
LOUISIANA HORSEMEN'S PENSION TRUST

FINANCIAL STATEMENTS

DECEMBER 31, 2025

RICHARD  CPAS

LOUISIANA HORSEMEN'S PENSION TRUST

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INDEPENDENT AUDITOR'S REPORT

The Trustees
Louisiana Horsemen's Pension Trust

Report on Audit of the Financial Statements

Opinion

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, 2025 and 2024, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial status of the Trust as of December 31, 2025 and 2024, 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.

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 Louisiana Horsemen's Pension Trust 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 the financial statements in accordance with accounting principles generally accepted in the United States of America, and 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 Louisiana Horsemen's Pension Trust'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 judgment 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 Louisiana Horsemen's Pension Trust'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 Louisiana Horsemen's Pension Trust'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 Schedule of Assets (Held at Year End) on pages 16 through 18 and the Schedule of Compensation, Benefits, and Other Payments to Agency Head on page 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The 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 June 24, 2026, 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 effectiveness of the Trust'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 Trust's internal control over financial reporting and compliance.

Richard CPAS

Metairie, Louisiana
June 24, 2026

LOUISIANA HORSEMAN'S PENSION TRUST
STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2025 AND 2024

	<u>ASSETS</u>	
	2025	2024
<u>ASSETS</u>		
Cash and cash equivalents	\$ 590,362	\$ 543,440
Investments		
Certificates of deposit, at fair value	1,361,169	1,432,578
Government securities, at fair value	406,198	394,993
Common stocks, at fair value	2,305,164	1,901,983
Total investments	<u>4,072,531</u>	<u>3,729,554</u>
Accrued interest	6,955	6,604
1% Purse receivable	89,537	119,121
Prepaid income tax	45,226	-
Other assets	-	7,870
	<u>141,718</u>	<u>133,595</u>
Total assets	<u>\$ 4,804,611</u>	<u>\$ 4,406,589</u>
 <u>LIABILITIES AND NET ASSETS</u>		
<u>LIABILITIES</u>		
Accounts payable	\$ 7,706	\$ 15,421
Income tax payable	-	117,096
Deferred tax liability	241,000	167,000
Total liabilities	<u>248,706</u>	<u>299,517</u>
Net assets available for benefits	<u>\$ 4,555,905</u>	<u>\$ 4,107,072</u>

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

LOUISIANA HORSEMAN'S PENSION TRUST
STATEMENTS OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Additions to net assets attributed to:		
Investment return		
Interest and dividends	\$ 83,569	\$ 69,180
Net realized and unrealized gain (loss)	441,678	466,204
Total investment return, net	<u>525,247</u>	<u>535,384</u>
Contributions		
1% Purse	842,342	977,067
Horsemen's Bookkeeper - pony lead fees	2,859	2,903
Total contributions	<u>845,201</u>	<u>979,970</u>
Total additions	<u>1,370,448</u>	<u>1,515,354</u>
Reductions to net assets attributed to:		
Payments to participants	567,060	551,810
Death benefit expenses	15,207	25,488
Income tax expense	150,312	236,096
Administrative expenses	189,036	148,310
Total reductions	<u>921,615</u>	<u>961,704</u>
Change in net assets available for benefits	448,833	553,650
Net assets available for benefits, beginning of year	<u>4,107,072</u>	<u>3,553,422</u>
Net assets available for benefits, end of year	<u><u>\$ 4,555,905</u></u>	<u><u>\$ 4,107,072</u></u>

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

LOUISIANA HORSEMAN'S PENSION TRUST
STATEMENTS OF ACCUMULATED PLAN BENEFITS
DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Present value of accumulated benefits		
Vested benefits:		
Participants currently receiving payment	\$ 3,258,321	\$ 3,555,594
Other participants	<u>1,220,458</u>	<u>1,404,684</u>
	<u>\$ 4,478,779</u>	<u>\$ 4,960,278</u>

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

LOUISIANA HORSEMAN'S PENSION TRUST
STATEMENTS OF CHANGES IN ACCUMULATED PLAN BENEFITS
FOR THE YEARS ENDED DECEMBER 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
Present value of		
accumulated benefits at beginning of year	\$ 4,960,278	\$ 4,999,824
Increase (decrease) during the year attributable to:		
Benefits accumulated	97,997	661,619
Benefits paid	(582,267)	(577,298)
Interest rate change	2,771	(123,867)
	<u>(481,499)</u>	<u>(39,546)</u>
Present value of		
accumulated benefits at end of year	<u>\$ 4,478,779</u>	<u>\$ 4,960,278</u>

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

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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 1993 Inc. (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. The H.B.P.A. Louisiana Division Senior Member Retirement Plan has no death benefit provisions. 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.

Retirement benefits begin in the month following retirement or at age 65 or age 70, upon request of the participant. 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 participant reaches age 80.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

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 the date of acquisition.

Allowance for Credit Losses

An allowance for credit losses is an estimate based upon historical account write-off trends, facts about the current financial condition of the debtor, forecasts of future operating results based upon current trends and macroeconomic factors. Credit quality is monitored through the timing of payments compared to payment terms and known facts regarding the financial condition of debtors. Accounts receivable balances are charged off against the allowance for credit losses after recovery efforts have ceased. At December 31, 2025 and 2024, the allowance for credit losses amounts were zero.

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 and government securities are reported at 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.

1% Purse

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 1993 Inc. 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.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. Significant Accounting Policies (continued)

Benefit Payments

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

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 the 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, 2025 and 2024, were as follows: the present value was calculated based on an interest rate of 4.55% and 4.53% (the adjusted Federal long-term rate at December 31, 2025 and 2024, respectively), and the anticipated life expectancy of age 80 for the participants credited with 10 years of service at December 31, 2025 and 2024. 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 213 and 226 vested participants eligible for or already receiving retirement benefits in the Louisiana Horsemen's Pension Plan as of December 31, 2025 and 2024, respectively, with the exception of those in the discretionary Senior Pension Plan receiving benefits.

Historic Horse Racing

Effective January 1, 2024, the Trust receives a portion of its income from historic horse racing (HHR) machines operated under agreements with licensed gaming facilities. These revenues represent the Trust's share of net proceeds generated from HHR wagering activities. Income is recognized when earned and collection is reasonably assured, in accordance with the terms of the revenue-sharing agreements.

Management monitors these agreements and related revenues regularly to ensure accuracy and compliance with applicable regulations. Historic horse racing revenue is considered unrestricted and is used to support the Trust's general operations and program activities. For the years ended December 31, 2025 and 2024, the Trust reported HHR revenues of \$27,218 and \$150,431, respectively. The Historic Horse Race Fund was legislatively discontinued in May 2025.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

2. Significant Accounting Policies (continued)

Reclassification

Certain reclassifications have been made to the prior year financial statements in order for them to be in conformity with the current year presentation.

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.

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 basis of investments 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.

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, and those differences may be material.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

3. Investments

The Trust has the following investments at December 31:

	2025	2024
Certificates of deposit	\$ 1,361,169	\$ 1,432,578
Government securities	406,198	394,993
Common stocks	2,305,164	1,901,983
	<u>\$ 4,072,531</u>	<u>\$ 3,729,554</u>

4. Income Taxes

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

	2025	2024
Current	\$ 76,312	\$ 152,096
Deferred	74,000	84,000
	<u>\$ 150,312</u>	<u>\$ 236,096</u>

At December 31, 2025 and 2024, included in total liabilities is a deferred tax liability of \$241,000 and \$167,000 respectively, relating to the book-tax difference in recognition of unrealized investment gains and losses. At December 31, 2025, included on the statements of net assets available for benefits are prepaid income tax assets of \$45,226. At December 31, 2024, included on the statements of net assets available for benefits are income tax payable of \$117,096. During the years ended December 31, 2025 and 2024, the Trust paid income taxes of \$239,525 and \$76,871, respectively.

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.

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:

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

5. Fair Value Measurements (continued)

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the 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, 2025 and 2024.

Certificates of deposit and government securities: Valued by the custodians of the securities using pricing models based on credit quality, time of maturity, stated interest rates, and market-rate assumptions, and are classified within Level 2. The Trust has no Level 3 investments.

Common stocks: Valued at the closing price reported on the active market on which the individual securities are traded, and are classified within Level 1.

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, 2025

5. Fair Value Measurements (continued)

The valuation of the Trust's investments measured at fair value on a recurring basis at December 31, 2025 and 2024, are as follows:

<u>December 31, 2025</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	\$ -	\$ 1,361,169	\$ -	\$ 1,361,169
Government securities	-	406,198	-	406,198
Common stocks	2,305,164	-	-	2,305,164
Total	<u>\$ 2,305,164</u>	<u>\$ 1,767,367</u>	<u>\$ -</u>	<u>\$ 4,072,531</u>
<u>December 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Certificate of deposit	\$ -	\$ 1,432,578	\$ -	\$ 1,432,578
Government securities	-	394,993	-	394,993
Common stocks	1,901,983	-	-	1,901,983
Total	<u>\$ 1,901,983</u>	<u>\$ 1,827,571</u>	<u>\$ -</u>	<u>\$ 3,729,554</u>

6. Related Party Transactions

During the years ended December 31, 2025 and 2024, included in administrative expenses is \$109,900 and \$69,500, 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 statements of net assets available for benefits.

LOUISIANA HORSEMEN'S PENSION TRUST

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2025

9. Concentration

Contributions received from purse and purse supplements as reported on the Statements of Changes in Net Assets Available for Benefits represent 61.26% and 64.48% of total additions to plan assets during the years ended December 31, 2025 and 2024, respectively.

The Trust periodically maintains cash in bank accounts in excess of insured limits. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2025 and 2024, the Trust held cash amounts of \$167,042 and \$47,569 in excess of FDIC insured limits, respectively. The Trust has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

10. Subsequent Events

Management has evaluated subsequent events through the date that the financial statements were available to be issued June 24, 2026, and determined that the below require additional disclosure. No subsequent events occurring after this date have been evaluated for inclusion in these financial statements.

Effective January 1, 2026, the Board of Directors of Louisiana Horsemen's Benevolent and Protective Association 1993 Inc. approved the reduction of the allocation of purse and purse supplements to the Pension Trust from 1.00% to 0.75% for the year ended December 31, 2026.

SUPPLEMENTARY INFORMATION

LOUISIANA HORSEMAN'S PENSION TRUST
SCHEDULE H PART IV, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2025

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>Cash and cash equivalents</u>		<u>\$ 590,362</u>	<u>\$ 590,362</u>
	<u>Investments</u>			
	<u>Certificates of deposit</u>			
	Goldman Sachs Bank	Maturity date of October 6, 2026 1.000%, 200,000 Face Amount	200,000	196,132
	UBS Bank	Maturity date of October 6, 2026 1.000%, 200,000 Face Amount	200,000	196,112
	Synchrony Bank	Maturity date of November 30, 2026 1.200%, 100,000 Face Amount	100,000	97,871
	Valley National Bank	Maturity date of December 9, 2027 4.050%, 100,000 Face Amount	100,000	100,640
	UBS Bank	Maturity date of December 21, 2027 4.050%, 125,000 Face Amount	125,000	125,826
	Wells Fargo Bank	Maturity date of December 27, 2027 4.150%, 145,000 Face Amount	145,000	146,238
	State Bank of India	Maturity date of June 16, 2028 4.300%, 150,000 Face Amount	150,000	151,934
	BMW Bank	Maturity date of September 20, 2028 3.800%, 245,000 Face Amount	245,000	245,228
	Morgan Stanley Bank	Maturity date of May 14, 2030 4.150%, 100,000 Face Amount	100,000	101,188
	<u>Total certificates of deposit</u>		<u>1,365,000</u>	<u>1,361,169</u>
	<u>Government Securities</u>			
	U.S. Treasury Note	Maturity date of November 30, 2028 4.375%, 100,000 Face Amount	100,958	102,270
	U.S. Treasury Note	Maturity date of October 31, 2029 4.000%, 150,000 Face Amount	149,840	151,964
	U.S. Treasury Note	Maturity date of October 31, 2029 4.000%, 150,000 Face Amount	149,840	151,964
			<u>400,639</u>	<u>406,198</u>

LOUISIANA HORSEMAN'S PENSION TRUST
SCHEDULE H PART IV, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2025

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>				
	Abbvie Inc	191 shares	\$ 36,679	\$ 43,642
	AGNICO Eagles Mines Ltd	92 shares	5,704	15,597
	Alphabet Inc	431 shares	36,071	134,903
	Amazon com Inc	286 shares	28,293	66,014
	Amphenol Corp CL A New	363 shares	17,375	49,056
	Apple Inc	648 shares	30,034	176,165
	Bank New York Mellon	330 shares	29,069	38,310
	Blackrock Inc	48 shares	37,085	51,376
	Boston Scientific Corp	337 shares	15,856	32,133
	BROADCOM Inc	196 shares	14,441	67,836
	CENCORA Inc	77 shares	18,160	26,007
	CONOCOPHILLIPS	209 shares	15,626	19,564
	COSTCO Wholesale	46 shares	14,690	39,668
	DELL Technologies Inc	285 shares	43,433	35,876
	DICKS Sporting Goods Inc	99 shares	22,331	19,599
	ELI LILLY & CO	63 shares	36,930	67,705
	ENTERGY Corp	309 shares	19,972	28,561
	EXXON Mobil Corp	515 shares	58,853	61,975
	Ferrari NV	67 shares	21,232	24,760
	Goldman Sachs Group Inc	57 shares	40,852	50,103
	Hilton Worldwide	81 shares	6,503	23,267
	Home Depot Inc	99 shares	28,969	34,066
	Howmet Aerospace Inc	182 shares	10,166	37,314
	Johnson Controls Inter	290 shares	22,056	34,727
	JPMorgan Chase & Co	260 shares	18,404	83,777
	Live Nation ENT Inc	136 shares	19,402	19,380
	Kinder Morgan Inc	9 shares	247	247
	Martin Marietta Matls	54 shares	31,903	33,624
	Meta Platforms Inc	75 shares	52,945	49,507
	Microsoft Corp	342 shares	83,124	165,398
	Netflix Com Inc	430 shares	17,585	40,317
	Nvidia	848 shares	24,775	158,152
	Palo Alto Networks Inc	212 shares	27,400	39,050
	Parker Hannifin Corp	77 shares	21,400	67,680
	Procter & Gamble Co	218 shares	35,471	31,242
	Progressive Crp Ohio	115 shares	12,726	26,188
	Ross Stores Inc Com	257 shares	34,111	46,296
	S&P Global Inc	70 shares	29,209	36,581

LOUISIANA HORSEMAN'S PENSION TRUST
SCHEDULE H PART IV, LINE 4(i) - SCHEDULE OF ASSETS (HELD AT YEAR END)
DECEMBER 31, 2025

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 (continued)</u>				
	Tesla Inc	83 shares	18,598	37,327
	Thermo Fisher Scientific	62 shares	31,159	35,926
	Union Pacific Corp	117 shares	22,299	27,064
	Verizon Communications COM	772 shares	33,523	31,443
	VISA Inc Class A Shares	174 shares	38,658	61,023
	Walmart Inc	542 shares	24,804	60,384
	Welltower Inc	208 shares	17,119	38,607
	West Digital Corp Del	219 shares	7,578	37,727
	<u>Total common stocks</u>		<u>1,212,820</u>	<u>2,305,164</u>
	Total investments		<u><u>\$ 2,978,459</u></u>	<u><u>\$ 4,072,531</u></u>
	Total assets held at year end		<u><u>\$ 3,568,821</u></u>	<u><u>\$ 4,662,893</u></u>

See independent auditor's report

LOUISIANA HORSEMAN'S PENSION TRUST
SCHEDULE OF COMPENSATION, BENEFITS, AND
OTHER PAYMENTS TO AGENCY HEAD
FOR THE YEAR ENDED DECEMBER 31, 2025

Agency Head Name: Edwin Fenasci, Executive Director

<u>Purpose</u>	<u>Amount</u>
Salary	\$ 162,195
Benefits - insurance	9,355
Meals and parking	2,029
Registration fees	425
Conference travel	2,704
	<u>\$ 176,708</u>

The governing body of the Louisiana Horsemen's Pension Trust 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 Pension Trust. The Louisiana Horsemen's Pension Trust 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 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 statement of net assets available for benefits and accumulated plan benefits as of December 31, 2025, and the related statement of changes in net assets available for benefits and changes in accumulated plan benefits for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated June 24, 2026.

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 24, 2026

LOUISIANA HORSEMEN'S PENSION TRUST
LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT
DECEMBER 31, 2025



LOUISIANA HORSEMEN'S PENSION TRUST

LOUISIANA LEGISLATIVE AUDITOR – STATEWIDE
AGREED-UPON PROCEDURES REPORT

DECEMBER 31, 2025

LOUISIANA HORSEMEN'S PENSION TRUST

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INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES

To the Trustees of Louisiana Horsemen's Pension Trust and the Louisiana Legislative Auditor:

We have performed the procedures enumerated below on the control and compliance (C/C) areas identified in the Louisiana Legislative Auditor's (LLA's) Statewide Agreed-Upon Procedures (SAUPs) for the fiscal period January 1, 2025 through December 31, 2025. Louisiana Horsemen's Pension Trust's management is responsible for those C/C areas identified in the SAUPs.

Louisiana Horsemen's Pension Trust has agreed to and acknowledged that the procedures performed are appropriate to meet the intended purpose of the engagement, which is to perform specified procedures on the C/C areas identified in LLA's SAUPs for the fiscal period January 1, 2025 through December 31, 2025. Additionally, LLA has agreed to and acknowledged that the procedures performed are appropriate for its purposes. This report may not be suitable for any other purpose. The procedures performed may not address all the items of interest to a user of this report and may not meet the needs of all users of this report and, as such, users are responsible for determining whether the procedures performed are appropriate for their purposes.

The procedures we performed, and the associated findings are summarized in the attached Schedule A, which is an integral part of this report.

We were engaged by Louisiana Horsemen's Pension Trust to perform this agreed-upon procedures engagement and conducted our engagement in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. We were not engaged to and did not conduct an examination or review engagement, the objective of which would be the expression of an opinion or conclusion, respectively, on those C/C areas identified in the SAUPs. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

We are required to be independent of Louisiana Horsemen's Pension Trust and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements related to our agreed-upon procedures engagement.

This report is intended solely to describe the scope of testing performed on those C/C areas identified in the SAUPs, and the result of that testing, and not to provide an opinion on control or compliance. Accordingly, this report is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this report is distributed by the LLA as a public document.

Richard CPAS

Metairie, Louisiana
June 24, 2026

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

PROCEDURES (SCHEDULE A)

The procedures performed and the results thereof are set forth below. The procedure is stated first, followed by the results of the procedure presented in italics. If the item being subjected to the procedures is positively identified or present, then the results will read "*no exceptions were found as a result of this procedure*" or for step 13 "*we performed the procedure and discussed the results with management*". If not, then a description of the exception ensues.

1) Written Policies and Procedures

A. Obtain and inspect the entity's written policies and procedures and observe whether they address each of the following categories and subcategories if applicable to public funds and the entity's operations:

- i. ***Budgeting***, including preparing, adopting, monitoring, and amending the budget.

Not applicable - The Trust is not required to prepare a budget.

- ii. ***Purchasing***, including (1) how purchases are initiated, (2) how vendors are added to the vendor list, (3) the preparation and approval process of purchase requisitions and purchase orders, (4) controls to ensure compliance with the Public Bid Law, and (5) documentation required to be maintained for all bids and price quotes.

No exceptions were found as a result of this procedure.

- iii. ***Disbursements***, including processing, reviewing, and approving.

No exceptions were found as a result of this procedure.

- iv. ***Receipts/Collections***, including receiving, recording, and preparing deposits. Also, policies and procedures should include management's actions to determine the completeness of all collections for each type of revenue or agency fund additions (e.g., periodic confirmation with outside parties, reconciliation to utility billing after cutoff procedures, reconciliation of traffic ticket number sequences, agency fund forfeiture monies confirmation).

No exceptions were found as a result of this procedure.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- v. ***Payroll/Personnel***, including (1) payroll processing, (2) reviewing and approving time and attendance records, including leave and overtime worked, and (3) approval process for employee rates of pay or approval and maintenance of pay rate schedules.

Not applicable – The Trust does not have any employees.

- vi. ***Contracting***, including (1) types of services requiring written contracts, (2) standard terms and conditions, (3) legal review, (4) approval process, and (5) monitoring process.

No exceptions were found as a result of this procedure.

- vii. ***Travel and Expense Reimbursement***, including (1) allowable expenses, (2) dollar thresholds by category of expense, (3) documentation requirements, and (4) required approvers.

No exceptions were found as a result of this procedure.

- viii. ***Credit Cards (and debit cards, fuel cards, purchase cards, if applicable)***, including (1) how cards are to be controlled, (2) allowable business uses, (3) documentation requirements, (4) required approvers of statements, and (5) monitoring card usage (e.g., determining the reasonableness of fuel card purchases).

No exceptions were found as a result of this procedure.

- ix. ***Ethics***, including (1) the prohibitions as defined in Louisiana Revised Statute (R.S.) 42:1111-1121, (2) actions to be taken if an ethics violation takes place, (3) system to monitor possible ethics violations, and (4) a requirement that documentation is maintained to demonstrate that all employees and officials were notified of any changes to the entity's ethics policy.

Not applicable – The Trust is not subject to this requirement.

- x. ***Debt Service***, including (1) debt issuance approval, (2) continuing disclosure/EMMA reporting requirements, (3) debt reserve requirements, and (4) debt service requirements.

Not applicable – The Trust does not have debt.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- xi. ***Information Technology Disaster Recovery/Business Continuity***, including (1) identification of critical data and frequency of data backups, (2) storage of backups in a separate physical location isolated from the network, (3) periodic testing/verification that backups can be restored, (4) use of antivirus software on all systems, (5) timely application of all available system and software patches/updates, and (6) identification of personnel, processes, and tools needed to recover operations after a critical event.

No exceptions were found as a result of this procedure.

- xii. ***Prevention of Sexual Harassment***, including R.S. 42:342-344 requirements for (1) agency responsibilities and prohibitions, (2) annual employee training, and (3) annual reporting.

Not applicable – The Trust is not subject to this requirement.

2) Board or Finance Committee

- A. Obtain and inspect the board/finance committee minutes for the fiscal period, as well as the board's enabling legislation, charter, bylaws, or equivalent document in effect during the fiscal period, and
- i. Observe that the board/finance committee met with a quorum at least monthly, or on a frequency in accordance with the board's enabling legislation, charter, bylaws, or other equivalent document.

No exceptions were found as a result of this procedure.

- ii. For those entities reporting on the governmental accounting model, review the minutes from all regularly scheduled board/finance committee meetings held during the fiscal year observe whether the minutes from at least one meeting each month referenced or included monthly budget-to-actual comparisons on the general fund, quarterly budget-to-actual comparisons, at a minimum, on all proprietary funds, and semi-annual budget-to-actual comparisons, at a minimum, on all special revenue funds. *Alternately, for those entities reporting on the not-for-profit accounting model, observe that the minutes referenced or included financial activity relating to public funds if those public funds comprised more than 10% of the entity's collections during the fiscal period.*

Not applicable – This procedure does not apply to the Trust.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- iii. For governmental entities, obtain the prior year audit report and observe the unassigned fund balance in the general fund. If the general fund had a negative ending unassigned fund balance in the prior year audit report, observe that the minutes for at least one meeting during the fiscal period referenced or included a formal plan to eliminate the negative unassigned fund balance in the general fund.

Not applicable – This procedure does not apply to the Trust.

- iv. Observe whether the board/finance committee received written updates of the progress of resolving audit finding(s), according to management's corrective action plan at each meeting until the findings are considered fully resolved.

Not applicable – This procedure does not apply to the Trust.

3) Bank Reconciliations

- A. Obtain a listing of entity bank accounts for the fiscal period from management and management's representation that the listing is complete. Ask management to identify the entity's main operating account. Select the entity's main operating account and randomly select 4 additional accounts (or all accounts if less than 5). Randomly select one month from the fiscal period, obtain and inspect the corresponding bank statement and reconciliation for each selected account, and observe that:
 - i. Bank reconciliations include evidence that they were prepared within 2 months of the related statement closing date (e.g., initialed and dated or electronically logged);

No exceptions were found as a result of this procedure.

- ii. Bank reconciliations include written evidence that a member of management or a board member who does not handle cash, post ledgers, or issue checks has reviewed each bank reconciliation within 1 month of the date the reconciliation was prepared (e.g., initialed and dated, electronically logged); and

No exceptions were found as a result of this procedure.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- iii. Management has documentation reflecting it has researched reconciling items that have been outstanding for more than 12 months from the statement closing date, if applicable.

Exception noted – 1 of the 5 bank reconciliations selected for testing showed reconciling items that have been outstanding for more than 12 months, and the Trust was unable to provide documentation it had researched these items.

4) Collections (excluding electronic funds transfers)

- A. Obtain a listing of deposit sites for the fiscal period where deposits for cash/checks/money orders (cash) are prepared and management's representation that the listing is complete. Randomly select 5 deposit sites (or all deposit sites if less than 5).

No exceptions were found as a result of this procedure.

- B. For each deposit site selected, obtain a listing of collection locations and management's representation that the listing is complete. Randomly select one collection location for each deposit site (e.g., 5 collection locations for 5 deposit sites), obtain and inspect written policies and procedures relating to employee job duties (if there are no written policies or procedures, then inquire of employees about their job duties) at each collection location, and observe that job duties are properly segregated at each collection location such that

- i. Employees responsible for cash collections do not share cash drawers/registers;

No exceptions were found as a result of this procedure.

- ii. Each employee responsible for collecting cash is not also responsible for preparing/making bank deposits, unless another employee/official is responsible for reconciling collection documentation (e.g., pre-numbered receipts) to the deposit;

No exceptions were found as a result of this procedure.

- iii. Each employee responsible for collecting cash is not also responsible for posting collection entries to the general ledger or subsidiary ledgers, unless another employee/official is responsible for reconciling ledger postings to each other and to the deposit; and

No exceptions were found as a result of this procedure.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- iv. The employee(s) responsible for reconciling cash collections to the general ledger and/or subsidiary ledgers, by revenue source and/or custodial fund additions, is (are) not also responsible for collecting cash, unless another employee/official verifies the reconciliation.

No exceptions were found as a result of this procedure.

- C. Obtain from management a copy of the bond or insurance policy for theft covering all employees who have access to cash. Observe the bond or insurance policy for theft was in force during the fiscal period.

No exceptions were found as a result of this procedure.

- D. Randomly select two deposit dates for each of the 5 bank accounts selected for Bank Reconciliations procedure #3A (select the next deposit date chronologically if no deposits were made on the dates randomly selected and randomly select a deposit if multiple deposits are made on the same day). *Alternately, the practitioner may use a source document other than bank statements when selecting the deposit dates for testing, such as a cash collection log, daily revenue report, receipt book, etc.* Obtain supporting documentation for each of the 10 deposits and:

- i. Observe that receipts are sequentially pre-numbered.

No exceptions were found as a result of this procedure.

- ii. Trace sequentially pre-numbered receipts, system reports, and other related collection documentation to the deposit slip.

No exceptions were found as a result of this procedure.

- iii. Trace the deposit slip total to the actual deposit per the bank statement.

No exceptions were found as a result of this procedure.

- iv. Observe the deposit was made within one business day of receipt at the collection location (within one week if the depository is more than 10 miles from the collection location or the deposit is less than \$100 and the cash is stored securely in a locked safe or drawer).

No exceptions were found as a result of this procedure.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- v. Trace the actual deposit per the bank statement to the general ledger.

No exceptions were found as a result of this procedure.

5) *Non-Payroll Disbursements (excluding card purchases, travel reimbursements, and petty cash purchases)*

- A. Obtain a listing of locations that process payments for the fiscal period and management's representation that the listing is complete. Randomly select 5 locations (or all locations if less than 5).

No exceptions were found as a result of this procedure.

- B. For each location selected under procedure #5A above, obtain a listing of those employees involved with non-payroll purchasing and payment functions. Obtain written policies and procedures relating to employee job duties (if the agency has no written policies and procedures, then inquire of employees about their job duties), and observe that job duties are properly segregated such that

- i. At least two employees are involved in initiating a purchase request, approving a purchase, and placing an order or making the purchase;

No exceptions were found as a result of this procedure.

- ii. At least two employees are involved in processing and approving payments to vendors;

No exceptions were found as a result of this procedure.

- iii. The employee responsible for processing payments is prohibited from adding/modifying vendor files, unless another employee is responsible for periodically reviewing changes to vendor files;

No exceptions were found as a result of this procedure.

- iv. Either the employee/official responsible for signing checks mails the payment or gives the signed checks to an employee to mail who is not responsible for processing payments; and

No exceptions were found as a result of this procedure.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

- v. Only employees/officials authorized to sign checks approve the electronic disbursement (release) of funds, whether through automated clearinghouse (ACH), electronic funds transfer (EFT), wire transfer, or some other electronic means.

No exceptions were found as a result of this procedure.

- C. For each location selected under procedure #5A above, obtain the entity's non-payroll disbursement transaction population (excluding cards and travel reimbursements) and obtain management's representation that the population is complete. Randomly select 5 disbursements for each location, obtain supporting documentation for each transaction, and
 - i. Observe whether the disbursement, whether by paper or electronic means, matched the related original itemized invoice and supporting documentation indicates deliverables included on the invoice were received by the entity, and

No exceptions were found as a result of this procedure.

- ii. Observe whether the disbursement documentation included evidence (e.g., initial/date, electronic logging) of segregation of duties tested under procedure #5B above, as applicable.

No exceptions were found as a result of this procedure.

- D. Using the entity's main operating account and the month selected in Bank Reconciliations procedure #3A, randomly select 5 non-payroll-related electronic disbursements (or all electronic disbursements if less than 5) and observe that each electronic disbursement was (a) approved by only those persons authorized to disburse funds (e.g., sign checks) per the entity's policy, and (b) approved by the required number of authorized signers per the entity's policy. *Note: If no electronic payments were made from the main operating account during the month selected the practitioner should select an alternative month and/or account for testing that does include electronic disbursements.*

No exceptions were found as a result of this procedure.

6) Credit Cards/Debit Cards/Fuel Cards/Purchase Cards (Cards)

- A. Obtain from management a listing of all active credit cards, bank debit cards, fuel cards, and purchase cards (cards) for the fiscal period, including the card numbers and the names of the person who maintained possession of the cards. Obtain management's representation that the listing is complete.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

Not applicable – The Trust does not have credit cards, debit cards, fuel cards, or purchase cards.

- B. Using the listing prepared by management, randomly select 5 cards (or all cards if less than 5) that were used during the fiscal period. Randomly select one monthly statement or combined statement for each card (for a debit card, randomly select one monthly bank statement). Obtain supporting documentation, and
- i. Observe whether there is evidence that the monthly statement or combined statement and supporting documentation (e.g., itemized receipts for credit/debit card purchases, exception reports for excessive fuel card usage) were reviewed and approved, in writing (or electronically approved), by someone other than the authorized card holder (those instances requiring such approval that may constrain the legal authority of certain public officials, such as the mayor of a Lawrason Act municipality, should not be reported); and

Not applicable – The Trust does not have credit cards, debit cards, fuel cards, or purchase cards.

- ii. Observe that finance charges and late fees were not assessed on the selected statements.

Not applicable – The Trust does not have credit cards, debit cards, fuel cards, or purchase cards.

- C. Using the monthly statements or combined statements selected under #6B above, excluding fuel cards, randomly select 10 transactions (or all transactions if less than 10) from each statement, and obtain supporting documentation for the transactions (e.g., each card should have 10 transactions subject to inspection). For each transaction, observe it is supported by (1) an original itemized receipt that identifies precisely what was purchased, (2) written documentation of the business/public purpose, and (3) documentation of the individuals participating in meals (for meal charges only). For missing receipts, the practitioner should describe the nature of the transaction and observe whether management had a compensating control to address missing receipts, such as a “missing receipt statement” that is subject to increased scrutiny.

Not applicable – The Trust does not have credit cards, debit cards, fuel cards, or purchase cards.

- D. Using the list of terminated employees obtained in Payroll and Personnel procedure #9C identify those individuals who had access to cards and randomly select 5 terminated employees (or all terminated employees with card access if less than 5) from this population. Observe evidence

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

that the cards have been deactivated for these terminated employees. In cases where a card is shared by multiple users, obtain evidence that the terminated employees' authorization has been removed.

Not applicable – The Trust does not have credit cards, debit cards, fuel cards, or purchase cards.

7) Travel and Travel-Related Expense Reimbursements (excluding card transactions)

- A. Obtain from management a listing of all travel and travel-related expense reimbursements during the fiscal period and management's representation that the listing or general ledger is complete. Randomly select 5 reimbursements and obtain the related expense reimbursement forms/prepaid expense documentation of each selected reimbursement, as well as the supporting documentation. For each of the 5 reimbursements selected

- i. If reimbursed using a per diem, observe the approved reimbursement rate is no more than those rates established either by the State of Louisiana or the U.S. General Services Administration (www.gsa.gov);

Not applicable – The Trust does not have any travel and travel-related reimbursements.

- ii. If reimbursed using actual costs, observe the reimbursement is supported by an original itemized receipt that identifies precisely what was purchased;

Not applicable – The Trust does not have any travel and travel-related reimbursements.

- iii. Observe each reimbursement is supported by documentation of the business/public purpose (for meal charges, observe that the documentation includes the names of those individuals participating) and other documentation required by Written Policies and Procedures procedure #1A(vii); and

Not applicable – The Trust does not have any travel and travel-related reimbursements.

- iv. Observe each reimbursement was reviewed and approved, in writing, by someone other than the person receiving reimbursement.

Not applicable – The Trust does not have any travel and travel-related reimbursements.

LOUISIANA HORSEMEN'S PENSION TRUST

AGREED-UPON PROCEDURES PERFORMED AND ASSOCIATED FINDINGS

FOR THE YEAR ENDED DECEMBER 31, 2025

8) Contracts

- A. Obtain from management a listing of all agreements/contracts for professional services, materials and supplies, leases, and construction activities that were initiated or renewed during the fiscal period. *Alternately, the practitioner may use an equivalent selection source, such as an active vendor list.* Obtain management's representation that the listing is complete. Randomly select 5 contracts (or all contracts if less than 5) from the listing, excluding the practitioner's contract, and

- i. Observe whether the contract was bid in accordance with the Louisiana Public Bid Law (e.g., solicited quotes or bids, advertised), if required by law;

No exceptions were found as a result of this procedure.

- ii. Observe whether the contract was approved by the governing body/board, if required by policy or law (e.g., Lawrason Act, Home Rule Charter);

No exceptions were found as a result of this procedure.

- iii. If the contract was amended (e.g., change order), observe that the original contract terms provided for such an amendment and that amendments were made in compliance with the contract terms (e.g., if approval is required for any amendment, the documented approval); and

No exceptions were found as a result of this procedure.

- iv. Randomly select one payment from the fiscal period for each of the 5 contracts, obtain the supporting invoice, agree the invoice to the contract terms, and observe the invoice and related payment agreed to the terms and conditions of the contract.

No exceptions were found as a result of this procedure.

9) Payroll and Personnel

- A. Obtain a listing of employees and officials employed during the fiscal period and management's representation that the listing is complete. Randomly select 5 employees or officials, obtain related paid salaries and personnel files, and agree paid salaries to authorized salaries/pay rates in the personnel files.

Not applicable – The Trust has no employees.

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B. Randomly select one pay period during the fiscal period. For the 5 employees or officials selected under procedure #9A above, obtain attendance records and leave documentation for the pay period, and:

- i. Observe all selected employees or officials documented their daily attendance and leave (e.g., vacation, sick, compensatory);

Not applicable – Trust has no employees.

- ii. Observe whether supervisors approved the attendance and leave of the selected employees or officials;

Not applicable – The Trust has no employees.

- iii. Observe any leave accrued or taken during the pay period is reflected in the entity's cumulative leave records; and

Not applicable – The Trust has no employees.

- iv. Observe the rate paid to the employees or officials agree to the authorized salary/pay rate found within the personnel file.

Not applicable – The Trust has no employees.

C. Obtain a listing of those employees or officials that received termination payments during the fiscal period and management's representation that the list is complete. Randomly select two employees or officials and obtain related documentation of the hours and pay rates used in management's termination payment calculations and the entity's policy on termination payments. Agree the hours to the employee's or official's cumulative leave records, agree the pay rates to the employee's or official's authorized pay rates in the employee's or official's personnel files, and agree the termination payment to entity policy.

Not applicable – The Trust has no employees.

D. Obtain management's representation that employer and employee portions of third-party payroll related amounts (e.g., payroll taxes, retirement contributions, health insurance premiums, garnishments, workers' compensation premiums) have been paid, and any associated forms have been filed, by required deadlines.

Not applicable – The Trust has no employees.

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10) Ethics

A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A obtain ethics documentation from management, and

- i. Observe whether the documentation demonstrates that each employee/official completed one hour of ethics training during the calendar year as required by R.S. 42:1170; and

Not applicable – The Trust has no employees.

- ii. Observe whether the entity maintains documentation which demonstrates each employee and official were notified of any changes to the entity's ethics policy during the fiscal period, as applicable.

Not applicable – The Trust has no employees.

B. Inquire and/or observe whether the agency has appointed an ethics designee as required by R.S. 42:1170.

Not applicable – The Trust has no employees.

11) Debt Service

A. Obtain a listing of bonds/notes and other debt instruments issued during the fiscal period and management's representation that the listing is complete. Select all debt instruments on the listing, obtain supporting documentation, and observe that State Bond Commission approval was obtained for each debt instrument issued as required by Article VII, Section 8 of the Louisiana Constitution.

Not applicable – The Trust does not have any debt.

B. Obtain a listing of bonds/notes outstanding at the end of the fiscal period and management's representation that the listing is complete. Randomly select one bond/note, inspect debt covenants, obtain supporting documentation for the reserve balance and payments, and agree actual reserve balances and payments to those required by debt covenants (including contingency funds, short-lived asset funds, or other funds required by the debt covenants).

Not applicable – The Trust does not have any debt.

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12) Fraud Notice

- A. Obtain a listing of misappropriations of public funds and assets during the fiscal period and management's representation that the listing is complete. Select all misappropriations on the listing, obtain supporting documentation, and observe that the entity reported the misappropriation(s) to the legislative auditor and the district attorney of the parish in which the entity is domiciled as required by R.S. 24:523.

No exceptions were found as a result of this procedure.

- B. Observe that the entity has posted on its premises and website, the notice required by R.S. 24:523.1 concerning the reporting of misappropriation, fraud, waste, or abuse of public funds.

No exceptions were found as a result of this procedure.

13) Information Technology Disaster Recovery/Business Continuity

Perform the following procedures, **verbally discuss the results with management, and report "We performed the procedure and discussed the results with management":**

- A. Obtain and inspect the entity's most recent documentation that it has backed up its critical data (if there is no written documentation, then inquire of personnel responsible for backing up critical data) and observe that such backup (a) occurred within the past week, (b) was not stored on the government's local server or network, and (c) was encrypted.

We performed the procedure and discussed the results with management.

- B. Obtain and inspect the entity's most recent documentation that it has tested/verified that its backups can be restored (if there is no written documentation, then inquire of personnel responsible for testing/verifying backup restoration) and observe evidence that the test/verification was successfully performed within the past 3 months.

We performed the procedure and discussed the results with management.

- C. Obtain a listing of the entity's computers currently in use and their related locations, and management's representation that the listing is complete. Randomly select 5 computers and observe while management demonstrates that the selected computers have current and active antivirus software and that the operating system and accounting system software in use are currently supported by the vendor.

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We performed the procedure and discussed the results with management.

- D. Randomly select 5 terminated employees (or all terminated employees if less than 5) using the list of terminated employees obtained in Payroll and Personnel procedure #9C. Observe evidence that the selected terminated employees have been removed or disabled from the network.

We performed the procedure and discussed the results with management.

- E. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain cybersecurity training documentation from management, and observe that the documentation demonstrates that the following employees/officials with access to the agency's information technology assets have completed cybersecurity training as required by R.S. 42:126725. The requirements are as follows:
- Hired before June 9, 2020 – completed the training; and
 - Hired on or after June 9, 2020 – completed the training within 30 days of initial service or employment.

We performed the procedure and discussed the results with management.

14) Prevention of Sexual Harassment

- A. Using the 5 randomly selected employees/officials from Payroll and Personnel procedure #9A, obtain sexual harassment training documentation from management, and observe the documentation demonstrates each employee/official completed at least one hour of sexual harassment training during the calendar year as required by R.S. 42:343.

Not applicable – The Trust is not subject to this requirement.

- B. Observe the entity has posted its sexual harassment policy and complaint procedure on its website (or in a conspicuous location on the entity's premises if the entity does not have a website).

Not applicable – The Trust is not subject to this requirement.

- C. Obtain the entity's annual sexual harassment report for the current fiscal period, observe that the report was dated on or before February 1, and observe that the report includes the applicable requirements of R.S. 42:344:

- i. Number and percentage of public servants in the agency who have completed the training

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requirements;

Not applicable – The Trust is not subject to this requirement.

- ii. Number of sexual harassment complaints received by the agency;

Not applicable – The Trust is not subject to this requirement.

- iii. Number of complaints which resulted in a finding that sexual harassment occurred;

Not applicable – The Trust is not subject to this requirement.

- iv. Number of complaints in which the finding of sexual harassment resulted in discipline or corrective action; and

Not applicable – The Trust is not subject to this requirement.

- v. Amount of time it took to resolve each complaint.

Not applicable – The Trust is not subject to this requirement.

LOUISIANA HORSEMEN'S PENSION TRUST

Charlotte Clavier, Chairperson

Glenn Delahoussaye, Trustee



Michelle Rodriguez, Trustee

June 24, 2026

RICHARD CPAS
3421 North Causeway Blvd. Suite 601
Metairie, Louisiana 70002

Subject: Management's Response to the Statewide Agreed upon Procedures

The following are the Louisiana Horsemen's Pension Trust (the Trust) responses to the items identified in the Statewide Agreed-Upon Procedures Report for the year ended December 31, 2025.

Bank Reconciliations: Procedure #3 A. iii- Annually, management and a third party CPA meet to review outstanding bank reconciliation items that are more than 6 months old. We did not meet during 2025 but did meet in early 2026 to review and research of reconciling items that were more than 6 months old.

Please let us know if you need additional information.

Respectfully,

Edwin Fenasci
Executive Director