



MICHAEL J. "MIKE"
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Report Highlights

Louisiana Asset Management Pool

Audit Control # 80210131
Financial Audit Services • June 2022

Why We Conducted This Audit

We performed certain procedures at the Louisiana Asset Management Pool (LAMP) for the period January 1, 2021, through December 31, 2021, 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 \$384,040,439, primarily because participant deposits exceeded participant withdrawals by \$382,862,158.
- Net investment earnings decreased by \$16,601,221, as a result of a decrease in interest rates in 2021.
- For the year ended December 31, 2021, LAMP, Inc., who administers LAMP, charged fees net of rebate totaling \$2,561,599 to the investment pool. The rebate consisted of fees that exceeded LAMP, Inc.'s administrative needs by \$3,335,300. LAMP, Inc.'s expenses were comprised of investment activity costs for investment advisor fees, transfer agency/fund accountant fees, and custodial fees totaling \$1,278,826 and other administrative expenses totaling \$1,116,553.
- LAMP's investment activity costs increased \$42,146 and administrative expenses increased by \$30,125 in 2021. In 2021, LAMP, Inc. rebated \$3,335,300 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$25.2 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, 2021, there were 777 participants in the pool.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA



FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2021
ISSUED JUNE 20, 2022

**LOUISIANA LEGISLATIVE AUDITOR
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LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

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LOUISIANA LEGISLATIVE AUDITOR
MICHAEL J. "MIKE" WAGUESPACK, CPA

June 9, 2022

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of the Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the fiduciary net position of LAMP as of December 31, 2021, and the changes in fiduciary net position for the year 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (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 LAMP 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 opinion.

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 LAMP's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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 GAAS 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 GAAS 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 LAMP'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 LAMP'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.

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 10 be presented to supplement the basic

financial statements. Such information is the responsibility of management and, 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. 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 basic financial statements. The 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 9, 2022, on our consideration of LAMP's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, and 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,



Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor

LMF:BF:BQD:EFS:aa

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, 2021. 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 \$3,045,214,269 (net position).
- The number of participants increased by a net of 11, from 766 at December 31, 2020, to 777 at December 31, 2021.
- Net investment earnings decreased by \$16,601,221 in 2021.
- Administrative expenses increased by \$30,125 in 2021. In 2021, LAMP, Inc. rebated \$3,335,300 (cash basis) of administrative expenses back to participants. LAMP, Inc. has rebated \$25.2 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 Fiduciary Net Position, (2) Statement of Changes in Fiduciary 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 Fiduciary 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 Fiduciary 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, additions and deductions are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., interest receivable, accounts payable and accruals, 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 the 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 \$3,045,214,269 at the close of December 31, 2021. The largest portion of LAMP's net position (99.88%) reflects its investments at fair market value. The following is a comparison of LAMP's net position to the prior year.

Table A-1
Louisiana Asset Management Pool
Comparative Statement of Fiduciary Net Position
As of December 31, 2021, and December 31, 2020

| | 2021 | 2020 |
|--|-----------------|-----------------|
| Cash | \$3,577,727 | \$7,775,242 |
| Receivables: | | |
| Interest | 310,579 | 79,447 |
| Other | 75,000 | 75,000 |
| Investments | 3,041,463,470 | 2,653,441,795 |
| Other assets: | | |
| Prepaid expenses | 13,691 | 10,244 |
| Furniture and fixtures, automobile, and office equipment, net | 5,331 | 11,481 |
| Total Assets | 3,045,445,798 | 2,661,393,209 |
| Accounts payable and accruals | 159,382 | 152,027 |
| Compensated absences payable | 72,147 | 67,352 |
| Total Liabilities | 231,529 | 219,379 |
| Net Position - Restricted for for pool participants | \$3,045,214,269 | \$2,661,173,830 |

- Total assets increased by \$384,052,589.
- Most of the increase in assets is attributable to participant deposits.

- Investments increased primarily because participants' deposits exceeded withdrawals from LAMP Pool.

Changes in Fiduciary Net Position. Investment activities and participants' transactions increased LAMP's net position by \$384,040,439. Key elements of the increase are as follows:

Table A-2
Louisiana Asset Management Pool
Comparative Statement of Changes in Fiduciary Net Position
As of December 31, 2021, and December 31, 2020

| | 2021 | 2020 |
|--|-----------------|-----------------|
| Additions: | | |
| Investment earnings: | | |
| Interest income | \$1,575,329 | \$6,004,138 |
| Investment income (amortization/accretion of income, and gain or loss on sales) | 2,016,522 | 13,747,776 |
| Net (decrease) increase in fair market value of investments | (18,191) | 380,821 |
| Total investment earnings | 3,573,660 | 20,132,735 |
| Less investment costs: | | |
| Investment activity costs | (1,278,826) | (1,236,680) |
| Net investment earnings | 2,294,834 | 18,896,055 |
| Capital share and individual account transactions: | | |
| Participant deposits | 2,730,612,346 | 3,236,494,285 |
| Reinvested distributions | 1,388,293 | 17,575,288 |
| Participant withdrawals | (2,347,750,188) | (2,851,439,340) |
| Net capital shares and individual account transactions | 384,250,451 | 402,630,233 |
| Total additions | 386,545,285 | 421,526,288 |
| Deductions: | | |
| Reinvested distributions to participants | (1,388,293) | (17,575,288) |
| Administrative expenses | (1,116,553) | (1,086,428) |
| Total deductions | (2,504,846) | (18,661,716) |
| Total increase in net position | 384,040,439 | 402,864,572 |
| Net Position, Beginning of Year | 2,661,173,830 | 2,258,309,258 |
| Net Position, End of Year | \$3,045,214,269 | \$2,661,173,830 |

- Interest income and amortization/accretion of income decreased as the Federal Reserve kept rates at the zero-lower bound for most of 2021.
- The majority of the increase in net position resulted from participants' net deposits of \$382,862,158 for 2021.

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 (99.9%) reflects its investments at fair market value. After the elimination of \$185,914 fees receivable from LAMP Pool, the largest portion of LAMP, Inc.'s assets (96.8%) is cash. The following is an analysis of the net position at December 31, 2021, attributable to LAMP Pool and to LAMP, Inc.:

Table A-3
Louisiana Asset Management Pool
Statement of Fiduciary Net Position (by Entity)

| | <u>LAMP</u> | <u>Eliminations</u> | <u>LAMP Pool</u> | <u>LAMP, Inc.</u> |
|---|------------------------|---------------------|------------------------|-------------------|
| Cash | \$3,577,727 | | \$3,000,000 | \$577,727 |
| Receivables: | | | | |
| Interest receivable | 310,579 | | 310,579 | |
| Other | 75,000 | | 75,000 | |
| Investments | 3,041,463,470 | | 3,041,463,470 | |
| Other assets: | | | | |
| Prepaid expenses | 13,691 | | | 13,691 |
| Furniture and fixtures, automobile, and office equipment, net | 5,331 | | | 5,331 |
| Fees receivable from LAMP Pool | | (\$185,914) | | 185,914 |
| Total Assets | <u>3,045,445,798</u> | <u>(185,914)</u> | <u>3,044,849,049</u> | <u>782,663</u> |
| Accounts payable and accruals | 159,382 | | | 159,382 |
| Compensated absences payable | 72,147 | | | 72,147 |
| Fees payable to LAMP, Inc. | | (185,914) | 185,914 | |
| Total Liabilities | <u>231,529</u> | <u>(185,914)</u> | <u>185,914</u> | <u>231,529</u> |
| Net Position - Restricted for for pool participants | <u>\$3,045,214,269</u> | <u>NONE</u> | <u>\$3,044,663,135</u> | <u>\$551,134</u> |

In preparing the Statement of Fiduciary Net Position, monthly fees of \$185,914 payable by LAMP Pool to LAMP, Inc. were eliminated.

Changes in Fiduciary Net Position. Investment activities and participants' transactions increased LAMP's net position by \$384,040,439. Key elements of the changes are as follows:

Table A-4
Louisiana Asset Management Pool
Changes in Fiduciary Net Position (by Entity)

| | LAMP | Eliminations | LAMP Pool | LAMP, Inc. |
|---|------------------------|----------------------|------------------------|----------------------|
| Additions: | | | | |
| Investment earnings: | | | | |
| Interest income | \$1,575,329 | | \$1,575,329 | |
| Investment income (amortization/accretion of income, and gain or loss on sales) | 2,016,522 | | 2,016,522 | |
| Net increase in fair market value of investments | <u>(18,191)</u> | | <u>(18,191)</u> | |
| Total investment earnings | 3,573,660 | | 3,573,660 | |
| Less investment costs: | | | | |
| Investment activity costs | <u>(1,278,826)</u> | | | <u>(\$1,278,826)</u> |
| Net investment earnings | 2,294,834 | | 3,573,660 | (1,278,826) |
| Capital share and individual account transactions: | | | | |
| Participant deposits | 2,730,612,346 | | 2,730,612,346 | |
| Reinvested distributions | 1,388,293 | | 1,388,293 | |
| Participant withdrawals | <u>(2,347,750,188)</u> | | <u>(2,347,750,188)</u> | |
| Net capital shares and individual account transactions | 384,250,451 | | 384,250,451 | |
| Administrative income | | <u>(\$2,561,599)</u> | | <u>2,561,599</u> |
| Total additions | <u>386,545,285</u> | <u>(2,561,599)</u> | <u>387,824,111</u> | <u>1,282,773</u> |
| Deductions: | | | | |
| Reinvested distributions to participants | (1,388,293) | | (1,388,293) | |
| Administrative expenses | <u>(1,116,553)</u> | 2,561,599 | <u>(2,561,599)</u> | <u>(1,116,553)</u> |
| Total deductions | <u>(2,504,846)</u> | 2,561,599 | <u>(3,949,892)</u> | <u>(1,116,553)</u> |
| Total increase in net position | 384,040,439 | NONE | 383,874,219 | 166,220 |
| Net Position, Beginning of Year | <u>2,661,173,830</u> | NONE | <u>2,660,788,916</u> | <u>384,914</u> |
| Net Position, End of Year | <u>\$3,045,214,269</u> | <u>NONE</u> | <u>\$3,044,663,135</u> | <u>\$551,134</u> |

- In preparing the Combined Statement of Changes in Fiduciary Net Position for LAMP, administrative fees of \$2,561,599 paid by LAMP Pool to LAMP, Inc. were eliminated. A management fee rebate from LAMP, Inc. to LAMP Pool of \$3,335,300 (cash basis) reduced the administrative expenses of LAMP, Inc., and LAMP Pool.

- Investment advisor and transfer agency/fund accountant fees of \$1,129,971 and custodial fees of \$148,855 are included in investment activity costs.

ECONOMIC OUTLOOK

In March 2022, the Federal Open Market Committee (FOMC) voted to raise interest rates by 25 basis points, resulting in a target range for the federal funds rate of 0.25% - 0.50%. There are additional rate hikes anticipated over the remainder of the year. The FOMC has a dual mandate to promote maximum employment and stable prices.

As the economy continues to show signs of recovery and the Federal Reserve adopt a more hawkish tone, LAMP participants are now well-positioned to take advantage of this rising rate environment. Since the LAMP has a short average maturity of pool investments, LAMP yields will adjust more rapidly and typically provide an enhanced market rate. As holdings in LAMP mature, fund management will invest these proceeds into higher-yielding securities thus providing investors with current and higher rates.

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 Fiduciary Net Position, December 31, 2021

ASSETS

| | |
|---|---------------|
| Cash (note 2) | \$3,577,727 |
| Receivables | |
| Interest | 310,579 |
| Other | 75,000 |
| Investments at fair value (note 3): | |
| Money market funds | 736,942,011 |
| Commercial paper | 1,444,614,105 |
| United States treasury bills | 244,868,631 |
| United States agency notes | 215,038,723 |
| Repurchase agreements | 400,000,000 |
| Other Assets: | |
| Prepaid expenses | 13,691 |
| Furniture and fixtures, automobile, and office equipment, net (note 1-F) | 5,331 |
| | <hr/> |
| TOTAL ASSETS | 3,045,445,798 |

LIABILITIES

| | |
|---------------------------------------|---------|
| Accounts payable and accruals | 159,382 |
| Compensated absences payable (note 5) | 72,147 |
| | <hr/> |
| TOTAL LIABILITIES | 231,529 |

| | |
|--|------------------------|
| NET POSITION - RESTRICTED FOR POOL PARTICIPANTS | \$3,045,214,269 |
| | <hr/> <hr/> |

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 Fiduciary Net Position
For the Year Ended December 31, 2021**

ADDITIONS

Investment earnings:

| | |
|--|--------------------|
| Interest income | \$1,575,329 |
| Amortization/accretion of income | 2,014,893 |
| Net decrease in fair market value of investments | (18,191) |
| Gain on sale of investments | 1,629 |
| Total investment earnings | <u>3,573,660</u> |
| Less investment costs: | |
| Investment activity costs | <u>(1,278,826)</u> |
| Net investment earnings | 2,294,834 |

Capital share and individual account transactions:

| | |
|--|------------------------|
| Participant deposits | 2,730,612,346 |
| Reinvested distributions | 1,388,293 |
| Participant withdrawals | <u>(2,347,750,188)</u> |
| Net capital shares and individual account transactions | <u>384,250,451</u> |

Total additions 386,545,285

DEDUCTIONS

| | |
|--|------------------|
| Reinvested distributions to participants | 1,388,293 |
| Administrative expenses | <u>1,116,553</u> |
| Total deductions | <u>2,504,846</u> |

Net increase in fiduciary net position 384,040,439

NET POSITION, BEGINNING OF YEAR 2,661,173,830

NET POSITION, END OF YEAR \$3,045,214,269

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, 2021, there were 777 voluntary participants in the pool.

LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.), 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. LAMP, Inc. (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, 2021, there were 14 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 initial three-year period ended on September 15, 2019. The Corporation exercised the option to renew for two consecutive one-year periods to September 15, 2021. On September 15, 2021, the Corporation renewed the contract on a month-to-month basis.

The Corporation entered into a contract with American Beacon Advisors to manage the investment portfolio, commencing October 1, 2019, for a period of three years with options to renew the contract for two additional 12-month periods.

The Corporation entered into a new contract effective August 1, 2020, with Public Trust Advisors, LLC, to continue serving as fund accountant and transfer agent until August 1, 2023.

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, additions are recognized when earned and deductions 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.

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 statement of fiduciary net position 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, 2020 | Additions | Deletions | Balance December 31, 2021 |
|--|---------------------------------|------------------|--------------|---------------------------------|
| Furniture and fixtures | \$34,911 | | | \$34,911 |
| Office equipment | 6,412 | | | 6,412 |
| Computer equipment | 43,273 | | (\$20,869) | 22,404 |
| Automobile | 45,563 | | | 45,563 |
| Total | 130,159 | NONE | (20,869) | 109,290 |
| Less accumulated depreciation | (118,678) | (\$6,146) | 20,865 | (103,959) |
| Net furniture and fixtures, office equipment, computer equipment, and automobile | <u>\$11,481</u> | <u>(\$6,146)</u> | <u>(\$4)</u> | <u>\$5,331</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 Fiduciary Net Position, LAMP has deposits in bank accounts totaling \$3,577,727 at December 31, 2021. The deposits (book balances) at December 31, 2021, consisted of the following:

| | |
|--------------------|---------------------------|
| Demand deposits | \$577,727 |
| Custodial deposits | <u>3,000,000</u> |
| Total | <u><u>\$3,577,727</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 | \$635,560 |
| Regions | Bank Account | <u>3,025,000</u> |
| Total | | <u><u>\$3,660,560</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 \$3,041,463,470, 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, 2021, 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, 2021</u> | <u>Carrying Value (Amortized Cost) at December 31, 2021</u> | <u>Fair Value at December 31, 2021</u> |
|---|-------------------------|------------------------------|---|---|--|
| Federal Home Loan Bank notes | 2/11/2022 to 3/24/2023 | .09% to .19% | \$65,000,000 | \$64,994,294 | \$64,998,230 |
| Federal Farm Credit Bank notes | 8/22/2022 to 12/13/2022 | .09% to .11% | 60,000,000 | 59,998,711 | 60,014,498 |
| Federal Home Loan Mortgage Association notes | 3/4/2022 to 6/2/2022 | .20% to .24% | 25,000,000 | 25,000,000 | 25,012,573 |
| Federal National Mortgage Association notes | 1/5/2022 to 3/16/2022 | .16% to 2.00% | 65,000,000 | 65,002,373 | 65,013,422 |
| Treasury bills | 1/6/2022 to 10/6/2022 | 0% to .26% | 245,000,000 | 244,922,092 | 244,868,631 |
| Money markets | 1/3/2022 | .02% to .03% | 736,942,011 | 736,942,011 | 736,942,011 |
| Commercial paper | 1/4/2022 to 6/27/2022 | .04% to .30% | 1,445,151,000 | 1,444,622,180 | 1,444,614,105 |
| Repurchase agreements* | 1/3/2022 | 0.05% | <u>400,000,000</u> | <u>400,000,000</u> | <u>400,000,000</u> |
| Total | | | <u><u>\$3,042,093,011</u></u> | <u><u>\$3,041,481,661</u></u> | <u><u>\$3,041,463,470</u></u> |

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

| | Change in Investments | |
|---|-----------------------|-------------------|
| | Amortized Cost | Fair Value |
| Balance, December 31, 2020 | \$2,653,060,974 | \$2,653,441,795 |
| Add: | | |
| Investment purchases | 101,196,133,394 | 101,196,133,394 |
| Amortization/accretion of income | 2,370,014 | 2,370,014 |
| Market value adjustment | | (18,191) |
| Total | 101,198,503,408 | 101,198,485,217 |
| Less: | | |
| Investment maturities | (100,810,082,721) | (100,810,082,721) |
| Prior year fair market value adjustment | | (380,821) |
| Total | (100,810,082,721) | (100,810,463,542) |
| Balance, December 31, 2021 | \$3,041,481,661 | \$3,041,463,470 |

Unrealized investment losses exceeded unrealized investment gains by \$18,191 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, 2021, 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 with no more than 5% of assets in any one issuer, and no more than 25% of assets 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, 2021, LAMP's investments in commercial paper 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, 2021, are as follows:

| | Fair Value Measurement Using: | | | |
|--|-------------------------------|--|------------------------------------|--|
| | Fair Market Value | Quoted | | Significant Unobservable Inputs Level 3 |
| | | Prices In Active Markets for Identical Assets Level 1 | Other Observable Inputs Level 2 | |
| | | | | |
| Investments by Fair Value Level | | | | |
| Debt securities: | | | | |
| Federal Home Loan Bank notes | \$64,998,230 | \$9,991,778 | \$55,006,452 | |
| Federal Farm Credit Bank notes | 60,014,498 | | 60,014,498 | |
| Federal Home Loan Mortgage Association notes | 25,012,573 | | 25,012,573 | |
| Federal National Mortgage Association notes | 65,013,422 | | 65,013,422 | |
| Treasury bills | 244,868,631 | | 244,868,631 | |
| Money Market - Government Only | 736,942,011 | 736,942,011 | | |
| Repurchase Agreements | 400,000,000 | | | \$400,000,000 |
| Commercial paper | 1,444,614,105 | | 1,419,614,105 | 25,000,000 |
| Total debt security investments by fair market value level | <u>\$3,041,463,470</u> | <u>\$746,933,789</u> | <u>\$1,869,529,681</u> | <u>\$425,000,000</u> |

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

Level 3 investments listed in the above table are valued using ICE Pricing Services, which offers continuous fixed income evaluated pricing. Coverage includes U.S., EMEA, and Asia Pacific corporate and sovereign bonds, convertible bonds, and money market instruments as well as U.S. MBS TBAs, U.S. MBS pass-throughs, U.S. agency/government sponsored enterprises (GSE) debentures, U.S. bank loans, U.S. preferred stocks, and 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 on a daily basis. 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, 2021.

| <u>Three-month Period Ended</u> | <u>Annual Interest Rate</u> |
|---------------------------------|---------------------------------|
| March 31, 2021 | 0.06% |
| June 30, 2021 | 0.04% |
| September 30, 2021 | 0.03% |
| December 31, 2021 | 0.04% |

5. COMPENSATED ABSENCES PAYABLE

The Corporation has three employees: two officers and one 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 \$72,147 as of December 31, 2021, 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 2021, 2020, and 2019, totaled \$57,718, \$56,036, and \$53,881, respectively.

7. ADMINISTRATIVE CHARGES

Under the agreement with American Beacon Advisors, which became effective October 1, 2019, 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, 2020, the Corporation pays a daily fee (divided by 365 days) 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 Base</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, 2021, investment advisor fees and transfer agency/fund accountant fees of \$1,129,971 and custodial fees of \$148,855 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 overall fee charged to the LAMP pool is capped at 19.5 basis points. The fee is calculated monthly based on LAMP's average daily net assets. Fee income generated that is not needed to pay expenses is returned to the LAMP pool through the fee rebate program. LAMP, Inc. may adjust its administrative fee proportionately so that the total of all expenses does not exceed the maximum approved by the board.

During the year ended December 31, 2021, administrative fees of \$1,116,553 and investment activity costs of \$1,278,826 were incurred. In addition, inter-entity fees totaling \$2,561,599 have been eliminated in the accompanying financial statements. In addition, administrative fees totaling \$3,335,300 (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, 2021, amounted to \$44,138. On June 6, 2018, LAMP Inc. entered into a lease agreement which 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> |
|--------------------------------|------------------------|
| 2022 | \$45,122 |
| 2023 | <u>37,602</u> |
| Total | <u><u>\$82,724</u></u> |

9. LITIGATION

There is no pending litigation against LAMP or LAMP, Inc. at December 31, 2021.

10. FEDERAL INCOME TAX

During the year ended December 31, 2021, LAMP, Inc. applied for and was approved as a 501(c)(3) non-profit entity.

SUPPLEMENTARY INFORMATION SCHEDULE

Schedule of Investments, December 31, 2021

Schedule 1 presents the face amount, maturity date, amortized cost, and fair value of individual investments held by the LAMP Pool at December 31, 2021.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA

Schedule of Investments, December 31, 2021

| FACE AMOUNT | MATURITY DATE | DESCRIPTION | YIELD | AMORTIZED COST | FAIR VALUE |
|---|--|-------------|-------|----------------------|----------------------|
| Federal Home Loan Bank Notes: | | | | | |
| \$15,000,000 | 2/11/2022 | | 0.11% | \$15,000,000 | \$15,000,438 |
| 10,000,000 | 6/8/2022 | | 0.19% | 9,994,294 | 9,991,778 |
| 20,000,000 | 7/29/2022 | | 0.13% | 20,000,000 | 20,006,339 |
| 10,000,000 | 11/18/2022 | | 0.11% | 10,000,000 | 10,002,461 |
| 10,000,000 | 3/24/2023 | | 0.09% | 10,000,000 | 9,997,214 |
| <u>\$65,000,000</u> | Total Federal Home Loan Bank Notes | | | <u>\$64,994,294</u> | <u>\$64,998,230</u> |
| Federal Home Loan Mortgage Association Notes: | | | | | |
| \$10,000,000 | 3/4/2022 | | 0.20% | \$10,000,000 | \$10,002,439 |
| 15,000,000 | 6/2/2022 | | 0.24% | 15,000,000 | 15,010,134 |
| <u>\$25,000,000</u> | Total Federal Home Loan Mortgage Association Notes | | | <u>\$25,000,000</u> | <u>\$25,012,573</u> |
| Federal National Mortgage Association Notes: | | | | | |
| \$15,000,000 | 1/5/2022 | | 2.00% | \$15,003,194 | \$15,001,612 |
| 10,000,000 | 1/20/2022 | | 0.41% | 10,000,000 | 10,001,666 |
| 15,000,000 | 1/24/2022 | | 0.36% | 15,000,000 | 15,002,800 |
| 15,000,000 | 3/4/2022 | | 0.16% | 15,000,000 | 15,003,000 |
| 10,000,000 | 3/16/2022 | | 0.27% | 9,999,179 | 10,004,344 |
| <u>\$65,000,000</u> | Total Federal National Mortgage Association Notes | | | <u>\$65,002,373</u> | <u>\$65,013,422</u> |
| Federal Farm Credit Bank Notes: | | | | | |
| \$15,000,000 | 8/22/2022 | | 0.09% | \$14,999,510 | \$14,999,020 |
| 5,000,000 | 9/8/2022 | | 0.09% | 4,999,824 | 5,000,730 |
| 10,000,000 | 11/16/2022 | | 0.11% | 10,000,000 | 10,002,587 |
| 30,000,000 | 12/13/2022 | | 0.10% | 29,999,377 | 30,012,161 |
| <u>\$60,000,000</u> | Total Federal Farm Credit Bank Notes | | | <u>\$59,998,711</u> | <u>\$60,014,498</u> |
| Treasury Bills: | | | | | |
| \$10,000,000 | 1/6/2022 | | 0.00% | \$9,999,931 | \$9,999,997 |
| 20,000,000 | 1/13/2022 | | 0.01% | 19,999,663 | 19,999,917 |
| 10,000,000 | 1/20/2022 | | 0.01% | 9,999,753 | 9,999,941 |
| 10,000,000 | 2/3/2022 | | 0.03% | 9,999,542 | 9,999,742 |
| 10,000,000 | 3/24/2022 | | 0.06% | 9,998,804 | 9,998,756 |
| 10,000,000 | 4/5/2022 | | 0.07% | 9,998,042 | 9,998,134 |
| 35,000,000 | 4/19/2022 | | 0.07% | 34,991,825 | 34,992,786 |
| 10,000,000 | 4/26/2022 | | 0.08% | 9,996,390 | 9,997,647 |
| 10,000,000 | 4/28/2022 | | 0.08% | 9,997,481 | 9,997,564 |
| 10,000,000 | 5/5/2022 | | 0.08% | 9,996,383 | 9,997,331 |
| 15,000,000 | 5/12/2022 | | 0.09% | 14,995,497 | 14,995,162 |
| 10,000,000 | 5/19/2022 | | 0.10% | 9,996,358 | 9,996,307 |
| 35,000,000 | 7/14/2022 | | 0.18% | 34,982,958 | 34,966,369 |
| 30,000,000 | 8/11/2022 | | 0.20% | 29,981,901 | 29,963,792 |
| 10,000,000 | 9/8/2022 | | 0.22% | 9,994,514 | 9,984,832 |
| 10,000,000 | 10/6/2022 | | 0.26% | 9,993,050 | 9,980,354 |
| <u>\$245,000,000</u> | Total Treasury Bills | | | <u>\$244,922,092</u> | <u>\$244,868,631</u> |

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2021

| FACE AMOUNT | MATURITY DATE | DESCRIPTION | YIELD | AMORTIZED COST | FAIR VALUE |
|---------------------------------|---------------|---|-------|----------------|-------------|
| Commercial Paper ¹ : | | | | | |
| \$9,300,000 | 1/4/2022 | Drexia Credit Local SA New York | 0.07% | \$9,299,876 | \$9,299,928 |
| 7,000,000 | 1/6/2022 | DNB Bank ASA | 0.04% | 6,999,864 | 6,999,953 |
| 10,000,000 | 1/7/2022 | DNB Bank ASA | 0.04% | 9,999,775 | 9,999,922 |
| 5,000,000 | 1/7/2022 | Royal Bank of Canada New York | 0.06% | 4,999,892 | 4,999,942 |
| 10,000,000 | 1/12/2022 | Erste Abwicklungsanstalt | 0.07% | 9,999,587 | 9,999,780 |
| 10,000,000 | 1/13/2022 | The Bank of Nova Scotia | 0.07% | 9,999,333 | 9,999,747 |
| 15,000,000 | 1/14/2022 | The Bank of Nova Scotia | 0.11% | 14,998,917 | 14,999,385 |
| 6,750,000 | 1/19/2022 | Svenska Handelsbanken AB | 0.07% | 6,749,561 | 6,749,751 |
| 15,000,000 | 1/20/2022 | Royal Bank of Canada New York | 0.07% | 14,998,892 | 14,999,417 |
| 5,000,000 | 1/21/2022 | DNB Bank ASA | 0.05% | 4,999,458 | 4,999,866 |
| 20,000,000 | 1/21/2022 | Svenska Handelsbanken AB | 0.07% | 19,997,778 | 19,999,183 |
| 10,000,000 | 1/25/2022 | Australia & New Zealand Bank Group Limited | 0.16% | 9,999,100 | 9,998,920 |
| 20,000,000 | 1/27/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.09% | 19,998,194 | 19,998,845 |
| 20,000,000 | 1/27/2022 | Commonwealth Bank of Australia | 0.08% | 19,997,978 | 19,998,695 |
| 15,000,000 | 1/28/2022 | Bank of Montreal Chicago | 0.09% | 14,997,750 | 14,998,950 |
| 15,000,000 | 1/28/2022 | Canadian Imperial Bank of Commerce | 0.08% | 14,997,750 | 14,999,078 |
| 9,671,000 | 2/1/2022 | Svenska Handelsbanken AB | 0.08% | 9,669,334 | 9,670,364 |
| 35,000,000 | 2/4/2022 | Australia & New Zealand Bank Group Limited | 0.08% | 34,994,050 | 34,997,380 |
| 20,000,000 | 2/7/2022 | Mizuho Bank Limited New York | 0.09% | 19,997,225 | 19,998,079 |
| 25,000,000 | 2/10/2022 | Caisse des Depots et Consignations | 0.09% | 24,996,250 | 24,997,523 |
| 15,000,000 | 2/10/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.11% | 14,997,333 | 14,998,087 |
| 13,500,000 | 2/10/2022 | Old Line Funding LLC | 0.15% | 13,497,939 | 13,497,663 |
| 5,000,000 | 2/11/2022 | The Bank of Nova Scotia | 0.15% | 4,998,975 | 4,999,140 |
| 20,000,000 | 2/14/2022 | DNB Bank ASA | 0.09% | 19,996,700 | 19,997,750 |
| 5,000,000 | 2/14/2022 | NRW. Bank | 0.07% | 4,999,206 | 4,999,563 |
| 15,000,000 | 2/14/2022 | Skandinaviska Enskilda Banken AB | 0.11% | 14,997,250 | 14,998,031 |
| 10,000,000 | 2/14/2022 | Toyota Motor Credit Corporation | 0.10% | 9,997,678 | 9,998,750 |
| 11,500,000 | 2/14/2022 | Bedford Row Funding Corporation | 0.15% | 11,498,032 | 11,497,844 |
| 25,000,000 | 2/15/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.12% | 24,994,063 | 24,996,103 |
| 15,000,000 | 2/15/2022 | The Toronto-Dominion Bank | 0.10% | 14,997,375 | 14,998,045 |
| 15,000,000 | 2/16/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.13% | 14,996,742 | 14,997,572 |
| 25,000,000 | 2/16/2022 | The Toronto-Dominion Bank | 0.11% | 24,995,528 | 24,996,606 |
| 30,000,000 | 2/18/2022 | Nordea Bank Abp | 0.08% | 29,994,200 | 29,996,733 |
| 30,000,000 | 2/22/2022 | DNB Bank ASA | 0.11% | 29,993,753 | 29,995,097 |
| 5,000,000 | 2/22/2022 | JP Morgan Securities, LLC | 0.19% | 4,998,483 | 4,998,631 |
| 25,000,000 | 2/23/2022 | NRW. Bank | 0.08% | 24,995,031 | 24,997,150 |
| 20,000,000 | 2/24/2022 | Bank of Montreal Chicago | 0.14% | 19,995,800 | 19,995,722 |
| 20,000,000 | 3/1/2022 | Caisse des Depots et Consignations | 0.09% | 19,995,739 | 19,997,000 |
| 15,000,000 | 3/1/2022 | Drexia Credit Local SA New York | 0.15% | 14,995,821 | 14,996,250 |
| 10,000,000 | 3/1/2022 | Swedbank AB | 0.12% | 9,996,722 | 9,998,000 |
| 25,000,000 | 3/2/2022 | National Australia Bank Limited | 0.13% | 24,994,583 | 24,994,366 |
| 10,000,000 | 3/2/2022 | Sumitomo Mitsui Banking Corporation | 0.13% | 9,996,833 | 9,997,746 |
| 10,000,000 | 3/3/2022 | Bank of Nova Scotia | 0.16% | 9,996,272 | 9,997,348 |
| 15,000,000 | 3/3/2022 | National Australia Bank Limited | 0.14% | 14,994,408 | 14,996,513 |
| 30,000,000 | 3/3/2022 | Sumitomo Mitsui Banking Corporation | 0.14% | 29,990,342 | 29,993,025 |
| 25,000,000 | 3/4/2022 | National Australia Bank Limited | 0.15% | 25,000,000 | 25,000,000 |
| 10,000,000 | 3/7/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.17% | 9,996,028 | 9,996,957 |
| 15,000,000 | 3/8/2022 | Mizuho Bank Limited New York | 0.17% | 14,994,088 | 14,995,422 |
| 15,000,000 | 3/9/2022 | Sumitomo Mitsui Banking Corporation | 0.15% | 14,994,138 | 14,995,722 |
| 10,000,000 | 3/10/2022 | Sumitomo Mitsui Banking Corporation | 0.16% | 9,996,222 | 9,997,048 |
| 23,000,000 | 3/10/2022 | Old Line Funding LLC | 0.22% | 22,993,918 | 22,990,522 |
| 20,000,000 | 3/11/2022 | Nordea Bank Abp | 0.08% | 19,994,825 | 19,996,772 |
| 19,000,000 | 3/11/2022 | Sumitomo Mitsubishi Banking Corporation | 0.24% | 18,993,503 | 18,991,165 |
| 15,000,000 | 3/14/2022 | Nordea Bank Abp | 0.08% | 14,995,670 | 14,997,600 |
| 20,000,000 | 3/14/2022 | Swedbank AB | 0.14% | 19,994,000 | 19,994,444 |
| 15,000,000 | 3/15/2022 | Svenska Handelsbanken AB | 0.15% | 14,995,894 | 14,995,560 |
| 10,000,000 | 3/16/2022 | Australia & New Zealand Bank Group Limited | 0.13% | 9,997,019 | 9,997,396 |
| 10,000,000 | 3/17/2022 | Skandinaviska Enskilda Banken AB | 0.17% | 9,997,083 | 9,996,474 |

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2020

| FACE AMOUNT | MATURITY DATE | DESCRIPTION | YIELD | AMORTIZED COST | FAIR VALUE |
|---------------------------------|------------------------|---|-------|------------------------|------------------------|
| Commercial Paper ¹ : | | | | | |
| \$10,000,000 | 3/18/2022 | National Australia Bank Ltd. | 0.18% | \$9,997,256 | \$9,996,257 |
| 25,000,000 | 3/21/2022 | DNB Bank ASA | 0.15% | 24,992,045 | 24,991,667 |
| 10,000,000 | 3/23/2022 | The Toronto-Dominion Bank | 0.18% | 9,996,625 | 9,996,037 |
| 10,000,000 | 3/24/2022 | The Toronto-Dominion Bank | 0.18% | 9,996,583 | 9,995,942 |
| 20,000,000 | 3/25/2022 | Sumitomo Mitsui Banking Corporation | 0.20% | 19,991,700 | 19,990,947 |
| 15,000,000 | 4/1/2022 | Royal Bank of Canada New York | 0.22% | 14,991,375 | 14,991,620 |
| 10,000,000 | 4/4/2022 | Bank of Montreal Chicago | 0.24% | 9,996,125 | 9,993,916 |
| 5,000,000 | 4/5/2022 | JP Morgan Securities | 0.27% | 4,998,172 | 4,996,503 |
| 10,000,000 | 4/6/2022 | Commonwealth Bank of Australia | 0.20% | 9,995,778 | 9,994,773 |
| 5,000,000 | 4/6/2022 | Old Line Funding LLC | 0.26% | 4,998,021 | 4,996,613 |
| 10,000,000 | 4/7/2022 | Commonwealth Bank of Australia | 0.20% | 9,995,733 | 9,994,692 |
| 15,000,000 | 4/8/2022 | Bank of Montreal Chicago | 0.24% | 14,993,129 | 14,990,404 |
| 5,000,000 | 4/11/2022 | NRW. Bank | 0.14% | 4,997,917 | 4,998,106 |
| 15,000,000 | 4/19/2022 | Commonwealth Bank of Australia | 0.21% | 14,992,350 | 14,990,508 |
| 25,000,000 | 4/19/2022 | NRW Bank | 0.15% | 24,987,700 | 24,989,024 |
| 5,000,000 | 4/19/2022 | The Toronto-Dominion Bank | 0.21% | 4,996,250 | 4,996,836 |
| 15,000,000 | 4/20/2022 | Bank of Montreal Chicago | 0.25% | 14,993,188 | 14,988,863 |
| 8,500,000 | 4/20/2022 | NRW. Bank | 0.15% | 8,495,496 | 8,496,182 |
| 5,000,000 | 4/21/2022 | Bank of Montreal Chicago | 0.25% | 4,996,181 | 4,996,238 |
| 10,000,000 | 4/21/2022 | Skandinaviska Enskilda Banken AB | 0.22% | 9,993,889 | 9,993,186 |
| 15,000,000 | 4/25/2022 | Mitsubishi UFJ Trust & Banking Corporation New York | 0.28% | 14,985,750 | 14,986,967 |
| 13,000,000 | 4/25/2022 | Bedford Row Funding Corporation | 0.26% | 12,992,590 | 12,989,327 |
| 10,000,000 | 4/26/2022 | JP Morgan Securities | 0.29% | 9,994,569 | 9,990,784 |
| 5,000,000 | 4/28/2022 | Commonwealth Bank of Australia | 0.22% | 4,997,400 | 4,996,427 |
| 5,000,000 | 4/28/2022 | MUFG Bank Limited New York | 0.28% | 4,996,100 | 4,995,477 |
| 5,000,000 | 4/29/2022 | Bedford Row Funding Corporation | 0.26% | 4,996,558 | 4,995,719 |
| 25,000,000 | 5/2/2022 | DBS Bank Limited | 0.28% | 24,981,514 | 24,977,040 |
| 15,000,000 | 5/3/2022 | Svenska Handelsbanken AB | 0.18% | 14,991,104 | 14,990,673 |
| 10,000,000 | 5/4/2022 | DBS Bank Limited | 0.28% | 9,992,483 | 9,990,666 |
| 5,000,000 | 5/6/2022 | Westpac Banking Corporation | 0.18% | 4,996,528 | 4,996,955 |
| 20,000,000 | 5/9/2022 | DBS Bank Limited | 0.28% | 19,983,644 | 19,980,435 |
| 15,000,000 | 5/9/2022 | JP Morgan Securities | 0.30% | 14,990,933 | 14,984,090 |
| 15,000,000 | 5/12/2022 | The Toronto-Dominion Bank | 0.24% | 14,987,446 | 14,987,240 |
| 10,000,000 | 5/16/2022 | Canadian Imperial Bank of Commerce | 0.24% | 9,990,625 | 9,991,084 |
| 10,000,000 | 5/16/2022 | Dexia Credit Local SA New York | 0.26% | 9,989,125 | 9,990,140 |
| 20,000,000 | 5/17/2022 | Mizuho Bank Limited New York | 0.28% | 19,981,867 | 19,978,841 |
| 25,000,000 | 5/18/2022 | Bank of Montreal Chicago | 0.28% | 24,976,215 | 24,973,167 |
| 20,000,000 | 5/18/2022 | Mizuho Bank Limited New York | 0.28% | 19,981,353 | 19,978,533 |
| 12,350,000 | 5/19/2022 | The Toronto-Dominion Bank | 0.24% | 12,342,189 | 12,338,603 |
| 20,000,000 | 5/24/2022 | Royal Bank of Canada New York | 0.26% | 19,978,550 | 19,979,360 |
| 5,830,000 | 5/27/2022 | Svenska Handelsbanken AB | 0.20% | 5,825,981 | 5,825,286 |
| 10,750,000 | 6/2/2022 | Svenska Handelsbanken AB | 0.21% | 10,736,383 | 10,740,452 |
| 10,000,000 | 6/27/2022 | The Toronto-Dominion Bank | 0.18% | 10,000,000 | 10,000,000 |
| <u>\$1,445,151,000</u> | Total Commercial Paper | | | <u>\$1,444,622,180</u> | <u>\$1,444,614,105</u> |

¹ Commercial paper is sold at either a discount or premium - there is no stated rate. The yield reported is the December 31, 2021 effective rate.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2021

| FACE AMOUNT | MATURITY DATE | DESCRIPTION | YIELD | AMORTIZED COST | FAIR VALUE |
|------------------------|-----------------------------|--|--------------|---------------------------|------------------------|
| Money Market: | | | | | |
| \$282,506,541 | 1/3/2022 | BlackRock Liquidity FedFunds - Institutional Class | 0.03% | \$282,506,541 | \$282,506,541 |
| 290,456,912 | 1/3/2022 | Morgan Stanley Institutional Liquidity Funds | 0.03% | 290,456,912 | 290,456,912 |
| <u>163,978,558</u> | 1/3/2022 | RBC U.S. Government Money Market Funds | 0.02% | <u>163,978,558</u> | <u>163,978,558</u> |
| <u>\$736,942,011</u> | Total Money Market | | | <u>\$736,942,011</u> | <u>\$736,942,011</u> |
| Repurchase Agreements: | | | | | |
| \$50,000,000 | 1/3/2022 | | 0.05% | \$50,000,000 | \$50,000,000 |
| 275,000,000 | 1/3/2022 | | 0.05% | 275,000,000 | 275,000,000 |
| <u>75,000,000</u> | 1/3/2022 | | 0.05% | <u>75,000,000</u> | <u>75,000,000</u> |
| <u>\$400,000,000</u> | Total Repurchase Agreements | | | <u>\$400,000,000</u> | <u>\$400,000,000</u> |
| <u>\$3,042,093,011</u> | Totals | | | <u>\$3,041,481,661</u> | <u>\$3,041,463,470</u> |

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
MICHAEL J. "MIKE" WAGUESPACK, CPA

June 9, 2022

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 Louisiana Asset Management Pool (LAMP), a component unit of the state of Louisiana, as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise LAMP's basic financial statements, and have issued our report thereon dated June 9, 2022.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Report on 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 financial statements. 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,



Michael J. "Mike" Waguespack, CPA
Louisiana Legislative Auditor

LMF:BF:BQD:EFS:aa

LAMP 2021