
LOUISIANA HORSEMEN'S PENSION TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2020

RICHARD  CPAS

LOUISIANA HORSEMEN'S PENSION TRUST

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Independent Auditors' Report

The Trustees
Louisiana Horsemen's Pension Trust

We have audited the accompanying financial statements of the Louisiana Horsemen's Pension Trust (the Trust), which comprise the statements of net assets available for benefits and accumulated plan benefits as of December 31, 2020 and 2019 and the related statements of changes in net assets available for benefits and changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial status of the Trust as of December 31, 2020 and 2019 and the changes in its financial status for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information, on pages 14-16, Schedule H, Line 4(i) – Schedule of Assets, and on page 17, 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 basic financial statements. Such 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 Schedule H, Line 4(i) – Schedule of Assets and the Schedule of Compensation, Benefits, and Other Payments to the Agency Head are fairly stated, in all material respects, in the relation to the basic 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 June 11, 2021, on our consideration of the Trust'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 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 Trust's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 11, 2021

LOUISIANA HORSEMEN'S PENSION TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2020 AND 2019

| | <u>ASSETS</u> | |
|----------------------------------|-------------------------|-------------------------|
| | <u>2020</u> | <u>2019</u> |
| Assets | | |
| Cash and cash equivalents | \$ 591,163 | \$ 216,329 |
| Investments | | |
| Certificates of deposit, at cost | 1,408,495 | 1,867,312 |
| Common stocks, at fair value | <u>1,274,398</u> | <u>1,106,878</u> |
| Total investments | <u>2,682,893</u> | <u>2,974,190</u> |
| Accrued interest | 5,187 | 7,645 |
| 1% Purse receivable | 72,008 | 127,651 |
| Prepaid income tax | 26,273 | - |
| Prepaid expenses | <u>13,185</u> | <u>13,185</u> |
| | <u>116,653</u> | <u>148,481</u> |
| Total assets | <u>\$ 3,390,709</u> | <u>\$ 3,339,000</u> |

LIABILITIES AND NET ASSETS

| | | |
|---------------------------------------|-------------------------|-------------------------|
| <u>Liabilities</u> | | |
| Operating payables | \$ 2,959 | \$ 2,840 |
| Income tax payable | - | 20,364 |
| Deferred tax liability | <u>84,000</u> | <u>77,000</u> |
| Total liabilities | <u>86,959</u> | <u>100,204</u> |
| Net assets available for benefits | <u>\$ 3,303,750</u> | <u>\$ 3,238,796</u> |

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

LOUISIANA HORSEMEN'S PENSION TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Additions to net assets attributed to: | | |
| Investment return | | |
| Interest and dividends | \$ 61,909 | \$ 75,220 |
| Net realized and unrealized gain | 80,673 | 247,653 |
| Total investment return, net | <u>142,582</u> | <u>322,873</u> |
| Contributions | | |
| 1% Purse | 680,186 | 868,367 |
| Horsemen's Bookkeeper - pony lead fees | 2,605 | 3,321 |
| Total contributions | <u>682,791</u> | <u>871,688</u> |
| Total additions | <u>825,373</u> | <u>1,194,561</u> |
| Reductions to net assets attributed to: | | |
| Payments to participants | 545,461 | 565,459 |
| Death benefit expenses | 53,744 | 15,000 |
| Income tax expense | 36,732 | 149,169 |
| Administrative expenses | 124,482 | 119,282 |
| Total reductions | <u>760,419</u> | <u>848,910</u> |
| Change in net assets available for benefits | 64,954 | 345,651 |
| Net assets available for benefits, beginning of year | <u>3,238,796</u> | <u>2,893,145</u> |
| Net assets available for benefits, end of year | <u>\$ 3,303,750</u> | <u>\$ 3,238,796</u> |

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

LOUISIANA HORSEMEN'S PENSION TRUST
STATEMENTS OF ACCUMULATED PLAN BENEFITS
DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Present value of accumulated benefits | | |
| Vested benefits: | | |
| Participants currently receiving payment | \$ 3,897,606 | \$ 3,593,639 |
| Other participants | <u>3,031,588</u> | <u>3,066,839</u> |
| | <u>\$ 6,929,194</u> | <u>\$ 6,660,478</u> |

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

LOUISIANA HORSEMEN'S PENSION TRUST
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Present value of | | |
| accumulated benefits at beginning of year | \$ 6,660,478 | \$ 6,216,374 |
| Increase (decrease) during the year attributable to: | | |
| Benefits accumulated | 424,396 | 396,641 |
| Benefits paid | (599,205) | (580,459) |
| Interest rate change | 443,525 | 627,922 |
| | <u>268,716</u> | <u>444,104</u> |
| Present value of | | |
| accumulated benefits at end of year | <u>\$ 6,929,194</u> | <u>\$ 6,660,478</u> |

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

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

1. Description of the Plan

Organization and Description of the Plan

The purpose of the Louisiana Horsemen's Pension Trust (the Trust) is to provide retirement and other benefits to Trainers who comply with the terms and conditions set forth in two plans: The Louisiana Horsemen's Pension Plan and the H.B.P.A. Louisiana Division Senior Member Retirement Plan. The benefits are provided to Trainers as members of the Louisiana Horsemen's Benevolent and Protective Association (H.B.P.A.). The Trust was formed in order to continue to provide retirement and other benefits to qualified Trainers who derive income from the racing, training, and care of thoroughbred racehorses or quarter horses in Louisiana. Benefits shall be paid only from the available funds of the Trust. The Plans are not qualified retirement plans and are not subject to the provisions of the Employee Retirement Income Security Act of 1974.

The H.B.P.A. Louisiana Division Senior Member Retirement Plan covers Trainers that are over sixty years of age and had a defined number of starts for a defined period of racing seasons. There are no death benefit provisions under this plan. Trainers included in this plan remained in this plan when it was frozen with an amendment and restatement dated January 1, 1996. The amended and restated plan, dated January 1, 1996, is known as the Louisiana Horsemen's Pension Plan. A credited year of training includes a plan year beginning on or after January 1, 1985, during which a Trainer has twelve (12) starts at a licensed Louisiana race track; a plan year beginning on or after January 1, 1996, during which a Trainer has twenty (20) starts at a licensed Louisiana race track; and a plan year beginning on or after January 1, 2011, during which a trainer has thirty (30) starts at a licensed Louisiana race track of which at least eight (8) starts occur in each of three quarters of the plan year. In addition, for both Plans, the Trainer has filed an application with the Trustees on a form provided.

Retirement benefits begin in the month following retirement or at age 65 or age 70, upon request. The amount of the monthly retirement benefits shall be determined by applying the average total starts for the three (3) years with the most starts from 1985, through the year prior to the year of retirement according to a graduating scale, with a minimum monthly benefit of \$231 and a maximum monthly benefit of \$308. Effective July 1, 2015, the Trustees approved a 10% increase in pension benefits to all participants.

Death and Disability Benefits

Effective January 1, 1996, any Trainer with at least five (5) credited years of training is eligible for a deferred disability retirement benefit to begin at age 65. The monthly disability benefit will be \$15 per credited year of training up to a maximum of \$150 per month. A Trainer who has at least ten (10) credited years of training is also eligible for a death benefit. The Trainer's designated beneficiary shall receive the unused vested pension amount or \$7,500, whichever is greater. The Trust does not provide a death benefit after a trainer reaches age 80.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. Significant Accounting Policies

Basis of Accounting

The financial statements of the Trust have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

Cash and Cash Equivalents

Cash and cash equivalents include amounts on deposit in financial institutions and highly liquid investments with maturities of three months or less at date of acquisition.

Investment Valuation and Income Recognition

Common stocks are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Certificates of deposit are reported at cost which approximates fair value. Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net realized and unrealized gains (losses) includes the Trust's gains and losses on investments bought and sold as well as held during the year.

Contributions

During the 2008 Louisiana Legislative Session, Louisiana Revised Statute 4:251.1 was enacted to provide for the Horsemen's Self-Help Pension Program (Horsemen's Pension Trust). Pursuant to Revised Statute 4:252 (c)(5), the Horsemen's Benevolent and Protective Association may utilize up to one-half of the authorized two percent of total amount of purses and purse supplements available for improving and administering the Horsemen's Pension Trust. Until June 1, 2016, contributions consisted of one-half of the authorized two percent of total amount of purses and purse supplements available. Beginning on June 1, 2016, contributions consisted of one-fourth of the authorized two percent of total amount of purses and purse supplements available. Effective again as of June 1, 2017, contributions reverted to consist of the original one-half of the authorized two percent of the total amount of purses and purse supplements available. In utilizing the funds authorized, not more than seventy-five percent shall be used to directly improve pension benefits and the remainder shall be placed for investment in the pension program's trust fund for the purpose of helping to ensure that said trust fund becomes self-sustaining.

Benefit Payments

Benefit payments to participants are recorded when due to the participant or beneficiary.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. Significant Accounting Policies (continued)

Present Value of Accumulated Plan Benefits

Accumulated plan benefits are those future periodic payments, including lump-sum distributions that are attributable under the Plan's provisions, for services rendered by the participants prior to the valuation date. Accumulated plan benefits include benefits to be paid to (a) retired or vested participants or their beneficiaries and (b) present participants or their beneficiaries. Benefits for retired or vested participants or their beneficiaries are based on the provisions of the Plan in effect at the time of retirement or termination.

The present value of accumulated plan benefits is determined by a Certified Public Accountant and is that amount that results from applying assumptions to adjust the accumulated plan benefits to reflect time value of money between that valuation date and the expected date of payment. The significant assumptions used in the valuation as of December 31, 2020 and 2019 were as follows: the present value was calculated based on an interest rate of 1.31% and 2.09% (the adjusted Federal long-term rate at December 31 2020 and 2019, respectively), and the anticipated life expectancy of age 80 for the participants credited with 10 years of service at December 31, 2020 and 2019. The valuations are based on the assumption that the plan will continue. Should the Plan terminate, different assumptions and other factors might be applicable in determining the present value of accumulated benefits.

Trust contributions are made, and the present value of accumulated plan benefits are reported based on certain assumptions pertaining to interest rates, promised benefit amounts, and trainer demographics all of which are subject to change. Due to uncertainties inherent in the estimations and assumptions process, it is at least reasonably possible that changes in these estimates and assumptions in the near future would be material to the financial statements.

This calculation was made for each of the 252 and 262 vested participants eligible for or already receiving retirement benefits in the Louisiana Horsemen's Pension Plan as of December 31, 2020 and 2019, with the exception of those in the discretionary Senior Pension Plan receiving benefits.

Tax Status

The Louisiana Horsemen's Pension Trust files as a taxable trust. The Trust applies a "more-likely-than-not" recognition threshold for all tax uncertainties. This approach only allows the recognition of those tax benefits that have a greater than 50% likelihood of being sustained upon examination by the taxing authorities. As a result of implementing this approach, the Trust has reviewed its tax positions and determined there were no outstanding or retroactive tax positions with less than a 50% likelihood of being sustained upon examination by the taxing authorities. Therefore, the implementation of this standard has not had a material effect on the Trust.

Income taxes are provided for the tax effects of transactions reported in the financial statements and consist of taxes currently due plus deferred taxes related primarily to differences between the bases of certain assets and liabilities for financial and tax reporting. The deferred taxes represent the future tax return consequences of those differences, which will either be deductible or taxable when the assets and liabilities are recovered or settled.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. Significant Accounting Policies (continued)

Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the plan administrator to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, disclosure of contingent assets and liabilities, and the present value of accumulated plan benefits at the date of the financial statements. Accordingly, actual results may differ from those estimates.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

3. Investments

The Organization has the following investments at December 31:

| | <u>2020</u> | <u>2019</u> |
|-------------------------|---------------------|---------------------|
| Certificates of deposit | \$ 1,408,495 | \$ 1,867,312 |
| Common stocks | <u>1,274,398</u> | <u>1,106,878</u> |
| | <u>\$ 2,682,893</u> | <u>\$ 2,974,190</u> |

4. Income Taxes

The provisions for income taxes consist of the following for the years ended December 31:

| | <u>2020</u> | <u>2019</u> |
|----------|------------------|-------------------|
| Current | \$ 29,732 | \$ 94,169 |
| Deferred | <u>7,000</u> | <u>55,000</u> |
| | <u>\$ 36,732</u> | <u>\$ 149,169</u> |

At December 31, 2020 and 2019, included in total liabilities is a deferred tax liability of \$84,000 and \$77,000 respectively, relating to the book-tax difference in recognition of unrealized investment gains and losses.

The Trust's provision for income taxes differs from applying the statutory U.S. federal income tax rate to income before income taxes. The primary differences result from providing for state income taxes.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Fair Value Measurements

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820*, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 Measurements) and the lowest priority to unobservable inputs (Level 3 Measurements). The three levels of the fair value hierarchy under ASC 820 are described as follows:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Plan believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at reporting date.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

5. Fair Value Measurements (continued)

The common stocks are considered Level 1 in the fair value hierarchy as of December 31, 2020 and 2019. The following table sets forth common stock investments by industry sector as of December 31:

| | <u>2020</u> | <u>2019</u> |
|------------------------|---------------------|---------------------|
| Consumer goods | \$ 317,357 | \$ 276,901 |
| Financial | 178,906 | 123,918 |
| Healthcare | 165,122 | 231,749 |
| Industrials | 179,310 | 78,428 |
| Technology | 267,081 | 218,215 |
| Energy | 57,078 | 56,327 |
| Communication services | 109,544 | 121,340 |
| | <u>\$ 1,274,398</u> | <u>\$ 1,106,878</u> |

6. Related Party Transactions

During the years ended December 31, 2020 and 2019, included in administrative expenses is \$68,400 and \$68,400, respectively, for management fees paid to LAHBPA 1993, Inc. in accordance with the management agreement. The Executive Director function is performed by an employee of LAHBPA 1993 Inc.

7. Termination of Plan

In the event the Trust terminates, the net assets shall be allocated as follows: (a) first, to pay any benefits due and owing under the plan to the then current vested participants and beneficiaries; (b) second, to pay the expenses of terminating the Trust; (c) third, to pay benefits to participants and beneficiaries who were not previously vested (but who shall be deemed vested upon termination of the Trust) and (d) fourth, with respect to any excess, to all participants and beneficiaries in such manner as the Trustees shall determine.

8. Risks and Uncertainties

The Trust invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term, and that such change could materially affect the amounts reported in the statement of net assets available for benefits.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2020

9. Concentration

Contributions received from purse and purse supplements as reported on the Statements of Changes in Net Assets Available for Benefits represent 82.41% and 72.69% of total additions to plan assets during the years ended December 31, 2020 and 2019, respectively.

The Trust periodically maintains cash in bank accounts in excess of insured limits. The Trust has not experienced any losses and does not believe that significant credit risk exists as a result of this practice.

10. Outbreak of COVID-19

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, and quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets in the local area and around the world. While it is unknown how long these conditions will last and what the complete financial effect will be to the Louisiana Horsemen's Pension Trust, to date, the Trust experienced declining 1% purse revenue.

Horse racing in Louisiana resumed at three of the four tracks in June 2020. The fourth track resumed racing in November 2020.

11. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 11, 2021 and determined that other than the matters regarding the continuing impact of the outbreak of COVID-19 described in Note 10, there are no items that require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

SUPPLEMENTARY INFORMATION

LOUISIANA HORSEMEN'S PENSION TRUST
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2020

Plan Number :001

Employer I.D. #72-6154124

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. Identity of issuer, borrower, lessor, or similar party | (d) Cost | (e) Current value |
|-----|---|---|------------------|----------------------|
| | Cash | | \$ 591,163 | \$ 591,163 |
| | Investments | | | |
| | <u>Certificates of deposit</u> | | | |
| | Discover Bank | Maturity date of June 8, 2021 1.500%, 75,000 shares | 75,000 | 75,484 |
| | Comenity Bank | Maturity date of September 14, 2021 1.650%, 100,000 shares | 100,000 | 100,993 |
| | Capital One Bank | Maturity date of May 10, 2022 2.300%, 150,000 shares | 150,000 | 154,544 |
| | Discover Bank | Maturity date of July 25, 2022 3.150%, 100,000 shares | 100,000 | 104,810 |
| | Discover Bank | Maturity date of October 24, 2022 3.200%, 71,000 shares | 71,000 | 75,002 |
| | Synchrony Bank | Maturity date of July 20, 2023 3.300%, 100,000 shares | 100,000 | 108,035 |
| | Comenity Bank | Maturity date of August 16, 2023 3.350%, 100,000 shares | 100,000 | 108,378 |
| | Citibank | Maturity date of December 21, 2023 3.550%, 100,000 shares | 100,000 | 109,989 |
| | Sallie Mae Bank | Maturity date of September 18, 2024 1.900%, 100,000 shares | 100,000 | 106,035 |
| | JP Morgan Chase Bank | Maturity date of October 14, 2024 0.350%, 100,000 shares | 100,000 | 100,088 |
| | Wells Fargo Bank | Maturity date of October 18, 2024 1.950%, 100,000 shares | 100,000 | 105,557 |
| | State Bank of India | Maturity date of April 29, 2025 1.550%, 100,000 shares | 100,000 | 105,128 |
| | State Bank of India | Maturity date of June 10, 2025 1.050%, 150,000 shares | 150,000 | 154,452 |
| | <u>Total certificates of deposit</u> | | <u>1,346,000</u> | <u>1,408,495</u> |

(continued)

LOUISIANA HORSEMEN'S PENSION TRUST
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2020

Plan Number :001

Employer I.D. #72-6154124

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. Identity of issuer, borrower, lessor, or similar party | (d) Cost | (e) Current value |
|---------------------------------------|---|---|-----------|----------------------|
| <u>Investments (continued)</u> | | | | |
| <u>Common stocks</u> | | | | |
| | Abbott Labs | 231 shares | \$ 21,273 | \$ 25,292 |
| | Alphabet Inc. SHS | 41 shares | 44,907 | 71,858 |
| | Amazon Com Inc Com | 25 shares | 56,104 | 81,423 |
| | American Tower Reit Inc | 93 shares | 24,188 | 20,875 |
| | Anthem Inc | 67 shares | 17,569 | 21,513 |
| | Apple Inc | 705 shares | 13,004 | 93,546 |
| | Ball Corp | 305 shares | 22,029 | 28,420 |
| | Blackrock Inc | 50 shares | 27,766 | 36,077 |
| | Capital One Finl | 142 shares | 8,489 | 14,037 |
| | Chevron Corp | 309 shares | 25,361 | 26,095 |
| | Cisco Systems Inc | 568 shares | 10,619 | 25,418 |
| | Citigroup Inc Com New | 440 shares | 22,764 | 27,130 |
| | Constellation Brands Inc | 120 shares | 21,927 | 26,286 |
| | Costco Wholesale Crp Del | 113 shares | 36,244 | 42,576 |
| | Danaher Corp Del | 189 shares | 34,727 | 41,984 |
| | Disney (Walt) Co Com Stk | 208 shares | 23,660 | 37,685 |
| | Fiserv Inc Wisc Pv ICT | 271 shares | 27,511 | 30,856 |
| | Hilton Worldwide | 201 shares | 15,836 | 22,363 |
| | Home Depot Inc | 132 shares | 32,685 | 35,062 |
| | Honeywell Intl Inc Del | 244 shares | 35,277 | 51,899 |
| | JPMorgan Chase & Co | 220 shares | 13,315 | 27,955 |
| | Kinder Morgan Inc. Del | 9 shares | 279 | 123 |
| | Lockheed Martin Corp | 84 shares | 29,577 | 29,818 |
| | Microchip Technology Inc | 258 shares | 26,633 | 35,632 |
| | Microsoft Corp | 367 shares | 77,176 | 81,628 |
| | Nextera Energy Inc Shs | 400 shares | 25,151 | 30,860 |
| | Parker Hannifin Corp | 47 shares | 12,198 | 12,803 |
| | Pepsico Inc | 83 shares | 11,086 | 12,309 |
| | Prologis Inc | 236 shares | 22,469 | 23,520 |
| | Ross Stores Inc Com | 229 shares | 19,576 | 28,123 |
| | Thermo Fisher Scientific | 85 shares | 32,715 | 39,591 |
| | Truist Finl Corp | 511 shares | 18,754 | 24,492 |
| | Union Pacific Corp | 194 shares | 33,083 | 40,395 |

(continued)

LOUISIANA HORSEMEN'S PENSION TRUST
SCHEDULE H, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2020

Plan Number :001

Employer I.D. #72-6154124

| (a) | (b) Identity of issuer, borrower, lessor, or similar party | (c) Description of investment including maturity date, rate of interest, collateral, par, or maturity value. Identity of issuer, borrower, lessor, or similar party | (d) Cost | (e) Current value |
|----------------------------------|---|---|---------------------|----------------------|
| Investments (continued) | | | | |
| <u>Common stocks (continued)</u> | | | | |
| | VISA Inc Cl A Shrs | 225 shares | 43,649 | 49,214 |
| | Walmart Inc | 283 shares | 35,923 | 40,794 |
| | Zoetis Inc | 222 shares | 30,783 | 36,741 |
| | <u>Total common stocks</u> | | <u>954,307</u> | <u>1,274,398</u> |
| | Total investments | | <u>\$ 2,300,307</u> | <u>\$ 2,682,893</u> |
| | Total assets held at year end | | <u>\$ 2,891,470</u> | <u>\$ 3,274,056</u> |

See independent auditors' report

LOUISIANA HORSEMEN'S PENSION TRUST
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2020

Agency Head Name: Edwin Fenasci, Executive Director

| <u>Purpose</u> | <u>Amount</u> |
|----------------------|-------------------|
| Salary | \$ 128,048 |
| Benefits - insurance | 7,841 |
| Meals and parking | 25 |
| Registration fees | - |
| Conference travel | 121 |
| | <u>\$ 136,035</u> |

The Executive Director function is performed by an employee of LAHBPA 1993 Inc., a related entity.
The Louisiana Horsemen's Pension Trust does not have any employees.

See independent auditor's report

OTHER REPORT



**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**

To the Trustees
Louisiana Horsemen's Pension Trust

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 Pension Trust (the Trust), which comprise the statements of net assets available for benefits and accumulated plan benefits as of December 31, 2020, and the related statements of changes in net assets available for benefits and changes in accumulated plan benefits for the years then ended, and the related notes to the financial statements, and have issued our report thereon dated June 11, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Louisiana Horsemen's Pension Trust's internal control over financial reporting (internal control) to determine the 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 Pension Trust's internal control. Accordingly, we do not express an opinion on the effectiveness of the Trust'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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Louisiana Horsemen's Pension Trust's financial statements are free of material misstatements, 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 determination of financial statement amounts. 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 of 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 Trust'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 Trust's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Richard CPAS

Metairie, Louisiana
June 11, 2021