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LOUISIANA HUSBANDS
PENSION TRUST

Report on Audit of Financial Statements
December 31, 1988

Under provisions of state law, this report is a public document. A copy of the report has been furnished to the married, or widowed, entity and other interested public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 111 11 1989

LOUISIANA HORSEMEN'S PENSION TRUST

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The Board of Directors
Louisiana Horsemen's Pension Trust
New Orleans, Louisiana

INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying statements of financial position of the Louisiana Horsemen's Pension Trust as of December 31, 1996 and 1995, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. These standards require that I plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of the Louisiana Horsemen's Pension Trust as of December 31, 1996 and 1995, and the changes in its net assets and its cash flow for the years then ended in conformity with generally accepted accounting principles.

As discussed in Note 4 to the financial statements, in 1996 the organization adopted the provision of the Financial Accounting Standards Board's statement of Financial Accounting Standards No. 124 Accounting for Certain Investments Held by Not-For-Profit Organizations.

In accordance with Government Auditing Standards, I have also issued a report dated June 3, 1997, on my consideration of the Louisiana Horsemen's Pension Trust's internal control structure and a report, dated June 3, 1997, on its compliance with laws and regulations.


Richard P. Reiser, Jr.
Certified Public Accountant

June 3, 1997

Richard P. Reiser

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE

I have audited the financial statements of the Louisiana Horsemen's Pension Trust as of and for the year ended December 31, 1996 and 1995, and have issued my report thereon dated June 3, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Investment Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

Compliance with laws, regulations, contracts, and grants applicable to the Louisiana Horsemen's Pension Trust is the responsibility of the Louisiana Horsemen's Pension Trust's management. As a part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I performed tests of the Louisiana Horsemen's Pension Trust's compliance with certain provisions of laws, regulations, contracts and grants. However, my objective was not to provide an opinion on overall compliance with such provisions. Accordingly, I do not express such an opinion.

The results of my tests disclosed no instances of non-compliance that are required to be reported under government auditing standards.

This report is intended for the information of the audit committee, management, and The State of Louisiana Legislative Auditor. This opinion is not intended to limit the distribution of this report, which is a matter of public record.


Richard P. Reiser, Jr.
Certified Public Accountant

June 3, 1997

Richard D. Reiser

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INDEPENDENT AUDITOR'S REPORT ON THE INTERNAL CONTROL STRUCTURE

I have audited the financial statements of the Louisiana Horsemen's Pension Trust, as of and for the year ended December 31, 1996 and 1995 and have issued my report thereon dated June 3, 1997.

I conducted my audit in accordance with generally accepted auditing standards and Government Auditing Standards, issued by the Comptroller General of the United States and the Louisiana Governmental Audit Guide. These standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

The management of the Louisiana Horsemen's Pension Trust is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control structure policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit the preparation of financial statements in accordance with generally accepted accounting principles. Because of inherent limitations in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

In planning and performing my audit of the financial statements of the Louisiana Horsemen's Pension Trust for the year ended December 31, 1996, I obtained an understanding of the internal control structure. With respect to the internal control structure, I obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and I assessed control risk in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide an opinion on the internal control structure. Accordingly, I do not express such an opinion.

I noted certain matters involving the internal control structure and its operation that I consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control structure that, in my judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data in a manner that is consistent with the assertions of management in the financial statements.

The reportable conditions noted is as follows:

Budgeting is not being done timely and no long range forecasting is being done.

A material weakness is a reportable condition in which the design or operation of the specified internal control structure element does not reduce to a relatively low level the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

My consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, I believe none of the reportable conditions described in the accompanying schedule of reportable conditions are material weaknesses.

In connection with the audit, I reviewed the prior year's reportable conditions on the internal control structure, including applicable internal administrative controls to determine whether management had implemented appropriate corrective action to correct the conditions giving rise to those findings. The results of my review indicate that management has not taken appropriate corrective action with respect to the prior year findings as described in the Schedule of Prior Reportable Conditions.

This report is intended for the information of the board of directors, management, the State of Louisiana Legislative Auditor. This restriction is not intended to limit the distribution of this report, which is a matter of public record.



Richard P. Nelson, Jr.
Certified Public Accountant

June 3, 1995

THE LOUISIANA HOUSING & PENSION TRUST
SCHEDULE OF PRIOR REPORTABLE CONDITIONS
For the Year Ended December 31, 1998

The prior audit report dated May 29, 1998 contained a reportable condition. The following is a status of that finding:

PREVIOUS YEAR REPORTABLE CONDITION - NO LONG RANGE FORECASTING

No long range forecasting by management was being done.

CURRENT STATUS

Management has not corrected this matter.

THE LOUISIANA BERKELEY'S PENSION TRUST

SCHEDULE OF REPORTABLE CONDITIONS

For the Year Ended December 31, 1990

Findings

No long range forecasting by management is being done and the current year budget was not prepared until late in the year.

Recommendation

Long range forecasting is important for deciding policies and being able to meet investor needs. Budgeting should be done in a timely manner in order to use it as a planning tool and analytical device.

THE LOUISIANA HORSEMEN'S PENSION TRUST

STATEMENTS OF FINANCIAL POSITION
December 31, 1999 and 1998

Assets	1999	1998
Current assets		
Cash and cash equivalents	\$ 1,007	\$ 106,734
Interest receivable	<u>17,200</u>	<u>0</u>
Total Current Assets	18,207	106,734
Non-current assets		
Investments	2,707,034	2,691,035
Land, buildings and equipment (net)	<u>437</u>	<u>0</u>
Total assets	\$ 2,725,641	\$ 2,807,769
Liabilities		
Current liabilities		
Accounts payable	\$ 36,488	\$ 0
Due to related parties	<u>1,438</u>	<u>22,697</u>
Total current liabilities	<u>17,926</u>	<u>22,697</u>
Net Assets		
Unrestricted	2,688,715	2,815,072
Temporarily restricted	0	0
Permanently restricted	<u>0</u>	<u>0</u>
Total net assets	<u>2,688,715</u>	<u>2,815,072</u>
Total liabilities and net assets	\$ 2,706,691	\$ 2,837,769

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

THE LOUISIANA HORSEMAN'S PENSION TRUST

STATEMENTS OF ACTIVITIES
 Years Ended December 31, 1999 and 1998

Unrestricted Net Assets	<u>1999</u>	<u>1998</u>
Revenues		
Contributions	\$ 10,848	+
Interest income	213	880
Dividend income	150,363	191,351
Loss on sale of investments	<u>(50,344)</u>	<u>0</u>
Total unrestricted revenue	<u>109,284</u>	<u>192,111</u>
Expenses		
Benefits paid to participants	210,316	121,388
Administrative expenses	<u>73,692</u>	<u>80,692</u>
	<u>284,008</u>	<u>202,080</u>
Decrease in unrestricted net assets before cumulative effect of change of accounting principal	174,210	(10,969)
Cumulative effect on prior year of a change in method of accounting for investments	<u>152,063</u>	<u>0</u>
Decrease in unrestricted net assets	(226,303)	(10,969)
Increase in temporarily restricted net assets	0	0
Increase in permanently restricted net assets	<u>0</u>	<u>0</u>
Decrease in net assets	(226,303)	(10,969)
Net assets at beginning of year	2,915,072	2,927,190
Decrease in allowance for unrealized loss on marketable equity securities	<u>0</u>	<u>32,248</u>
Net assets at end of year	<u>\$ 2,688,772</u>	<u>\$ 2,915,072</u>

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

THE LOUISIANA HORSEMAN'S FUNDING TRUST

STATEMENT OF CASH FLOWS

Years Ended December 31, 1999 and 1998

CASH FLOWS FROM OPERATING ACTIVITIES	<u>1999</u>	<u>1998</u>
Change in net assets	\$ (128,360)	\$ (18,364)
Adjustments to reconcile decrease in net assets to Net cash provided by operations		
Cumulative effect of change in account principles		
Retiree investments at fair value	93,093	0
Depreciation	108	0
Loss on sale of investments	80,344	0
Increase (decrease) in:		
Interest receivable	(17,333)	0
Accounts payable	38,458	(21,000)
Due to related party	(21,798)	23,898
NET CASH USED BY OPERATING ACTIVITIES	<u>113,000</u>	<u>(17,864)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of investments	(2,088,782)	(87,468)
Acquisitions of property and equipment	8471	0
Proceeds from sale of investments	2,101,372	128,572
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>13,034</u>	<u>101,102</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>0</u>	<u>0</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(104,967)</u>	<u>83,238</u>
CASH & CASH EQUIVALENTS AS OF BEGINNING OF YEAR	<u>108,734</u>	<u>23,790</u>
CASH & CASH EQUIVALENTS AS OF END OF YEAR	<u>\$ 3,767</u>	<u>\$ 108,734</u>

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

THE LOUISIANA HORSEMAN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS December 31, 1996

NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION AND OPERATIONS

The Louisiana Horseman's Pension Trust is a non-qualified retirement plan covering any owner/trainer or trainer who is a member and meets certain specification and age requirements. It is not a qualified pension plan and it is not for employees. This plan has not applied for a determination regarding its tax status under the current provisions of the Internal Revenue Code. Its source of revenue is dividend income derived from investments and member contributions.

BASE OF ACCOUNTING

The 1996 financial statements have been prepared utilizing the accrual basis of accounting. The 1995 financial statements were prepared on the cash basis of accounting and no adjustments have been made since they were not material to the financial statements taken as a whole.

INCOME TAXES

The Louisiana Horseman's Pension Trust files as a taxable trust.

FINANCIAL STATEMENT PRESENTATION

Under Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statement of Not-For-Profit Organizations*, the Organization is required to report information regarding its financial position and activities accounting to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Under these provisions, net assets, revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

UNRESTRICTED NET ASSETS - Net assets that are not subject to donor-imposed stipulations.

TEMPORARILY RESTRICTED NET ASSETS - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the organization and/or the passage of time.

PERMANENTLY RESTRICTED NET ASSETS - Net assets subject to donor-imposed stipulations that neither expire by the passage of time nor can be fulfilled or otherwise removed by actions of the organization.

THE LOUISIANA HORSEMAN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS December 31, 1996

USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from those estimates.

CONTRIBUTED SERVICES

During 1996, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded.

CASH AND CASH EQUIVALENTS

For purposes of the statements of cash flows, the organization consists of highly liquid investments with an initial maturity of three months or less to be cash equivalents.

NOTE 2 - PROPERTY AND EQUIPMENT

Property, plant and equipment are carried at a cost. Depreciation is computed using the straight-line or double-declining balance method over the estimated useful lives of the respective assets. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation are removed from the accounts and any resulting gain or loss is reflected in income for the period. The cost of maintenance and repairs is charged to expense as incurred; significant renewals and betterments are capitalized. The following is a summary of the major classes of property and equipment and the stated depreciation.

	<u>COST</u>	<u>ACCUMULATED DEPRECIATION</u>	<u>NET</u>
Computer & Printer	\$ 3,000	\$ 4,368	\$ _____

NOTE 3 - RELATED PARTY TRANSACTIONS

The Louisiana Horseman's Pension Trust shares certain overhead costs with the Louisiana Horsemen's Benevolent and Protective Association 1993, Inc. The Louisiana HBPA 1993, Inc. generally pays the overhead expenses and their is reimbursed. In 1996 the Louisiana Horseman's Pension Trust reimbursed the Louisiana HBPA 1993, Inc. \$31,401 for its share of overhead expenses, such as telephone, office supplies, occupancy expense, insurance, etc. At December 31, 1996 the Louisiana Horseman's Pension Trust still owed the Louisiana HBPA 1993, Inc. \$1,435. The pension trust also paid \$2,200 in rent to the Louisiana HBPA 1993, Inc. for common office space shared.

THE LOUISIANA HOMEREN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

December 31, 1988

NOTE 4 - INVESTMENTS

In prior years, the Organization recorded investments in securities at cost. Effective January 1, 1988, the Organization adopted SFAS No. 124, Accounting for Certain Investments Held by Not-For-Profit Organizations. Under SFAS No. 124, investments in marketable securities with readily determinable fair values and all investments in debt securities are valued at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. As permitted by SFAS No. 124, the Organization has applied the provisions of the new standard by reflecting the cumulative effect of the change, amounting to \$52,083, in the statement of activities. The adjustment represents unrealized losses on investments that had not previously been recognized in the financial statements.

NOTE 5 - INVESTMENTS

Investments are stated at fair value and consist of:

	Cost	Fair Value	Unrealized (Depreciation)
United States Treasury Notes	\$1,832,700	\$ 1,820,887	\$ (11,813)
Government Securities	825,354	888,032	62,678
	<u>\$2,658,054</u>	<u>\$ 2,708,919</u>	<u>\$ 67,065</u>

These funds represent bond designated amounts set aside in prior years for the purpose of providing an income stream for annual operations.

The following schedule summarizes the investment return and its classification in the statement of activities for the year ended December 31, 1988.

Interest Income	\$ 713
Dividend Income	188,787
Unrealized Gains	127,083
	<u>\$302,583</u>