

Relay Administration Board
State of Louisiana

Financial Statements
December 31, 2025

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Broussard & Company
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Board Members of the
Relay Administration Board
State of Louisiana

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the business-type activities of the Relay Administration Board (Board), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the Board, as of December 31, 2025, and the respective changes in financial position and, where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Board and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Board's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Board's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Board's basic financial statements. The schedule of compensation, benefits, and other payments to agency head as listed in the table of contents is presented for purposes of additional analysis and are not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2026, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contract and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Relay Administration Board's internal control over financial reporting and compliance.

Broussard and Company

Lake Charles, Louisiana
June 30, 2026

**RELAY ADMINISTRATION BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

INTRODUCTION

The Management's Discussion and Analysis ("MD&A") of the Relay Administration Board's ("RAB") financial performance presents a narrative overview and analysis of RAB's financial activities for the year ended December 31, 2025. This document focuses on the current year's activities, resulting changes, and currently known facts in comparison with the prior year's information. As with other sections of this financial report, the information contained within this MD&A should be considered only a part of a greater whole. The readers of this statement should take time to read and evaluate all sections of this report, including the footnotes and the supplementary information that is provided in addition to the MD&A.

FINANCIAL HIGHLIGHTS

RAB's assets exceeded its liabilities (net position) at the close of fiscal year 2025 by \$19,520,653, which represents nearly a 1.73% decrease in net position from last fiscal year. Total assets consist almost entirely of investments which decreased by 1.11% to \$29,518,121 related primarily to increases in market values of securities.

At December 31, 2025, the investment portfolio was comprised of U.S. Government and Agency bonds (36%), corporate bonds (17%), equity securities (40%), money market funds (1%), and mutual funds (6%).

RAB's net position decreased by \$343,002 in 2025 compared to the 2024 decrease of \$2,657,682.

RAB received no operating revenues during 2025 due to the elimination of access charges previously charged to consumers and no grants funding.

RAB's operating expenses increased \$425,754 or 65.97% compared to the prior year due to increased charitable contributions and professional fees offset by decreased relay services cost.

RAB's net investment income increased in 2025 by \$347,778 or 11.86% due to the overall favorable financial market performance during 2025 outperforming market performance in 2024. RAB continues to be subject to excise tax and incurs an obligation to make contributions or pay additional excise taxes which totaled \$2.55 million in 2025 which decreased 48.37% over 2024. RAB made excise tax payments during 2025.

OVERVIEW OF THE FINANCIAL STATEMENTS

These financial statements consist of two sections - Management's Discussion and Analysis (this section), and the basic financial statements (including the notes to the financial statements).

Basic Financial Statements

The basic financial statements present information for the RAB, in a format designed to make the statements easier for the reader to understand. The statements in this section include the Statement of Net Position; the Statement of Revenues, Expenses, and Changes in Fund Net Position; and the Statement of Cash Flows.

Statement of Net Position

The Statement of Net Position on page 8 presents a summary of assets and liabilities with totals of each. The difference between total assets and total liabilities is net position and may provide a useful indicator of whether the financial position of the RAB is improving or deteriorating.

**RELAY ADMINISTRATION BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

Statement of Revenue, Expenses, and Changes in Net Position

The Statement of Revenues, Expenses, and Changes in Net Position on page 9 presents information which shows how the RAB's net position changed as a result of current year operations. Regardless of when cash is affected, all changes in net position are reported when the underlying transactions occur. As a result, there are transactions included that will not affect cash until future fiscal periods.

Statement of Cash Flows

The Statement of Cash Flows on page 10 presents information showing how the RAB's cash changed as a result of current year operations. The statement of cash flows is prepared using the direct method and includes the reconciliation of operating income to net cash provided by or used in operating activities (indirect method) as required by Governmental Accounting Standards Board (GASB) Statement 34.

Notes to financial statements

The notes provide additional information that is essential to a full understanding of the data provide in the financial statements. The notes to the financial statements can be found on pages 11 – 18 of this report.

FINANCIAL ANALYSIS OF THE ENTITY

The condensed statements of net position consist of the following at December 31:

	2025	2024
Current assets	\$ 14,004,052	\$ 13,898,253
Noncurrent assets	15,514,069	16,890,377
Total assets	<u>\$ 29,518,121</u>	<u>\$ 30,788,630</u>
Current liabilities	\$ 9,997,468	\$ 10,924,975
Noncurrent liabilities	-	-
	9,997,468	10,924,975
Unrestricted net position	<u>19,520,653</u>	<u>19,863,655</u>
	<u>\$ 29,518,121</u>	<u>\$ 30,788,630</u>

Current assets consist primarily of cash and investments in debt and equity securities. Noncurrent assets consist of investments in debt securities with a maturity greater than one year. The decrease in current assets is due primarily to the decrease in the fair value of investments and a change in the composition of the investment portfolio, including changes in market valuation.

Current liabilities consist of accounts payable, required distribution obligations, federal excise tax payable and deferred federal excise taxes. The increase in liabilities is due primarily to an increase in RAB's obligation to disburse investment earnings for operating costs or other eligible contributions, and federal excise tax payable.

All of the RAB's resources can be used for any lawful purpose consistent with the articles of incorporation which requires that funds be used for providing telecommunication relay services to the citizens of the State of Louisiana. RAB has no long-term debt obligations. Investment securities are available for liquidity as needed but are intended to also provide a return on assets that can be used to provide relay services to the hearing and speech impaired.

**RELAY ADMINISTRATION BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

The condensed statements of revenues, expenses, and changes in net position consist of the following for the years ended December 31:

	2025	2024
Operating revenues	\$ -	\$ -
Operating expenses	1,071,089	645,335
Operating loss	(1,071,089)	(645,335)
Non-operating revenues	3,281,283	2,933,505
Non-operating expenses	(2,553,196)	(4,945,852)
Total non-operating income (expense)	728,087	(2,012,347)
Change in net position	(343,002)	(2,657,682)
Net position, beginning	19,863,655	22,521,337
Net position, ending	<u>\$ 19,520,653</u>	<u>\$ 19,863,655</u>

RAB recognized no operating revenues during 2025. The Louisiana Public Service Commission indefinitely suspended the 11¢ per line access fee charged to consumers effective in April 2002. Non-operating revenues increased in 2025 by \$347,778 due to more favorable market performance in 2025 compared to 2024.

Historically, the majority of RAB's operating expenses represent the provisioning of telephone relay service by a contracted relay service provider as well as charitable contributions. Total 2025 operating expenses increased from 2024 due to the increase in charitable contributions and professional fees. Non-operating expenses consist of excise taxes which vary based on investment income. RAB's investment income is subject to an excise tax at a rate expected to be 2% of net investment income.

ECONOMIC FACTORS AND NEXT YEAR'S OPERATIONS AND RATES

As portrayed on page 8 of the financial statements, RAB has accumulated net position since its inception in 1992 which have been accumulated for the purpose of provisioning of telephone access services for an extended period. The Louisiana Public Service Commission eliminated effective April 2002, the telephone access fee that has been charged to all connections throughout Louisiana and used to fund the RAB operations and net position. Thus, for 2025, RAB has no telephone access fee revenue. RAB also has received no state grants or funding since 2002 and does not expect to again receive state funding in the near future.

RAB continues to monitor its investment portfolio and associated credit and investment risk associated with the types of securities. Since year end, overall financial markets have continued to be volatile and subject to government influences. If overall economic conditions and financial markets remain disrupted for an extended period of time, RAB's ability to meet these objectives may become doubtful.

**RELAY ADMINISTRATION BOARD
MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2025**

CONTACTING THE RELAY ADMINISTRATION BOARD'S MANAGEMENT

This financial report is designed to provide citizens, taxpayers, customers, and creditors with a general overview of the RAB's finances and to show RAB's accountability for the money it receives. If you have questions about this report or need additional financial information, contact:

Louisiana Public Service Commission
P.O. Box 91154
Baton Rouge, Louisiana 70821-9154.

RELAY ADMINISTRATION BOARD
STATE OF LOUISIANA
Statement of Net Position
December 31, 2025

ASSETS

Current assets:

Cash and cash equivalents	\$ 326,356
Investments	13,527,952
Accrued investment income	149,744
Total current assets	<u>14,004,052</u>

Noncurrent assets:

Investments	15,514,069
Total noncurrent assets	<u>15,514,069</u>
Total assets	<u><u>\$ 29,518,121</u></u>

LIABILITIES

Current liabilities:

Accounts payable	\$ 97,168
Federal excise tax payable and other obligations	1,932,761
Required distributions for eligible purposes or excise taxes	7,888,000
Deferred federal excise taxes	79,539
Total current liabilities	<u>9,997,468</u>

NET POSITION

Unrestricted	19,520,653
Total Net Position	<u>19,520,653</u>
Total liabilities and net position	<u><u>\$ 29,518,121</u></u>

The accompanying notes are an integral part of this statement.

RELAY ADMINISTRATION BOARD
STATE OF LOUISIANA
Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2025

OPERATING REVENUES	\$ -
OPERATING EXPENSES	
Relay service costs	328,431
Legal and professional	108,783
Charitable contributions	625,000
Other operating costs	8,875
Total operating expenses	<u>1,071,089</u>
OPERATING LOSS	(1,071,089)
NON-OPERATING REVENUES (EXPENSES)	
Investment returns	3,281,283
Federal excise taxes and other obligations	<u>(2,553,196)</u>
Total non-operating revenues (expenses)	<u>728,087</u>
Change in net position	(343,002)
NET POSITION - BEGINNING OF YEAR	<u>19,863,655</u>
NET POSITION - END OF YEAR	<u><u>\$ 19,520,653</u></u>

The accompanying notes are an integral part of this statement.

**RELAY ADMINISTRATION BOARD
STATE OF LOUISIANA
Statement of Cash Flows
For the Year Ended December 31, 2025**

CASH FLOWS FROM OPERATING ACTIVITIES

Cash payments to suppliers of goods and services:	
Relay services costs	\$ (328,699)
Legal and professional fees	(108,783)
Charitable contributions	(625,000)
Other operating costs	(8,875)
Net cash used in operating activities	<u>(1,071,357)</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of investments	(29,026,968)
Sales and maturities of investments	28,896,209
Investment income received, net	946,592
Net cash provided by investing activities	<u>815,833</u>

NET DECREASE IN CASH AND CASH EQUIVALENTS (255,524)

CASH AT BEGINNING OF YEAR 581,880

CASH AT END OF YEAR \$ 326,356

**Reconciliation of operating income to net cash used
by operating activities:**

Operating (loss)	\$ (1,071,089)
Adjustments to reconcile operating income to net cash used in operating activities:	
Net decrease in accounts payable	<u>(268)</u>
Net cash used in operating activities	<u><u>\$ (1,071,357)</u></u>

Supplemental disclosure of non-cash investing activities:

Net decrease in investment unrealized appreciation	\$ 1,074,456
Net amortization/accretion of investments in fixed securities	60,166
Decrease in deferred federal excise taxes	13,417
	<u><u>\$ 1,148,039</u></u>

The accompanying notes are an integral part of this statement.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

The Relay Administration Board ("RAB") was created as a non-profit corporation by the Louisiana Public Service Commission, a body created by the Louisiana Constitution, as provided by Order Number U-17656-A pursuant to the telecommunications sections of the Americans with Disabilities Act of 1990 and other applicable regulations adopted by the Federal Communications Commission.

The board of directors is comprised of five members who serve indefinite terms at the discretion of the Louisiana Public Service Commission. The board of directors is charged with the responsibility of oversight of telephone relay services for the State of Louisiana, ensuring equal access to telecommunications services for all hearing and speech impaired citizens, and acting as a liaison between the relay service provider and the Louisiana Public Service Commission.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America as applied to governmental units. The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and reporting principles.

Reporting Entity

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy has defined the governmental reporting entity to be the State of Louisiana. The Office of Statewide Reporting and Accounting Policy considers RAB to be a discrete component unit of the State of Louisiana because the state has financial accountability for fiscal matters as follows: (1) a majority of the board of directors is appointed by the State of Louisiana; (2) upon dissolution of RAB, title to all property owned by RAB shall vest in the State of Louisiana; (3) the Louisiana Public Service Commission, a commission within a department of the State of Louisiana, has the ability to modify and approve changes to the telephone access fee; and (4) the Louisiana Public Service Commission has the ability to veto, overrule, and modify decisions made by RAB.

Since RAB is a discretely presented component unit of the State of Louisiana, these financial statements follow the financial reporting framework of the primary government. The accompanying financial statements present information only as to the transactions of the programs of RAB. Annually, the State of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements as a business-type activity. The State of Louisiana's basic financial statements are audited by the Louisiana Legislative Auditor.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Accounting

For financial reporting purposes, RAB is treated as a special-purpose government engaged only in business-type activities. All activities of RAB are accounted for within a single proprietary (enterprise) fund to report on its financial position, results of operation, and cash flows. Proprietary funds are used to account for operations that are (a) financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the cost of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Net Position

RAB has implemented GASB No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This standard provides guidance for reporting the financial statement elements of deferred outflows of resources and deferred inflows of resources. Deferred outflows represent the consumption of the government's net position that is applicable to a future reporting period. A deferred inflow represents the acquisition of net position that is applicable to a future reporting period. Because deferred outflows and deferred inflows are, by definition, neither assets nor liabilities, the statement of net position title is now referred to as the statement of net position. The statement of net position reports net position as the difference between all other elements in a statement of net position and should be displayed in three components-net investment in capital assets, restricted net position (distinguishing between major categories of restrictions), and unrestricted net position.

As of December 31, 2025, all of RAB's net position was unrestricted. Unrestricted net position is the balance (deficit) of all other elements in a statement of net position remaining after net investment in capital assets and restricted net position. When both restricted and unrestricted resources are available for use, it is the RAB's policy to use restricted resources first, then unrestricted resources as they are needed.

Basis of Accounting

Basis of accounting refers to the timing of recognition of revenues and expenses in the accounts and reporting in the financial statements, regardless of the measurement focus applied. The transactions of RAB are accounted for using the accrual basis of accounting and on a flow of economic resources measurement focus where the aim is to report all inflows, outflows, and balances affecting or reflecting an entity's net position. Accordingly, revenues are recognized in the accounting period when they are earned and expenses are recognized when the related liability is incurred. Operating revenues include activities that have the characteristics of exchange transactions, such as charges for services. Transactions for which cash flows are reported as investing activities are reported as non-operating revenue. All expenses related to operating RAB are reported as operating expenses.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents includes money market accounts and all highly liquid debt instruments with original maturities of three months or less when purchased.

Investments

The deposits and investments of RAB's monies are governed by an investment policy adopted by the board of directors. Under the policy, monies not needed for immediate expenditure may be invested in (1) U. S. Government and Agency obligations, (2) certificates of deposit issued by financial institutions within the U. S. and its territories up to the maximum FDIC limit, (3) certain collateralized mortgage obligations, and (4) equity securities subject to limitations.

RAB reports its investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values as determined by published trade prices in accordance with GASB Statement No. 31 and included in the statement of net position. Investment return includes interest, dividends, realized and unrealized gains and losses, administrative fees, and net amortization/accretion of investments in fixed securities and is included in the statement of revenues, expenses, and changes in net position.

Investments in equity securities, mutual funds, and debt securities with a maturity date of less than one year are classified as current assets. Noncurrent assets consist of investments in debt securities with a maturity date greater than one year.

Tax Status

RAB is an organization exempt from federal income taxation under Section 501(c)(3) of the Internal Revenue Code (the "Code") and is considered a private foundation as described in Section 509(a) of the Code. RAB is subject to federal excise taxes and is also subject to federal and state income tax on its unrelated business taxable income. With a few exceptions, RAB is no longer subject to federal or state examinations by tax authorities for the year before 2020.

RAB evaluates uncertain tax positions for more-likely-than-not sustainability. Management has concluded that as of December 31, 2025, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements. As further described in Note 4, RAB is required to distribute investment earnings, or to incur additional excise taxes, based on prescribed formula of investment returns.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

2. CASH AND CASH EQUIVALENTS

For reporting purposes, money market funds are included as cash equivalents. Deposits in money market funds are stated at cost, which approximates fair value. The balance of RAB's money market account at December 31, 2025 was \$326,356. RAB's deposits in these open-end mutual funds are not exposed to custodial credit risk because its existence is not evidenced by securities that exist in physical or book entry form.

3. INVESTMENTS

Beginning with fiscal year ended December 31, 2016, the Board is required by Governmental Accounting Standards Board (GASB) 72, *Fair Value Measurement and Application*, to categorize its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The three levels of the fair value hierarchy are described below:

Level 1 - unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - quoted prices for similar assets or liabilities in active markets or identical or similar assets or liabilities in inactive markets that are observable for the asset or liability.

Level 3 - inputs are unobservable and significant to the fair value measurement.

The implementation of this new statement did not change the method of measuring the Board's investments at estimated fair value as required by GASB 31, Accounting and Financial Reporting for Certain Investments and External Investment Pools, and consisted of the following at December 31, 2025:

	Level 1	Level 2	Fair values
Equity securities and equity mutual funds	\$ 13,527,952	\$ -	\$ 13,527,952
U.S. Treasury debt securities	10,501,590	-	10,501,590
Corporate debt securities	-	5,012,479	5,012,479
	<u>\$ 24,029,542</u>	<u>\$ 5,012,479</u>	<u>\$ 29,042,021</u>

Investments in U.S. government obligations, U.S. agency obligations, corporate bonds, equity securities and mutual funds, are valued at the quoted market prices in the active market on which the individual securities are traded.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

3. INVESTMENTS (CONTINUED)

At December 31, 2025, investment securities of \$29,042,021 and investments reported as cash and cash equivalents of \$326,356, as presented in the Statement of Net Position, consist of the following:

	Cost	Fair Value	% of Investments
AMAZON.COM INC 3.6% 04/13/2032-2032	\$ 199,411	\$ 202,644	0.69%
AMERICAN TOWER CORP 5.55% 07/15/2033-2033	233,234	235,604	0.80%
AMGEN INC 5.25% 03/02/2030-2030	259,017	262,419	0.89%
ANHEUSER-BUSCH INBEV WORLDWIDE INC 3.5% 06/01/2030-203	187,453	189,433	0.65%
APPLE INC 4% 05/12/2028-2028	211,870	212,768	0.72%
BANK OF AMERICA CORP 3.248% 10/21/2027-2026	205,178	208,047	0.71%
BANK OF NY MELLON CORP VAR 4.543% 02/01/2029-2028	251,127	255,059	0.87%
BERKSHIRE HATHAWAY FIN 1.85% 03/12/2030-2029	208,647	214,836	0.73%
CHUBB INA HOLDINGS INC 5% 03/15/2034-2033	273,438	271,055	0.92%
HOME DEPOT INC 2.7% 04/15/2030-2030	231,699	236,388	0.80%
JPMORGAN CHASE VAR 5.35% 06/01/2034-2033	395,313	397,941	1.35%
KEYCORP 2.55% 10/01/2029	228,653	236,008	0.80%
MCDONALDS CORP 3.6% 07/01/2030-2030	244,684	254,141	0.87%
NOVARTIS CAPITAL CORP 2% 02/14/2027-2026	190,577	190,520	0.65%
PNC FINANCIAL SERVICES 5.575% 01/29/2036-2035	219,365	222,078	0.76%
STRYKER CORP 4.25% 09/11/2029-2029	290,737	295,605	1.01%
T-MOBILE 5.75% 01/15/2034-2033	249,001	265,915	0.91%
US BANCORP 5.85% 10/21/2033-2033	217,811	223,820	0.76%
UNITEDHEALTH 2.95% 10/15/2027	194,353	196,206	0.67%
VERIZON COMMUNICATIONS 4.016% 12/03/2029-2029	261,702	248,095	0.84%
AERCAP IRELAND CAP/GLOBA 3.3% 01/30/2032-2031	178,281	193,897	0.66%
US GOVERNMENT OBLIGATIONS	10,399,201	10,501,590	35.76%
Debt securities totals	15,330,752	15,514,069	52.83%
Equity securities	6,766,516	11,881,947	40.46%
Equity mutual funds	1,548,570	1,646,005	5.60%
Total investments	23,645,838	29,042,021	98.89%
Money market funds	326,356	326,356	1.11%
Total investments and cash equivalents	\$ 23,972,194	\$ 29,368,377	100.00%

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

3. INVESTMENTS (CONTINUED)

Custodial Credit Risk

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, RAB will not be able to recover the value of its investments that are in the possession of an outside party. RAB does not have an investment policy for custodial credit risk. At December 31, 2025, RAB's investments in common stock, mutual funds, and U.S. government and agency securities are uninsured on the performance of the custodian and are exposed to custodial credit risk because they are held by the counterparty's trust department, but not in RAB's name.

Concentration of Credit Risk

RAB has adopted an investment policy which limits the percentage of total investments that can be invested in various categories and types of investments. Investments in equity securities are permitted to represent between 25% and 60% of the investment portfolio while fixed income securities are permitted to represent between 40% and 70% of the investment portfolio. Cash is allowed to represent between 0% and 10% of the total portfolio. RAB has also adopted a policy that limits its investments in equity securities to a maximum of 5% of its total investments in any one company unless said company comprises more than 5% of the Standard & Poor's 500 Stock Index, in which case the market value of the holding shall not exceed 10% of the equity portfolio. There are also limitations on concentrations in categories of equity investment types. In addition, RAB has set a limit of 5% of its investments in fixed income securities that can be held in the fixed income securities of any single issuer, exclusive of the U.S. Government securities and federal agency securities guaranteed by the U.S. Government. At December 31, 2025, RAB was in compliance with its concentration of credit risk policy.

Credit Risk

RAB has adopted a policy that limits its investments of any single fixed income security to a minimum quality rating of "BBB-" by Standard and Poor's (S&P) and "Baa3" by Moody's Investors Service (Moody's) at the time of purchase, with the exception of mortgage-backed securities which be rated AAA or better. Additionally, the average quality rating of the fixed income portfolio shall be "A" for S&P and "A2" for Moody's. Bonds rated "BBB" by S&P and "Baa" by Moody's shall not exceed 10% of the total market value of the fixed income portfolio. If the rating of any fixed income security should fall below either of these credit quality rating levels, the investment manager must notify RAB to seek instructions regarding the remediation of the portfolio. At December 31, 2025, RAB was in compliance with the investment policy.

Interest Rate Risk

For an investment, interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Fixed income investments with longer maturities are generally subject to increased risk of value fluctuations due to interest rate changes. RAB's policy is to measure and monitor the weighted average maturity and duration of the fixed income securities portfolio in order to manage exposure to interest rate risk. This includes the weighted average maturity and duration of the total fixed income portfolio, individual securities, as well as categories of securities held by RAB.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

3. INVESTMENTS (CONTINUED)

Investment Return

The following schedule summarizes investment income as presented in the Statement of Revenues, Expenses and Changes in Net Position for the year ended December 31, 2025:

Interest and dividend income	\$ 973,468
Net realized gain on sale of investments	1,334,144
Net unrealized appreciation on investments	1,074,456
	3,382,068
Investment fees	(100,785)
	\$ 3,281,283

4. EXCISE TAX REQUIREMENTS

RAB is exempt from federal income taxation under Section 501(c)(3) of the Code and is considered a private foundation as described in Section 509(a) of the Code. As a private foundation, RAB is subject up to a 1.39% federal excise tax on net investment income (including interest, dividends, and net realized capital gains, less expenses incurred in the production of investment income) as defined in the Code. Private foundations are required to annually distribute a prescribed amounts of earnings for the purposes which it was organized and authorized or to make distributions to other charitable organizations. Failure to meet annual distribution requirements will subject RAB to additional excise taxes on undistributed income over a rolling three-year period until all prior year undistributed funds are made are due as an excise taxes. Beginning in 2022, RAB began to make charitable contributions to organizations which also serve to satisfy the annual distribution requirements.

Based on RAB's recent operating activities and investment earnings through December 31, 2025, the amount RAB was required to distribute as a private foundation exceeded actual operating expenses, including contributions, for the three-year period. Management does not expect the excess earnings through December 31, 2025, to be distributed to qualifying organizations to satisfy the cumulative disbursement requirements as a private foundation within prescribed subsequent periods. Accordingly, RAB recognizes federal excise tax for undistributed income related to prior years of \$1.930 million which was recorded as a liability at December 31, 2025.

In addition to the current excise tax liability as described above, RAB is required to disburse an additional \$7.888 million of undistributed funds as operating expenses or other qualified disbursements. If these disbursement requirements as a private foundation are not satisfied within the prescribed time frames, the undistributed funds will also become subject to additional excise and termination taxes for the portion which is not disbursed as operating expenses. RAB has recognized the additional contingent liability for amounts which are required to be paid for qualifying purposes or as additional excise and termination taxes for any portion which is not distributed. The contingent liability accrued for these obligations is included in non-operating federal excise taxes and other obligations expenses.

RAB has also recognized a deferred tax liability of \$79,539 representing the estimated excise taxes related to the net appreciation of the fair value of investment securities in excess of their income tax basis at December 31, 2025.

**Relay Administration Board
State of Louisiana
Notes to the Financial Statements
For the year ended December 31, 2025**

4. EXCISE TAX REQUIREMENTS (CONTINUED)

Based on current tax laws and regulations, RAB's continued operations and future investment returns will continue to be subject to similar excise or termination tax and vary based on RAB's future operating expenses and investment results.

5. FUNDING SOURCES

The Louisiana Public Service Commission issued Order No. U-17656-B directing local exchange carriers to collect an access fee of eleven cents (\$0.11) per access line and remit those funds to RAB to fund telephone relay services of the State of Louisiana. Effective April 2002, the Louisiana Public Service Commission eliminated the collection of the access line fee. As a result, RAB's operations are now being funded from existing assets and investment earnings.

6. BOARD MEMBER COMPENSATION

Although compensation to board members is authorized by RAB's by-laws, no compensation was paid to board members during 2025.

7. RISK MANAGEMENT

RAB is exposed to risk of loss related to errors and omissions of the Board of Directors. Commercial insurance has been obtained to cover these risks.

7. SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date that the financial statements were available to be issued, June 30, 2026, and determined that no events occurred that would require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

Relay Administration Board

Schedule of Compensation, Benefits and Other Payments to Agency Head or Chief Executive Officer

Year Ended: December 31, 2025

Agency Head: No compensation or benefits were paid in 2025.

Purpose	Amount
Salary	-
Benefits-insurance	-
Benefits-retirement	-
Deferred compensation	-
Vehicle provided by government	-
Cell phone	-
Dues	-
Registration fees	-
Conference travel	-
FY TOTAL:	-



Broussard & Company
Certified Public Accountants

Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and
Other Matters Based on an Audit of Financial Statements Performed in Accordance with
Government Auditing Standards

Board of Directors of the
Relay Administration Board
State of Louisiana
New Orleans, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Relay Administration Board (the "Board"), a component unit of the State of Louisiana, as of and for the year ended December 31, 2025, and the related notes to the financial statements, which collectively comprise the Board's basic financial statements and have issued our report thereon dated June 30, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Board's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect, and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Board's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances on noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of the audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Broussard and Company

Lake Charles, Louisiana
June 30, 2026

BOARD OF DIRECTORS
RELAY ADMINISTRATION BOARD
STATE OF LOUISIANA
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

We have audited the financial statements of the business-type activities of the Board of Directors of the Relay Administration Board ("the Board") as of and for the year ended December 31, 2025 and have issued our report thereon dated June 30, 2026. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing standards*, issued by the Comptroller General of the United States. Our audit of the financial statements as of December 31, 2025 resulted in an unmodified opinion.

Section I – Summary of Auditor's Reports

a. Report on Internal control and compliance material to the Financial Statements:

Internal Control:

Material Weakness – NO
Significant Deficiency – NO
Other Conditions – NO

Compliance:

Compliance Material to the Financial Statements – NO

b. Federal Awards:

Not applicable.

Section II – Financial Statement Findings

Not applicable.

Section III – Federal Award Findings and Questioned Costs

Not applicable.

Section IV – Management Letter

A management letter was not issued in connection with the audit for the year ended December 31, 2025.

BOARD OF DIRECTORS
RELAY ADMINISTRATION BOARD
STATE OF LOUISIANA
SCHEDULE OF PRIOR YEAR FINDINGS AND RESPONSES
FOR THE YEAR ENDED DECEMBER 31, 2025

There were no prior findings.