

**Louisiana Thoroughbred Breeders Association
Board of Directors Meeting
June 11, 2018
Landry's Seafood
Breux Bridge, Louisiana**

Directors Present:

Jay Adcock
Brett Brinkman
Charlotte Clavier
Tom Early
Daniel Guidry
Warren Harang III
Michelle LaVoice
Val Murrell
Michele Rodriguez

Directors Absent:

Jake Delhomme
Nathan Granger
Neal McFadden
Jim Montgomery

Others Present:

Julie Calzone
Roger Heitzmann III
Linda McLellan
Ryan Robicheaux
Perry Segura
Mike Whittler
Zeke Zeringue

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.

Charlotte Clavier led us in prayer.

Brett Brinkman made a motion to approve the minutes of the April 10, 2018 Board of Directors Meeting. Tom Early seconded the motion, which was voted on and passed unanimously.

Warren Harang III then requested from the Board any conflict changes that needed to be noted. Hearing none the meeting continued.

Warren then called on Mr. Greg Romig, of the Accounting Firm LaPorte, to present the Audit Report as will be reported to the Legislative Auditor.

Before Mr. Romig began Roger Heitzmann introduced to the Board Perry Segura and Zeke Zeringue who are currently running for the Board of Directors, and were on hand to get a head start on the well being of the organization if they are elected.

Greg Romig of LaPorte, APAC, presented a draft of the 990, the informational return LTBA is required to file annually with the IRS. Greg Romig completed his presentation and opened the floor for questions. After brief discussion, the 990 draft was unanimously accepted as presented.

Greg then presented a draft of the audited financial statements for the Louisiana Thoroughbred Breeders Association (LTBA) for the year ended December 31, 2017. LaPorte audited the statement of assets, liabilities, and net assets – modified cash basis of the LTBA, a non-profit organization, as of December 31, 2017, 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, 2017 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 (modified cash basis).

Mr. Romig pointed out that they did not find material weakness; however with the recent work force reductions mandated by the Board of Directors to reduce expenses, the board must monitor activities of the Association closely to ensure the audit requirement of separation of duties is not compromised in the future. 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 due to operational cuts.

Mr. Romig called the Directors attention to the functional classification of expenses. Financial accounting standards require disclosure of expenses between the functional classification of program and support. For the year ended December 31, 2017, 91% of the Association’s expenditures were for program services (all award and purse supplementation programs). Approximately 9% of all expenses were for supporting activities.

He then opened the floor for questions.

Michele Rodriguez questioned why slots were down so much. Was it just Delta Downs? Roger Heitzmann answered that it was an accumulation of all the tracks being down overall.

Charlotte Clavier made the motion to accept the draft of the Annual Audit as presented. Michelle LaVoice seconded the motion, which was voted on and passed unanimously.

This report will be submitted to the Louisiana Legislative Auditor no later than June 30, 2018, as required by law.

Mr. Romig then proceeded to address the Board and inform them about the Louisiana Legislative Auditor’s state wide agreed upon procedures (implemented 4/01/2017). These procedures are expected to be followed by local governments and quasi-public organizations, including nonprofits that meet the legal requirement to have an audit under the Audit Law. The management of Louisiana Thoroughbred Breeders Association fully cooperated with the mandatory testing of these agreed upon procedures.

Tom Early made the motion to accept the audit as presented. This motion was seconded by Charlotte Clavier, which was voted on and passed unanimously.

Ryan Robicheaux was introduced by Warren as the President of the Louisiana Quarter Horse Breeders Association. Ryan expressed his interest in working with us and was well received.

Committee Reports:

By-Law: Val Murrell – Chairman

Val expressed to the board the need to have the by-laws modified and simplified. He pointed out that members as well as board members have trouble with the understanding. He noted that more persons other than Roger should be able to answer questions or instruct members of our rules and regulations.

Finance & Audit: Tom Early – Chairman

Everyone acknowledged that they had a copy of the financials of January 1, 2018 through March 31, 2018. Discussion took place about mare population and foals born. Warren asked for a vote to approve Tom's report as well as the financials. Charlotte made a motion to approve. This motion was seconded by Michelle LaVoice, which was voted on and passed unanimously.

It was decided to wait until the August meeting to address budget adjustments.

Government Affairs: Jake Delhomme – Chairman

Our lobbyist Harry Benoit was present and provided a report on the last legislative session. Brett Brinkman presented to the board some of the facts on sports betting. Conversation was held on where we would like to stand on the subject. No decision was made.

Grievance: Michele LaVoice – Chairperson

Michelle had no report at this meeting.

Inspection: Brett Brinkman – Chairman

Brett had no report for this meeting

LTBA/HBPA Liaison Committee: Val Murrell – Chairman

Val complimented the Horsemen's Benevolent and Protection Association on getting the law passed on allowing monies to be passed from one track to another. Discussion took place on how the change may affect racing in Louisiana.

LTBA/LSRC: Jake Delhomme – Chairman

Tom Early reported for Jake that the Racing Commission wants to work with us when needed. Brett asked the members of the board to contact the Commission about security at Evangeline Downs.

Membership & Nominating Committee: Charlotte Clavier – Chairperson

Charlotte informed the board that ballots have been mailed and will be counted on June 30th. Roger informed the board on how notification will take place.

PAC Committee: Michele Rodriguez – Chairperson

No report for this meeting.

Salary & Benefits: Tom Early – Chairman

No report for this meeting.

New Business:

None reported.

Old Business:

None reported.

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

August 4th in the Bossier City location in conjunction with Louisiana Cup Day

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

Respectfully Submitted,

Roger A. Heitzmann III