



DARYL G. PURPERA,
CPA, CFE

Report Highlights

Louisiana Asset Management Pool

Audit Control # 80180158
Financial Audit Services • June 2019

Why We Conducted This Audit

We performed certain procedures at the Louisiana Asset Management Pool (LAMP) for the period January 1, 2018, through December 31, 2018, to determine if the financial statements are fairly stated and if LAMP complied with applicable investment laws for participant investments.

What We Found

- LAMP's financial statements are fairly stated.
- Net position increased by \$360,826,535, primarily because participant deposits exceeded participant withdrawals by \$326,006,963.
- Net interest and investment income increased by \$20,586,283 as a result of an increase in interest rates and number of participants in 2018.
- For the year ended December 31, 2018, LAMP, Inc., who administers LAMP, charged fees net of rebate totaling \$2,199,380 to the investment pool. The rebate consisted of fees that exceeded LAMP, Inc.'s administrative needs by \$1,285,000. LAMP, Inc.'s operating expenses were comprised of advisor and custodial fees totaling \$1,088,629 and other administrative expenses totaling \$1,089,207.
- Administrative expenses increased by \$130,300 in 2018. In 2018, LAMP, Inc. rebated \$1,285,000 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$16.6 million since the rebate program began in October 2006.

LAMP is an investment pool, rated AAAM by Standard and Poor's, established to improve administrative efficiency and increase investment yield of its participants. LAMP's objectives are preservation of principal, daily liquidity, and competitive yield. As of December 31, 2018, there were 715 participants in the pool.

View the full report at www.la.la.gov.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2018
ISSUED JUNE 19, 2019

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 11, 2019

Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA
ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
New Orleans, Louisiana

Report on the Financial Statements

We have audited the accompanying financial statements of the fiduciary fund activities of the Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial

statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the fiduciary fund activities of LAMP as of December 31, 2018, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 5 through 9 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise LAMP's basic financial statements. The accompanying Schedule of Investments is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Investments is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to

prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Investments is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 11, 2019, on our consideration of LAMP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 LAMP's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LAMP's internal control over financial reporting and compliance.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

LMF:EMS:BQD:EFS:aa

LAMP 2018

MANAGEMENT’S DISCUSSION AND ANALYSIS

As management of the Louisiana Asset Management Pool (LAMP Pool), we offer readers of LAMP’s financial statements this narrative overview and analysis of the financial activities of LAMP for the year ended December 31, 2018. LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.) and its activity is included in LAMP’s combined financial statements. The two entities are collectively referred to as “LAMP.”

FINANCIAL HIGHLIGHTS

- The assets of LAMP exceeded its liabilities at the close of the most recent calendar year by \$1,846,774,045 (net position).
- The number of participants increased by a net of 31 from 684 at December 31, 2017, to 715 at December 31, 2018.
- Net interest and investment income increased by \$20,586,283 in 2018.
- Administrative expenses increased by \$130,300 in 2018. In 2018, LAMP, Inc. rebated \$1,285,000 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$16.6 million since the rebate program began in October 2006.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to LAMP’s basic financial statements. LAMP’s basic financial statements comprise three components: (1) Statement of Net Position, (2) Statement of Changes in Net Position, and (3) Notes to the Financial Statements. These financial statements include the activities of LAMP Pool and LAMP, Inc., that administers LAMP Pool. This report also contains a Schedule of Investments that is presented as supplementary information in addition to the basic financial statements.

The **Statement of Net Position** presents information on all of LAMP’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of LAMP is improving or deteriorating.

The **Statement of Changes in Net Position** presents information showing how LAMP’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., accrued interest receivable, accrued expenses, and compensated absences payable).

Notes to the Financial Statements. The accompanying notes provide additional information that is essential to a full understanding of the data provided in the basic financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents supplementary information that lists and categorizes the investments held by LAMP at the end of year. The Schedule of Investments can be found on Schedule 1 of this report.

BASIC FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of an entity's financial position. In the case of LAMP, assets exceeded liabilities by \$1,846,774,045 at the close of December 31, 2018. The largest portion of LAMP's net position (99.55%) reflects its investments at fair market value. The following is a comparison of LAMP's net position to the prior year.

**Louisiana Asset Management Pool
Comparative Statement of Net Position
As of December 31, 2018, and December 31, 2017**

	2018	2017
Cash	\$7,356,947	\$5,643,957
Investments at fair market value	1,838,475,460	1,480,033,101
Accrued interest receivable	1,090,417	404,982
Prepaid expenses	19,491	14,275
Furniture, fixtures, automobile, and office equipment (net)	29,208	36,744
Total Assets	1,846,971,523	1,486,133,059
Accrued expenses	135,208	126,243
Compensated absences payable	62,270	59,306
Total Liabilities	197,478	185,549
Net Position	\$1,846,774,045	\$1,485,947,510

- Total assets increased by \$360,838,464.
- Most of the increase in assets is attributable to participant deposits.
- Investments increased primarily because participants' deposits exceeded withdrawals from LAMP Pool.

Changes in Net Position. Investment activities and participants' transactions increased LAMP's net position by \$360,826,535. Key elements of the increase are as follows:

**Louisiana Asset Management Pool
Comparative Statement of Changes in Net Position
For the Fiscal Years Ended December 31, 2018, and December 31, 2017**

	<u>2018</u>	<u>2017</u>
Additions:		
Participant deposits	\$2,561,556,712	\$2,225,276,060
From investment activities:		
Interest income	13,685,407	7,104,735
Investment income (amortization/accretion of income, increase or decrease in fair value of investments, and gain or loss on sales)	<u>23,312,001</u>	<u>9,306,390</u>
Total additions	<u>2,598,554,120</u>	<u>2,241,687,185</u>
Deductions:		
Participant withdrawals	(2,235,549,749)	(1,965,129,542)
Administrative expense	<u>(2,177,836)</u>	<u>(2,047,536)</u>
Total deductions	<u>(2,237,727,585)</u>	<u>(1,967,177,078)</u>
Increase in net position	360,826,535	274,510,107
Net Position, Beginning of Year	<u>1,485,947,510</u>	<u>1,211,437,403</u>
Net Position, End of Year	<u>\$1,846,774,045</u>	<u>\$1,485,947,510</u>

- Interest and investment income increased substantially due to increases in interest rates in 2018.
- The majority of the increase in net position resulted from participants' net deposits of \$326,006,963 for 2018.

ENTITY FINANCIAL STATEMENTS

LAMP does not use fund accounting. However, separate accounting records are maintained for each of the entities, LAMP Pool and LAMP, Inc. To gain a further understanding of the activities of each entity, the following analyses are presented.

By far the largest portion of LAMP Pool's assets (99.6%) reflects its investments at fair market value. The largest portion (88%) of LAMP, Inc.'s assets after the elimination of \$172,949 in fees receivable from LAMP Pool is its cash. The following is an analysis of the net position at December 31, 2018, attributable to LAMP Pool and to LAMP, Inc.:

**Louisiana Asset Management Pool
Statement of Net Position (by Entity)**

	LAMP	Eliminations	LAMP Pool	LAMP, Inc.
Cash	\$7,356,947		\$7,015,525	\$341,422
Investments at fair market value	1,838,475,460		1,838,475,460	
Accrued interest receivable	1,090,417		1,090,417	
Prepaid expenses	19,491			19,491
Furniture, fixtures, automobile, and office equipment, net	29,208			29,208
Fees receivable from LAMP Pool		(\$172,949)		172,949
Total Assets	<u>1,846,971,523</u>	<u>(172,949)</u>	<u>1,846,581,402</u>	<u>563,070</u>
Accrued expenses	135,208			135,208
Compensated absences payable	62,270			62,270
Fees payable to LAMP, Inc.		(172,949)	172,949	
Total Liabilities	<u>197,478</u>	<u>(172,949)</u>	<u>172,949</u>	<u>197,478</u>
Net Position	<u>\$1,846,774,045</u>	<u>NONE</u>	<u>\$1,846,408,453</u>	<u>\$365,592</u>

In preparing the Statement of Net Position, monthly fees of \$172,949 payable by LAMP Pool to LAMP, Inc., were eliminated.

Changes in Net Position. Investment activities and participants' transactions increased LAMP's net position by \$360,826,535. Key elements of the changes are as follows:

LAMP's Changes in Net Position (by Entity)

	LAMP	Eliminations	LAMP Pool	LAMP, Inc.
Additions:				
Participant deposits	\$2,561,556,712		\$2,561,556,712	
From investment activities:				
Interest income	13,685,407		13,685,407	
Investment income (amortization/ accretion of income, increase or decrease in the fair value of investments and gain or loss on sales)	23,312,001		23,312,001	
Administrative income		(\$2,199,380)		\$2,199,380
Total additions	<u>2,598,554,120</u>	<u>(2,199,380)</u>	<u>2,598,554,120</u>	<u>2,199,380</u>
Deductions:				
Participant withdrawals	(2,235,549,749)		(2,235,549,749)	
Administrative expense	(2,177,836)	2,199,380	(2,199,380)	(2,177,836)
Total deductions	<u>(2,237,727,585)</u>	<u>2,199,380</u>	<u>(2,237,749,129)</u>	<u>(2,177,836)</u>
Total increase in net position	360,826,535	NONE	360,804,991	21,544
Net Position, Beginning of Year	<u>1,485,947,510</u>	NONE	<u>1,485,603,462</u>	<u>344,048</u>
Net Position, End of Year	<u><u>\$1,846,774,045</u></u>	<u><u>NONE</u></u>	<u><u>\$1,846,408,453</u></u>	<u><u>\$365,592</u></u>

- In preparing the Combined Statement of Changes in Net Position for LAMP, administrative fees of \$2,199,380 paid by LAMP Pool to LAMP, Inc., were eliminated. A management fee rebate from LAMP, Inc., to LAMP Pool of \$1,285,000 reduced the administrative expenses of LAMP, Inc., and LAMP Pool.
- Investment advisor and transfer agency/fund accountant fees of \$987,853 and custodial fees of \$100,776 are included in administrative expenses paid.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of LAMP's finances for all those with an interest in LAMP's finances. For questions concerning any of the information provided in this report or requests for additional financial information, please access the LAMP website, www.lamppool.com, or call the LAMP office at (504) 525-LAMP (5267) or toll free at (800) 249-LAMP (5267) and ask for Krissy Orgeron.

**LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
FIDUCIARY FUND - INVESTMENT TRUST FUND**

Statement of Net Position, December 31, 2018

ASSETS

Cash (note 2)	\$7,356,947
Investments (note 3)	1,838,475,460
Interest receivable	1,090,417
Prepaid expenses	19,491
Furniture and fixtures, automobile, and office equipment, net (note 1-F)	<u>29,208</u>

TOTAL ASSETS	<u>1,846,971,523</u>
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LIABILITIES

Accounts payable and accruals	135,208
Compensated absences payable (note 5)	<u>62,270</u>

TOTAL LIABILITIES	<u>197,478</u>
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**NET POSITION - AMOUNTS HELD IN TRUST
FOR POOL PARTICIPANTS**

<u><u>\$1,846,774,045</u></u>

The accompanying notes are an integral part of this statement.

**LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
FIDUCIARY FUND - INVESTMENT TRUST FUND**

**Statement of Changes in Net Position
For the Year Ended December 31, 2018**

ADDITIONS	
Participant deposits	\$2,561,556,712
From investment activities:	
Interest income	13,685,407
Amortization/accretion of income	23,487,215
Gain on sale of investments	1,252
Total additions	<u>2,598,730,586</u>
 DEDUCTIONS	
Participant withdrawals	(2,235,549,749)
Administrative expense	(2,177,836)
Net decrease in fair value of investments	(176,466)
Total deductions	<u>(2,237,904,051)</u>
Total increase in net position	360,826,535
 NET POSITION, BEGINNING OF YEAR	 <u>1,485,947,510</u>
 NET POSITION, END OF YEAR	 <u><u>\$1,846,774,045</u></u>

The accompanying notes are an integral part of this statement.

NOTES TO THE FINANCIAL STATEMENTS

INTRODUCTION

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the state of Louisiana to aggregate funds for investment. The cooperative endeavor was formed, in part, in reliance upon *Opinion 92-192* (March 31, 1992) issued by the Louisiana Attorney General's Office, which noted that public entities may pool funds for investment purposes. The investment pool is intended to improve administrative efficiency and increase investment yield of participating public entities. Public entities, as defined by Article XIX of LAMP's Articles of Incorporation, include the instrumentalities and political subdivisions of the State of Louisiana; parishes, municipalities, or other subdivisions of government; any entity created by, subject to the administration of, or otherwise governed by any university, hospital, or retirement system; and any other entity which may be designated as a public entity by the president of LAMP. Section XIX of LAMP's Articles of Incorporation specifically exclude the State of Louisiana and its departments from participation in the investment pool. As of December 31, 2018, there were 715 voluntary participants in the pool.

LAMP is administered by Louisiana Asset Management Pool, Inc. (the Corporation), a nonprofit corporation formed under the provisions of Chapter 2, Title 12 of the Louisiana Revised Statutes, as amended, the Louisiana Nonprofit Law, Louisiana Revised Statute (R.S.) 12:201 *et seq.* pursuant to Section 115 of the Internal Revenue code of 1986, as amended. The Corporation was formed to manage and administer or provide for the orderly management and administration of LAMP.

Article VIII of LAMP's Articles of Incorporation provides that the Treasurer of the State of Louisiana is the sole Administrative Member of the Corporation. The Board of Directors of the Corporation consists of nine to 14 pool participants plus the administrative member, who is President of the Corporation. Board members are elected annually by participants, except the President, who is a standing member of the board. As of December 31, 2018, there were 13 members of the Board of Directors. Board members can serve for a maximum of three one-year terms, and all board members serve without compensation. LAMP, Inc., has two compensated officers, a chief executive officer and a chief administrative officer, and one full-time employee and is subject to the regulatory oversight of the State Treasurer and the Board of Directors. LAMP is not registered with the SEC as an investment company.

The Corporation entered into a contract with a custodial bank, Regions Bank, on September 15, 2016, with an initial term of three years with the option to renew for two additional one-year periods.

The Corporation entered into a contract with American Beacon Advisors to manage the investment portfolio, commencing January 1, 2016, for a period of 21 months with options to

renew the contract for two additional 12-month periods. During the year ended December 31, 2018, the Corporation renewed the contract for an additional 12-month period.

The Corporation entered into a contract effective August 1, 2015, with Public Trust Advisors, LLC, to serve as fund accountant and transfer agent until August 1, 2018, with the option to renew for two consecutive one-year periods. During the year ended December 31, 2018, the Corporation renewed the contract for an additional one-year period.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and reporting principles. To present fairly the net position and change in net position for LAMP, the assets and operations of the investment pool and LAMP, Inc., have been combined. All inter-entity accounts, balances, and transactions have been eliminated.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy (OSRAP), has defined the governmental reporting entity to be the state of Louisiana. OSRAP considers LAMP to be a component unit (investment trust fund) of the state of Louisiana because the state has financial accountability in that the State Treasurer, as the Administrative Member, is a standing member of the Board of Directors, supervises and controls the affairs of the Corporation, and has the power and authority reasonably necessary to direct the operations and activities of the Corporation. The State Treasurer serves as President of the Corporation and shall serve as a member of the Executive Committee and any other committee or task force created. The chief executive officer and chief administrative officer serve at the will of the Executive Committee of the Board of Directors of the Corporation. The accompanying financial statements present information only as to the balances of LAMP, a component unit of the state of Louisiana. Annually, the state of Louisiana issues basic financial statements, which include the activity contained in the accompanying financial statements. The state's basic financial statements are audited by the Louisiana Legislative Auditor.

C. BASIS OF ACCOUNTING

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The financial statements of LAMP are prepared using the economic resources measurement focus and the accrual basis of accounting. Accordingly, revenue is recognized when earned and expenses are recognized when incurred.

D. CASH AND INVESTMENTS

Cash represents amounts on deposit with the custodian, fiscal agent banks, and/or the investment advisors. Under state law, LAMP may deposit funds with a fiscal agent bank organized under the laws of the state of Louisiana, the laws of any other state in the Union, or the laws of the United States. LAMP's permissible investments are set forth in R.S. 33:2955 and are further limited in accordance with investment guidelines promulgated by the Board of Directors. LAMP's Statement of Investment Guidelines authorizes investments in various investment products, including U.S. Treasury bills or notes, Federal Home Loan Bank notes, Federal National Mortgage Association notes, Federal Farm Credit Bank notes, Student Loan Marketing Association notes, and other investments as approved by the Board of Directors.

To provide for the required liquidity for withdrawals from LAMP, all investments shall have, at the time of purchase, a maximum remaining maturity of 397 days or 762 days for U.S. Government floating/variable-rate investments, and the dollar weighted-average maturity of LAMP shall not generally exceed 60 days. LAMP voluntarily complies with Standard & Poor's requirement for AAAM-rated funds to restrict the average-weighted maturity of investments to 60 days or less to maintain its AAAM rating for the LAMP Pool.

LAMP has not obtained any legally-binding guarantees during the period to support the value of the shares, since all investments are short-term, highly-liquid securities.

E. PREPAID EXPENSES

Prepaid expenses primarily consist of prepayments of insurance, rent, and other administrative expenses.

F. FIXED ASSETS

Furniture and fixtures, office equipment, computer equipment, and the automobile for the Corporation are included on the balance sheet at historical cost, net of accumulated depreciation. Depreciation of all fixed assets is charged as an administrative expense. Depreciation for financial reporting purposes is computed by the straight-line method over the estimated useful lives of five to seven years for the assets. A summary of changes in furniture and fixtures, office equipment, computer equipment, and the automobile follows:

	Balance December 31, 2017	Additions	Deletions	Balance December 31, 2018
Furniture and fixtures	\$34,911			\$34,911
Office furniture	10,675		(\$4,263)	6,412
Computer equipment	35,231	\$4,133		39,363
Automobile	45,563			45,563
Total	<u>126,380</u>	<u>4,133</u>	<u>(4,263)</u>	<u>126,249</u>
Less accumulated depreciation	<u>(89,636)</u>	<u>(11,669)</u>	<u>4,263</u>	<u>(97,042)</u>
Net furniture and fixtures, office equipment, computer equipment, and automobile	<u>\$36,744</u>	<u>(\$7,536)</u>	<u>NONE</u>	<u>\$29,208</u>

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

For reporting purposes, deposits with financial institutions consist of demand deposits and funds received from participants for investment in a bank account. LAMP may also invest in time certificates of deposit in state banks organized under the laws of Louisiana and national banks having their principal offices in the state of Louisiana.

As reflected on the Statement of Net Position, LAMP has deposits in bank accounts totaling \$7,356,947 at December 31, 2018.

The deposits (book balances) at December 31, 2018, consisted of the following:

Demand deposits	\$341,422
Custodial deposits	<u>7,015,525</u>
Total	<u><u>\$7,356,947</u></u>

The following is a breakdown by banking institution, program or type, and amount of the collected bank balances shown previously:

<u>Bank Institution</u>	<u>Program or Type</u>	<u>Amount</u>
Regions	Operating Account	\$359,450
Regions	Bank Account	<u>3,450,000</u>
Total		<u><u>\$3,809,450</u></u>

Custodial credit risk is the risk that in the event of a bank failure LAMP's deposits may not be recovered. Under state law, LAMP's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal

the amount on deposit with the fiscal agent. These securities are held in LAMP's name by the pledging bank or by a holding or custodial bank that is mutually acceptable to both parties.

3. INVESTMENTS

Investments of \$1,838,475,460, as presented on Statement A, are reported at fair value. The investments are comprised of several different types of investment securities. The following tables itemize the investments, the range of maturity dates and yields of each category of investment, the fair value of investments, the face amount of the investments, the carrying value at amortized cost at December 31, 2018, and the change in investments during the year.

<u>Investment Securities</u>	<u>Maturity Dates</u>	<u>Yield to Maturity</u>	<u>Face Amount at December 31, 2018</u>	<u>Carrying Value (Amortized Cost) at December 31, 2018</u>	<u>Fair Value at December 31, 2018</u>
Federal Home Loan Bank notes	1/2/2019 to 1/23/2020	2.2% to 2.47%	\$458,318,000	\$457,864,360	\$457,820,003
Federal Farm Credit Bank notes	4/3/2019 to 7/20/2020	2.17% to 2.52%	120,450,000	120,442,201	120,362,586
Federal National Mortgage Association notes	4/17/2019	2.43%	10,000,000	9,928,450	9,928,607
Commercial paper	1/14/2019 to 9/13/2019	2.37% to 2.95%	876,335,000	873,439,724	873,387,073
Repurchase agreements*	1/2/2019	2.60% to 3.00%	376,977,191	376,977,191	376,977,191
Total			<u>\$1,842,080,191</u>	<u>\$1,838,651,926</u>	<u>\$1,838,475,460</u>

*For repurchase agreements, the cost of investments approximates fair value.

	<u>Change in Investments</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
Balance, December 31, 2017	<u>\$1,480,161,652</u>	<u>\$1,480,033,101</u>
Add:		
Investment purchases	86,738,288,189	86,738,288,189
Amortization/accretion of income	23,358,664	23,358,664
Market value adjustment		(176,466)
Total	<u>86,761,646,853</u>	<u>86,761,470,387</u>
Less:		
Investment maturities	(86,403,156,579)	(86,403,156,579)
Prior year fair market value adjustment		128,551
Total	<u>(86,403,156,579)</u>	<u>(86,403,028,028)</u>
Balance, December 31, 2018	<u>\$1,838,651,926</u>	<u>\$1,838,475,460</u>

Unrealized investment losses exceeded unrealized investment gains by \$176,466 at year-end. This net unrealized investment loss is reflected in the year-end investments since they are reported at fair market value.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty LAMP will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are registered in the name of LAMP and are held in the custodial bank's trust account at its custodial agent or at the Federal Reserve. During the year ended December 31, 2018, there were no uninsured and unregistered investments held by the counterparty, or by its trust department or agent, which were not in LAMP's name.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. LAMP's investment policy limits investments in variable rate issues to 25% of the total assets of LAMP. Investments in money market funds are limited to no more than 25% of the total assets of LAMP, and no more than 10% may be invested in any single money market fund at any time. Investments in commercial paper are limited to no more than 50% of the total assets of LAMP. At the time of purchase, no more than 5% of assets may be in any one issuer, and no more than 25% of assets may be in any one industry, except banking.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. R.S. 33:2955 permits investment in A-1 rated commercial paper for political subdivisions of Louisiana. Accordingly, LAMP's investment guidelines permit the investment of LAMP funds in commercial paper of domestic U.S. corporations rated A-1 or A-1+ by Standard & Poor's or P-1 by Moody's Investor Services, Inc., or the equivalent rating by a national recognized statistical rating organization (NRSRO). Furthermore, LAMP's investment policy minimizes credit risk by allowing investments only in federal agencies backed by the U.S. government and government-only money market funds rated AAA by Standard & Poor's. At December 31, 2018, LAMP's investments in government-only money market funds are AAA rated, and its commercial paper investments are either A-1 or A-1+ rated.

LAMP guidelines require that when an A-1 or A-1+ investment is placed on a watch list with negative implications by a rating agency, the advisor is required to sell the investment as soon as practical, but no later than 30 days.

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. LAMP's investment policy minimizes interest rate risk by limiting the weighted-average maturity of its investments to 60 days or less for all investments.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels:

- Level 1 inputs – The valuation is based on quoted market prices for identical assets or liabilities traded in active markets;
- Level 2 inputs – The valuation is based on quoted market prices for similar instruments traded in active markets, quoted prices for identical or similar instruments in markets that are not active, and inputs other than quoted prices that are observable for the asset or liability;
- Level 3 inputs – The valuation is determined by using the best information available under the circumstances and might include the government’s own data. In developing unobservable inputs, a government may begin with its own data but should adjust those data if (a) reasonably available information indicates that other market participants would use different data or (b) there is something particular to the government that is not available to other market participants.

The categorization of investments within the hierarchy is based upon the pricing transparency of the instrument and should not be perceived as the particular investment’s risk.

Assets classified in Level 1 of the fair value hierarchy are valued directly from a predetermined primary external pricing vendor. Assets classified in Level 2 are subject to pricing by an alternative pricing source due to lack of information available by the primary vendor. Assets classified in Level 3, due to lack of an independent pricing source, are valued using an internal fair value as provided by the investment manager.

Fair values of assets measured on a recurring basis at December 31, 2018, are as follows:

	Fair Market Value	Quoted Prices In Active Markets for Identical Assets Level 1	Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
Debt securities:				
Federal Home Loan Bank notes	\$457,820,003		\$457,820,003	
Federal Farm Credit Bank notes	120,362,586		120,362,587	
Federal National Mortgage Association notes	9,928,607		9,928,607	
Commercial paper	873,387,073		808,387,072	\$65,000,000
Total debt security investments by fair market value level	<u>\$1,461,498,269</u>	<u>NONE</u>	<u>\$1,396,498,269</u>	<u>\$65,000,000</u>
Investments not measured at fair market value:				
Repurchase agreements	<u>\$376,977,191</u>			
Total investments not measured at fair market value	<u>376,977,191</u>			
Total investments	<u>\$1,838,475,460</u>			

Level 2 investments listed in the above table are valued using prices quoted by Bloomberg Professional Services and are based on other observable inputs which are obtained by LAMP's fund accountant, Public Trust Advisors.

Level 3 investments listed in the above table are valued using ICE Data Services, which offers continuous fixed income evaluated pricing. Coverage includes U.S., EMEA, and Asia Pacific corporate and sovereign bonds, US TBA MBS, US MBS pass-throughs, U.S. agency/government sponsored enterprises (GSE) debentures, and money market instruments in the U.S., EMEA, Asia Pacific, Global Bank Loans, as well as U.S. Municipal Bonds.

4. INVESTMENT EARNINGS

Interest income and amortization/accretion of income are recognized when earned using the full accrual method of accounting. Gains or losses on sales of investments are recognized using the specific identification method. The calculation of realized gains and losses is independent of the calculation of the net change in fair value of investments. Realized gains and losses on investments that were held in more than one calendar year and sold in the current year were included as a change in fair value of investments reported in the prior year and the current year.

The investments in LAMP are stated at fair value based on inputs as defined in note 3, and any increases or decreases are reported as net increase (decrease) in the fair value of investments. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

One or more accounts can be established for each public entity investing in LAMP. Interest is calculated on a daily basis and added to principal of each depositing member's account as of the end of the day. For purposes of determining participants' shares sold and redeemed, investments are valued at amortized cost. For financial statement purposes, investments are reported at fair value.

At the direction of the public entity, funds are transferred from any such account to a designated local depository bank on any business day. Each depositing public entity owns a proportionate, undivided, fractional interest in each asset comprising LAMP.

The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return to members by pooling monies. The following table shows, by quarter, the average daily yield percentage (annualized on a cumulative basis) of LAMP for the year ended December 31, 2018.

<u>Three-month Period Ended</u>	<u>Annual Interest Rate</u>
March 31, 2018	1.45%
June 30, 2018	1.88%
September 30, 2018	2.03%
December 31, 2018	2.27%

5. COMPENSATED ABSENCES PAYABLE

The Corporation has three employees: two officers and one full-time administrative staff person. These employees are provided vacation and sick leave on a cumulative basis. Hours of vacation and sick leave earned are based on the number of years of service. Vacation leave cannot be used until after the first six months of employment but may be carried forward into the next year at a rate of 2.5 times the employee's annual accrual or a maximum of 300 hours, whichever is less. A maximum of 300 hours of vacation leave is payable upon termination. Sick leave may be carried forward into the next year with no limitation but is not payable upon termination. Compensatory time earned may be carried forward into the next year but is not payable upon termination. A compensated absence liability of \$62,270 as of December 31, 2018, is included in the financial statements. No other postemployment benefits exist.

6. RETIREMENT PLAN

Effective January 1, 2010, under LAMP's Simplified Employee Pension Retirement Plan, which was established on October 1, 2001, the employer contributes an amount equal to 12% of the employees' monthly salaries to the plan. The employer contributions for 2018, 2017, and 2016 totaled \$51,809, \$49,342, and \$47,905, respectively.

7. ADMINISTRATIVE CHARGES

Under the agreement with American Beacon Advisors, which became effective January 1, 2016, the Corporation pays an annual advisory fee (calculated and remitted monthly) based upon LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$1.0 billion	4.0
Over \$1.0 billion	1.0

Under the agreement with Public Trust Advisors, LLC, which became effective August 1, 2015, the Corporation pays a daily fee (divided by 365 days) are calculated as follows:

<u>Asset Base</u>	<u>Basis Point Fee</u>
First \$1.0 billion	3.5
Next \$500 million	2.5
Next \$500 million	1.0
Over \$2 billion	0.0

Under the custodial agreement with Regions Bank, which became effective September 15, 2016 the Corporation pays a custodial fee (calculated and remitted quarterly) based on LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$1.5 billion	0.55
Next \$500 million	0.50
Over \$2 billion	0.40

During the year ended December 31, 2018, investment advisor fees and transfer agency/fund accountant fees of \$987,853 and custodial fees of \$100,776 were incurred.

LAMP, Inc., is paid an administrative fee for the administration of LAMP. The Executive Committee of LAMP, Inc., has oversight authority with respect to the amount of administrative fees deemed necessary to properly administer LAMP. The administrative fee is a monthly fee based on LAMP's average daily net assets, which was computed at the annual rate of 13 basis points. The custodial fee of .5 basis points is based on the entire average daily activity value of net points. LAMP, Inc. may adjust its administrative fee proportionately so that the total of all three fees does not exceed the maximum approved by the board.

During the year ended December 31, 2018, administrative fees of \$2,177,836 were incurred. In addition, inter-entity fees totaling \$2,199,380 have been eliminated in the accompanying financial statements. In addition, administrative fees totaling \$1,285,000 (cash basis) were returned to LAMP Pool under LAMP's Fee Rebate Program.

8. OFFICE LEASE

LAMP, Inc., has an operating lease for office space. Rental expense for the operating lease during the year ended December 31, 2018, amounted to \$33,027. The current lease agreement expires on October 31, 2023. The future minimum rental payments applicable to this lease are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2019	\$42,192
2020	42,485
2021	44,145
2022	45,122
2023	<u>37,602</u>
Total	<u><u>\$211,546</u></u>

9. LITIGATION

There is no pending litigation against LAMP or LAMP, Inc., at December 31, 2018.

10. FEDERAL INCOME TAX

LAMP, Inc. is a taxable entity for federal income tax purposes. A net operating loss of \$64,880 was carried over from the 2017 tax return to offset future taxable income. For the year ended December 31, 2018, the Corporation has a net taxable income of \$28,111.

SUPPLEMENTARY INFORMATION SCHEDULE

Schedule of Investments

Schedule 1 presents the face amount, maturity date, amortized cost, and fair value of individual investments held by the LAMP Pool at December 31, 2018.

**LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA**

Schedule of Investments, December 31, 2018

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Federal Home Loan Bank Notes					
\$71,200,000	1/2/2019		2.20%	\$71,195,486	\$71,190,780
15,000,000	1/3/2019		2.28%	14,998,104	14,997,102
65,000,000	1/4/2019		2.20%	64,987,735	64,983,061
25,000,000	1/7/2019		2.20%	24,990,833	24,988,455
10,523,000	1/8/2019		2.47%	10,517,946	10,517,224
25,000,000	1/10/2019		2.22%	24,986,125	24,983,417
76,595,000	1/18/2019		2.25%	76,510,607	76,503,699
20,000,000	1/18/2019		2.25%	20,000,110	19,997,200
35,000,000	1/22/2019		2.40%	34,951,000	34,948,904
15,000,000	2/6/2019		2.34%	15,000,000	14,999,700
10,000,000	2/13/2019		2.39%	10,000,000	9,997,900
15,000,000	2/25/2019		2.40%	14,945,000	14,944,140
25,000,000	3/29/2019		2.43%	24,853,490	24,852,417
10,000,000	4/15/2019		2.44%	9,929,511	9,928,104
20,000,000	7/19/2019		2.40%	19,999,776	19,995,200
10,000,000	11/13/2019		2.35%	9,998,637	9,995,700
10,000,000	1/23/2020		2.44%	10,000,000	9,997,000
<u>\$458,318,000</u>	Total Federal Home Loan Bank Notes			<u>\$457,864,360</u>	<u>\$457,820,003</u>
Federal Farm Credit Bank Notes					
\$14,150,000	4/3/2019		2.17%	\$14,149,265	\$14,150,707
10,000,000	6/12/2019		2.33%	9,999,522	9,994,500
10,000,000	10/18/2019		2.39%	9,999,762	9,987,700
10,000,000	2/5/2020		2.43%	9,999,452	9,986,900
20,000,000	2/18/2020		2.52%	19,998,319	19,989,000
15,000,000	4/15/2020		2.42%	15,000,000	14,990,850
19,400,000	5/14/2020		2.40%	19,398,271	19,384,868
11,900,000	5/29/2020		2.47%	11,899,146	11,890,361
10,000,000	7/20/2020		2.46%	9,998,464	9,987,700
<u>\$120,450,000</u>	Total Federal Farm Credit Bank Notes			<u>\$120,442,201</u>	<u>\$120,362,586</u>
Federal Home Loan Mortgage Corporation Notes					
<u>\$10,000,000</u>	4/17/2019		2.43%	<u>\$9,928,450</u>	<u>\$9,928,607</u>

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2018

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Commercial Paper ¹					
\$15,000,000	1/14/2019	ERSTE ABWICKLUNGSANSTALT	2.37%	\$14,987,190	\$14,986,116
32,000,000	1/16/2019	OLD LINE FUNDING LLC	2.40%	31,967,583	31,965,866
11,300,000	1/17/2019	DNB BANK ASA	2.40%	11,287,947	11,287,194
5,075,000	1/18/2019	SVENSKA HANDELSBANKEN AB	2.50%	5,069,009	5,068,656
10,560,000	1/18/2019	TORONTO DOMINION BANK	2.41%	10,547,982	10,547,275
20,000,000	1/18/2019	OLD LINE FUNDING LLC	2.40%	19,977,333	19,976,000
20,000,000	1/22/2019	DNB BANK ASA	2.40%	19,972,000	19,970,666
10,000,000	1/23/2019	SUMITOMO MITSUI BANKING	2.43%	9,985,150	9,984,475
25,000,000	1/24/2019	TORONTO DOMINION BANK	2.45%	24,960,868	24,959,168
25,000,000	1/25/2019	BANK OF MONTREAL	2.42%	24,959,667	24,957,985
5,000,000	1/25/2019	OLD LINE FUNDING LLC	2.38%	4,992,067	4,991,805
15,000,000	1/28/2019	CAISSE DES DEPOTS ET CON	2.40%	14,973,000	14,972,466
13,000,000	1/30/2019	MIZUHO BANK LTD/NY	2.51%	12,973,767	12,972,863
15,000,000	2/4/2019	TORONTO DOMINION BANK	2.48%	14,964,867	14,963,834
15,000,000	2/5/2019	CAISSE DES DEPOTS ET CON	2.42%	14,964,708	14,963,700
15,000,000	2/11/2019	MIZUHO BANK LTD/NY	2.66%	14,954,644	14,953,537
10,000,000	2/11/2019	COMMONWEALTH BK AUSTRALI	2.60%	9,970,389	9,969,900
5,000,000	2/11/2019	KELLS FUNDING LLC	2.60%	4,985,194	4,984,833
10,000,000	2/12/2019	NRW.BANK	2.69%	9,968,617	9,967,870
15,000,000	2/12/2019	CAISSE DES DEPOTS ET CON	2.44%	14,957,300	14,956,284
10,000,000	2/19/2019	COMMONWEALTH BK AUSTRALI	2.62%	9,964,339	9,963,611
25,000,000	2/19/2019	NRW.BANK	2.48%	24,915,611	24,913,890
10,500,000	2/20/2019	NRW.BANK	2.53%	10,463,104	10,464,151
10,000,000	2/25/2019	NORDEA BANK ABP	2.68%	9,959,132	9,958,389
10,000,000	2/26/2019	MIZUHO BANK LTD/NY	2.76%	9,957,067	9,956,300
15,000,000	2/26/2019	JP MORGAN SECURITIES LLC	2.48%	14,942,133	14,934,213
10,000,000	2/27/2019	ERSTE ABWICKLUNGSANSTALT	2.70%	9,957,250	9,956,500
20,000,000	2/28/2019	ERSTE ABWICKLUNGSANSTALT	2.71%	19,912,758	19,911,336
4,200,000	3/1/2019	DNB BANK ASA	2.60%	4,182,103	4,181,800
32,100,000	3/1/2019	KELLS FUNDING LLC	2.55%	31,966,340	31,963,575
10,000,000	3/5/2019	KELLS FUNDING LLC	2.75%	9,951,875	9,951,111
10,000,000	3/5/2019	NORDEA BANK ABP	2.71%	9,952,662	9,951,911
10,000,000	3/8/2019	OLD LINE FUNDING LLC	2.70%	9,950,500	9,949,750
10,000,000	3/11/2019	BANK OF NOVA SCOTIA	2.76%	9,947,100	9,946,333
5,000,000	3/12/2019	DNB BANK ASA	2.75%	4,973,264	4,972,882
5,000,000	3/15/2019	MUFG BANK LTD/NY	2.75%	4,972,118	4,971,736
5,000,000	3/15/2019	MIZUHO BANK LTD/NY	2.80%	4,971,662	4,971,273
5,000,000	3/18/2019	NORDEA BANK ABP	2.77%	4,970,814	4,970,430

¹ Commercial paper is sold at either a discount or premium - there is no stated rate. The yield reported is the December 31, 2018, effective rate.

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2018

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Commercial Paper (Cont.)					
10,000,000	3/20/2019	BANK OF MONTREAL	2.78%	\$9,939,767	\$9,938,994
20,000,000	3/21/2019	TOYOTA MOTOR CREDIT CORP	2.77%	19,878,428	19,876,888
5,000,000	3/21/2019	SUMITOMO MITSUI BANKING	2.75%	4,969,826	4,969,444
10,000,000	3/21/2019	SWEDBANK	2.62%	9,942,506	9,941,778
5,000,000	3/26/2019	BANK OF MONTREAL	2.79%	4,967,450	4,967,062
5,000,000	3/26/2019	MUFG BANK LTD/NY	2.69%	4,968,617	4,968,243
15,000,000	3/28/2019	JP MORGAN SECURITIES LLC	2.70%	14,903,250	14,902,125
10,000,000	4/1/2019	JP MORGAN SECURITIES LLC	2.63%	9,934,250	9,933,519
15,000,000	4/3/2019	JP MORGAN SECURITIES LLC	2.60%	14,900,333	14,899,249
10,000,000	4/3/2019	BANK OF MONTREAL	2.58%	9,934,067	9,933,350
10,000,000	4/8/2019	JP MORGAN SECURITIES LLC	2.77%	9,925,364	9,924,594
25,000,000	4/8/2019	TOYOTA MOTOR CREDIT CORP	2.51%	25,000,000	25,000,000
25,000,000	4/18/2019	TOYOTA MOTOR CREDIT CORP	2.56%	25,000,000	25,000,000
15,000,000	5/13/2019	CANADIAN IMPERIAL HLDING	2.61%	15,000,000	15,000,000
15,000,000	5/13/2019	NATIONAL AUSTRALI BANK L	2.58%	15,000,000	15,000,000
10,000,000	5/14/2019	NATIONAL AUSTRALI BANK L	2.86%	9,894,339	9,893,544
10,000,000	6/3/2019	JP MORGAN SECURITIES LLC	2.90%	9,876,750	9,875,944
15,000,000	6/7/2019	TORONTO DOMINION BANK	2.56%	15,000,000	15,000,000
5,000,000	6/10/2019	OLD LINE FUNDING LLC	2.94%	4,934,667	4,934,259
5,000,000	6/11/2019	SVENSKA HANDELSBANKEN AB	2.83%	4,936,718	4,936,325
25,000,000	6/14/2019	BEDFORD ROW FUNDING CORP	2.64%	25,000,000	25,000,000
5,000,000	6/17/2019	TORONTO DOMINION BANK	2.86%	4,933,664	4,933,267
15,000,000	6/17/2019	BANK OF NOVA SCOTIA	2.64%	15,000,000	15,000,000
12,600,000	6/26/2019	COCA-COLA CO	2.85%	12,424,440	12,423,443
10,000,000	7/9/2019	NORDEA BANK ABP	2.93%	9,846,175	9,845,361
15,000,000	7/19/2019	CA IMPERIAL BK OF COMM	2.66%	15,000,000	15,000,000
15,000,000	7/29/2019	CA IMPERIAL BK OF COMM	2.65%	15,000,000	15,000,000
15,000,000	8/8/2019	BEDFORD ROW FUNDING CORP	2.80%	15,000,000	15,000,000
10,000,000	8/22/2019	BEDFORD ROW FUNDING CORP	2.85%	10,000,000	10,000,000
15,000,000	9/13/2019	WESTPAC BANKING CORP	2.95%	15,000,000	15,000,000
<u>\$876,335,000</u>	Total Commercial Paper			<u>\$873,439,724</u>	<u>\$873,387,073</u>
Repurchase Agreements					
\$25,000,000	1/2/2019		3.00%	\$25,000,000	\$25,000,000
1,977,191	1/2/2019		2.81%	1,977,191	1,977,191
100,000,000	1/2/2019		3.00%	100,000,000	100,000,000
175,000,000	1/2/2019		2.99%	175,000,000	175,000,000
<u>75,000,000</u>	1/2/2019		2.60%	<u>75,000,000</u>	<u>75,000,000</u>
<u>\$376,977,191</u>	Total Repurchase Agreements			<u>\$376,977,191</u>	<u>\$376,977,191</u>
<u>\$1,842,080,191</u>			Totals	<u>\$1,838,651,926</u>	<u>\$1,838,475,460</u>

Concluded

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

Exhibit A

The following pages contain a report on internal control over financial reporting and on compliance with laws and regulations and other matters as required by *Government Auditing Standards* issued by the Comptroller General of the United States. This report is based solely on the audit of the financial statements and includes, where appropriate, any significant deficiencies and/or material weaknesses in internal control or compliance and other matters that would be material to the presented financial statements.



LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 11, 2019

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*

Independent Auditor's Report

**BOARD OF DIRECTORS OF THE LOUISIANA
ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
New Orleans, Louisiana

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 the fiduciary fund activities of the Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements, and have issued our report thereon dated June 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered LAMP's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAMP's internal control. Accordingly, we do not express an opinion on the effectiveness of LAMP'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 LAMP's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. Under Louisiana Revised Statute 24:513, this communication is distributed by the Legislative Auditor as a public document.

Respectfully submitted,



Daryl G. Purpera, CPA, CFE
Legislative Auditor

LMF:EMS:BQD:EFS:aa

LAMP 2018