

Annual Report

INDIANA TELEPHONE RELAY  
ACCESS CORPORATION FOR THE  
HEARING AND SPEECH IMPAIRED

For the fiscal year ended September 30, 2022

## InTRAC's 2022 Annual Report

The Indiana Telephone Relay Access Corporation for the Hearing and Speech Impaired (“InTRAC”) continued to provide quality and efficient service in its twenty-ninth year of telephone relay services (“TRS”) for hearing and speech-impaired callers.

**Description of Services.** Beginning October 1, 1992, InTRAC began providing TRS to Indiana citizens through Sprint/T-Mobile, its relay provider. TRS allows an individual who has a hearing or speech impairment to communicate over the telephone with a hearing individual who uses a standard telephone. Sprint/T-Mobile provides this service through the operation of a Network Call Distribution system with six TRS centers nationwide. Sprint/T-Mobile provides relay service to over 30 states, the Commonwealth of Puerto Rico, New Zealand, and the Virgin Islands. Individuals in Indiana with hearing or speech impairments can call these centers by using the three-digit number, 711. Persons with standard phones can also initiate calls to the centers.

At the centers, specially trained relay operators receive the incoming calls from either a standard phone user or a deaf, hard of hearing, or speech-impaired relay user. The operator then calls the desired number and connects the two telephone users. The operator reads aloud the text telephone message to the standard telephone caller and transmits that caller's oral responses back to the non-standard telephone user through the text telephone, computer, or video phone to view on their screen.

InTRAC offers a variety of relay services to meet the special needs in the deaf, hard of hearing, or speech-impaired community. Those relay services include:

- **TTY** – If a person is deaf and does not voice, he or she may use a text telephone.
- **VCO** – If a person is hard of hearing but is able to voice, he or she may use Voice Carry Over service. Both standard callers and VCO users must take turns in speaking.
- **Captioned Telephone** – If a person is hard of hearing but is able to voice, he or she may use this Enhanced VCO. Users no longer take turns but speak in a more natural fashion. One side of the conversation appears on the phone's screen.
- **Captioned Telephone on the internet (WebCapTel)** – If a person is hard of hearing and able to voice, he or she can use a standard telephone and a computer screen for Enhanced VCO on the internet.
- **HCO** – If a person can hear, but is not able to voice, he or she may use Hearing Carry Over.
- **Speech to Speech** – If a person can hear but has difficulties with unclear speech, he or she may use this service.
- **Spanish to Spanish** – If a person is deaf and needs the conversation understood in Spanish, this option is available.
- **Voice User** – If a person uses a standard phone and wishes to speak with others who use special equipment to communicate, he or she can connect to Relay Indiana.

- **Video Relay Service (VRS)** – If a person is deaf and using American Sign Language, the interpreter/operator will appear on a screen of the computer, video phone, or smartphone and will place the call in the same way as a standard relay call.
- **Internet Relay (IP)** – If a person is deaf or hard of hearing, he or she may use a computer or smartphone to see what is typed by the operator (while the standard phone user speaks) and can type so the relay operator can voice back to the standard phone user.

Currently, IP Relay, VRS, WebCapTel, and Captioned Calls via non-analog lines are funded at the federal level. The FCC has stated numerous times that InTRAC will eventually pay for these internet minutes of use, but that has not yet happened. This continues to be discussed at the FCC.

The VRS provides the deaf community an opportunity to use their primary form of communication – sign language. VRS users must have high-speed internet connectivity and either a webcam or a videophone. VRS users go online to any of the five video relay providers and see a live interpreter at the relay center on their screen. VRS users then sign their conversations to the interpreter who voices the call for them. The standard phone users' responses are then signed back to the deaf user. This is real-time communication and a much more natural form of conversation. Access to VRS or Internet Relay may also be obtained via an App on any smartphone.

The WebCapTel service is popular with the hard of hearing. WebCapTel allows users to log onto an internet website and connect to an operator. The operator then calls the user on a standard telephone. Now the users can use their voice over the standard telephone but use their computer screen to view the text.

The operators who staff the TRS centers are well trained. To be employed, each must pass an examination that covers spelling, typing, dictation, TRS procedures, certain aspects of American Sign Language, deaf culture, ethics, etiquette, and a confidentiality statement.

InTRAC's TRS centers process several types of calls including: local calls, intrastate long distance calls, interstate long distance, and international calls that originate in Indiana. Callers to the centers can choose the carrier they wish to process their long-distance calls to the same extent standard phone users may choose their long distance carriers.

No special charge is imposed on those who use the TRS centers. Neither the party originating nor the party receiving a call processed by the centers pay a surcharge for calls originating and terminating within the same toll-free, local calling area – even though the call must pass through the TRS centers located throughout the country. Similarly, those who use the centers to make long distance calls are charged rates no greater than the rates paid for functionally equivalent voice communication services.

Because InTRAC's relay services are processed through a Network Call Distribution system, and have the ability to automatically process calls through several TRS centers, it is unlikely that service will ever be disrupted by a cable cut, adverse weather or other event. Each center provides TRS to Indiana callers seven days a week, 52 weeks a year, and each is equipped with state-of-the-art telecommunications equipment and software. Each center can receive

messages from text telephones that use Baudat and ASCII codes and can automatically identify the types of incoming signals.

**Developments During the Year.** During InTRAC's 2022 fiscal year, the following activities occurred:

**Equipment Loaner Program.** InTRAC initiated an equipment loaner program in 1997 for hearing and speech impaired persons unable to afford a TTY. Since that time, we have lent more than 10,760 pieces of equipment. InTRAC repairs and replaces the units as necessary. As technology improves, InTRAC is committed to providing the most updated equipment to individuals who have a financial need in order that they too are able to utilize the relay service.

Currently, InTRAC lends a Superprint 4425 TTY; a multipurpose Uniphone 1140 for VCO/HCO/TTY users; CapTel units for Enhanced VCO captioning relay calls; and iPads or Android Tablets for consumers to communicate using their specific relay applications. Citizens of Indiana earning below the median income can apply to receive equipment on loan from InTRAC.

**Service Volume.** In the twelve months ending September 30, 2022, InTRAC/Relay Indiana has processed 33,848 conversation minutes of TRS calls and 241,263 conversation minutes of CapTel calls. These minutes do not include relay calls for General Assistance. The number of minutes for TRS and CapTel calls have decreased over recent years. Traditional TRS minutes of use continue to decline as callers have migrated to VRS calls. And, CapTel minutes have declined as analog lines has changed to digital and those minutes are funded by the FCC.

The chart below shows the number of minutes of use by InTRAC's TRS and CapTel centers and the comparison over the last three years. \*Billing changed from Session Minutes to Conversation Minutes explaining decrease in Minutes of Use.

<b>TRS Year of Operation</b>	<b>Inbound Calls</b>	<b>Outbound Calls</b>	<b>Minutes of Use</b>
2020	16,023	15,754	*61,621
2021	12,703	12,678	46,085
2022	9,187	6,907	33,848
<b>CapTel Year Of Operation</b>	<b>Data Calls</b>	<b>Voice Calls</b>	<b>Minutes of Use</b>
2020	120,862	34,478	*469,828
2021	98,721	27,209	395,316
2022	68,724	16,554	292,461

**Complaint Filing.** On July 1, 2022, InTRAC filed its Annual Report of Complaints with the FCC. Users of InTRAC's relay centers have been extremely pleased with the overall quality of the service. The 122,374 calls processed including general assistance, during June 2021– May 2022 resulted in one complaint from relay callers.

**Service levels.** The FCC has established quite stringent operational, technical and functional standards for telecommunications relay services. For example, 85% of the calls received in the relay center must be answered in ten seconds or less daily, identified as 85/10 daily. InTRAC's numbers exceeded the FCC performance standard of 85/10 at 97%. The average answer time for all calls was 1.9 seconds. A second important FCC requirement for relay service providers is that the grade of service must be a minimum of PO1. This means that if one hundred people simultaneously call the relay center during the busiest period of the day, only one call would be blocked due to the lack of available telephone equipment. InTRAC's results have continuously exceeded this requirement.

**Promotional Activities.** An important part of InTRAC's mission is to ensure that Indiana citizens are aware of the relay services that InTRAC provides. Toward that end, InTRAC, engaged in numerous promotional activities. After the pandemic, large events quickly picked up to levels of previous years.

In the 2021 - 2022 fiscal year, InTRAC held over 66 events. InTRAC contacted over 12,000 people at these events throughout the state at conferences, trade shows, Expos, town hall meetings, and other informational meetings in 24 cities. Additionally, Indiana residents were informed about Relay Indiana services by radio, television, internet and print advertisements.

- **Outreach Personnel** – InTRAC employs a member of the Deaf community to travel throughout the state to communicate the role of InTRAC, the telecommunications providers, Federal Communications Commission rules and orders, and the relay service as well as support the expanding office operations. He then provides feedback to InTRAC about concerns of the Deaf and Hard of Hearing community regarding Relay Indiana and the Equipment Distribution Program to assist connection with relay services..
- **Contracted Outreach.** – InTRAC continues to contract with a Hard of Hearing individual to provide community outreach for the CapTel units and the captioning service through relay. As the outreach has increased, so has the distribution of CapTel units. He also informs the community who are speech impaired on how to use an iPad and the relay services. This person is providing presentations to a variety of clubs, churches, nursing homes, disability/ability expos, and hospitals to reach these communities. As more organizations learn about our CapTel/iPad presentations, we are being contacted and invited to attend many more events.
- **TRS & CapTel Outreach** – Events were held in the following Indiana communities in 2021-2022: Avon, Bloomington, Carmel, Columbus City, Danville, Evansville, Fishers, Fort Wayne, Franklin, Greenfield, Greenwood, Huntington, Indianapolis, Jamestown, Jasonville, Jasper, Lafayette, Louisville KY, Nashville, New Albany, Noblesville, Plainfield, South Bend, and Westfield.
- **Major Promotional TRS Events** – Some of the larger events were the National Association of State Relay Administrators Conference and Telecommunication Equipment Distribution Program Association conferences, both held in Indianapolis; HEAR Indiana 50<sup>th</sup> Anniversary Gala; Suds in the City - major fundraising even by League of the Blind and Disabled in Fort Wayne; National Deaf Basketball Tournament in Noblesville; Kentucky Deaf Festival; Fishers Safety Day; annual PTCO Day Festival; and Ability Awareness Day at the Indiana State Fair.

- **Major Promotional CapTel Events** – Some of the larger events were Hendricks County Senior Health Fair; Brownsburg Lions Holiday Bazaar; Indiana Lions State Convention; Huntington Senior Health Fair; and Shalom Health Fair.
- **Television Advertisements.** InTRAC continued to advertise with WISH-TV on PetPalsTV and GreatDayTV shows airing each weekend. These shows star and are produced by, a local celebrity who is a former Indianapolis TV Anchor - Patty Spitler, who is a user of the CapTel phone and promotes the phone wherever she appears.as well as in InTRAC ads on WISH-TV
- **Print Advertisements.** InTRAC is currently advertising in the *SeniorLife* newspaper which reaches more than 130,000 readers monthly within central and northern Indiana. Also we reach central Indiana with ads in the *Indy Bi-Weekly Post*, and the Bluffton area with ads in the *News-Banner/Echo Ossian Journal/Sunriser News*.
- **Radio Advertisements.** InTRAC continued to advertise on Network Indiana/WIBC which covers 65 radio stations within Indiana. The ads explain how the captioned telephone can help users increase their self-esteem and regain their independence. The ads vary from actual interviews with CapTel users and a promotion by a local celebrity about using the phone in the business world.
- **Internet Advertisements.** InTRAC places promotional ads when a person searches for key words such as “deaf telephones” “hard of hearing telephones” “phone amplifiers” etc. These searches will link to InTRAC’s website and a video for captioned telephones.

**Annual Meeting.** On December 29, 2022, InTRAC held its annual meeting. To maintain continuity in its leadership, InTRAC’s directors are elected to staggered three-year terms. Ted Hankins, Brightspeed and Alan Terrell, Rochester Telephone, were elected to continue serving on the InTRAC’s Board of Directors.

**Board of Directors.** Members of the Board as of fiscal year end September 2022 are as follows: Pepper Mulherin, AT&T, Board President; Sharon McKay, NITCO, Board Treasurer; ; Ted Hankey, Century Link; Alan Terrell, Rochester Telephone; and Rhonda Marcum, Deaf and Hard of Hearing Services, State of Indiana.

**Test of Surcharge Collected and Remitted by Members.** InTRAC engaged its accounting firm, Kehlenbrink, Lawrence & Pauckner, to perform tests of the books and records of local exchange carriers and cellular providers that are members of InTRAC to determine whether the members are properly collecting and remitting the surcharge that funds InTRAC’s operations. Our accountants confirmed that all surcharges were properly collected and remitted.

**Audit of Sprint Billings.** InTRAC provides TRS under a contract with Sprint/T-Mobile Services. InTRAC pays Sprint/T-Mobile based upon the number of minutes of relay service provided. Under the contract, InTRAC has the right to audit and test Sprint/T-Mobile’s books and records to ensure that InTRAC is billed properly. InTRAC’s accounting firm of Kehlenbrink, Lawrence & Pauckner confirmed that InTRAC payments were correct as billed by Sprint/T-Mobile.

**Financial Statements.** Financial statements prepared by the independent accounting firm of VonLehman & Company, Inc. meeting the requirements of Ind. Code § 8-1-2.8-21(6)(D) are attached.

DMS 3937196v1

**Indiana Telephone Relay Access Corporation  
For the Hearing and Speech Impaired**

**(InTRAC)**

**Projected Statements of Cash Flows**

**Indiana Telephone Relay Access Corporation  
For the Hearing and Speech Impaired**

**(InTRAC)**

Indianapolis, Indiana

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To the Board of Directors  
Indiana Telephone Relay Access Corporation for  
the Hearing and Speech Impaired (InTRAC)

The management of InTRAC is responsible for the accompanying financial projection of InTRAC, which comprises the projected cash flows for the years ending September 30, 2023, 2024, and 2025, and the related summaries of significant projection assumptions and accounting policies in accordance with guidelines for the presentation of a financial projection established by the AICPA. Financial position and results of operations are not intended to be projected. We have performed a compilation engagement in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. We did not examine or review the financial projection nor were we required to perform any procedures to verify the accuracy or completeness of the information provided by management. Accordingly, we do not express an opinion, a conclusion, nor provide any form of assurance on this financial projection.

The projected results may not be achieved as there will usually be differences between the projected and actual results, because events and circumstances frequently do not occur as expected, and these differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

These projected cash flows statements were prepared for the InTRAC Board of Directors and are intended to be used by InTRAC to satisfy its obligation under Section 8-1-2.8-21(3) of the Indiana Code to file reasonable projections of anticipated funding requirements with the Indiana Utility Regulatory Commission and should not be used for any other purpose.

We are not independent with respect to Indiana Telephone Relay Access Corporation for the Hearing and Speech Impaired.

A handwritten signature in dark ink, appearing to read 'Kehlenbrink Lawrence &amp; Pauckner', is located below the text 'We are not independent...'. The signature is written in a cursive, flowing style.

Indianapolis, Indiana  
April 27, 2023

# InTRAC

## Projected Statements of Cash Flows

	For the Years Ending September 30,		
	2023	2024	2025
Cash Provided by			
Local exchange carriers	\$ 284,880	\$ 267,840	\$ 251,760
Wireless service providers	1,502,160	1,487,040	1,472,160
Investment income	412,431	415,750	416,341
Total	2,199,471	2,170,630	2,140,261
Cash Used by			
Relay service expense	375,950	310,800	243,870
Advertising costs	346,000	363,300	381,465
Other operating expenses	758,057	795,217	834,570
Program costs			
Equipment	400,000	500,000	550,000
Grant	115,000	115,000	115,000
Total	1,995,007	2,084,317	2,124,905
Net Change in Cash and Cash Equivalents	204,464	86,313	15,356
Beginning Cash and Cash Equivalents	10,403,735	10,608,199	10,694,512
Ending Cash and Cash Equivalents	\$ 10,608,199	\$ 10,694,512	\$ 10,709,868

See accompanying summary of significant projection assumptions and accounting policies and accountants' report.

## **InTRAC**

### **Summary of Significant Projection Assumptions and Accounting Policies**

#### General

This financial projection of cash flow presents, to the best of management's knowledge and belief, the expected results of cash flows for the projection period. Accordingly, the projection reflects management's judgment as of April 27, 2023, the date of this projection, of the expected conditions and its expected course of action. The presentation is designed to provide information for the InTRAC Board of Directors and the Indiana Utility Regulatory Commission and cannot be considered to be a presentation of expected future results. Accordingly, this projection may not be useful for other purposes. The assumptions disclosed herein are those that management believes are significant to the projection. There will usually be differences between projected and actual results, because events and circumstances frequently do not occur as expected, and those differences may be material.

#### Significant Accounting Policies

The summary of significant accounting policies are as stated on pages 6 - 13 in the audited financial statement for the year ended September 30, 2022 and 2021 set forth in this document.

#### Revenue

The monthly surcharge that funds InTRAC's operations is \$.02. This rate went into effect November 1, 2022. Prior to this date that rate was \$.03.

The surcharge will be assessed on an average of 1,187,000 wire lines and 6,259,000 wireless customers in the projection year ending September 30, 2023. Based on an analysis of surcharge revenue between the corporation's fiscal years ended September 30, 2022 and 2021, it is assumed that wire lines will decrease at an annual rate of 6.0% and wireless customers decrease at a rate of 1.0% from September 30, 2022 forward.

Revenue calculations for the projection year ending September 30, 2023 are as follows:

LEC Customers	1,187,000 X \$.02 X 12	= \$	284,880
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Wireless Customers	6,259,000 X \$.02 X 12	= \$	1,502,160
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Based on the uncertain performance of equity securities through March 31, 2023 we assumed the rate of return earned by InTRAC investments for the year ended September 30, 2023 will be 4%. Thereafter we assume the rate of return will return its historic norm of 4%. Excess cash reserves will be invested in mutual funds investing in debt, equity and fixed income securities, and in corporate and government bonds.

## **InTRAC**

### **Summary of Significant Projection Assumptions and Accounting Policies**

#### Relay Service Expense

Billable TRS relay and captioned telephone minutes decreased at rates of 25% and 20% respectively when we compared call volume over four-month periods ending February 28, 2023 and 2022. These annual decrease rates were assumed for the entire projection period. The current relay service contract runs through September 2025. Potential terms for subsequent contracts are not available.

#### Administrative Expenses

The annual cost of the administration of InTRAC is estimated to be \$1,995,007, \$2,084,317, and \$2,124,905 for the years ending in 2023, 2024, and 2025 respectively. This includes \$346,000, \$363,300 and \$381,465 that will be budgeted for advertising for each projection years 2023, 2024 and 2025, respectively.

#### Program Costs

InTRAC purchases equipment for those hearing and speech impaired individuals who are financially unable to purchase the equipment themselves. Several choices are now available that allow for different technological applications. Individual unit costs range from \$101 to \$1,279.

Beginning in fiscal year ending September 30, 2022 InTRAC budgeted to provide grants to deserving charitable organizations. Grants totaling \$115,000 were budgeted for the fiscal year ending September 30, 2023. Thereafter grants are not expected to change.

#### Other Considerations

Cash and cash equivalents are defined as deposits maintained in various bank accounts and investments in equity and interest-bearing securities.

Funding for the provision of Video Relay Services, Internet Relay Services, and Web CapTel Services is currently provided by the federal government. Funding for these services may shift to the state level sometime in the future. The timing of this shift is unknown currently, but it is not expected to shift in the three years presented.

The assumptions disclosed are not necessarily all-inclusive.