
**LOUISIANA HORSEMEN'S BENEVOLENT
AND PROTECTIVE ASSOCIATION 1993, INC.**
HORSEMEN'S BOOKKEEPER ACCOUNT

FINANCIAL STATEMENTS

MARCH 31, 2023

RICHARD  CPAS

**LOUISIANA HORSEMEN'S BENEVOLENT
AND PROTECTIVE ASSOCIATION 1993, INC.
HORSEMEN'S BOOKKEEPER ACCOUNT**

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MARCH 31, 2023

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AND PROTECTIVE ASSOCIATION 1993, INC.
HORSEMEN'S BOOKKEEPER ACCOUNT**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.
Horsemen's Bookkeeper Account

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of the Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. (the Bookkeeper account), which comprise the statements of assets, liabilities, and net assets – modified cash basis as of March 31, 2023 and 2022 and the related statements of receipts and disbursements – modified cash basis for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of the Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. as of March 31, 2023 and 2022 and the receipts and disbursements for the years then ended in conformity with the modified cash basis described in Note 1.

Basis for Opinion

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 Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. 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 these financial statements in accordance with the modified cash basis of accounting; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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 Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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 judgement 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 Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.'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 Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.'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.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on page 10, Schedule of Compensation, Benefits, and Other Payments to the Agency Head, is presented for purposes of additional analysis and is not a required part of the financial statements. Such 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2023, on our consideration of the Bookkeeper Account's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the Horsemen's Bookkeeper Account of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc's internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Bookkeeper Accounts' internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
September 29, 2023

**LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION, 1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS - MODIFIED CASH BASIS
MARCH 31, 2023 AND 2022**

	<u>ASSETS</u>	
	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
Cash and cash equivalents (Note 1)	\$ 12,022,452	\$ 22,970,475
Investments (Note 4)	21,164,505	8,196,000
Accrued interest receivable	54,671	9,260
Due from others	72,719	95,602
	<hr/>	<hr/>
<u>TOTAL ASSETS</u>	<u>\$ 33,314,347</u>	<u>\$ 31,271,337</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Bank overdrafts	\$ 1,997,894	\$ -
Due to horsemen	30,762,735	30,402,350
Due to others	23,135	391,403
Due to related parties	286,970	273,065
Due to jockeys and employees	243,613	204,519
Total liabilities	<hr/>	<hr/>
	33,314,347	31,271,337
 <u>NET ASSETS</u>		
Total net assets	<hr/>	<hr/>
	-	-
	<hr/>	<hr/>
<u>TOTAL LIABILITIES AND NET ASSETS</u>	<u>\$ 33,314,347</u>	<u>\$ 31,271,337</u>

The accompanying notes are an integral part of these financial statements.

**LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION, 1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT
STATEMENTS OF RECEIPTS AND DISBURSEMENTS - MODIFIED CASH BASIS
FOR THE YEARS ENDED MARCH 31, 2023 AND 2022**

	2023	2022
Due to horsemen, beginning of year	\$ 30,402,350	\$ 30,660,600
<u>CASH RECEIPTS</u>		
Purses	90,250,496	92,198,793
Owner/trainer/jockey deposits	11,508,331	14,551,608
Investment income	325,746	122,150
Total cash receipts	102,084,573	106,872,551
<u>CASH DISBURSEMENTS</u>		
Owner/trainer distributions	88,813,472	94,121,121
Jockey payroll/jockey guild	8,307,841	8,433,247
LAHBPA - workers' compensation fees	1,915,796	1,977,347
2% Commissions - LTBA/LQHBA breeder awards	999,786	969,571
Sales taxes	719,119	794,102
LAHBPA - pony lead fees - 1993, Inc.	559,607	610,717
LAHBPA - investment income transfer to 1993, Inc.	305,949	97,016
LAHBPA - jockey payroll administrative fee - 1993, Inc.	56,928	64,650
Bank charges	16,236	33,659
Horsemen's Alliance (PAC)	26,509	28,929
Miscellaneous transfer to 1993, Inc.	-	(2,772)
LAHBPA - pony lead fees - Pension Trust	2,945	3,214
Total cash disbursements	101,724,188	107,130,801
Cash receipts greater than (less than) cash disbursements	360,385	(258,250)
Due to horsemen, end of the year	\$ 30,762,735	\$ 30,402,350

The accompanying notes are an integral part of these financial statements.

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. Significant Accounting Policies

Organization and Operations

The Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. is a non-profit organization which has been recognized as the authorized representative that shall represent members and other horsemen racing at licensed race meetings held in the State of Louisiana for the purpose of, but not limited to, negotiating contracts for such horsemen with all racing associations licensed by the State of Louisiana relative to purses, hospitalization, medical benefits, conditions, and all other matters of interest and concern to such horsemen.

At each race meeting conducted in the State of Louisiana pursuant to the provisions of the Louisiana State Racing Commission, there shall be a bookkeeper for the collection, disbursement, and investment of monies belonging to horsemen licensed at such a race meeting that shall be known as the Horsemen's Bookkeeper. The Horsemen's Bookkeeper shall be bonded, selected, and employed by the authorized representative of horsemen racing in the State of Louisiana, the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.

Each association conducting a race meeting shall provide a separate office for the Horsemen's Bookkeeper who shall collectively keep a separate bank account for the horsemen's monies to be known as the "Horsemen's Bookkeeper Account." At all times, the Horsemen's Bookkeeper Account shall have on deposit funds sufficient to cover all monies due horsemen with regard to daily purses, jockey fees, stakes, handicaps, rewards, claims, deposits, monies, if any, for horsemen's medical and hospital benefit programs, and any pony lead fees.

Except for interest earned on the investment of monies in the Horsemen's Bookkeeper Account, and that portion of a pony lead fee as authorized and assessed by the representative of horsemen in the state to provide retirement benefits to horsemen and to pay its administrative and operating costs, withdrawals from the account shall be used only for those purposes provided in the above paragraph. The interest earned on the investment of monies in the Horsemen's Bookkeeper Account and that portion of a pony lead fee as provided for above shall be collected by the Horsemen's Bookkeeper and paid, in due course, to the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.

After first paying the expenses and other charges necessary to operate the offices of the Horsemen's Bookkeeper, the interest earned on the investment of monies in the Horsemen's Bookkeeper Account by the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. shall be used by it for the benefit of horsemen racing in the state.

The Bookkeeper Account shall at all times be subject to audit by the Louisiana Legislative Auditor or by a certified public accountant approved by the Louisiana Legislative Auditor, the expenses of such audit to be paid by the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc.

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. Significant Accounting Policies (continued)

Basis of Accounting

The accompanying financial statements have been prepared on the modified cash basis of accounting which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The modifications to the cash basis of accounting relate primarily to accruals of interest income and the fair value of investments.

Cash and Cash Equivalents

For reporting purpose, the Horsemen's Bookkeeper Account considers all highly liquid debt instruments with maturity of three months or less to be considered cash equivalents. Included in cash and cash equivalents at March 31, 2023 and 2022 are repurchase agreements of \$921,070 and \$24,458,256, respectively. Included in cash and cash equivalents at March 31, 2023 and 2022 are money market funds of \$680,584 and \$1,771,826, respectively.

Amounts reported as a cash overdraft on the statements of assets, liabilities, and net assets – modified cash basis represents outstanding checks in excess of the bank balance and are included as current liabilities at March 31, 2023. The cash overdrafts were subsequently funded with maturing repurchase agreements and investment transfers in April 2023.

Investments

The Bookkeeper Account's investments consist of certificates of deposit and U.S. Treasury obligations, ranging in original maturity from one year to four years. Certificates of deposit and U.S. Treasuries are recorded at historical cost in the statements of assets, liabilities, and net assets - modified cash basis. Dividend, interest, and other investment income are recorded as investment income on the statements of receipts and disbursements.

Use of Estimates

In preparing the financial statements, management has made certain estimates and assumptions that affect the reported amounts of 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, and those differences could be material.

Tax Status

The Bookkeeper Account is a separate account maintained in Louisiana Horsemen's Benevolent and Protective Association, 1993, Inc. and does not file a separate tax return. Accordingly, no provision for income taxes has been reflected in the Bookkeeper Account's financial statements.

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

1. Significant Accounting Policies (continued)

Reclassification

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net position.

2. 2% Commissions

As prescribed by Louisiana state law, each licensee conducting race meetings, for which supplements for purses are provided, shall withhold two percent of the total supplemental purses. These fees are collected per Louisiana statute by the Horsemen's Bookkeeper and remitted to the Louisiana Thoroughbred Breeders Association (LTBA) and the Louisiana Quarter Horse Breeders Association (LQHBA). During the years ended March 31, 2023, and 2022, commissions paid were \$999,786 and \$969,571, respectively.

3. Liquidity and Availability

The Horsemen's Bookkeeper account has - \$0 - net assets at March 31, 2023 and 2022, since all monies in the Horsemen's Bookkeeper Account belong to individual horsemen. The Horsemen's Bookkeeper Account shall have on deposit funds sufficient to cover all monies due to the horsemen. As part of the Bookkeeper Account's liquidity management plan, cash in excess of daily requirements are invested in short term investments, certificates of deposit, U.S. Treasuries, and money market funds.

4. Investments

Investments at March 31, 2023 and 2022, consist of the following:

	<u>2023</u>	<u>2022</u>
Certificate of Deposits	\$ 8,772,000	\$ 8,196,000
U.S. Treasuries	12,392,505	-
	<u>\$ 21,164,505</u>	<u>\$ 8,196,000</u>

The certificates of deposit and U.S. Treasuries have an initial maturity ranging from one year to four years. At March 31, 2023 and 2022, interest rates on the certificates of deposit and U.S. Treasuries range from 0.20% to 4.25% and 0.20% to 2.5%, respectively.

5. Related Party Transactions

During the years ended March 31, 2023 and 2022, the Bookkeeper Account by Louisiana legislative statutes collected and disbursed amounts on behalf of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc., Workers' Compensation Insurance Trust, Pension Trust, and Horsemen's Alliance (PAC). These amounts are presented on the statements of receipts and disbursements - modified cash basis.

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2023

6. Concentration of Credit Risk

The Bookkeeper Account maintains its cash and cash equivalent balances in several financial institutions. Custodial credit risk is the risk that in the event of a bank failure, the Bookkeeper Account's deposits may not be returned to them. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. The Bookkeeper Account periodically maintains balances in excess of FDIC limits. As of March 31, 2023, the Bookkeeper Account's deposits had a carrying and bank balance amount of \$398,345 of which \$250,000 was covered by federal depository insurance. The Bookkeeper Account has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

7. Regulatory Event

In the 2021 Regular Legislative Session, the Louisiana Legislature passed, and the Governor signed bills enabling statewide sports wagering and Historic Horse racing at industry facilities. Purses for Louisiana bred horses will receive 2.5% of all taxes collected by the state on sports wagering. For the period from July 1, 2023 to June 30, 2024 the additional purse amount that is expected to be disbursed related to this legislation is \$1,800,000.

8. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued, September 29, 2023, and determined no items require disclosure. No events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

**LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE
ASSOCIATION, 1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED MARCH 31, 2023**

Agency Head Name: Edwin Fenasci, Executive Director

Purpose	Amount
Salary	\$ 147,024
Benefits - insurance	6,219
Meals and parking	1,242
Registration fees	-
Conference travel	3,847
	\$ 158,332

Note: The governing body of the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account is the Board of Directors of LAHBPA 1993 Inc. The Executive Director of LAHBPA 1993 Inc. is the individual responsible for and monitors all activities of the LAHBPA 1993 Inc. and its related organizations, including the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account. The Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account does not have any employees. This schedule reflects the compensation, benefits and other payments made to the Executive Director by LAHBPA 1993 Inc.

See independent auditor's report

OTHER REPORT



**INDEPENDENT AUDITOR’S 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**

To the Trustees
Louisiana Horsemen’s Benevolent and Protective Association 1993, Inc.
Horsemen’s Bookkeeper Account

We have audited, in accordance with the 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, the financial statements of Louisiana Horsemen’s Benevolent and Protective Association 1993, Inc. Horsemen’s Bookkeeper Account, which comprise the statement of assets, liabilities, and net assets – modified cash basis as of March 31, 2023, and the related statements of receipts and disbursements – modified cash basis for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Horsemen’s Benevolent and Protective Association 1993, Inc. Horsemen’s Bookkeeper Account’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 an opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Louisiana Horsemen’s Benevolent and Protective Association 1993, Inc. Bookkeeper Account’s internal control. Accordingly, we do not express an opinion on the effectiveness of the Louisiana Horsemen’s Benevolent and Protective Association 1993, Inc. Horsemen’s Bookkeeper Account’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 statements 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 Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account's financial statements are free from 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.

Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on The Bookkeepers Account's response to the findings identified in our audit and described in the accompanying schedule of findings and responses. The Bookkeeper Account's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. Horsemen's Bookkeeper Account's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
September 29, 2023

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

SCHEDULE OF FINDINGS AND RESPONSES

MARCH 31, 2023

(A) Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified: None reported
- Significant deficiency(ies) identified that are not considered to be material weakness None reported

Noncompliance material to the financial statements: No

Other matter: No

(B) Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

None Reported.

LOUISIANA HORSEMEN'S BENEVOLENT AND PROTECTIVE ASSOCIATION
1993, INC. HORSEMEN'S BOOKKEEPER ACCOUNT

PRIOR YEAR SCHEDULE OF FINDINGS AND RESPONSES

MARCH 31, 2023

(C) Findings relating to the basic financial statements reported in accordance with *Government Auditing Standards*

2022-001 Non-Compliance with State Audit Law

Criteria: In accordance State of Louisiana R.S. 24:513, any local auditee that receives \$500,000 or more in revenues and other sources in any one fiscal year shall be audited annually. The due date of the audit report is six months after the entity's year end.

Condition: The Bookkeeper Account, was required to have an annual audit completed and filed with the Louisiana Legislative Auditor by September 30, 2022 (six months after year end). The Bookkeeper account requested a non-emergency extension from the Louisiana Legislative auditor and the extension request was acknowledged by the Legislative Audit Advisory Council (LAAC) on November 1, 2022 and therefore fully accepted.

Cause The Bookkeeper Account requested a non-emergency extension for the financial statement audit of the Bookkeeper Account.

Effect: The Bookkeeper Account is not in compliance with State of Louisiana Audit Law R.S. 24:513.

Recommendation: The Bookkeeper Account should ensure compliance with the State of Louisiana Audit Law R.S. 24:513.

Management response: On December 31, 2021, the LAHBPA 1993 Inc.'s Secretary/ Treasurer retired, and the role was filled effective January 1, 2022, by an existing employee. In early March 2022, the Secretary/Treasurer was hospitalized with an unexpected medical condition and remained unable to consistently work throughout March and April 2022. In May 2022, the Secretary/Treasurer had surgery and returned to work on a limited basis on June 1, 2022. We are an organization with limited personnel and although our financial statements were completed and available for audit, we were not able to have another person prepare all of the schedules and workpapers needed by the auditors until the Secretary/Treasurer resumed full time duties. We expect to be in full compliance with State of Louisiana Audit Law R.S. 24:513 for the year ended March 31, 2023.

Current Status: Resolved.