/2017 numbered **19,715*** units. The monthly equipment distribution average was **1,642**.



** 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 six hundred and eighty-three (4,683) questionnaires were mailed during this fiscal year and FTRI received 1,447 responses for a nearly 31 percent return rate. Ninety-five 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 3,899 new clients the subsequent day after receiving service and received 1,075 responses for a 27.57 percent response rate. Clients requesting follow-up were contacted by FTRI Customer Care.



Connecting People to People



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 1,410 outreach activities throughout the state.
Administered a statewide print media campaign throughout the year using customized RDC ads covering major markets. The combined circulations of the newspapers in the campaign total 7,340,721.
8 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 987 employees through the BPP.
Visited 26 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, FDBA, FDVA, CVSOAF, FSGA) for outreach activities.
Launched a passive geo-fencing CapTel campaign for the Florida Relay Service receiving 4,435,967 impressions.
Continued 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 686 (EDP) and 125 (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.
Emailed quality assurance surveys to 3,949 new clients who provide an email address with their application. FTRI also developed and emailed 30-day follow-up quality assurance survey to 3,899 clients ensure they are satisfied with their equipment.





Connecting People to People



FTRI – Equipment Distribution Program

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

(Back and front of 8½ x 11 insert ad)

Get This Amplified Phone FREE!



The Clarity XLC2.4 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

A free solution for those with hearing loss.



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

If you or a loved one in Florida and have a verified hearing loss, you can get the Clarity® XLC2.4™ 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 The Treasure Coast, Inc.
1914 W. Jensen Beach Blvd.
Jensen Beach, FL 34857
(772) 334-3333

Florida Telecommunications FTRI Relay, Inc.
#KeepFloridaConnected www.fl.relay.org

Spanish

Una solución gratuita para aquellas personas con pérdida de audición.



¿FTRI y alguno de sus otros servicios le pueden ayudar con sus problemas de audición? La pérdida de audición puede ser frustrante y a veces le hace sentir aislado. Ahora no hay razón para aislarse con sus familiares.

Si su familia o un amigo y usted sufren de pérdida de audición, ¡usted puede obtener un teléfono amplificado Clarity® XLC2.4™ para siempre GRATIS! Este teléfono amplificado Clarity® XLC2.4™ es un teléfono para el hogar que se escucha fuerte y claro con un sonido amplificado digital de 50+dB y cuatro niveles de control de tono.

Si usted o un familiar en Florida tienen una pérdida de audición verificada, ¡usted puede obtener este teléfono amplificado Clarity® XLC2.4™ para siempre GRATIS! Este teléfono amplificado Clarity® XLC2.4™ es una solución que ofrece amplificación y control de tono para que cada llamada suene tan clara como un cristal.

Contacte el reverso para investigar cómo puede obtener este teléfono absolutamente GRATIS si es residente de Florida.

Florida Telecommunications FTRI Relay, Inc. 1820 East Park Avenue, Suite 101 Tallahassee, FL 32301 (877) 525-2748

#KeepFloridaConnected www.fl.relay.org

¡Adquiera este teléfono amplificado GRATUITAMENTE!



El teléfono inalámbrico amplificado Clarity XLC2.4 es un teléfono para el hogar que se escucha fuerte y claro con un sonido amplificado digital de 50+dB y cuatro niveles de control de tono.

Contacte el reverso para investigar cómo puede obtener este teléfono absolutamente GRATIS si es residente de Florida.

Florida Telecommunications FTRI Relay, Inc.





Connecting People to People



Social Media Campaign

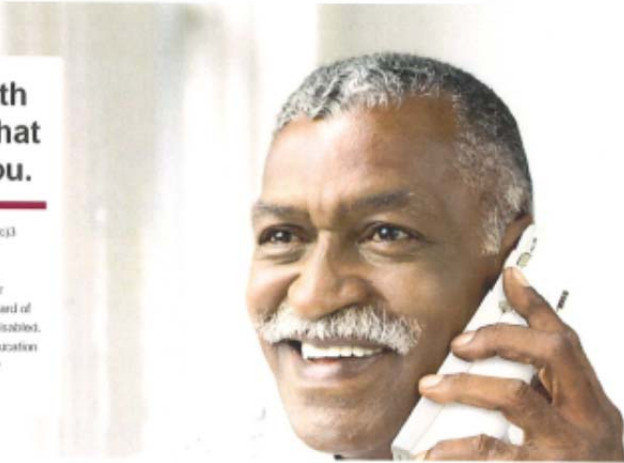
New Website (www.ftri.org)



Products Florida Relay Links Business Partners About Us Get a Free Phone

Connect with the people that matter to you.

We are a statewide non-profit 501(c)(3) organization that administers the Specialized Telecommunications Equipment Distribution Program for citizens of Florida who are Deaf, Hard of Hearing, DeafBlind and Speech Disabled. We are also responsible for the education and promotion of the Florida Relay Service.



FB/Twitter Memes



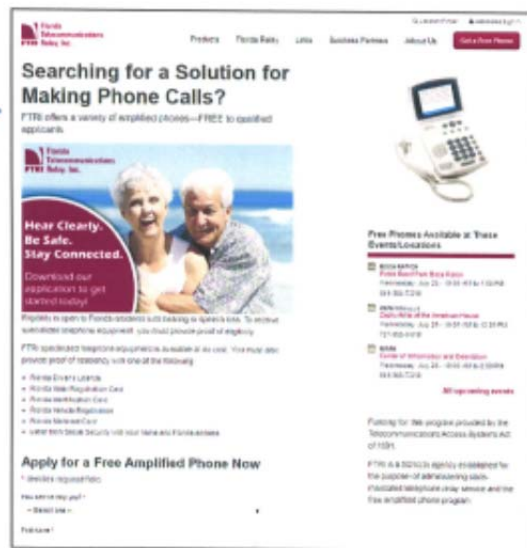
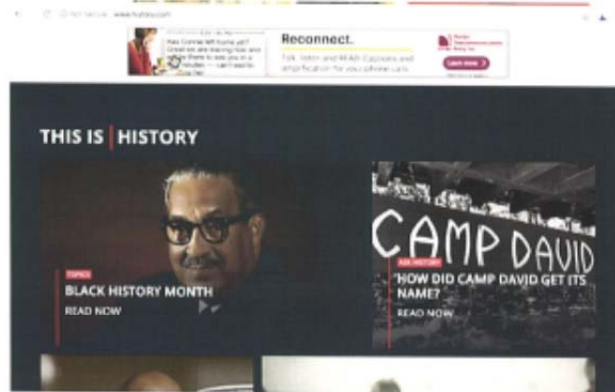
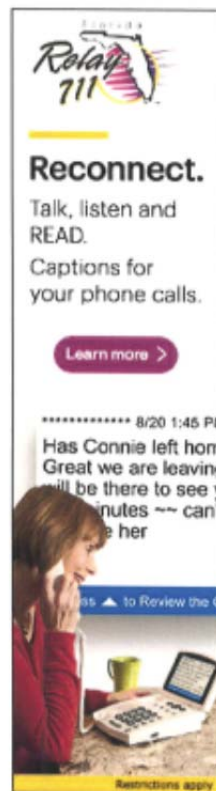


Connecting People to People



Florida Relay

In addition to FTRI and RDCs conducting presentations and exhibiting, the CapTel provided by Florida Relay Service was advertised using passive geo-fencing. Geo-fencing technology utilizes GPS to define geographical boundaries within which digital advertising will be delivered to mobile phones. Pre-determined boundaries for specific areas are set. 'Passive' geo-fences rely on Wi-Fi and cellular data (instead of GPS); they are always on and running in the background, and do not require a user to 'opt in' to receive digital ads. Individuals clicking on the ad are directed to FTRI's customized landing page.



TASA Approved Certifiers

FTRI partnered with 26 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.

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 539,722 Florida residents have been provided with telecommunications equipment and support services.

Appendix A

**FLORIDA TELECOMMUNICATIONS RELAY, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016**

MOORE, ELLISON & MCDUFFIE, CPA'S, PA

CHARLETTE L. MOORE, C.P.A.
LEA ANN ELLISON, C.P.A.
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TALLAHASSEE, FLORIDA 32308

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PRACTICE SECTION

TERESA FAULKENBERRY, C.P.A., CFP®
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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, 2017 and 2016, 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, 2017 and 2016, 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.

Report on Supplementary Information

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
Tallahassee, FL
August 22, 2017

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2017 AND 2016

ASSETS

CURRENT ASSETS	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$17,301,477	\$16,552,936
Accounts Receivable	561,544	723,081
Prepaid Expenses	<u>26,716</u>	<u>8,351</u>
	<u>17,889,737</u>	<u>17,284,368</u>
 PROPERTY AND EQUIPMENT		
Office Furniture	46,919	46,919
Office Equipment	94,087	92,807
Dual Sensory Equipment	<u>80,273</u>	<u>80,273</u>
	221,279	219,999
Less: Accumulated Depreciation	<u>(210,717)</u>	<u>(207,312)</u>
	<u>10,562</u>	<u>12,687</u>
 OTHER ASSETS		
Deposits	<u>7,839</u>	<u>7,839</u>
 TOTAL ASSETS	 <u>\$ 17,908,138</u>	 <u>\$17,304,894</u>

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

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF FINANCIAL POSITION - CONTINUED
AS OF JUNE 30, 2017 AND 2016

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	<u>2017</u>	<u>2016</u>
Accounts Payable	\$ 439,882	\$ 615,424
Accrued Leave Payable	<u>45,762</u>	<u>45,779</u>
TOTAL LIABILITIES	485,644	661,203
NET ASSETS		
Unrestricted Net Assets	<u>17,422,494</u>	<u>16,643,691</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 17,908,138</u>	<u>\$17,304,894</u>

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

FLORIDA TELECOMMUNICATIONS RELAY, INC
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED
JUNE 30, 2017 AND 2016

REVENUES	<u>2017</u>	<u>2016</u>
Surcharge Revenue	\$ 7,095,414	\$ 8,028,146
National Deaf-Blind Equipment Distribution Program	0	173,628
Investment Earnings	<u>49,095</u>	<u>31,831</u>
TOTAL REVENUES	<u>7,144,509</u>	<u>8,233,605</u>
EXPENSES		
Category I-Relay Service	2,764,571	3,376,471
Category II-Equipment & Repair	1,305,755	1,549,998
Category III-Equipment Distribution	790,668	950,604
Category IV-Outreach	574,053	583,747
Category V-General & Administrative	930,659	856,312
Category VI-Nat Deaf-Blind Equip Distr Prog	<u>0</u>	<u>173,628</u>
TOTAL EXPENSES	<u>6,365,706</u>	<u>7,490,760</u>
CHANGE IN UNRESTRICTED NET ASSETS	778,803	742,845
NET ASSETS, BEGINNING OF YEAR	<u>16,643,691</u>	<u>15,900,846</u>
NET ASSETS, END OF YEAR	<u>\$ 17,422,494</u>	<u>\$ 16,643,691</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, 2017 AND 2016

	2017	2016
Operating Activities		
Change in Net Assets	\$ 778,803	\$ 742,845
Adjustments to Reconcile Change in Net Assets to Net Cash From Operating Activities		
Depreciation	3,405	6,213
Decrease (Increase) in Assets:		
Accounts Receivable	161,537	117,674
Prepaid Expenses	(18,365)	(418)
Increase (Decrease) in Liabilities:		
Accounts Payable	(175,542)	(1,770)
Accrued Expenses	(17)	6,952
Net Cash From Operating Activities	749,821	871,496
Investing Activities		
(Purchase) / Disposal of Fixed Assets	(1,280)	(945)
Net Cash Used By Investing Activities	(1,280)	(945)
Net Increase / (Decrease) in Cash	748,541	870,551
Cash at Beginning of Period	16,552,936	15,682,385
Cash at End of Period	\$ 17,301,477	\$ 16,552,936
 Supplemental Disclosures		
Income		
Interest Income	\$ 49,095	\$ 31,831

**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, 2017 AND 2016**

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, 2017, 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, 2017 AND 2016

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 October 25, 2016 and expires on February 28, 2022. The base rent payable, per month, is \$7,380, for the years ended June 30, 2017 and 2016.

The Organization leases its copier under a non-cancelable operating lease dated June 17, 2017. The lease is for a period of 48 months. Monthly lease payments are \$74 and \$92, for the years ended June 30, 2017 and 2016, respectively.

Maturities of the leases payable in each of the next five years, as of June 30, 2017 and 2016, are approximated as follows:

<u>Year Ending</u>	<u>2017</u>
June 30, 2018	\$ 89,452
June 30, 2019	89,452
June 30, 2020	89,452
June 30, 2021	89,452
June 30, 2022	59,930
Thereafter	0
Total	<u>\$ 417,738</u>

<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>

SEE INDEPENDENT AUDITORS' REPORT

FLORIDA TELECOMMUNICATIONS RELAY, INC
NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED JUNE 30, 2017 AND 2016

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, 2017 and 2016 were \$57,509 and \$56,583, 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, 2017 and 2016, 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 depository 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, 2017 and 2016, the Organization recognized \$7,095,414 and \$8,028,146, respectively, of surcharge revenue. The amounts represent 99% and 98%, 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, 2017 AND 2016**

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 22, 2017, 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, 2017 AND 2016

CATEGORY I - RELAY SERVICE	<u>2017</u>	<u>2016</u>
Dual Party Relay Provider	\$ <u>2,764,571</u>	\$ <u>3,376,471</u>
CATEGORY II - EQUIPMENT AND REPAIR		
ARS/VRS Signaling Equipment	\$ 10,809	\$ 8,166
In-Line Amplifiers	300	0
Telecommunications Equipment Repair	60,998	81,523
TeliTalk Speech Aid Phone	5,400	6,000
VCO / HCO TDD	9,200	2,530
VCP Hearing Impaired	237,809	439,896
VCP Speech Impaired	832	517
VCPH Cordless	938,707	1,011,366
VCPH Accessories	41,700	0
	<u>\$ 1,305,755</u>	<u>\$ 1,549,998</u>
CATEGORY III - EQUIPMENT DISTRIBUTION		
Freight/Telecommunications Equipment	\$ 38,756	\$ 44,113
Regional Distribution Centers	751,912	906,023
Training	0	468
	<u>\$ 790,668</u>	<u>\$ 950,604</u>
CATEGORY IV - OUTREACH		
Outreach - General	\$ <u>574,053</u>	\$ <u>583,747</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, 2017 AND 2016

CATEGORY V - GENERAL AND ADMINISTRATIVE	<u>2017</u>	<u>2016</u>
Accounting/Auditing	\$ 21,228	\$ 20,437
Advertising	1,458	793
Computer Consultation	9,426	9,829
Computer Software	2,575	2,238
Depreciation	3,405	6,213
Dues and Subscriptions	1,539	2,624
Employee Compensation	422,745	386,020
Employee Training	342	425
Equipment Maintenance	930	766
Furniture and Equipment Purchases	172	745
Insurance	148,249	121,941
Legal	72,000	71,388
Meeting and Interpreter Expense	1,459	2,836
Office Equipment Lease	1,835	1,615
Office Expense	14,320	14,357
Payroll Taxes	33,991	31,083
Postage	7,084	5,242
Printing	1,554	539
Rent	91,409	86,453
Retirement	57,509	56,583
Telephone	17,565	16,195
Travel and Business Expense	14,730	7,316
Utilities	5,134	3,444
Temporary Staff	<u>0</u>	<u>7,230</u>
	<u>\$ 930,659</u>	<u>\$ 856,312</u>

CATEGORY VI - NATIONAL DEAF-BLIND EQUIPMENT DISTRIBUTION PROGRAM

Program Expenses	<u>\$ 0</u>	<u>\$ 173,628</u>
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**SEE INDEPENDENT AUDITORS' REPORT AND
NOTES TO THE FINANCIAL STATEMENTS**



Appendix C

Florida Relay Service Information

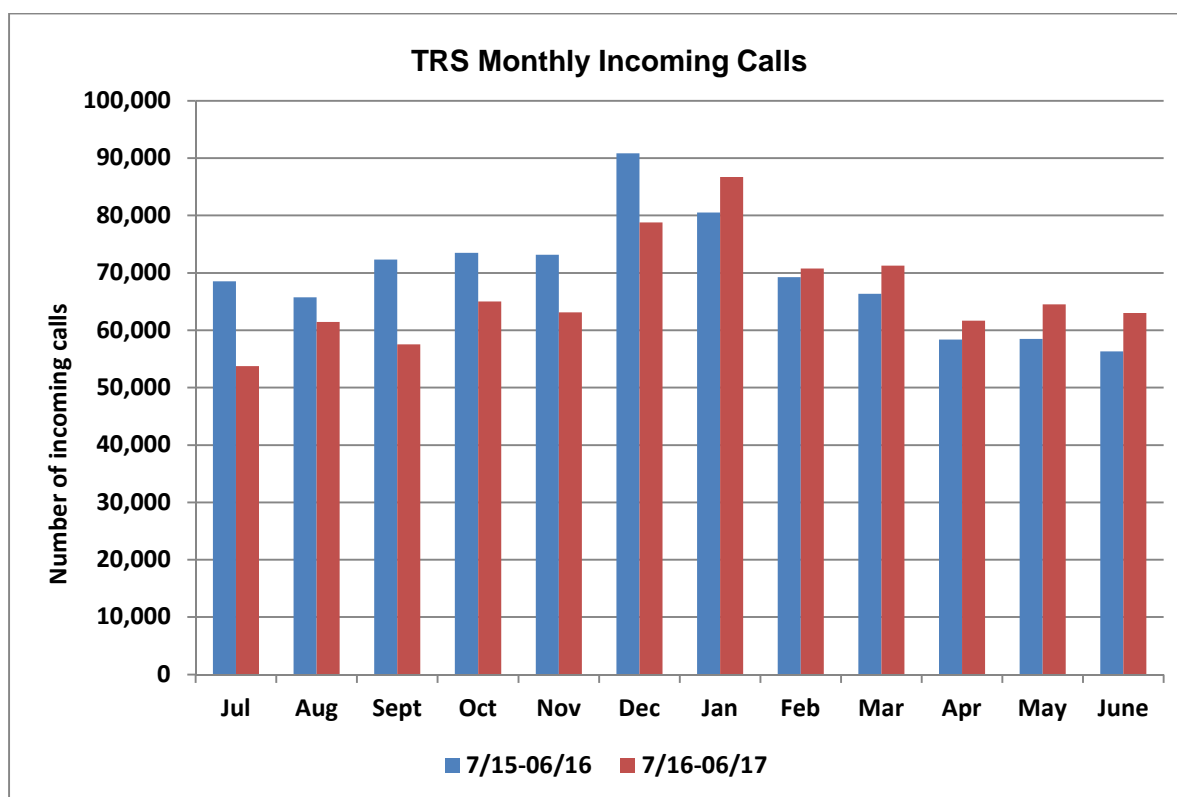
Sprint

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TRS Monthly Incoming Calls			
Total Incoming Calls July 2015 – June 2016		Total Incoming Calls July 2016 – June 2017	
Jul	68,553	Jul	53,743
Aug	65,750	Aug	61,439
Sept	72,317	Sept	57,539
Oct	73,519	Oct	65,000
Nov	73,161	Nov	63,125
Dec	90,824	Dec	78,775
Jan	80,515	Jan	86,697
Feb	69,256	Feb	70,755
Mar	66,352	Mar	71,252
Apr	58,354	Apr	61,664
May	58,473	May	64,509
Jun	56,306	Jun	62,997
Total	833,380	Total	797,495

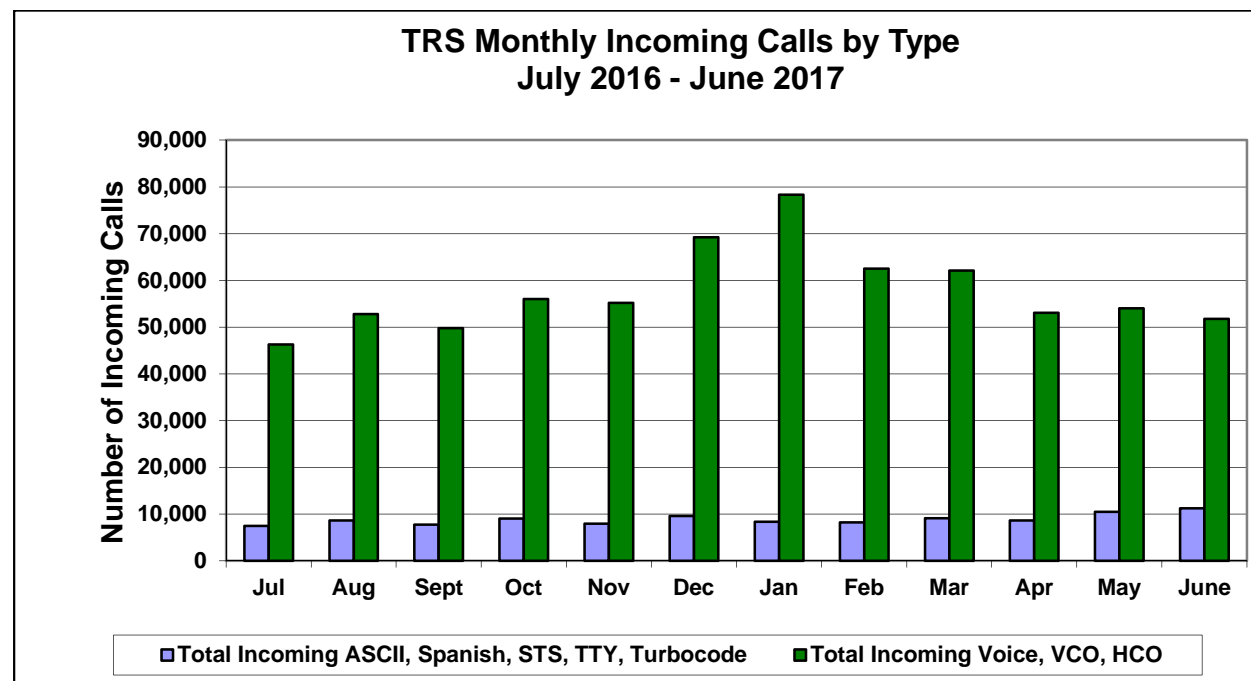
Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics – July 2015-June 2016 and July 2016-June 2017.



Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics – July 2015-June 2016 and July 2016-June 2017.

TRIS Monthly Incoming Calls by Type July 2016 – June 2017										
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	477	8	6,761	225	7,471	44,356	1,848	68	46,272	53,743
Aug	503	1	7,892	257	8,653	50,803	1,911	72	52,786	61,439
Sept	450	0	7,132	159	7,741	47,771	1,943	84	49,798	57,539
Oct	384	0	8,409	220	9,013	53,882	2,019	86	55,987	65,000
Nov	373	1	7,327	225	7,926	53,135	1,991	73	55,199	63,125
Dec	434	0	8,924	229	9,587	66,987	2,118	83	69,188	78,775
Jan	345	0	7,810	210	8,365	76,119	2,124	89	78,332	86,697
Feb	411	0	7,606	204	8,221	60,480	1,921	133	62,534	70,755
March	448	2	8,365	322	9,137	60,064	1,934	117	62,115	71,252
April	372	1	8,040	218	8,631	51,056	1,903	74	53,033	61,664
May	374	0	9,711	381	10,466	52,083	1,850	110	54,043	64,509
June	356	1	10,643	241	11,241	49,659	1,994	103	51,756	62,997
Total	4927	14	98,620	2891	106,452	666,395	23,556	1092	691,043	797,495

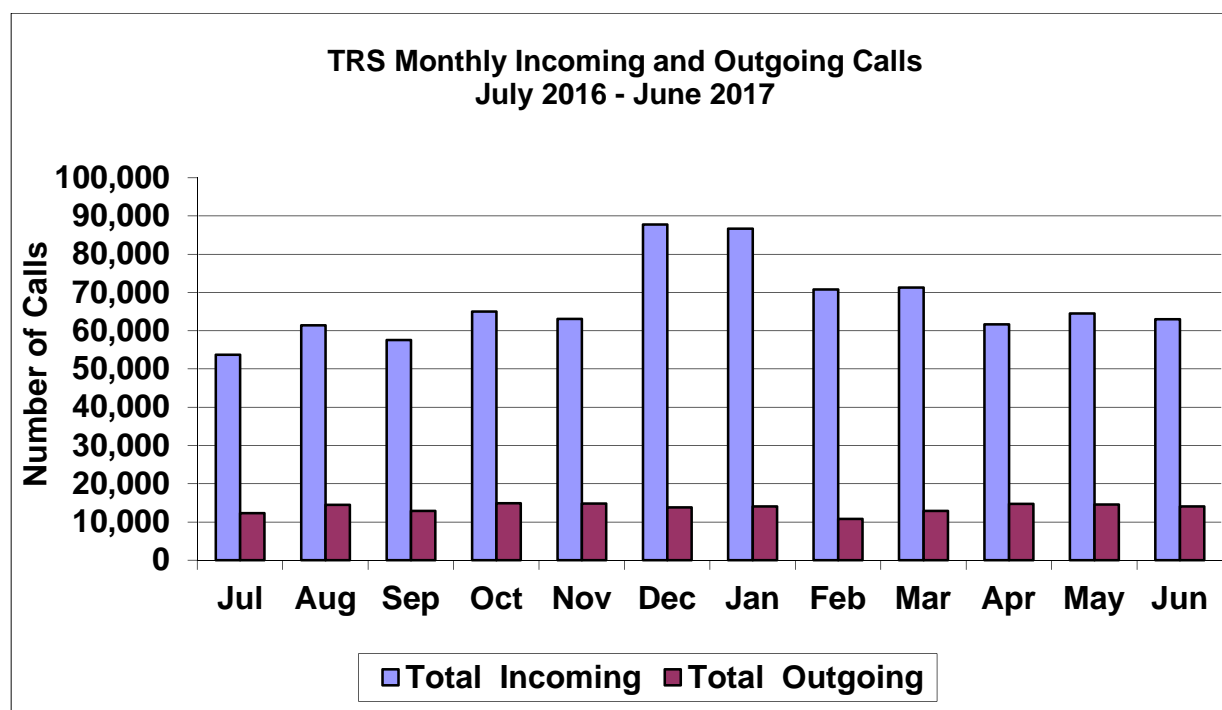
Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2016-June 2017.



Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2016-June 2017.

TRS Monthly Incoming and Outgoing Calls July 2016 – June 2017				
Month	Total Incoming	Incomplete Outgoing	Complete Outgoing	Total Outgoing
July	53,743	2,768	9,537	12,305
Aug	61,439	3,650	10,822	14,472
Sept	57,539	3,045	9,893	12,938
Oct	65,000	3,797	11,129	14,926
Nov	63,125	3,898	10,961	14,859
Dec	78,775	3,488	10,332	13,820
Jan	86,697	3,722	10,365	14,087
Feb	70,755	2,283	8,487	10,770
March	71,252	2,493	10,431	12,924
April	61,664	2,961	11,805	14,766
May	64,509	2,526	12,057	14,583
June	62,997	2,592	11,480	14,072
Total	797,495	37,223	127,299	164,522

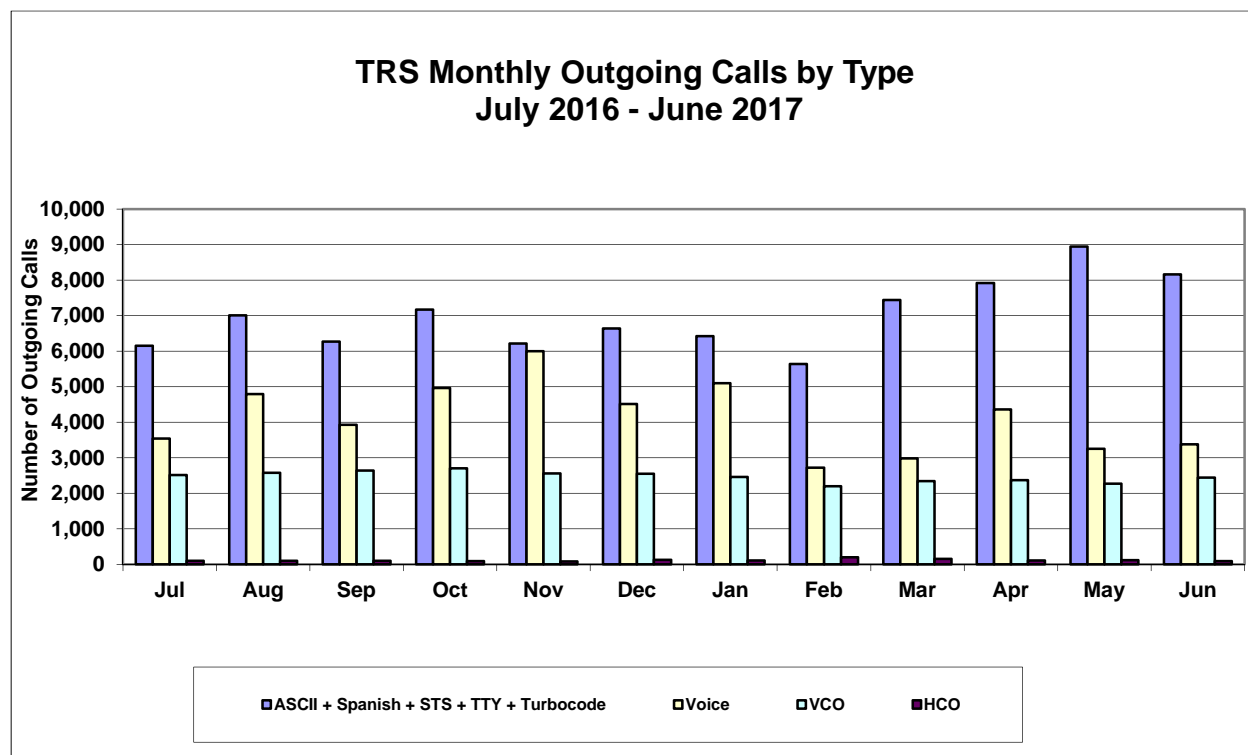
Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2016- June 2017.



Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2016-June 2017.

TRS Monthly Outgoing Calls by Type July 2016 – June 2017										
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	259	23	5,629	245	6,156	3,538	2,512	99	6,149	12,305
Aug	280	2	6,460	261	7,003	4,792	2,575	102	7,470	14,472
Sept	232	0	5,914	120	6,266	3,926	2,643	103	6,672	12,938
Oct	208	0	6,707	251	7,166	4,963	2,701	96	7,760	14,926
Nov	203	0	5,742	274	6,219	5,998	2,558	84	8,640	14,859
Dec	220	0	6,171	244	6,635	4,510	2,548	127	7,185	13,820
Jan	188	0	6,026	204	6,418	5,096	2,463	110	7,669	14,087
Feb	261	0	5,178	204	5,643	2,723	2,200	204	5,127	10,770
March	276	0	6,849	312	7,437	2,986	2,347	154	5,487	12,924
April	198	1	7,520	200	7,919	4,365	2,371	111	6,847	14,766
May	187	0	8,266	486	8,939	3,255	2,272	117	5,644	14,583
June	196	3	7,702	257	8,158	3,377	2,441	96	5,914	14,072
Total	2,708	29	78,164	3,058	83,959	49,529	29,631	1,403	80,564	164,522

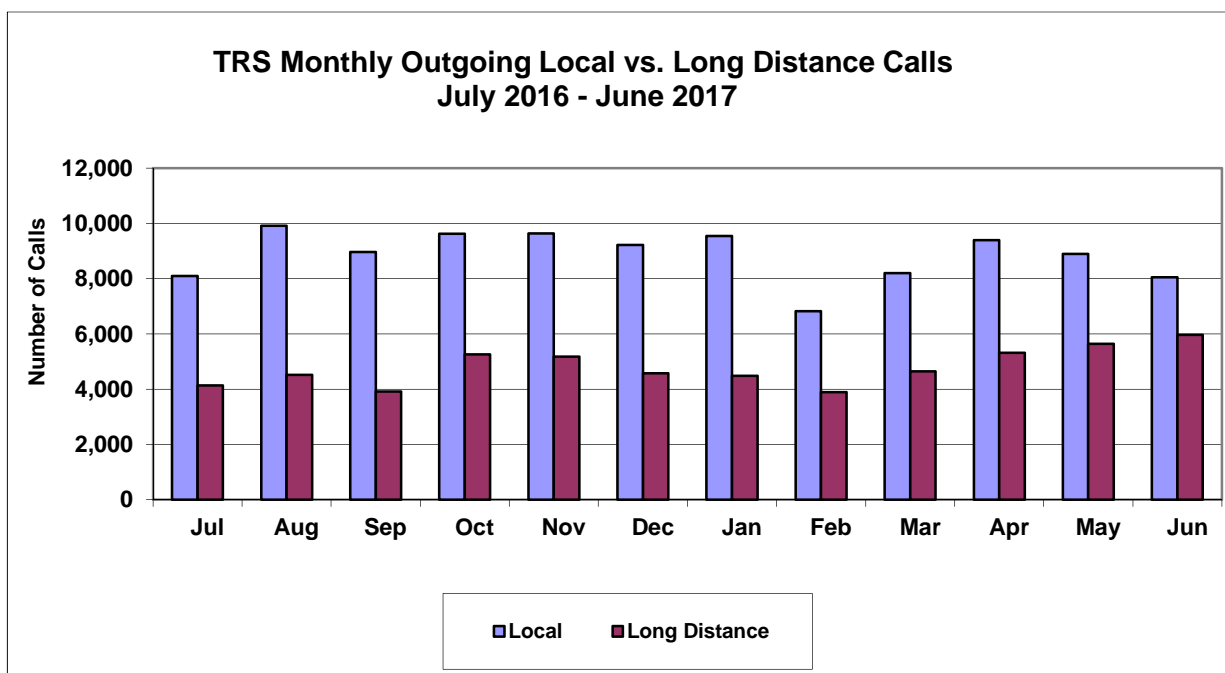
Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2016-June 2017.



Source: Sprint Telecommunications Relay Services Report – Florida Traffic Pattern Statistics - July 2016-June-2017.

TRS Monthly Outgoing Local vs. Long Distance Calls July 2016 – June 2017 ⁹							
Month	Toll Free	Intrastate Intralata	Intrastate Interlata	Interstate	International	Total Long Distance	Local
July	1,718	173	941	1,290	9	8,095	4,131
Aug	1,581	241	1,481	1,207	8	9,922	4,518
Sept	1,652	65	1,134	1,052	15	8,962	3,918
Oct	1,725	144	2,131	1,251	8	9,630	5,259
Nov	1,679	147	2,077	1,266	13	9,644	5,182
Dec	1,759	92	1,663	1,052	9	9,219	4,575
Jan	1,731	217	1,566	967	7	9,542	4,488
Feb	1,568	187	1,265	862	10	6,828	3,892
March	1,676	182	1,386	1,270	129	8,203	4,643
April	1,658	233	1,758	1,509	158	9,401	5,316
May	1,651	452	2,022	1,313	200	8,894	5,638
June	1,620	363	2,598	1,320	68	8,046	5,969
Total	20,018	2,496	20,022	14,359	634	106,386	57,529

Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2016-June 2017.

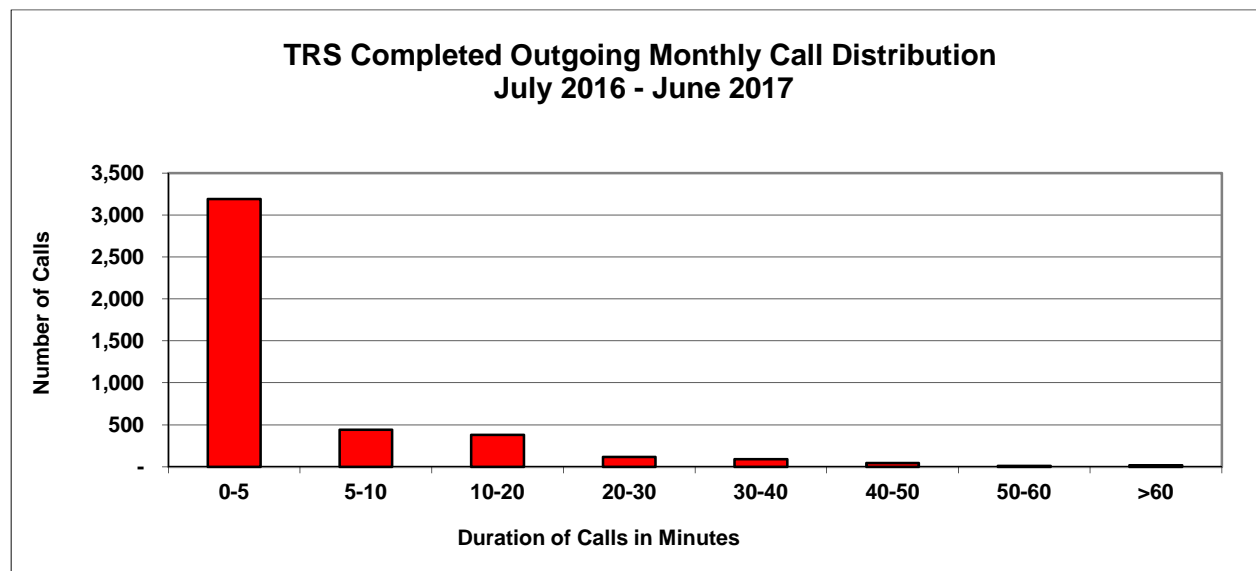


Source: Sprint Telecommunications Relay Services Report – Intrastate/Interstate for FL - July 2016-June 2017.

⁹ Does not include Directory Assistance Calls.

TRS Completed Outgoing Monthly Call Distribution July 2016 – June 2017								
In Minutes								
Month	0-5	5-10	10-20	20-30	30-40	40-50	50-60	>60
July	231	34	65	8	3	2	1	2
Aug	266	37	29	9	4	2	1	2
Sept	248	34	30	10	4	1	1	2
Oct	275	38	30	9	3	2	1	1
Nov	284	35	28	10	4	2	1	2
Dec	260	33	25	8	4	2	1	1
Jan	254	37	26	9	4	2	1	2
Feb	223	37	27	10	3	2	1	1
March	251	39	29	9	4	2	1	2
April	310	39	27	11	4	2	1	1
May	299	40	30	12	4	2	1	1
June	289	40	33	12	4	2	1	1
Total	3,190	443	379	117	45	23	12	18

Source: Sprint Telecommunications Relay Services Report – Call Profile Number of Outbound Calls for FL - July 2016-June 2017.



Source: Sprint Telecommunications Relay Services Report – Call Profile Number of Outbound Calls for FL - July 2016-June 2017.

TRS Billable Minutes and Charges July 2016 – June 2017		
Month	TRS Minutes of Use	TRS Charges (\$)
Jul	75,923	\$ 82,756
Aug	87,722	\$ 95,617
Sept	80,980	\$ 88,268
Oct	89,722	\$ 97,797
Nov	85,408	\$ 93,095
Dec	91,089	\$ 99,287
Jan	97,551	\$ 106,331
Feb	82,283	\$ 89,688
Mar	87,700	\$ 95,593
Apr	79,843	\$ 87,029
May	85,869	\$ 93,597
Jun	84,144	\$ 91,717
Total	1,028,234	\$1,120,775

Source: Sprint Monthly Traffic Report

CapTel Billable Minutes and Charges July 2016 – June 2017		
Month	CapTel Minutes of Use	CapTel Charges (\$)
Jul	86,986	\$141,787
Aug	94,251	\$153,630
Sept	87,108	\$141,986
Oct	85,347	\$139,114
Nov	81,680	\$133,138
Dec	82,868	\$135,075
Jan	89,404	\$145,728
Feb	78,741	\$128,349
Mar	85,479	\$139,331
Apr	77,400	\$126,162
May	76,972	\$125,464
Jun	75,423	\$122,940
Total	1,001,659	\$1,632,704

Source: Sprint Monthly Traffic Report

Glossary

Administrator A nonprofit corporation created by the local exchange telephone companies pursuant to Commission Order No. 24462, dated May 1, 1991.¹⁰ 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,¹¹ (2) to distribute and maintain specialized telecommunications devices,¹² and (3) to provide community outreach and training on use of the relay service and specialized telecommunications devices.¹³ 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.¹⁴ 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.

¹⁰ Section 427.704(2), F.S.

¹¹ Section 427.705(1)(d),(g),F.S.

¹² Section 427.705(1)(a), F.S.

¹³ Section 427.705(1)(a),(b), F.S.

¹⁴ 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.¹⁵

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.¹⁶

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.

¹⁵ Section 427.704(1), F.S.

¹⁶ 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.