

**Louisiana Thoroughbred Breeders Association  
Board of Directors Meeting  
June 10, 2017  
Evangeline Downs Racetrack & Casino  
Opelousas, Louisiana**

**Directors Present:**

Jay Adcock  
Brett Brinkman  
Charlotte Clavier  
Jake Delhomme  
Bobby Duhon  
Thomas B Early  
Warren Harang III  
Michelle LaVoice  
Val Murrell  
Michelle Rodriguez

**Directors Absent:**

Nathan Granger  
Neal McFadden  
Jim Montgomery

**Others Present:**

Terry Adcock  
Ross Brupbacher  
Julie Calzone  
Roger Heitzmann III  
Linda McLellan

Warren Harang called the meeting to order and asked Roger Heitzmann to call the roll. A quorum was present and the meeting was ready to proceed with business.

Jake Delhomme led us in prayer. Roger Heitzmann requested we keep member Judy Aguilar in mind as she recently passed away.

Charlotte Clavier made a motion to approve the minutes of the April 11, 2017 Board of Directors Meeting. Tom Early seconded the motion, which was voted on and passed unanimously.

Warren then called on Mr. Greg Romig to present the Audit Report.

Greg Romig of LaPorte, APAC, presented a draft of the audited financial statements for the Louisiana Thoroughbred Breeders Association (LTBA) for the year ended December 31, 2016. LaPorte audited the statement of assets, liabilities, and net assets – modified cash basis of the LTBA, a non-profit organization, as of December 31, 2016, and related statements of revenues and expenses – modified cash basis, and changes in net assets – modified cash basis, for the year then ended, and related notes to the financial statements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with modified-cash basis of accounting. The auditor's responsibility is to express an opinion on these financial statements based on their audit.

The audit was conducted 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, as issued by the Comptroller of the United States.

Mr. Romig stated, in LaPorte's opinion, except for the effects of accruing certain revenues as discussed, the financial statements present fairly, in all material respects, the assets, liabilities and net assets of Louisiana Thoroughbred Breeders Association as of December 31, 2016 and its related revenues and

expenses and changes in net assets for the year then ended, in accordance with the basis of accounting described in note one of the audit.

Greg pointed out on page 11, under SALAM Race Funds; it specifies that in the rules of racing states that the Executive Committee specifies certain qualifications for each SALAM race. He suggests we get with the racing commission and check into the rewording of this since it is something that isn't done and hasn't been done for many years.

Greg pointed out the separate line item of Calzone Expense. He questioned what the board considered this since it wasn't listed under advertising. After discussion it was determined to be advertising and that it was listed out per a board request so that it could be monitored separately.

Another question was he wanted to make sure the board was aware of the defined Contribution Pension Plan and what it meant to the company as well as to the employees.

Mr. Romig pointed out that they could not find a material weakness, however in reducing work force or cutting expenses the board has to take into consideration if we are compromising our separating of duties so that if someone would do something because of possible sole control something could go array and it became harder to determine. He points to the finance committee and to the board to be reminded to keep an eye on the process used by the association. Exposure to risk is higher with employees assuming multiple jobs do to operational cuts.

Michelle Rodriguez questioned as to if there will be new regulations moving forward. It is possible they may focus on travel and meals but as of now we are under compliance.

Roger asked Mr. Romig if verbiage should be added to the section on Slot Funds of the monies we spend on Accredited Louisiana Breds in restricted Louisiana Bred Races. We spend approximately 3 million a year and it's not mentioned. He agreed that it should be mentioned and that they would insert verbiage to cover that.

Warren noted to Mr. Romig that as of this audit we haven't seen a full year of 18% breeders awards. Warren asked what he sees moving forward. Greg responded that the crystal ball is on the revenue side.

Michele Rodriguez noted that Louisiana Downs is looking better at this time. Roger responded that he did but that Evangeline Downs was not looking as well as it has in the past. Michele then asked Roger if he felt we need to take action not on anything. Roger responded that he wishes that the board would do more as he would like to see the association moving in front of the problem and not chasing it. He stated that at some point we have to take in more monies than we spend if we are ever going to get back to the safe amount of five million in reserve that we discussed with Mr. Romig a few years ago.

Michele LaVoice questioned Mr. Romig as to whether or not our non-profit status would be jeopardized by not showing a profit for so many years. He answered no, but stabilization was a key factor.

Charlotte Clavier asked Roger where he would like to cut. Roger told the board he would like to see \$150,000 cut from stallion awards to try to move in front of the losses. Discussion continued but no action was taken. Val Murrell felt that that we made a large step and commended Roger on a job well done.

Before Mr. Romig left discussion began on the slots at Evangeline Downs.

Charlotte made the motion to accept the draft of the Annual Audit as presented, with the change of verbiage describing the slot fund. Michelle LaVoice seconded the motion, which was voted on and passed unanimously. Mr. Romig left the meeting.

This report will be submitted to the Louisiana Legislative Auditor no later than June 30, 2017, as required by law.

Roger addressed the Board asking if they had any amendments to their Conflict of Interest Policy. Roger then read into the minutes the conflicts listed on Nathan Granger's form. Due to illness in the family Nathan was absent for the meetings in which this was done, so this was needed to be stated for the record. Nathan listed that he had partnerships with Jake Delhomme with mares. Jake proceeded to text Nathan, as he was not present, and then noted that he was also a partner in Stallions with Red River Farms, Jay Adcock. Hearing no additional changes Warren moved on with the agenda.

### **Committee Reports:**

#### **By-Law: Val Murrell – Chairman**

Tom explained to the board why the wording in the Finance section of the by-laws state that our fiscal year is July 1 thru June 30 of each year. It was changed to a calendar year many years ago and the by-laws do not reflect the change. The board agreed that the by-laws reflect our practice and noted that it will be changed at the next meeting.

#### **Finance & Audit: Tom Early – Chairman**

Everyone acknowledged that they had a copy of the financials of January 1, 2017 through March 31, 2017. Discussion took place about mare population and foals born. Warren asked for a vote to approve Tom's report. Charlotte made a motion to approve Tom's report. This motion was seconded by Val Murrell, which was voted on and passed unanimously.

#### **Government Affairs: Jake Delhomme – Chairman**

Jake reported on our Acadiana Caucus luncheon and his meeting with the Governor with Nathan Granger. We also discussed the education of freshmen representatives, and senators, who are unaware of that the monies we receive were concessions made by the state to bring in other forms of gaming without having an effect on the state of racing and/or breeding in Louisiana.

#### **Grievance: Michele LaVoice – Chairperson**

No report at this meeting.

#### **Inspection: Brett Brinkman – Chairman**

Brett notified the committee that they will be meeting on a situation that the office discovered and the member wishes that the committee look at it. Roger read a statement from Mike Whitler concerning horse abuse allegations in Vernon Parish.

#### **LTBA/HBPA Liaison Committee: Val Murrell – Chairman**

Val reported to the board that he and Brett Brinkman attended a meeting of representatives of the Louisiana State Racing Commission, the Horsemen's Benevolent Protective Association, the LTBA and other interested parties that included owners, trainers and breeders. He informed the board of a lengthy discussion that centered on management and an array of issues with daily operations and more. Among these, the track surface, the lack of a turf course, the backside, security, the accommodations for patrons from the clubhouse, grand stand, and foodservice.

Val noted that he was impressed with the HBPA's leadership in addressing so much along with the willingness of being involved shown by the Racing Commission. Mr. Bob Wright and former Senator

Donald Cravins of the Racing Commission were deeply concerned. Val said that he is convinced things will get done that will benefit the whole industry.

**LTBA/LSRC: Jake Delhomme – Chairman**

No report at this meeting other than what Val and Brett presented.

**Membership & Nominating Committee: Charlotte Clavier – Chairman**

Charlotte reported to the board that the ballots have been mailed and they will be counted on June 30<sup>th</sup>. There are 5 people nominated for the election. She informed the board that the by-laws state that you will have two more candidates for the election than seats currently available. She and the committee were unable to find another person to fill the requirement so the election proceeded with 5 persons running for the four seats.

**PAC Committee: Michele Rodriguez – Chairman**

No report for this meeting.

**Salary & Benefits: Tom Early – Chairman**

No report for this meeting.

**New Business:**

Tom Early presented the Board with a sponsorship packet for the National Association of State Departments of Agriculture. After discussion Charlotte Clavier made a motion the Louisiana Thoroughbred Breeders Association help sponsor of the event at the \$5000.00 level. Brett Brinkman seconded this motion which was voted on and passed unanimously.

Conversation continued on the problems horsemen and patrons are facing at Evangeline Downs.

Julie presented what went on at the Louisiana Horse Tourism Initiative presented by Lt Governor Billy Nungesser. It was attended by Val, Warren and Roger. Roger was a featured speaker explaining to attendees to industry we work and what it provides to the state.

Date, Time and Place of next Board of Directors Meeting.

August 5, 2017 in the Bossier City area at 12:00 pm.

Charlotte made a motion to adjourn. This motion was seconded by Bobby Duhon, which was voted on and passed unanimously.

Respectfully Submitted,

Roger A. Heitzmann III