LASERS
LOUISIANA STATE EMPLOYEES'
RETIREMENT SYSTEM

Component Unit Financial Report

For Fiscal Years Ended

June 30, 2022 and 2021

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A Professional Accounting Corporation

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

Opinion

We have audited the accompanying basic financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, which are comprised of the statement of fiduciary net position and the related statement of changes in fiduciary net position as of and for the years ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Louisiana State Employees' Retirement System basic financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fiduciary net position of the Louisiana State Employees' Retirement System, as of June 30, 2022 and 2021, and the changes in fiduciary net position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the LASERS 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.

Emphasis of Matters

As disclosed in Note F to the financial statements, the financial statements include investments that are not listed on national exchanges or for which quoted market prices are not available. These investments include private markets and absolute returns. Such investments totaled $3.5 billion and $3.3 billion (24.2% and 20.8% of total assets, respectively) at June 30, 2022 and 2021, respectively. Where a publicly listed price is not available, the management of LASERS' uses alternative sources of information including audited financial statements, unaudited interim reports, and similar evidence to determine the fair value of the investments. Our opinion is not modified with respect to this matter.

As disclosed in Note A to the financial statements, the total pension liability for LASERS was $20.8 billion and $20.2 billion at June 30, 2022 and 2021, respectively. The actuarial valuations were based on various assumptions made by LASERS' actuary. Because actual experience may differ from the assumptions used in the actuarial valuation, there is a risk that the total pension liability at June 30, 2022 and 2021 could be materially different from the estimate. Our opinion is not modified with respect to this matter.

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 the LASERS' 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.

Auditors' 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 opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LASERS' 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 the LASERS' 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 and other required supplementary information, as listed in the table of contents, 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.

Supporting Schedules

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the LASERS' basic financial statements. The supporting schedules, as listed in the table of contents, are presented for purposes of additional analysis and are 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 supporting schedules are 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 September 26, 2022, on our consideration of the LASERS' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LASERS' 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 the LASERS' internal control over financial reporting and compliance.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2022

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INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, 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, which are comprised of the statement of fiduciary net position and the related statement of changes in fiduciary net position, of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the year ended June 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the LASERS' basic financial statements, and have issued our report thereon dated September 26, 2022.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the LASERS' 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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the LASERS' internal control. Accordingly, we do not express an opinion on the effectiveness of the LASERS' 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 LASERS' 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 over financial reporting 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.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the LASERS' financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of LASERS' internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering LASERS' internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 26, 2022

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Management's Discussion and Analysis

The following is management's discussion and analysis of the financial performance of the Louisiana State Employees' Retirement System (LASERS or the System). This narrative overview and analysis help to interpret the key elements of the financial statements, notes to the financial statements, required supplementary information, and supporting schedules for the current year. Readers are encouraged to consider the information presented here in conjunction with additional information provided in the Transmittal Letter of LASERS Annual Comprehensive Financial Report (ACFR).

Financial Highlights

- Net position restricted for pensions decreased by $1.5 billion.
- LASERS had a Net Pension Liability of $7.6 billion and the Net Pension Liability as a percentage of covered payroll was 376.4% as of June 30, 2022.
- Net investment income experienced a loss of $1.0 billion for 2022 compared to a gain of $3.7 billion for 2021.
- Total contributions increased by $2.8 million or 0.3% to $1.0 billion in 2022.
- Benefit payments increased by $52.8 million or 3.8% to $1.4 billion in 2022.
- Refund and transfer payments of member contributions increased by $4.1 million or 13.6% to $34.4 million in 2022.

Overview of the Financial Statements

The System's basic financial statements were prepared in conformity with Governmental Accounting Standards Board (GASB) Statement No. 67, *Financial Reporting for Pension Plans* and include the following: (1) statements of fiduciary net position, (2) statements of changes in fiduciary net position, (3) notes to the financial statements, (4) required supplementary information, and (5) the supporting schedules.

The Statements of Fiduciary Net Position report the System's assets, liabilities, deferred inflows/outflows, and resultant net position restricted for pensions. They disclose the financial position of the System as of June 30, 2022, and 2021, respectively.

The Statements of Changes in Fiduciary Net Position report the results of the System's operations during years 2022 and 2021 disclosing the additions to and deductions from the fiduciary net position. They support the change that has occurred to the prior year's net position on the statement of fiduciary net position.

Notes to the Financial Statements provide additional information that is essential to a full understanding of the financial statements.

- Note A provides a general description of LASERS organization, employer and membership participation, net pension liability of employers, actuarial methods and assumptions, eligibility, benefits, and the optional retirement plan.
- Note B provides a summary of significant accounting policies and plan position matters including the basis of accounting, securities lending, estimates, methods used to value investments, property and equipment, and accumulated leave.
- Note C provides information regarding member and employer contribution requirements.
- Note D categorizes LASERS investments by fair value measurements, the level of fair value hierarchy, and valuation techniques established by generally accepted accounting principles. It also discloses information regarding certain investments whereby fair value is reported at net asset value per share and provides a description of related asset classes.
- Note E describes LASERS deposits and investment risk disclosures, which include custodial credit risk, concentration of credit risk, credit risk, interest rate risk, and foreign currency risk.
- Note F describes the System's cash and investments, and includes information regarding bank balances, investments including the investment policy and rate of return, domestic equity, international equity, domestic core fixed income, global fixed income, emerging market debt, global multi-sector fixed income, derivatives, and alternative investments.
- Note G provides information regarding the securities lending program.
- Note H provides information on total other postemployment benefits (OPEB).

Required Supplementary Information consists of five schedules and related notes concerning changes in net pension liability, employers' net pension liability, employer contributions, and investment returns. It also includes a schedule of proportionate share of the collective total OPEB liability. The related notes disclose key historical actuarial assumptions and methods used in the schedules.

The ***Supporting Schedules*** section includes the schedules of administrative expenses, investment expenses, board compensation, and professional/consultant fees.

Financial Analysis

LASERS financial position is measured in several ways. One way is to determine the fiduciary net position (difference between total assets plus deferred outflows and total liabilities plus deferred inflows) available to pay benefits. Over time, increases and decreases in the LASERS fiduciary net position indicate whether its financial health is improving or deteriorating. Other factors, such as financial market conditions and the measurement of its net pension liability, should also be taken into consideration when measuring LASERS overall health.

The following table illustrates a condensed version of LASERS Statements of Fiduciary Net Position for fiscal years ending 2022, 2021, and 2020. LASERS fiduciary net position as of June 30, 2022 and 2021, totaled $13,238,580,140 and $14,716,344,767, respectively. All of the fiduciary net position is available to meet LASERS ongoing obligations to members, retirees, and beneficiaries.

Condensed Comparative Statements of Fiduciary Net Position

	2022	2021	2020
Cash and Cash Equivalents	$ 169,121,709	$ 148,590,579	$ 139,023,019
Receivables	162,762,631	188,827,426	171,926,994
Investments	13,009,850,747	14,523,879,752	11,218,189,209
Securities Lending Cash Collateral	967,955,826	967,315,754	1,079,839,165
Capital Assets (at cost) - Net	5,840,563	5,954,546	6,217,506
Total Assets	**14,315,531,476**	**15,834,568,057**	**12,615,195,893**
Deferred Outflows of Resources	**3,894,299**	**1,964,402**	**1,075,248**
Accounts Payable and Other Liabilities	111,172,534	150,559,064	112,421,630
Securities Lending Obligations	968,184,946	967,309,307	1,079,832,536
Total Liabilities	**1,079,357,480**	**1,117,868,371**	**1,192,254,166**
Deferred Inflows of Resources	**1,488,155**	**2,319,321**	**3,306,080**
Net Position Restricted for Pensions	**$ 13,238,580,140**	**$ 14,716,344,767**	**$ 11,420,710,895**

For the fiscal year ended June 30, 2022, fiduciary net position was approximately $13.2 billion. This reflected a decrease of $1,477,764,627 from the previous fiscal year-end. This decrease can be attributed to a decrease in investments of $1,514,029,005 caused by increased market volatility triggered by inflationary economic pressures. In 2022, OPEB deferred outflows increased by 98.2% to $3,894,299 and deferred inflows decreased by 35.8% to $1,488,155 primarily due to a decrease in the plans discount rate. In the one-year period from June 30, 2020 to June 30, 2021, LASERS fiduciary net position increased by $3,295,633,872. The increase in fiduciary net position in 2021 over 2020 can be attributed to market recovery realized from a combination of federal stimulus and vaccine development in response to the COVID-19 pandemic which is discussed in *Note B. Summary of Significant Accounting Policies*.

LASERS maintains its commitment to a broadly diversified portfolio. Carefully underwritten and conservative assumptions for future expected returns have been adopted, and the investment portfolio is structured to optimize the risk-return trade-off. This is done in part by reviewing the Plan's asset allocation. LASERS continues to believe that it is well positioned to meet its long-term goals.

Condensed Comparative Statements of Changes in Fiduciary Net Position

	2022	2021	2020
Additions			
Employer Contributions	$ 855,817,402	$ 853,214,442	$ 854,117,785
Employee Contributions	167,117,810	166,954,560	164,576,018
Net Investment Income (Loss)	(1,015,958,553)	3,703,593,259	(480,573,814)
Other Income	15,817,950	14,556,140	15,955,512
Total Additions	22,794,609	4,738,318,401	554,075,501
Deductions			
Retirement Benefits	1,447,668,471	1,394,914,135	1,368,004,318
Refunds and Transfers of Contributions	34,413,878	30,305,050	30,447,178
Administrative Expenses	16,710,210	16,606,586	16,749,257
Other Postemployment Benefits Expenses	966,102	89,651	42,750
Depreciation and Amortization Expenses	800,575	769,107	820,094
Total Deductions	1,500,559,236	1,442,684,529	1,416,063,597
Net Increase (Decrease) in Net Position	**(1,477,764,627)**	**3,295,633,872**	**(861,988,096)**
Net Position Restricted for Pensions			
Beginning of Year	**14,716,344,767**	**11,420,710,895**	**12,282,698,991**
End of Year	**$ 13,238,580,140**	**$ 14,716,344,767**	**$ 11,420,710,895**

Additions to Fiduciary Net Position

The revenues needed to finance retirement benefits are accumulated primarily through the collection of employer and employee contributions and earnings on investments. Revenue for the fiscal year ended June 30, 2022, totaled $22,794,609. The revenue consisted of employer and employee contributions totaling $1,022,935,212, a net investment loss of $1,015,958,553, and other income of $15,817,950. In 2022, our investment portfolio completed the fiscal year with a rate of return-on-investment assets of -7.2%. The plan earned an annualized return of 12.2% for the two-year period, 8.2% for the six-year period, and 7.8% for the ten-year period. LASERS experienced a total net investment loss of $1,015,958,553 in 2022 compared to a total net investment income of $3,703,593,259, and a total net investment loss of $480,573,814 in 2021 and 2020, respectively. The investment loss for 2022 is due to a number of factors including inflation reaching a multi-decade high, aggressive monetary policy tightening by the Federal Reserve, and lingering effects of the Russia-Ukraine conflict. The investment income in 2021 is attributable to both global market improvements as well as the asset allocation changes adopted by the Board of Trustees in October 2020.

During 2022, combined employer and employee contribution income increased from 2021 by $2,766,210. Employer contributions, which includes contributions based on covered payroll and from legislative acts, increased $2,602,960 or 0.3%, and member contributions increased $163,250, or 0.1%. The increase in employer contributions was primarily the result of an increase in income from legislative acts.

For the year ended June 30, 2021, total additions increased by 755.2% or $4,184,242,900 over fiscal year 2020. The increased revenue was due primarily to net investment income increasing $4.2 billion from 2020. Combined contributions increased 0.1% and other income decreased by 8.8%. Our investment portfolio completed the fiscal year with a rate of return-on-investment assets of 35.6%.

Deductions from Plan Assets

LASERS was created to provide lifetime retirement, survivor, and disability benefits to qualified LASERS members. The cost of such programs includes recurring benefit payments, refund of contributions to employees who left the System, and the cost of administering LASERS.

Deductions for the fiscal year ended June 30, 2022, totaled $1,500,559,236 an increase of approximately 4.0% over June 30, 2021. For the fiscal year ended June 30, 2021, deductions were $1,442,684,529, an increase of about 1.9% over June 30, 2020. The increase in deductions for fiscal years ended 2022 and 2021 is primarily a result of an increase in benefits. Benefits paid in 2022, 2021, and 2020 increased because of the increase in the number of retirees and the average benefit resulting from the higher average salary history of the newer retirees.

Administrative expenses increased by $103,624 or 0.6% for the fiscal year ended June 30, 2022 primarily a result of an increase in non-capitalizable acquisitions. In 2021, administrative expenses decreased by $142,671 or 0.9% over fiscal year ended 2020. The decrease in 2021 is because of reduced travel due to the COVID-19 pandemic. Details of administrative expense activity can be found in the *Schedules of Administrative Expenses* located under Supporting Schedules.

OPEB expenses increased $876,451 or 977.6% for the fiscal year ended June 30, 2022, compared to June 30, 2021. This increase was attributed to a change in assumptions and recognition of deferrals. OPEB expenses increased $46,901 or 109.7% for the fiscal year ended June 30, 2021, compared to June 30, 2020.

Depreciation and amortization expense increased 4.1% for the fiscal year ended June 30, 2022, compared to a 6.2% decrease for 2021 over 2020. The increase in 2022 can primarily be attributed to an increase in depreciable assets for the building partnership. The decrease in 2021 can be attributed to a decrease in depreciable assets due to disposals.

Total additions less total deductions resulted in a net decrease in fiduciary net position of $1,477,764,627 in 2022, compared to an increase of $3,295,633,872 in 2021.

Requests for Information

This Financial Report is designed to provide a general overview of the System's finances. For questions concerning any information in this report or for additional information, contact the Louisiana State Employees' Retirement System; Attention: Fiscal Division, P. O. Box 44213, Baton Rouge, LA 70804-4213.

Louisiana State Employees' Retirement System
Statements of Fiduciary Net Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and Cash Equivalents	$ 169,121,709	$ 148,590,579
Receivables:		
Employer Contributions	61,676,518	62,556,543
Member Contributions	12,839,442	12,856,765
Interest and Dividends	33,129,202	36,793,910
Investment Proceeds	50,994,393	71,781,882
Other	4,123,076	4,838,326
Total Receivables	162,762,631	188,827,426
Investments:		
Investments at Fair Value		
Short-Term Investments - Domestic/International	183,287,969	250,365,783
Bonds/Fixed Income - Domestic	663,174,466	807,774,165
Bonds/Fixed Income - International	1,659,244,087	1,687,925,583
Equity Securities - Domestic	3,717,981,231	4,301,389,387
Equity Securities - International	2,780,795,943	3,644,585,085
Alternative Investments	3,467,824,267	3,298,280,425
Total Investments at Fair Value	12,472,307,963	13,990,320,428
Investments at Contract Value		
Synthetic Guaranteed Investment Contract	537,542,784	533,559,324
Total Investments at Contract Value	537,542,784	533,559,324
Total Investments	13,009,850,747	14,523,879,752
Securities Lending Cash Collateral	967,955,826	967,315,754
Capital Assets (at cost) - Net:		
Property and Equipment	5,840,563	5,954,546
Total Assets	**14,315,531,476**	**15,834,568,057**
Deferred Outflows of Resources (OPEB)	**3,894,299**	**1,964,402**
Liabilities		
Payables:		
Investment Commitments	69,088,731	108,444,064
Trade Payables and Other Accrued Liabilities	42,083,803	42,115,000
Total Payables	111,172,534	150,559,064
Securities Lending Obligations	968,184,946	967,309,307
Total Liabilities	**1,079,357,480**	**1,117,868,371**
Deferred Inflows of Resources (OPEB)	**1,488,155**	**2,319,321**
Net Position Restricted for Pensions	**$ 13,238,580,140**	**$ 14,716,344,767**

The accompanying notes are an integral part of these statements.

Louisiana State Employees' Retirement System

Statements of Changes in Fiduciary Net Position

For the Periods Ended June 30, 2022 and 2021

		2022		2021
Additions (Reductions)				
Contributions:				
Employer Contributions	$	833,985,463	$	844,776,387
Employee Contributions		167,117,810		166,954,560
Legislative Acts Income		21,831,939		8,438,055
Total Contributions		1,022,935,212		1,020,169,002
Investment Income:				
From Investment Activities				
Net Appreciation (Depreciation) in Fair Value of Investments		(1,538,709,345)		2,559,071,450
Interest & Dividends		228,908,917		211,015,539
Alternative Investment Income		382,928,926		1,030,316,095
Miscellaneous Investment Income		3,555,196		2,782,448
Total Investment Income (Loss)		(923,316,306)		3,803,185,532
Investment Activity Expenses				
Alternative Investment Expenses		(54,769,646)		(59,601,309)
Investment Management Expenses		(40,331,526)		(42,711,923)
Total Investment Expenses		(95,101,172)		(102,313,232)
Net Income (Loss) from Investing Activities		(1,018,417,478)		3,700,872,300
From Securities Lending Activities				
Securities Lending Income		4,006,316		3,326,346
Securities Lending Expenses		(1,547,391)		(605,387)
Net Income from Securities Lending Activities		2,458,925		2,720,959
Total Net Investment Income (Loss)		(1,015,958,553)		3,703,593,259
Other Operating Income		15,817,950		14,556,140
Total Additions		22,794,609		4,738,318,401
Deductions				
Retirement Benefits		1,447,668,471		1,394,914,135
Refunds and Transfers of Member Contributions		34,413,878		30,305,050
Administrative Expenses		16,710,210		16,606,586
Other Postemployment Benefits Expenses		966,102		89,651
Depreciation and Amortization Expenses		800,575		769,107
Total Deductions		1,500,559,236		1,442,684,529
Net Increase (Decrease) in Net Position		**(1,477,764,627)**		**3,295,633,872**
Net Position Restricted for Pensions				
Beginning of Period		**14,716,344,767**		**11,420,710,895**
End of Period	**$**	**13,238,580,140**	**$**	**14,716,344,767**

The accompanying notes are an integral part of these statements.

Notes to Financial Statements

A. Plan Description

1. General Organization

The Louisiana State Employees' Retirement System (LASERS or the System) is the administrator of a cost-sharing multi-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the State's Annual Comprehensive Financial Report (ACFR) as a pension trust fund. The System was established by Section 401 of Title 11 of the Louisiana Revised Statutes (La. R.S. 11:401).

In accordance with Louisiana Revised Statutes, the System is subject to certain elements of oversight:

- The House and Senate Committees on Retirement review administration, benefits, investments, and funding of the public retirement systems.
- The operating budget of the System is subject to budgetary review and approval by the Joint Legislative Committee on the Budget.
- The Legislative Auditor is responsible for the procurement of audits for the public retirement systems and is authorized to contract with a licensed Certified Public Accountant (CPA) for each audit.
- Actuarial calculations and results are reviewed by the Public Retirement Systems' Actuarial Committee (PRSAC) annually.
- A thirteen-member Board of Trustees, comprised of six active members, three retired members and four ex officio members, governs the System. The Board administers the programs and appoints key management personnel including the Executive Director, Chief of Staff, Chief Administrative Officer, and the Chief Investment Officer.

2. Plan Membership

The System is one of several public retirement systems in Louisiana. Each system has specific membership requirements established by legislation, with LASERS established for state officers, employees, and their beneficiaries. Other public employers report members who retained membership in LASERS upon transfer to other public systems or as provided by specific legislation. A summary of government employers and members participating in LASERS at June 30, 2022 and 2021, are as follows:

Type of Employer	2022 Active Employers	2022 Active Members	2021 Active Employers	2021 Active Members
State Agencies	200	37,022	197	38,210
Other Public Employers	148	336	144	362
Total	**348**	**37,358**	**341**	**38,572**

Type of Active Members	2022 Member Count	2021 Member Count
Active After DROP	1,426	1,527
Alcohol and Tobacco Control	8	7
Appellate Law Clerks	89	93
Bridge Police	3	3
Corrections	1,071	1,218
Harbor Police	15	16
Hazardous Duty	3,122	2,995
Judges	319	322
Legislators	3	4
Peace Officers	29	32
Regular State Employees	31,163	32,231
Wildlife Agents	110	124
Total Active Members	**37,358**	**38,572**

At June 30, 2022 and 2021, membership consisted of:

	2022	2021
Active Members	37,358	38,572
Regular Retirees*	41,678	41,449
Disability Retirees*	1,918	2,000
Survivors	6,151	6,086
Vested & Reciprocals	3,868	3,724
Inactive Members Due Refunds	59,146	57,464
DROP Participants	1,199	1,311
Total Membership	**151,318**	**150,606**

*For actuarial purposes, "Disability Retirees" includes members who have reached normal retirement eligibility requirements and converted to Regular Retirement; and are therefore, counted by LASERS as "Regular Retirees."

3. Net Pension Liability of Employers

The net pension liability was measured as the portion of the present value of projected benefit payments to be provided through the pension plan to current active and inactive employees that is attributed to those employees' past periods of service, less the amount of the pension plan's fiduciary net position.

The components of the net pension liability of the System's employers determined in accordance with GASB 67 as of June 30, 2022 and 2021 were as follows:

	2022	2021
Total Pension Liability	$ 20,798,321,945	$ 20,220,320,534
Plan Fiduciary Net Position	13,238,580,140	14,716,344,767
Employers' Net Pension Liability	$ 7,559,741,805	$ 5,503,975,767
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.7%	72.8%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Examples include assumptions about future employment, mortality, and future salary increases. Actuarially determined amounts regarding the net pension liability are subject to continual revision as actual results are compared to past expectations, and new estimates are made about the future. The last experience study was performed in 2019 and was based on the experience of the System for the period of July 1, 2013 through June 30, 2018. The required Schedules of Employers' Net Pension Liability located in Required Supplementary Information following the *Notes to the Financial Statements* presents multi-year trend information regarding whether the plan fiduciary net positions are increasing or decreasing over time relative to the total pension liability. The Total Pension Liability as of June 30, 2022 and 2021, is based on actuarial valuations for the same periods, updated using generally accepted actuarial procedures.

4. Actuarial Methods and Assumptions

A summary of the actuarial methods and assumptions used as of the June 30, 2022 and 2021, actuarial valuations are as follows:

Valuation Date — June 30, 2022 and 2021

Actuarial Cost Method — Entry Age Normal

Actuarial Assumptions:

- **Expected Remaining Service Lives** — 2 years
- **Investment Rate of Return** — 7.25% and 7.40% per annum for 2022 and 2021, respectively.
- **Inflation Rate** — 2.30% per annum for 2022 and 2021.
- **Mortality** — **Non-disabled members** - The RP-2014 Blue Collar (males/ females) and White Collar (females) Healthy Annuitant Tables projected on a fully generational basis by Mortality Improvement Scale MP-2018.

Mortality (continued)

Disabled members - Mortality rates based on the RP-2000 Disabled Retiree Mortality Table with no projection for mortality improvement.

Termination, Disability, and Retirement

Termination, disability, and retirement assumptions were projected based on a five-year (2014-2018) experience study of the System's members.

Salary Increases

Salary increases were projected based on a 2014-2018 experience study of the System's members. The salary increase ranges for 2022 and 2021 specific types of members were:

Member Type	Lower Range	Upper Range
Regular	3.0%	12.8%
Judges	2.6%	5.1%
Corrections	3.6%	13.8%
Hazardous Duty	3.6%	13.8%
Wildlife	3.6%	13.8%

Cost of Living Adjustments

The present value of future retirement benefits is based on benefits currently being paid by the System and includes previously granted cost of living increases. The projected benefit payments do not include provisions for potential future increases not yet authorized by the Board of Trustees as they were deemed not to be substantively automatic.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adjusting for expected inflation and an adjustment for the effect of rebalancing/diversification. The expected rate of inflation was 2.3% for 2022 and 2021. The resulting expected long-term nominal rates of return are 8.34% for 2022 and 7.61% for 2021. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of June 30, 2022 and 2021 are summarized in the following table:

Expected Long Term Real Rates of Return		
Asset Class	2022	2021
Cash	0.39%	-0.29%
Domestic Equity	4.57%	4.09%
International Equity	5.76%	5.12%
Domestic Fixed Income	1.48%	0.49%
International Fixed Income	5.04%	3.94%
Alternative Investments	8.30%	6.93%
Total Fund	5.91%	5.81%

The discount rate used to measure the total pension liability was 7.25% and 7.40% for June 30, 2022 and 2021, respectively. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current contribution rates and that contributions from participating employers will be made at the actuarially determined rates approved by PRSAC, taking into consideration the recommendation of the System's actuary. Based on those assumptions, the System's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

In accordance with GASB 67, regarding the disclosure of the sensitivity of the net pension liability to changes in the discount rate, the following presents the net pension liability of the participating employers calculated using the discount rate of 7.25% and 7.40% for June 30, 2022 and 2021, respectively, as well as what the employers' net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate.

	1% Decrease	Current Discount Rate	1% Increase
2021 Discount Rate	**6.40%**	**7.40%**	**8.40%**
2021 Employer Net Pension Liability	$ 7,457,471,407	$ 5,503,975,767	$ 3,841,797,070
2022 Discount Rate	**6.25%**	**7.25%**	**8.25%**
2022 Employer Net Pension Liability	$ 9,512,361,423	$ 7,559,741,805	$ 5,779,236,411

5. Eligibility Requirements

All state employees, except those specifically excluded by statute, become members of the System's Defined Benefit Plan (DBP) as a condition of employment, unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the Governor may, at their option, become members of LASERS. Also, qualifying unclassified state employees may have made an irrevocable election to participate in the Optional Retirement Plan (ORP) between July 12, 1999 and December 7, 2007, when the plan closed. All plans are considered one pension plan for financial reporting purposes. All assets accumulated for the payment of benefits may legally be used to pay benefits to any plan members or beneficiaries.

6. **Retirement**

The age and years of creditable service required in order for a member to retire with full benefits are established by statute, and vary depending on the member's hire date, employer, and job classification. Our rank-and-file members hired prior to July 1, 2006, may either retire with full benefits at any age upon completing 30 years of creditable service, at age 55 upon completing 25 years of creditable service, and at age 60 upon completing ten years of creditable service depending on their plan. Those members hired between July 1, 2006 and June 30, 2015, may retire at age 60 upon completing five years of creditable service and those hired on or after July 1, 2015, may retire at age 62 upon completing five years of creditable service. The basic annual retirement benefit for members is equal to 2.5% to 3.5% of average compensation multiplied by the number of years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

Average compensation is defined as the member's average annual earned compensation for the highest 36 consecutive months of employment for members employed prior to July 1, 2006. For members hired July 1, 2006 or later, average compensation is based on the member's average annual earned compensation for the highest 60 consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or a certain specified dollar amount of actuarially determined monetary limits, which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1.0% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefits, a member may elect to receive their retirement throughout their life, with certain benefits being paid to their designated beneficiary after their death.

Act 992 of the 2010 Louisiana Regular Legislative Session changed the benefit structure for LASERS members hired on or after January 1, 2011. This resulted in three new plans: regular, hazardous duty, and judges. The new regular plan includes regular members and those members who were formerly eligible to participate in specialty plans, excluding hazardous duty and judges. Regular members and judges are eligible to retire at age 60 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Hazardous duty members are eligible to retire with 12 years of creditable service at age 55, 25 years of creditable service at any age, or with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment for all three new plans. Members in the regular plan will receive a 2.5% accrual rate, hazardous duty plan a 3.33% accrual rate, and judges a 3.5% accrual rate. The extra 1.0% accrual rate for each year of service for court officers, the governor, lieutenant governor, legislators, House clerk, sergeants at arms, or Senate secretary, employed after January 1, 2011, was eliminated by Act 992. Specialty plan and regular members, hired prior to January 1, 2011, who are hazardous duty employees have the option to transition to the new hazardous duty plan.

Act 226 of the 2014 Louisiana Regular Legislative Session established new retirement eligibility for members of LASERS hired on or after July 1, 2015, excluding hazardous duty plan members. Regular members and judges under the new plan are eligible to retire at age 62 after five years of creditable service and may also retire at any age with a reduced benefit after 20 years of creditable service. Average compensation will be based on the member's average annual earned compensation for the highest 60 consecutive months of employment. Members in the regular plan will receive a 2.5% accrual rate; and judges a 3.5% accrual rate, with the extra 1.0% accrual rate based on all years of service as a judge.

Members of the Harbor Police Retirement System who were members prior to July 1, 2014, may retire after 25 years of creditable service at any age, 12 years of creditable service at age 55, 20 years of creditable service at age 45, and 10 years of creditable service at age 60. Average compensation for the plan is the member's average annual earned compensation for the highest 36 consecutive months of employment with a 3.33% accrual rate.

A member leaving employment before attaining minimum retirement age, but after completing certain minimum service requirements, becomes eligible for a benefit provided the member lives to the minimum service retirement age, and does not withdraw their accumulated contributions. The minimum service requirement for benefits varies depending upon the member's employer and service classification.

7. Deferred Benefits

The State Legislature authorized LASERS to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, their status changes from active member to retiree even though they continue to work and draw their salary for a period of up to three years. The election is irrevocable once participation begins. During DROP participation, accumulated retirement benefits that would have been paid to each retiree are separately tracked. For members who entered DROP prior to January 1, 2004, interest at a rate of one-half percent less than the System's realized actuarial return on its portfolio (not to be less than zero) will be credited to the retiree after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account. Members who enter DROP on or after January 1, 2004, are required to participate in LASERS Self-Directed Plan (SDP) which is administered by a third-party provider. The SDP allows DROP participants to choose from a menu of investment options for the allocation of their DROP balances. Participants may diversify their investments by choosing from an approved list of mutual funds with different holdings, management styles, and risk factors.

Members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits with an actuarial reduction of their future benefits. For members who selected the IBO option prior to January 1, 2004, such amount may be withdrawn or remain in the IBO account earning interest at a rate of one-half percent less than the System's realized return on its portfolio (not to be less than zero). Those members who select the IBO on or after January 1, 2004, are required to enter the SDP as described above.

For members who are in the Harbor Police Plan, the annual DROP Interest Rate is the three-year average (calculated as the compound average of 36 months) investment return of the plan assets for the period ending the June 30 immediately preceding that given date. The average rate so determined is to be reduced by a "contingency" adjustment of 0.5%, but not to below zero. DROP interest is forfeited if the member does not cease employment after DROP participation.

The DROP/IBO Reserve consists of the reserves for all members who select the DROP or IBO upon retirement. The balance in the DROP/IBO Reserve as of June 30, 2022 and 2021 was $1,138,772,981 and $1,152,219,353, respectively.

8. **Disability Benefits**

Generally, active members with ten or more years of credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Upon reaching retirement age, the disability retiree may receive a regular retirement benefit by making application to the Board of Trustees.

For injuries sustained in the line of duty, hazardous duty personnel in the Hazardous Duty Services Plan will receive a disability benefit equal to 75% of final average compensation or 100% of final average compensation if the injury was the result of an intentional act of violence.

Members of the Harbor Police Retirement System who become disabled may receive a non-line of duty disability benefit after five years or more of credited service. Members age 55 or older may receive a disability benefit equivalent to the regular retirement benefit. Under age 55, the disability benefit is equal to 40% of final average compensation. Line of duty disability benefits are equal to 60% of final average compensation, regardless of years of credited service or 100% of final average compensation if the injury was the result of an intentional act of violence. If the disability benefit retiree is permanently confined to a wheelchair, or, is an amputee incapable of serving as a law enforcement officer, or is permanently and legally blind, there is no reduction to the benefit if the retiree becomes gainfully employed.

9. **Survivor's Benefits**

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased regular member hired before January 1, 2011, who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age 18, or age 23, if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

The deceased regular member hired on or after January 1, 2011, must have a minimum of five years of service credit regardless of when earned in order for a benefit to be paid to a minor child. The aforementioned minimum service credit requirements for a surviving spouse are 10 years, 2 years being earned immediately prior to death, and in active state service at the time of death, or a minimum of 20 years of service credit regardless of when earned. A deceased member's spouse must have been married for at least one year before death.

A Hazardous Duty Services Plan member's surviving spouse and minor or handicapped or mentally incapacitated child or children are entitled to survivor benefits of 80% of the member's final average compensation if the member was killed in the line of duty. If the member dies in the line of duty as a result of an intentional act of violence, survivor benefits may be increased to 100% of the member's final average compensation.

Non-line of duty survivor benefits of the Harbor Police Retirement System may be received after a minimum of five years of credited service. Survivor benefits paid to a surviving spouse without children are equal to 40% of final average compensation and cease upon remarriage. Surviving spouse with children under 18 benefits are equal to 60% of final average compensation, and cease upon remarriage, or children turning 18. No minimum service credit is required for line of duty survivor benefits which are equal to 60% of final average compensation to surviving spouse or 100% of final average compensation if the injury was the result of an intentional act of violence regardless of children. Line of duty survivor benefits cease upon remarriage, and then benefit is paid to children under 18.

10. Permanent Benefit Increases/Cost-of-Living Adjustments

As fully described in Title 11 of the Louisiana Revised Statutes, the System allows for the payment of permanent benefit increases, also known as cost-of-living adjustments (COLAs), that are funded through investment earnings when recommended by the Board of Trustees and approved by the State Legislature.

The Experience Account Reserve is used to fund permanent benefit increases for retirees. The benefit increase granted must be funded at 100% of the actuarial cost. The account accumulates 50% of the excess investment gain relative to the actuarial valuation rate of 7.4% after such excess return exceeds $100,000,000 (indexed to positive changes in the actuarial value of assets beginning June 30, 2015).

If the System is at least 80% funded, the balance of the Experience Account maintains a reserve for two permanent benefit increases. However, if the System is less than 80% funded, the reserve is restricted to one permanent benefit increase, based on the current allowable percentage granted for the permanent benefit increase. Excess investment gains that would have otherwise gone to the Experience Account, if not for the restrictions, will be applied to the System's net pension liability. Beginning June 30, 2016, allocations to the Experience Account will be amortized over ten years. At June 30, 2022 and 2021, the balance of the Experience Account Reserve was $23,082,605 and $85,173,827, respectively. The decrease in the Experience Account Reserve is explained as a subsequent event in *Note B. Summary of Significant Accounting Policies*.

11. Optional Retirement Plan

In 1999, an Optional Retirement Plan (ORP) was established as a defined contribution component of LASERS for certain unclassified employees who otherwise would have been eligible to become members of the defined benefit plan. The ORP provides portability of assets and full and immediate vesting of all contributions submitted on behalf of members. The ORP is administered by a third-party provider with oversight from LASERS Board of Trustees. Monthly employer and employee contributions are invested as directed by the member to provide the member with future retirement benefits. The amount of these benefits is entirely dependent upon the total contributions and investment returns accumulated during the member's working lifetime. ORP balances are held by the provider in each participant's name. These balances are included in LASERS total investments on the Statements of Fiduciary Net Position. The ORP was closed to new members on December 7, 2007. However, members in the ORP as of December 31, 2007, were granted the option by Act 718 of the 2012 Louisiana Regular Legislative Session to regain membership in the defined benefit plan. At June 30, 2022, and 2021, membership consisted of:

	2022	2021
Number of Members	41	44
Employee Contributions	$65,702	$ 77,535
Employer Contributions	$342,737	$ 410,465

The ORP Reserve consists of reserves for all members who elected to participate in the ORP and is credited with contributions made by the employee and the normal employer matching contributions for services rendered. When a member terminates his service, or upon his death before qualifying for a benefit, the refund of his contributions is made from this reserve. Also, when a member retires, his benefits are paid from this reserve. The balance of the ORP Reserve as of June 30, 2022 and 2021 was $4,878,511 and $6,065,893, respectively.

B. Summary of Significant Accounting Policies

1. Basis of Accounting

LASERS financial statements are prepared in conformity with accounting principles generally accepted in the United States of America using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned, and expenses are recognized in the period incurred. Investment purchases and sales are recorded as of the trade date. State General Fund appropriations are recognized in the period when they are appropriated. Employer and member contributions are recognized when due, pursuant to formal commitments, as well as statutory or contractual requirements. Administrative expenses are funded through contributions to the plan from members, and the State of Louisiana, and are subject to budgetary control of the Board of Trustees and the Joint Legislative Committee on the Budget. Benefits and refunds are recognized when due and payable in accordance with the terms of the System.

2. Securities Lending

The System records collateral received under its securities lending agreement where the System has the ability to spend, pledge, or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. The security lending cash collateral investments are reported at fair value. Security lending income and expenses are reported as investment income and expenses in the accompanying financial statements. The Statements of Fiduciary Net Position do not include detailed holdings of securities lending collateral by investment classification.

3. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of additions to and deductions from fiduciary net position during the reporting period. Actuarial valuations are used to determine the net pension liability and the total OPEB liability. Actual results could differ from those estimates. The retirement system utilizes various investment instruments, which by nature, are exposed to a variety of risk levels and risk types, such as interest rate, credit, and overall market volatility. Market volatility includes global events which could impact the value of investments, such as a pandemic or international conflict. Due to the level of risk associated with certain investment securities, it is reasonably possible that changes in the values of investment securities will occur in the near term, and those changes could materially affect the amounts reported in the Statements of Fiduciary Net Position.

4. **Method Used to Value Investments**

As required by GASB 72, investments are reported at fair value. Fair value is described as an exit price. This statement requires a government to use valuation techniques that are appropriate under the circumstances and for which sufficient data are available to measure fair value. Valuation techniques maximize the use of relevant observable inputs and minimize the use of unobservable inputs. This statement establishes a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs, other than quoted prices, are included within Level 1 and are observable for the asset or liability, whether directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumption of the default rate among underlying mortgages of a mortgage-backed security. This statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures are organized by type of asset or liability. GASB 72 also requires additional disclosures regarding investments in certain entities that report net asset value as a practical expedient for fair value per share (or its equivalent). These disclosures are located in *Note D. Fair Value Disclosures*.

Short-term investments are reported at fair value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at the current exchange rate. All derivative financial instruments are reported at fair value in the Statements of Fiduciary Net Position with valuation changes recognized in income. Gains and losses are reported in the Statements of Changes in Fiduciary Net Position as net appreciation (depreciation) in fair value of investments during the period the instruments are held, and when the instruments are sold or expire. The nature and use of derivative instruments is discussed in *Note F. Cash and Investments (10).* The fair value of investments that are organized as limited partnerships and have no readily ascertainable fair value (such as private markets and real estate) has been recorded based on the investment's capital account balance which is reported at fair value, at the closest available reporting period, adjusted for subsequent contributions, distributions, and management fees. Because of the inherent uncertainties in estimating fair values, it is at least reasonably possible that the estimates will change in the near term. Investments that do not have an established market are reported at estimated fair value. Unrealized gains and losses are included as investment earnings in the Statements of Changes in Fiduciary Net Position. Synthetic Guaranteed Investment Contracts are carried at contract value as required by GASB 53.

5. **Accumulated Leave**

The employees of the System accumulate unlimited amounts of annual and sick leave at varying rates as established by state regulations. Upon resignation or retirement, unused annual leave of up to 300 hours is paid to an employee at the employee's current rate of pay. Upon retirement, unused annual leave in excess of 300 hours and sick leave are credited at the current pay rate as earned service in computing retirement benefits. The liability for accrued annual leave of up to 300 hours is included in trade payables and other accrued liabilities in the Statements of Fiduciary Net Position.

6. Postemployment Benefits Other Than Pensions (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB and OPEB expense, information about the fiduciary net position of the State of Louisiana Postretirement Benefits Plan (Plan), and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefit payments when due and payable in accordance with the benefit terms. The Plan is funded on a pay-as-you-go basis and as such, there are no investments held by the Plan.

7. Property and Equipment

Property and equipment and computer software are reported at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 40 years for building, three to 15 years for equipment and furniture, and seven years for computer software. The capitalization thresholds of property and equipment are:

- Computer Software Developed or Modified Internally (reported as Intangible Assets): $1,000,000
- Movable Property and Equipment: $5,000

LASERS is a 50% co-owner of the Louisiana Retirement Systems Building and related land with the Teachers' Retirement System of Louisiana. LASERS interest in the building, land, furniture, equipment, vehicles, and intangibles is reflected in the following schedules.

Changes in Property and Equipment
For Period Ending June 30, 2022

	June 30, 2021	Additions	Deletions/ Transfers	June 30, 2022
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	7,432,200	290,636	-	7,722,836
Furniture, Equipment, and Vehicles	2,777,926	395,122	-	3,173,048
Intangibles	13,376,839	-	-	13,376,839
Total Property and Equipment	**24,445,355**	**685,758**	**-**	**25,131,113**
Accumulated Depreciation				
Building	(5,298,133)	(327,471)	-	(5,625,604)
Furniture, Equipment, and Vehicles	(1,238,887)	(116,508)	-	(1,355,395)
Intangibles	(11,953,789)	(355,762)	-	(12,309,551)
Total Accumulated Depreciation	**(18,490,809)**	**(799,741)**	**-**	**(19,290,550)**
Total Property and Equipment - Net	**$ 5,954,546**	**$ (113,983)**	**$ -**	**$ 5,840,563**

Changes in Property and Equipment
For Period Ending June 30, 2021

	June 30, 2020	Additions	Deletions/ Transfers	June 30, 2021
Asset Class (at Cost)				
Land	$ 858,390	$ -	$ -	$ 858,390
Building	7,376,654	55,546	-	7,432,200
Furniture, Equipment, and Vehicles	3,647,280	448,601	(1,317,955)	2,777,926
Intangibles	13,376,839	-	-	13,376,839
Total Property and Equipment	**25,259,163**	**504,147**	**(1,317,955)**	**24,445,355**
Accumulated Depreciation				
Building	(5,044,068)	(254,065)	-	(5,298,133)
Furniture, Equipment, and Vehicles	(2,399,563)	(157,279)	1,317,955	(1,238,887)
Intangibles	(11,598,026)	(355,763)	-	(11,953,789)
Total Accumulated Depreciation	**(19,041,657)**	**(767,107)**	**1,317,955**	**(18,490,809)**
Total Property and Equipment - Net	**$ 6,217,506**	**$ (262,960)**	**$ -**	**$ 5,954,546**

8. **Reclassifications**

Certain prior year amounts have been reclassified to conform to current year presentation. These reclassifications had no effect on Net Position Restricted for Pensions, or the Net Change in Fiduciary Net Position.

9. **New Accounting Pronouncements**

Pronouncements effective for the 2022 financial statements:

In June 2017, the GASB issued Statement No. 87, *Leases* effective for fiscal years beginning after December 15, 2019. In May 2020, the GASB issued Statement No. 95 which changed the effective date for Statement No. 87 to fiscal years beginning after June 15, 2021. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. The implementation of this standard did not require any changes to LASERS financial reporting requirements.

Pronouncements issued; but not yet effective:

In May 2020, the GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*, effective for fiscal years beginning after June 15, 2022. The objective of this Statement is to better meet the informational needs of financial statement users by establishing uniform accounting and financial reporting requirements and improving the comparability of financial statements among governments that have entered into subscription based information technology arrangements (SBITAs). The System is in the process of evaluating the impact of this pronouncement on its financial statements.

10. **Subsequent Event**

The 2022 Regular Session of the Louisiana Legislature passed Act 656 which provided a one-time supplemental payment equal to the lesser of the retiree's or beneficiary's monthly benefit, or $2,000 with an estimated total cost to the System of $68,096,068 to be paid on August 15, 2022. Eligibility was based on the current statutory COLA eligibility requirements. The increase in accrued liability includes the present value of the payment and is offset by funds disbursed from the Experience Account.

C. Contributions

1. **Member Contributions**

Member contribution rates for the System are established by La. R.S. 11:62. Member contributions are deducted from a member's salary and remitted to the System by participating employers. If a member leaves covered employment or dies before any benefits become payable on their behalf, the accumulated contributions may be refunded to the member or their designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to members or their survivors are refunded to the member's beneficiaries or their estates upon cessation of any survivor's benefits.

2. Employer Contributions

The employer contribution rate is established annually under La. R.S. 11:101-11:104 by the Public Retirement Systems' Actuarial Committee (PRSAC), taking into consideration the recommendation of the System's Actuary. Each plan pays a separate actuarially determined employer contribution rate. However, all assets of LASERS are used for the payment of benefits for all classes of members, regardless of their plan membership.

The member and employer rates in effect during the years ended June 30, 2022 and 2021, for the various plans are as follows:

Plan	Plan Status	2022 Employer Rate	2021 Employer Rate	Employee Rate
Appellate Law Clerks	Closed	39.50%	40.10%	7.50%
Appellate Law Clerks hired on or after 7/1/06	Closed	39.50%	40.10%	8.00%
Alcohol Tobacco Control	Closed	42.60%	38.10%	9.00%
Bridge Police	Closed	38.60%	38.50%	8.50%
Bridge Police hired on or after 7/1/06	Closed	38.60%	38.50%	8.50%
Corrections Primary	Closed	39.00%	38.70%	9.00%
Corrections Secondary	Closed	43.30%	43.00%	9.00%
Harbor Police	Closed	14.30%	12.10%	9.00%
Hazardous Duty	Open	45.30%	45.00%	9.50%
Judges hired before 1/1/11	Closed	43.70%	42.50%	11.50%
Judges hired after 12/31/10	Closed	43.00%	43.60%	13.00%
Judges hired on or after 7/1/15	Open	43.00%	43.60%	13.00%
Legislators	Closed	35.80%	36.50%	11.50%
Optional Retirement Plan (ORP) before 7/1/06	Closed	39.50%	40.10%	7.50%
Optional Retirement Plan (ORP) on or after 7/1/06	Closed	39.50%	40.10%	8.00%
Peace Officers	Closed	41.40%	40.90%	9.00%
Regular Employees hired before 7/1/06	Closed	39.50%	40.10%	7.50%
Regular Employees hired on or after 7/1/06	Closed	39.50%	40.10%	8.00%
Regular Employees hired on or after 1/1/11	Closed	39.50%	40.10%	8.00%
Regular Employees hired on or after 7/1/15	Open	39.50%	40.10%	8.00%
Special Legislative Employees	Closed	37.80%	38.50%	9.50%
Wildlife Agents	Closed	51.20%	50.50%	9.50%
Aggregate Rate		**40.20%**	**40.60%**	

D. Fair Value Disclosures

LASERS categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The plan has the following recurring fair value measurements as of June 30, 2022 and 2021, respectively:

	6/30/2022	2022 Fair Value Measurements Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Investments				
U.S. Government Obligations	$ 60,184,406	$ 60,184,406	$ -	$ -
U.S. Agency Obligations	96,920,238	-	96,920,238	-
Mortgages	22,705,441	-	22,705,441	-
Corporate Bonds	483,185,414	-	423,674,096	59,511,318
International Bonds	384,841,025	-	307,401,503	77,439,522
Short-term Investments	181,348,265	-	(1,208,720)	182,556,985
Total Debt Securities	**$ 1,229,184,789**	**$ 60,184,406**	**$ 849,492,558**	**$ 319,507,825**
Equity Securities				
Large Cap	$ 2,184,695,326	$ 2,184,695,326	$ -	$ -
Mid Cap	884,769,864	884,769,864	-	-
Small Cap	619,075,520	619,075,520	-	-
International Equities	1,964,146,443	1,954,089,718	170,688	9,886,037
Other	145,343,111	101,065,886	5,251,212	39,026,013
Total Equity Securities	**$ 5,798,030,264**	**$ 5,743,696,314**	**$ 5,421,900**	**$ 48,912,050**
Securities Lending Cash Collateral	$ 967,955,826	$ -	$ 967,955,826	$ -
Total Investments at Fair Value Level	**$ 7,995,170,879**	**$ 5,803,880,720**	**$ 1,822,870,284**	**$ 368,419,875**
Investments at Net Asset Value (NAV)				
Emerging Market Equity	$ 700,739,939			
Emerging Market Debt	325,251,171			
Global Multi-Sector Funds	948,670,354			
Private Markets	2,926,823,413			
Absolute Return	541,000,854			
Total Investments at NAV	**$ 5,442,485,731**			
Investment Derivatives				
Futures	$ (88,205)	$ (88,205)	$ -	
Foreign Exchange Contracts	1,939,704	-	1,939,704	
Options	229,611	-	229,611	
Swaps	526,069	-	526,069	
Total Investment Derivatives	**$ 2,607,179**	**$ (88,205)**	**$ 2,695,384**	
Total Investments at Fair Value	**$ 13,440,263,789**			

	6/30/2021	2021 Fair Value Measurements Quoted Prices in Active Markets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Debt Investments				
U.S. Government Obligations	$ 49,616,240	$ 49,616,240	$ -	$ -
U.S. Agency Obligations	98,108,213	-	98,108,213	-
Mortgages	33,293,071	-	33,293,071	-
Corporate Bonds	626,756,641	-	581,383,250	45,373,391
International Bonds	569,330,690	-	479,644,345	89,686,345
Short-term Investments	248,928,047	-	(389,606)	249,317,653
Total Debt Securities	**$ 1,626,032,902**	**$ 49,616,240**	**$ 1,192,039,273**	**$ 384,377,389**
Equity Securities				
Large Cap	$ 2,480,478,409	$ 2,480,478,409	$ -	$ -
Mid Cap	990,349,667	990,349,667	-	-
Small Cap	806,378,676	806,378,676	-	-
International Equities	2,570,299,713	2,555,858,840	11,958,206	2,482,667
Other	165,901,415	110,008,595	19,230,581	36,662,239
Total Equity Securities	**$ 7,013,407,880**	**$ 6,943,074,187**	**$ 31,188,787**	**$ 39,144,906**
Securities Lending Cash Collateral	$ 967,315,754	$ -	$ 967,315,754	$ -
Total Investments at Fair Value Level	**$ 9,606,756,536**	**$ 6,992,690,427**	**$ 2,190,543,814**	**$ 423,522,295**
Investments at Net Asset Value (NAV)				
Emerging Market Equity	$ 932,572,651			
Emerging Market Debt	262,794,241			
Global Multi-Sector Funds	856,030,804			
Private Markets	2,722,575,699			
Absolute Return	575,704,726			
Total Investments at NAV	**$ 5,349,678,121**			
Investment Derivatives				
Futures	$ (17,816)	$ (17,816)	$ -	
Foreign Exchange Contracts	1,437,736	-	1,437,736	
Options	19,745	-	19,745	
Swaps	(238,140)	-	(238,140)	
Total Investment Derivatives	**$ 1,201,525**	**$ (17,816)**	**$ 1,219,341**	
Total Investments at Fair Value	**$ 14,957,636,182**			

Securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Derivative instruments classified in Level 2 of the fair value hierarchy are valued using a market approach that considers benchmark interest rates and foreign exchange rates. Investments classified in Level 3 of the fair value hierarchy are valued using unobservable inputs and are not directly corroborated with market data.

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2022, are presented in the following table.

	Fair Value 2022	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Emerging Market Equity	$ 700,739,939	$ -	Monthly	7 - 30 days
Emerging Market Debt	325,251,171	-	Quarterly	90 days
Global Multi-Sector	948,670,354	-	Monthly to Quarterly with one fund illiquid	30 - 60 days
Absolute Return	541,000,854	-	Monthly to Quarterly	5 - 95 days
Private Markets	2,926,823,413	2,115,690,469	N/A	N/A
Total Investments at NAV	$ 5,442,485,731			

The unfunded commitments and redemption terms for investments measured at the net asset value (NAV) per share (or its equivalent) as of June 30, 2021 are presented in the following table.

	Fair Value 2021	Unfunded Commitments	Redemption Frequency	Redemption Notice Period
Emerging Market Equity	$ 932,572,651	$ -	Monthly	7 - 30 days
Emerging Market Debt	262,794,241	-	Quarterly	90 days
Global Multi-Sector	856,030,804	-	Monthly to Quarterly with one fund illiquid	30 - 60 days
Absolute Return	575,704,726	-	Monthly to Quarterly	5 - 95 days
Private Markets	2,722,575,699	1,901,726,320	N/A	N/A
Total Investments at NAV	$ 5,349,678,121			

1. Emerging Markets

Emerging Markets includes investments in three equity and one debt emerging market for the years ending June 30, 2022 and 2021. These investments aim to benefit from the higher economic growth, increased independence, and positive demographic trends in emerging countries. The fair value of the investments in these funds has been determined using the NAV per share (or equivalent) of the investments. Units are valued monthly to quarterly and redemption of units varies from seven to 90-day advanced notice. Any amount redeemed will be paid within five to 30 business days following the date as of which the withdrawal is to be made.

2. **Global Multi-Sector**

   Global Multi-Sector commingled funds had four funds for fiscal years ending June 30, 2022 and 2021. They are designed to be flexible and may move tactically in response to market conditions. It allows investments in securities across the fixed income universe which includes securities such as sovereign debt, corporate credit, structured products, currency, distressed debt, and leveraged loans. Redemption payments range from monthly to quarterly with 30 to 60-day notices. Two of the three funds have an initial one-year lock-up. One fund is illiquid with a term of five years with options for two one-year renewals. The fair value of the investments has been determined using NAV per share (or equivalent) of the investments.

3. **Absolute Return**

   Absolute Return had five funds for fiscal years ending June 30, 2022 and 2021. Absolute Return Funds utilize a variety of strategies, asset classes, and securities to generate returns, depending on current market conditions. Funds tend to trade in a variety of strategies and exhibit low correlation to one another and to other absolute fund strategies. They are inherently diversified, with multiple sources of return. Managers have the ability to incubate and quickly execute new strategies. The fair value of the investments has been determined using the NAV per share (or equivalent) of the investments.

4. **Private Markets**

   Private Markets is an asset class consisting of both equity and debt ownership in operating companies not publicly traded on a stock exchange. This type increased net funding by one investment to 88 private market funds in fiscal year ending June 30, 2022. Private market funds employ a combination of strategies to earn superior risk-adjusted returns. The fair values of the investments in this type have been determined using the NAV per share (or equivalent) of the Plan's ownership interest in partners' capital. These investments are illiquid. Distributions from each fund will be received as the underlying investments of the funds are liquidated. It is expected that the underlying assets of the funds will be liquidated approximately seven to 15 years from the commencement of the fund.

E. Deposits and Investment Risk Disclosures

The information presented on the following pages includes disclosures of custodial, interest rate, credit, and foreign currency risks in accordance with GASB 40, 53, and 67 and is designed to inform financial statement users about investment risks that could affect the System's ability to meet its obligations. The tables presented classify investments by risk type, while the financial statements present investments by asset class; thus, the totals shown on the tables may not be comparable to the amounts shown for the individual asset classes on the financial statements.

1. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of bank failure, the System's deposits may not be returned. The System does not have a formal deposit policy for custodial credit risk. All U.S. bank balances at year-end were insured or collateralized by the pledge of government securities held by the agents in LASERS name. LASERS had time deposits and certificates of deposits in the securities lending cash collateral pool that were exposed to custodial credit risk of $227.5 million and $277.8 million as of June 30, 2022 and 2021, respectively. LASERS had uninsured cash deposits in non-U.S. banks of $37.4 million and $34.6 million for the periods ended June 30, 2022 and 2021, respectively.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty, the pension trust fund will not be able to recover the value of its investments, or collateral securities that are in the possession of an outside party. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either: a) the counterparty or b) the counterparty's trust department or agent but not in the government's name. LASERS had no custodial credit risk for investments for the years ending June 30, 2022 and 2021.

2. Concentration of Credit Risk

Concentration of credit risk is the "risk of loss attributed to the magnitude of investments in a single issuer." The risk occurs "when investments are concentrated in any one issuer that represents 5% or more of plan net assets." Investments issued or explicitly guaranteed by the U.S. Government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement. The System has no investments of any single organization (other than those issued or guaranteed by the U.S. Government) that represent 5% or more of the System's net plan assets, nor does the System hold more than 5% of any corporation's stock.

3. Credit Risk

Credit risk is the risk that a borrower will be unable to meet its obligation. According to LASERS investment policy, the overall average quality of each core fixed income portfolio shall be rated A- or higher by Standard and Poor's. Non-rated issues or issues below investment grade (below BBB-) may be purchased up to a maximum of 15% of each core fixed income portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage dedicated high-yield fixed income portfolios. The average duration shall not differ from the passive benchmark's duration by more than two years.

In preparing this report, credit risk associated with all fixed income holdings including collateral for repurchase agreements and securities lending collateral has been included. The System's exposure to credit risk as of June 30, 2022 and 2021, is as follows:

Rating	Fair Value 2022	Percent 2022	Fair Value 2021	Percent 2021
AAA	$ 6,739,176	0.2%	$ 7,062,143	0.2%
A-1+	81,009,370	2.3%	105,421,459	2.8%
A-1	300,040,438	8.6%	262,250,977	7.1%
AA+	152,761,274	4.4%	137,665,051	3.7%
AA	6,769,971	0.2%	6,339,893	0.2%
AA-	149,985,634	4.3%	169,914,599	4.6%
A+	150,538,728	4.3%	155,826,495	4.2%
A	136,964,237	3.9%	85,019,915	2.3%
A-	18,864,520	0.5%	31,119,253	0.8%
BBB+	41,103,103	1.2%	58,860,525	1.6%
BBB	53,239,090	1.5%	64,413,656	1.7%
BBB-	27,037,922	0.8%	48,194,028	1.3%
BB+	44,223,424	1.3%	50,267,776	1.4%
BB	60,093,033	1.7%	100,573,559	2.7%
BB-	77,340,536	2.2%	114,317,747	3.1%
B+	54,708,239	1.6%	79,490,176	2.1%
B	56,404,558	1.6%	77,959,822	2.1%
B-	40,757,623	1.2%	47,343,333	1.3%
CCC+	23,475,900	0.7%	38,090,358	1.0%
CCC	10,883,720	0.3%	21,714,863	0.6%
CCC-	1,085,446	0.0%	4,892,062	0.1%
CC	2,190,659	0.1%	5,266,345	0.1%
C	367,250	0.0%	166,500	0.0%
D	1,069,698	0.0%	8,253,156	0.2%
Non-rated	1,976,008,799	57.1%	2,032,957,594	54.8%
Total Fixed Income	**$ 3,473,662,348**	**100.0%**	**$ 3,713,381,285**	**100.0%**

4. Interest Rate Risk

Interest rate risk is the risk from changes in interest rates adversely affecting the fair value of an investment. LASERS has no formal interest rate risk policy. LASERS, as expressed in its investment policy, expects its fixed income managers to approximate the portfolio's duration (a measure of a debt investment's exposure to fair value changes arising from interest rates) to within two years of its respective benchmark. Investments with fair values that are highly sensitive to interest rate changes may contain terms that increase the sensitivity of their fair values.

As of June 30, 2022 and 2021, the System had the following domestic and foreign debt investments and maturities:

Type	Fair Value 2022	Investment Maturities (in Years) Less Than 1	1 - 5	5 - 10	Greater Than 10
U.S. Government Obligations	$ 60,184,406	$ 14,347,617	$ 8,711,474	$ 17,355,507	$ 19,769,808
U.S. Agency Obligations	96,920,238	15,400	17,828	5,370,244	91,516,766
Mortgages	22,705,441	1,954,360	-	-	20,751,081
Corporate Bonds	483,364,381	46,087,788	130,551,551	193,177,407	113,547,635
International Bonds	1,659,244,087	1,322,079,607	113,097,427	145,104,210	78,962,843
Short-term Investments	183,287,969	183,287,969	-	-	-
Securities Lending Collateral					
Corporate Bonds	11,669,500	11,669,500	-	-	-
International Bonds	429,887,751	429,457,892	429,859	-	-
Short-term Investments	23,796,169	23,796,169	-	-	-
International Short-term Investments	502,602,406	502,602,406	-	-	-
Total Debt Investments	**$3,473,662,348**	**$2,535,298,708**	**$ 252,808,139**	**$ 361,007,368**	**$ 324,548,133**

Type	Fair Value 2021	Investment Maturities (in Years) Less Than 1	1 - 5	5 - 10	Greater Than 10
U.S. Government Obligations	$ 49,616,240	$ 28,935,424	$ 10,034,715	$ 3,338,004	$ 7,308,097
U.S. Agency Obligations	98,108,213	347	103,388	3,005,635	94,998,843
Mortgages	33,293,071	-	2,003,020	-	31,290,051
Corporate Bonds	626,756,641	42,744,596	181,593,799	261,448,725	140,969,521
International Bonds	1,687,925,583	1,170,841,471	144,331,883	238,954,313	133,797,916
Short-term Investments	250,365,783	248,928,047	1,437,736	-	-
Securities Lending Collateral					
Corporate Bonds	13,895,689	10,861,240	3,034,449	-	-
International Bonds	369,702,093	369,139,724	562,369	-	-
Short-term Investments	20,222,865	20,222,865	-	-	-
International Short-term Investments	563,495,107	563,495,107	-	-	-
Total Debt Investments	**$3,713,381,285**	**$2,455,168,821**	**$ 343,101,359**	**$ 506,746,677**	**$ 408,364,428**

5. Foreign Currency Risk

Foreign currency risk is the potential risk for loss due to changes in exchange rates. Cash held by the manager may be in U.S. dollar or foreign currencies of the manager's choice. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of securities transactions. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions.

Foreign investments denominated in U.S. currency such as American Depository Receipts (ADRs) and Yankee bonds do not carry foreign currency risk; therefore, they are not included in the tables below. LASERS portfolio contained several commingled funds subject to foreign currency risk with aggregate fair values of $2.0 billion and $2.1 billion for the years ended June 30, 2022 and 2021, respectively. LASERS Investment Guidelines, some of which are noted in *Note F. Cash and Investments*, are designed to mitigate risk.

The fair value of LASERS securities including derivative instruments held in a foreign currency at June 30, 2022 and 2021, is as follows:

Currency	Global Bonds	Global Stock	Cash/Other	Private Markets	Currency Contracts	Fair Value 2022
Argentinian Peso	$ -	$ -	$ 11	$ -	$ -	$ 11
Australian Dollar	-	93,683,276	926,069	-	90,770	94,700,115
Brazilian Real	11,652,169	13,364,665	445,476	-	(413,861)	25,048,449
British Pound Sterling	4,652,416	273,107,169	4,220,679	-	(26,788,147)	255,192,117
Canadian Dollar	-	134,684,124	2,368,545	-	(909,051)	136,143,618
Chilean Peso	2,155,777	861,492	131,998	-	1,022,084	4,171,351
Chinese Yuan	9,517,981	-	-	-	1,270,403	10,788,384
Colombian Peso	6,741,859	942,702	263,275	-	(2,516,111)	5,431,725
Czech Koruna	4,930,190	-	7,210	-	-	4,937,400
Danish Krone	-	49,255,439	159,250	-	422,586	49,837,275
Egyptian Pounds	2,623,671	-	-	-	-	2,623,671
Euro	41,604,450	420,443,384	511,130,045	44,994,704	(34,624,768)	983,547,815
Hong Kong Dollar	-	148,204,828	8,518,441	-	(80,770)	156,642,499
Hungarian Forint	-	3,680,630	99,705	-	822,730	4,603,065
Indian Rupee	-	32,633,332	207,046	-	-	32,840,378
Indonesian Rupiah	11,443,053	11,159,310	830,849	-	(199,893)	23,233,319
Israeli Shekel	-	14,012,727	376,116	-	-	14,388,843
Japanese Yen	(108,043)	387,279,176	4,438,598	-	(884,017)	390,725,714
Kazakhstan Tenge	244,432	-	-	-	-	244,432
Malaysian Ringgit	9,511,625	6,173,100	161,583	-	-	15,846,308
Mexican Peso	17,128,442	8,943,529	104,422	-	(2,948,435)	23,227,958
New Taiwan Dollar	-	45,406,209	160,004	-	(1,792)	45,564,421
New Zealand Dollar	-	1,449,367	544,655	-	-	1,994,022
Norwegian Krone	-	23,255,159	1,226,982	-	-	24,482,141
Peruvian Sol	1,967,679	-	-	-	534,214	2,501,893
Philippines Peso	-	2,987,207	56,230	-	-	3,043,437
Polish Zloty	5,944,735	3,439,384	31,839	-	1,347,571	10,763,529
Qatari Riyal	-	882,308	28,302	-	-	910,610
Romanian Leu	1,746,900	-	-	-	(175,871)	1,571,029
Russian Ruble	1,849,341	-	-	-	-	1,849,341
Saudi Arabian Riyal	-	5,799,295	88,083	-	-	5,887,378
Serbian Dinar	830,528	-	-	-	(704,366)	126,162
Singapore Dollar	-	35,312,420	1,347,094	-	-	36,659,514
South African Rand	11,600,608	10,823,828	158,273	-	(2,314,227)	20,268,482
South Korean Won	-	40,010,991	993,467	-	-	41,004,458
Swedish Krona	-	65,532,656	300,292	-	953,525	66,786,473
Swiss Franc	-	93,548,768	399,763	-	(291,417)	93,657,114
Thailand Baht	4,033,297	5,280,873	25,721	-	4,992,432	14,332,323
Turkish Lira	1,069,347	6,324,996	220,898	-	-	7,615,241
UAE Dirham	-	1,459,098	50,095	-	-	1,509,193
Uruguayan Peso	2,573,602	-	-	-	-	2,573,602
Total	**$ 153,714,059**	**$ 1,939,941,442**	**$ 540,021,016**	**$ 44,994,704**	**$(61,396,411)**	**$ 2,617,274,810**

Currency	Global Bonds	Global Stock	Cash/Other	Private Markets	Currency Contracts	Fair Value 2021
Argentinian Peso	$ 222,710	$ -	$ 14	$ -	$ (241,947)	$ (19,223)
Australian Dollar	-	135,689,443	2,155,633	-	(2,967,476)	134,877,600
Brazilian Real	17,917,505	16,052,296	295,674	-	754,943	35,020,418
British Pound Sterling	5,326,980	340,615,940	3,120,679	-	(13,408,942)	335,654,657
Canadian Dollar	-	171,772,341	2,624,602	-	(1,436,758)	172,960,185
Chilean Peso	3,313,352	910,365	22,406	-	1,484,857	5,730,980
Chinese Yuan	24,739,542	-	-	-	(3,277,164)	21,462,378
Colombian Peso	13,812,187	858,504	221,139	-	(2,598,270)	12,293,560
Czech Koruna	7,428,297	-	8,582	-	3,503,423	10,940,302
Danish Krone	-	65,532,001	394,669	-	552,743	66,479,413
Egyptian Pounds	2,115,104	-	-	-	-	2,115,104
Euro	28,300,009	578,648,329	192,065,274	57,799,655	(36,761,078)	820,052,189
Hong Kong Dollar	-	214,088,337	2,390,859	-	-	216,479,196
Hungarian Forint	-	5,566,999	92,966	-	4,223,952	9,883,917
Indian Rupee	-	30,924,253	36,722	-	-	30,960,975
Indonesian Rupiah	24,821,160	7,665,590	43,467	-	-	32,530,217
Israeli Shekel	-	4,174,830	591,168	-	-	4,765,998
Japanese Yen	-	500,041,262	6,054,622	-	1,667,277	507,763,161
Kazakhstan Tenge	313,103	-	-	-	-	313,103
Malaysian Ringgit	9,134,513	4,312,114	9,528	-	-	13,456,155
Mexican Peso	26,857,078	8,206,873	164,192	-	(1,183,469)	34,044,674
New Taiwan Dollar	-	49,714,928	112,030	-	-	49,826,958
New Zealand Dollar	-	3,950,297	215,105	-	354,965	4,520,367
Norwegian Krone	-	26,362,096	4,363,857	-	1,265,267	31,991,220
Peruvian Sol	3,610,113	-	-	-	-	3,610,113
Philippines Peso	-	3,437,826	5,631	-	-	3,443,457
Polish Zloty	15,113,571	5,129,485	(240)	-	5,232,119	25,474,935
Romanian Leu	6,483,294	-	-	-	(4,337,442)	2,145,852
Russian Ruble	19,193,891	-	-	-	1,425,004	20,618,895
Serbia Dinar	1,072,306	-	-	-	-	1,072,306
Singapore Dollar	-	43,828,318	915,435	-	70,581	44,814,334
South African Rand	19,563,992	17,397,185	645,248	-	(3,455,794)	34,150,631
South Korean Won	-	49,462,208	89,695	-	265,662	49,817,565
Swedish Krona	-	91,382,639	853,768	-	355,934	92,592,341
Swiss Franc	-	133,507,294	1,041,610	-	(689,334)	133,859,570
Thailand Baht	7,398,834	5,292,032	106,278	-	5,323,040	18,120,184
Turkish Lira	3,727,391	5,495,517	46,523	-	303,844	9,573,275
UAE Dirham	-	1,275,743	-	-	-	1,275,743
Uruguayan Peso	3,870,915	-	-	-	-	3,870,915
Total	**$ 244,335,847**	**$ 2,521,295,045**	**$ 218,687,136**	**$ 57,799,655**	**$(43,574,063)**	**$ 2,998,543,620**

F. Cash and Investments

1. Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in banks. Cash in U.S. banks is insured by the Federal Deposit Insurance Corporation up to $250,000, and cash equivalents are collateralized by the pledge of government securities held by the agents in LASERS name.

2. Short-Term Investments

Short–term reserves may be held in U.S. dollar or global denominated investment vehicles available through the System's custodian. These funds may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements, which are fully collateralized by issues of the U.S. Treasury or any agency of the United States Government. Excess cash may also be invested in the negotiable certificates of deposit, global time deposits, global currency, or other short-term investment vehicles designated by the Board.

3. Investments

Louisiana state law (La. R.S. 11:261-269) provides for the fiduciary and investment responsibilities of LASERS. La. R.S. 11:263 states that the prudent man rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances prevailing that a prudent institutional investor would use in the conduct of an enterprise of a like character with like aims.

A) Investment Policy

The System's policy in regard to the allocation of invested assets is established and may be amended by the LASERS Board. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the pension plan.

The following were LASERS Board adopted asset allocation policies in effect on June 30, 2022 and 2021:

Target Asset Allocation

Asset Class	2022	2021
Cash	0%	1%
Domestic Equity	31%	31%
International Equity	23%	23%
Domestic Fixed Income	3%	3%
International Fixed Income	17%	18%
Alternative Investments	26%	24%
Totals	100%	100%

B) Rate of Return

For the years ended June 30, 2022 and 2021, the annual money-weighted rates of return on pension plan investments, net of pension plan investment expense, were -6.9% and 33.4%, respectively. The money-weighted return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

4. Domestic Equity

Domestic equity purchases are limited to publicly traded common stocks. Exceptions shall be approved by the LASERS Board in advance. No single holding shall account for more than 6% of the allowable equity portion of the portfolio at fair value, or 150% of a stock's weighting in the style benchmark against which the manager is measured; whichever is larger.

LASERS domestic equity portfolios are expected to be fully invested. No single holding in LASERS portfolio shall account for more than 5% of the outstanding common stock of any one corporation. No more than 10% of a manager's domestic equity portfolio may consist of cash or cash equivalents. Additionally, no single holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation.

The purchase of stocks or convertibles in foreign companies, which are publicly traded securities, may be held by each domestic stock manager in proportions up to 10% of the portfolio at fair value. Convertible bonds, convertible preferred stocks, warrants and rights may be purchased as equity substitutes as long as they meet the equity guidelines listed above.

5. International Equity

Short-term reserves may be held in U.S. dollar-denominated, local currency securities, or investment vehicles available through the System's custodian. Managers may purchase or sell currency on a spot basis to accommodate security settlements. Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility or to facilitate the settlement of security transactions.

LASERS international equity portfolios are expected to be fully invested. No more than 10% of a manager's international equity portfolio may consist of cash or cash equivalents. Equity securities should be issued by non-U.S. issuers, although the manager has latitude to hold U.S. securities provided that such investment is consistent with attainment of the portfolio's investment objectives and does not exceed 10% of the portfolio's fair value. American Depository Receipts (ADRs) do not count toward this 10% limitation.

The number of issues held and their geographic or industry distribution shall be left to the investment manager, provided that equity holdings in any one company (including common stock and convertible securities) do not exceed 6% of the fair value of the manager's portion of LASERS portfolio. Additionally, bonds of the companies in question would be included in LASERS exposure calculation if held in the manager's portfolio.

Managers with established international equity mandates may invest up to 10% of their portfolio(s) in the emerging markets, as defined by the MSCI EM Index. Managers with an emerging markets equity mandate are expected to invest in the emerging (non-established) markets, subject to the guidelines listed above.

6. **Domestic Core Fixed Income**

Domestic core fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage-backed securities, and senior secured debt and other instruments deemed prudent by the investment managers. No more than 6% of the fair value of LASERS domestic core fixed income assets may be invested in the debt securities of any one issuer. No limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies.

The overall average quality of each fixed income portfolio shall be rated A- or higher. Issues not rated may be purchased provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of A- or higher. Non-rated issues or issues below investment grade (below BBB-) may be purchased up to a maximum of 15% of the portfolio.

The diversification of securities by maturity, quality, sector, coupon, and geography is the responsibility of the manager. Active bond management is encouraged, as deemed appropriate by the investment managers. The average duration (interest rate sensitivity) of an actively managed portfolio shall not differ from the passive benchmark's duration by more than two years.

Investments in mortgage-backed securities shall have the characteristics of fixed income securities and be responsive to changes in domestic interest rate changes, as well as other factors that affect the credit markets and mortgage investments. The investment managers are responsible for making an independent analysis of the credit worthiness of securities and their suitability as investments for the Plan, and shall adhere to the specific investment, security, diversification limits, and administrative guidelines established in the investment management agreement(s).

High-yield fixed income managers may invest up to 20% of their portfolios in non-U.S. fixed income securities. They shall perform careful credit analysis to mitigate losses from defaults. Investments should be diversified across sector, industry, sub-industry, and market to mitigate losses. No more than 6% of fair value of the System's high yield assets may be invested in the debt securities of any one issuer.

7. **Global Fixed Income**

The global bond portfolio may hold no more than 30% of its assets, at fair value, in the debt securities of any single foreign government or non-U.S. government entity. No single non-government debt security shall constitute more than 6% of the global bond portfolio, at fair value. Securities issued by AAA rated supranational organizations (such as the World Bank) shall be considered to be government equivalents.

Short-term reserves may be held in U.S. dollar-denominated or local currency securities or investment vehicles available through the LASERS custodian.

Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Decisions as to the number of issues held and their geographic distribution shall be the responsibility of the investment manager.

The overall average quality of each global fixed income portfolio shall be A- or higher. Non-rated issues may be purchased, provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of A- or higher. Issues below investment grade (below BBB-) and/or mortgage backed securities may be purchased up to a maximum of 15% of the portfolio. The average duration (interest rate sensitivity) of a global fixed income portfolio shall not differ from the passive benchmark by more than two years.

8. Emerging Market Debt

The emerging markets debt portfolio may hold no more than 1.75 times the passive benchmark weight, at fair value, in the debt securities of any single sovereign entity. The portfolio may hold up to 15% in securities not issued by benchmark countries. The portfolio may hold up to a combined allocation of 20% in non-benchmark inflation-linked bonds and corporate debt securities. Investments should be diversified across sovereign issuers and markets to mitigate losses from defaults.

Managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than leverage portfolio risk exposure. Currency contracts may be utilized to either hedge the portfolio's currency risk exposure or in the settlement of securities transactions. Managers may purchase or sell currency on a spot basis to accommodate securities settlements. Decisions as to the number of issues held and their geographic distribution shall be the responsibility of the investment manager.

The overall average quality of each portfolio shall be BBB- or higher. Non-rated issues may be purchased provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of BBB- or higher. The modified duration (interest rate sensitivity) of an emerging markets debt (local currency) portfolio shall not differ from the passive benchmark by more than three years.

9. Global Multi-Sector Fixed Income

The global multi-sector portfolio may hold no more than 6% of its assets, in fair value in the securities of any one issuer, excluding securities of the U.S. Government and its agencies. Managers may invest up to 10% of the portfolio fair value in equity securities. These limits may be exceeded with consent from LASERS staff and Consultant.

10. Derivatives

The System invested in collateralized mortgage obligations (forms of mortgage-backed securities), foreign exchange currency contracts, futures, options, warrants, rights, swaps, and a Synthetic Guaranteed Investment Contract (SGIC). The System reviews fair value of all securities on a monthly basis. Derivative securities may be held in part to maximize yields and in part to hedge against a rise in interest rates. The fair value of rights and warrants are determined based upon quoted market prices. For the years ending June 30, 2022, and June 30, 2021, the derivative instruments held by the System were considered investments and not hedges for accounting purposes. The term hedging, as it is used elsewhere in the notes to these financial statements, denotes an economic activity and not an accounting method. Investments in limited partnerships and commingled funds may include derivatives. Interest rate risk, credit rate risk, and foreign currency risk associated with derivatives are included on their respective tables in *Note E. Deposits and Investment Risk Disclosures*.

a. **Collateralized mortgage obligations** (CMOs) are bonds that are collateralized by whole loan mortgages, mortgage pass-through securities, or stripped mortgage-backed securities. Income is derived from payments and prepayments of principal and interest generated from collateral mortgages. Cash flows are distributed to different investment classes or tranches in accordance with that CMOs established payment order. Some CMO tranches have more stable cash flows relative to changes in interest rates than others that can be significantly sensitive to interest rate fluctuations. In a declining interest rate environment, some CMOs may be subject to a reduction in interest payments as a result of prepayments of mortgages which make up the collateral pool. Reductions in interest payments cause a decline in cash flows and, thus, a decline in fair value of the CMO security. Rising interest rates may cause an increase in interest payments, thus an increase in the value of the security.

b. **Synthetic Guaranteed Investment Contract (SGIC)** is an investment for tax-qualified, defined contribution pension plans consisting of two parts: an asset owned directly by the plan trust and a wrap contract providing book value protection for participant withdrawals prior to maturity. LASERS maintains a fully benefit-responsive synthetic guaranteed investment contract option for members of the Optional Retirement Plan and the Self-Directed Plan. The investment objective of the SGIC is to protect members from loss of their original investment and to provide a competitive interest rate. SGICs are carried at contract value. The contract value of the SGIC contract is cost plus accrued interest. The contract value of the SGIC contract was $537.5 and $533.6 million for the fiscal years ended June 30, 2022 and 2021, respectively. The fair value of the underlying investments was $505.6 and $551.83 million for the fiscal years ended June 30, 2022 and 2021, respectively. The counterparty rating for the wrap contract was A+.

c. **Futures** contracts are standardized, exchange-traded contracts to purchase or sell a specific financial instrument at a predetermined price. Gains and losses on futures contracts are settled daily based on a notional (underlying) principal value and do not involve an actual transfer of the specific instrument. The exchange assumes the risk that the counterparty will not pay and generally requires margin payments to minimize such risk. Futures are used primarily as a tool to increase or decrease market exposure to various asset classes.

d. **Currency forwards** are a contractual agreement between two parties to pay or receive specific amounts of foreign currency at a future date in exchange for another currency at an agreed upon exchange rate. Forwards are usually transacted in the over-the-counter market. These transactions are entered into in order to hedge risks from exposure to foreign currency rate fluctuation. They are entered into with the foreign exchange department of a bank located in a major money market. Recognition of realized gain or loss depends on whether the currency exchange rate has moved favorably or unfavorably to the contract holder upon termination of the contract. Prior to termination of the contract, the System records the unrealized translation gain or loss. Forward commitments are not standardized and carry counterparty risk. Counterparty risk ratings from forwards for the year ended June 30, 2022, ranged from A-2 to A-1. Counterparty risk ratings from forwards for the year ended June 30, 2021, ranged from A-2 to A-1+.

e. **Option contracts** provide the option purchaser with the right, but not the obligation, to buy or sell the underlying security at a set price during a period or at a specified date. The option writer is obligated to buy or sell the underlying security if the option purchaser chooses to exercise the option.

f. **Short sales** are the sale of a security or commodity futures contract that is not owned by the seller. It is a technique used to take advantage of an anticipated decline in the price or to protect a profit in a long position.

g. **Swaps** are derivative instruments in which two parties agree to exchange one stream of cash flows against another stream or a guarantee. These streams are called the legs of the swap and usually at least one leg has a rate that is variable. The variable leg can depend on a reference rate, the total return of an asset, or an economic statistic. Cash flows are calculated based on the notional amount, which are usually not exchanged between counterparties. Counterparty risk ratings for the years ended June 30, 2022 and 2021 ranged from A-3 to A-1+.

The following tables represent the fair value of all open currency, futures, swaps and options contracts at June 30, 2022, and 2021:

Change in Fair Value 2022		**Fair Value at June 30, 2022**		
Derivative Type*	**Gain/(Loss)**	**Classification**	**Amount**	**Notional**
Foreign Exchange Contracts	$ 501,967	Short-term Investments	$ 1,939,704	$ 63,336,116
Futures Equity	22,210	Domestic Equity	22,210	(780,110)
Futures International Equity	(2,097)	International Equity	(15,240)	820,709
Futures Domestic Fixed Income	12,868	Domestic Fixed Income	12,868	(777,118)
Futures International Fixed Income	(103,369)	International Fixed Income	(108,043)	(17,597,605)
Options Fixed Income	177,193	Domestic Fixed Income	177,193	24,750,000
Options International Fixed Income	32,673	International Fixed Income	52,418	2,216,260
Swaps Domestic Equity	(7,083)	Domestic Equity	-	-
Swaps Domestic Fixed Income	(11,093)	Domestic Fixed Income	(11,093)	693,852
Swaps International Fixed Income	782,386	International Fixed Income	537,162	57,615,000
		Total	**$ 2,607,179**	

*Derivatives' changes in fair value are recorded as Net Appreciation (Depreciation) in Fair Value of Investments on the *Statements of Changes in Fiduciary Net Position*.

Change in Fair Value 2021		Fair Value at June 30, 2021		
Derivative Type*	**Gain/(Loss)**	**Classification**	**Amount**	**Notional**
Foreign Exchange Contracts	$ 1,162,251	Short-term Investments	$ 1,437,736	$ 46,524,540
Futures International Equity	(33,787)	International Equity	(13,142)	1,341,775
Futures Domestic Fixed Income	20,609	Domestic Fixed Income	-	-
Futures International Fixed Income	8,272	International Fixed Income	(4,674)	(960,681)
Options International Equity	19,745	International Equity	19,745	15,625,000
Swaps Domestic Equity	7,083	Domestic Equity	7,083	391,000
Swaps Domestic Fixed Income	(1,437)	Domestic Fixed Income	-	-
Swaps International Fixed Income	(193,060)	International Fixed Income	(245,223)	47,366,466
		Total	**$ 1,201,525**	

*Derivatives' changes in fair value are recorded as Net Appreciation (Depreciation) in Fair Value of Investments on the *Statements of Changes in Fiduciary Net Position*.

11. Alternative Investments

Investments in alternatives include, but are not limited to, private markets, absolute return (hedge funds), and real assets. Investment strategies may include buyouts or corporate restructuring, venture capital, secondary investments, distressed securities, mezzanine instruments, energy and natural resources, and any other special situation.

LASERS endeavors to systematically commit additional funds to this asset class over time as it becomes under-represented relative to the LASERS target asset allocation. LASERS attempts to commit up to 200% of its target weighting to private markets investments to help ensure that the funded portion of the investments approximates the target allocation.

The Board of LASERS recognizes that alternative assets are potentially more risky than other investments of the System. As such, extra care is taken in evaluating and fully understanding all aspects on an alternative investment opportunity.

No more than 25% of the alternative asset investment allocation may be invested with a single manager, general partner, or single fund, with the exception of a fund-of-funds. Preference will be given to those funds where the general partner is contributing at least 1% of the total fund. All investments must have a mechanism for exit.

G. Securities Lending Program

State statutes and the Board's policies permit the System to make short-term collateralized loans of its securities to broker-dealers and other entities in order to earn incremental income. LASERS has contracted with its custodian, BNY Mellon, to lend domestic and international equity and debt securities. Collateral in the form of cash or other securities is required for 102% of the fair value of domestic or sovereign debt, and 105% of the fair value of international securities. Since the majority of the loans are terminable at will, their duration does not generally match the duration of the investments made with the cash collateral.

LASERS is not permitted to pledge or sell collateral securities unless a borrower defaults. The System did not impose any restrictions during the fiscal year on the amount of the loans that BNY Mellon made on its behalf, and BNY Mellon indemnified the System by agreeing to purchase replacement securities, or return cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the fiscal year.

On June 30, 2022 and 2021, the System had no credit risk exposure to borrowers because the amounts the System owed the borrowers exceeded the amount the borrowers owed the System. The fair value of securities on loan totaled $1,149,909,602 and $1,303,378,867 for the years ended June 30, 2022, and 2021, respectively. The fair value of non-cash collateral on loan totaled $228,662,516 and $481,858,353 as of June 30, 2022 and 2021, respectively.

H. Total Other Postemployment Benefits (OPEB)

Substantially all employees become eligible for postemployment health care and life insurance benefits if they reach normal retirement age while working for the System. These benefits for retirees and similar benefits for active employees are provided through the Louisiana Office of Group Benefits (OGB).

1. Plan Description

Employees may participate in the State of Louisiana's Other Postretirement Benefit Plan (OPEB Plan), a multiple-employer defined benefit OPEB Plan that provides medical and life insurance to eligible active employees, retirees, and their beneficiaries. The State administers the plan through OGB. La. R.S. 42:801-883 assigns the authority to establish and amend benefit provisions of the plan. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Governmental Accounting Standards Board (GASB) Statement No. 75 to pay related benefits.

2. Benefits Provided

The OPEB Plan provides benefits such as: death benefits, life insurance, disability, and long-term care that are paid in the period after employment and that are provided separately from a pension plan; as well as healthcare benefits paid in the period after employment for retirees, disabled retirees, and their eligible beneficiaries through premium subsidies.

OGB offers retirees under age 65 a choice of three self-insured healthcare plans and one fully insured plan. Retired employees who have Medicare Part A and Part B coverage have access to these plans and an additional two fully insured Medicare Advantage HMO plans; one fully insured plan, and one Zero-Premium HMO plan.

Employer contributions are based on plan premiums and the employer contribution percentage. This percentage is based on the date of participation in an OGB plan (before or after January 1, 2002) and employee years of service at retirement. Employees who began participation or rejoin the plan before January 1, 2002, pay approximately 25% of the cost of coverage (except single retirees under age 65 who pay approximately 25% of the active employee cost). For those beginning participation or rejoining on or after January 1, 2002, the percentage of premiums contributed by the employer is based on the following schedule:

OGB Participation	Employer Contribution	Retiree Contribution
Under 10 years	19%	81%
10-14 years	38%	62%
15-19 years	56%	44%
20+ years	75%	25%

In addition to healthcare benefits, retirees may elect to receive life insurance benefits. Basic and supplemental life insurance are available for the individual retiree and spouses of retirees, subject to maximum values. The retiree pays 50% of the premium for personal coverage and 100% of the premium for spousal coverage. Premiums vary by age. The employer pays the remaining amount.

3. **Funding Policy**

The OPEB Plan is currently funded on a pay-as-you-go basis through a combination of retiree and System contributions. OPEB contributions to the plan are generally made at about the same time and in about the same amount as benefit payments become due.

4. **Total OPEB Liabilities, OPEB Expense and Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB**

The System reported its proportionate share of the net OPEB liability as $21,939,790 and $18,605,250 at June 30, 2022 and 2021, respectively. The net OPEB liability was measured as of June 30th of the prior year and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1st of the prior year. Contributions made after the measurement date but before the end of the reporting period will be recognized as a reduction of the net OPEB liability in the subsequent fiscal period rather than in the current fiscal period. The System's proportion was actuarially determined and was based on its proportionate share of the State of Louisiana's total OPEB liability. The System's proportion was 0.2396% and 0.2246% for measurement at June 30, 2021 and 2020, respectively.

LASERS recognized OPEB expense of $966,102 and $89,651 during the year ended June 30, 2022 and 2021, respectively. At June 30, 2022 and 2021, LASERS reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	2022		2021	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 440,660	$ 12,736	$ 427,894	$ 35,810
Changes of assumptions	1,611,921	980,796	486,429	1,780,383
Differences between actual and proportionate share of OPEB Payments	1,397,120	494,623	619,904	503,128
Employer Contributions subsequent to measurement date	444,598	-	430,175	-
Total	**$ 3,894,299**	**$ 1,488,155**	**$ 1,964,402**	**$ 2,319,321**

Deferred outflows of resources related to OPEB resulting from OPEB payments subsequent to the measurement date of $444,598 will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2022, compared to $430,175 in 2021. The increase in deferred outflows between last year and this year is driven mainly by the change in discount rate from 2.66% in 2020 to 2.18% in 2021 and an increase in the proportion allocated to LASERS. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as a credit or debit to OPEB expense as follows:

Year Ended June 30:	OPEB Expense
2023	273,807
2024	627,303
2025	749,843
2026	310,593
Total	**$ 1,961,546**

5. Actuarial Assumptions and Other Inputs

The total OPEB liability in the July 1, 2021 and 2020, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Cost Method	Entry Age Normal
Salary Increases	Consistent with various pension plan valuation assumptions in which employees participate.
Discount Rate	2.18% and 2.66% S&P 20-year municipal bond index rate for June 30, 2021 and 2020, respectively.
Healthcare Cost Trend Rate	Pre-age 65 ranges from 7.0% to 4.5% for June 30, 2021 Post-age 65 ranges from 5.5% to 4.5% for June 30, 2021 Pre-age 65 ranges from 6.8% to 4.5% for June, 30, 2020 Post-age 65 ranges from 5.3% to 4.5% for June 30, 2020
Mortality	For healthy lives the RP-2014 Blue Collar (males) and White Collar (females) Healthy Annuitant Tables and the RP-2014 Combined Healthy Mortality Table (rolled back to 2006 using RP-2014 projection) then projected on a fully generational basis by Mortality Improvement Scale MP-2018 for June 30, 2021 and 2020. For existing disabled lives the RP-2000 Disabled Retiree Mortality Table not projected with mortality improvement for June 30, 2021 and 2020.

The actuarial assumptions used by the pension plans covering the same participants were used for the retirement, termination, disability, and salary scale assumptions. The actuarial assumptions used in the July 1, 2021 and 2020, valuations were based on the results of an actuarial experience study for pension plan actuarial valuations for the period July 1, 2014 to June 30, 2018. There were no changes in benefit terms for 2021 and 2020.

No changes in benefits or assumptions have occurred between the June 30, 2021 and 2020 measurement dates of the collective total OPEB liability and the June 30, 2022 and 2021 reporting dates of the System, respectively, that are expected to have a significant effect on the System's proportionate share of the collective total OPEB liability.

6. Sensitivity of Total OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the System's proportionate share of the collective total OPEB liability calculated using the discount rate of 2.18% and 2.66%, as well as what the System's proportionate share of the collective total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for June 30, 2022 and 2021, respectively.

Total OPEB Liability Sensitivity to Changes in Discount Rate

	1% Decrease	Current Discount Rate	1% Increase
June 30, 2022			
Discount Rate	1.18%	2.18%	3.18%
Total OPEB Liability	$ 26,571,439	$ 21,939,790	$ 18,366,374
June 30, 2021			
Discount Rate	1.66%	2.66%	3.66%
Total OPEB Liability	$ 22,337,251	$ 18,605,250	$ 15,702,038

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the System's proportionate share of the collective total OPEB liability as well as what the System's proportionate share of the collective total OPEB liability would be if it were calculated using the healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rates for June 30, 2022 and 2021, respectively.

Sensitivity of Total OPEB Liability to Changes in Healthcare Cost Trend Rates

	1% Decrease	Current Trend Rate	1% Increase
2022 Total OPEB Liability	$ 18,146,891	$ 21,939,790	$ 26,950,541
2021 Total OPEB Liability	$ 15,538,733	$ 18,605,250	$ 22,615,456

Schedules of Changes in Net Pension Liability

For Nine Years Ended June 30, 2022*

	2022	2021	2020	2019	2018
Total Pension Liability					
Service Cost	$ 218,244,525	$ 218,244,525	$ 220,437,301	$ 218,865,385	$ 214,222,176
Interest	1,457,616,767	1,449,374,537	1,447,710,612	1,425,430,990	1,411,403,403
Changes of Benefit Terms - Permanent Benefit Increase	-	-	-	-	-
Changes of Benefit Terms	68,096,068	6,041,053	-	875,621	657,700
Differences Between Expected and Actual Experience	41,232,922	10,871,434	(158,856,913)	88,972,166	(45,163,231)
Changes of Assumptions	274,893,478	269,629,371	52,927,000	68,669,381	83,241,388
Retirement Benefits	(1,447,668,471)	(1,394,914,135)	(1,368,004,318)	(1,343,892,705)	(1,317,635,325)
Refunds and Transfers of Member Contributions	(34,413,878)	(30,305,050)	(30,447,178)	(34,948,707)	(35,191,508)
Net Change in Total Pension Liability	578,001,411	528,941,735	163,766,504	423,972,131	311,534,603
Total Pension Liability - Beginning	20,220,320,534	19,691,378,799	19,527,612,295	19,103,640,164	18,792,105,561
Total Pension Liability - Ending (a)	$ 20,798,321,945	$ 20,220,320,534	$ 19,691,378,799	$ 19,527,612,295	$ 19,103,640,164
Plan Fiduciary Net Position					
Employer Contributions	$ 855,817,402	$ 853,214,442	$ 854,117,785	$ 769,629,768	$ 729,479,704
Employee Contributions	167,117,810	166,954,560	164,576,018	160,338,556	152,189,709
Harbor Police Transfer	-	-	-	-	-
Net Investment Income (Loss)	(1,015,958,553)	3,703,593,259	(480,573,814)	452,914,317	1,011,537,508
Other Income	15,817,950	14,556,140	15,955,512	13,052,134	15,198,732
Retirement Benefits	(1,447,668,471)	(1,394,914,135)	(1,368,004,318)	(1,343,892,705)	(1,317,635,325)
Refunds and Transfers of Member Contributions	(34,413,878)	(30,305,050)	(30,447,178)	(34,948,707)	(35,191,508)
Administrative Expenses	(16,710,210)	(16,606,586)	(16,749,257)	(16,785,776)	(14,732,258)
Other Postemployment Benefits Expenses	(966,102)	(89,651)	(42,750)	(538,097)	(9,525,495)
Depreciation and Amortization Expenses	(800,575)	(769,107)	(820,094)	(783,617)	(883,799)
Net Change in Plan Fiduciary Net Position	(1,477,764,627)	3,295,633,872	(861,988,096)	(1,014,127)	530,437,268
Plan Fiduciary Net Position - Beginning	14,716,344,767	11,420,710,895	12,282,698,991	12,283,713,118	11,753,275,850
Plan Fiduciary Net Position - Ending (b)	$ 13,238,580,140	$ 14,716,344,767	$ 11,420,710,895	$ 12,282,698,991	$ 12,283,713,118
Net Pension Liability - Ending (a)-(b)	$ 7,559,741,805	$ 5,503,975,767	$ 8,270,667,904	$ 7,244,913,304	$ 6,819,927,046

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedules of Changes in Net Pension Liability (Continued)

For Nine Years Ended June 30, 2022*

	2022	2021	2020	2019	2018
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	63.7%	72.8%	58.0%	62.9%	64.3%
Covered Payroll	$ 2,008,311,596	$ 2,004,062,861	$ 1,999,414,595	$ 1,952,495,777	$ 1,864,035,191
Net Pension Liability as a Percentage of Covered Payroll	376.4%	274.6%	413.7%	371.1%	365.9%

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedules of Changes in Net Pension Liability (Continued)

For Nine Years Ended June 30, 2022*

	2017	2016	2015	2014
Total Pension Liability				
Service Cost	$ 219,475,741	$ 222,458,027	$ 208,898,813	$ 228,140,255
Interest	1,405,827,435	1,379,644,606	1,353,766,106	1,334,400,080
Changes of Benefit Terms - Permanent Benefit Increase	-	120,572,581	-	114,705,590
Changes of Benefit Terms	-	20,680,250	-	-
Differences Between Expected and Actual Experience	(139,108,937)	(109,244,104)	13,638,601	(167,128,306)
Changes of Assumptions	41,711,761	-	-	-
Retirement Benefits	(1,274,461,022)	(1,238,507,932)	(1,199,079,252)	(1,167,477,166)
Refunds and Transfers of Member Contributions	(37,606,040)	(35,997,261)	(38,308,757)	(77,118,765)
Net Change in Total Pension Liability	215,838,938	359,606,167	338,915,511	265,521,688
Total Pension Liability - Beginning	18,576,266,623	18,216,660,456	17,877,744,945	17,612,223,257
Total Pension Liability - Ending (a)	$ 18,792,105,561	$ 18,576,266,623	$ 18,216,660,456	$ 17,877,744,945
Plan Fiduciary Net Position				
Employer Contributions	$ 675,583,750	$ 718,606,512	$ 726,678,134	$ 615,164,022
Employee Contributions	149,931,242	152,233,771	153,281,097	152,993,052
Harbor Police Transfer	-	10,790,721	-	-
Net Investment Income (Loss)	1,520,600,699	(296,729,232)	152,809,130	1,770,521,381
Other Income	14,049,255	15,185,502	12,928,989	20,810,679
Retirement Benefits	(1,274,461,022)	(1,238,507,932)	(1,199,079,252)	(1,167,477,166)
Refunds and Transfers of Member Contributions	(37,606,040)	(35,997,261)	(38,308,757)	(77,118,765)
Administrative Expenses	(17,074,984)	(15,615,605)	(15,877,682)	(14,810,539)
Other Postemployment Benefits Expenses	(904,975)	(982,858)	(940,845)	(1,103,488)
Depreciation and Amortization Expenses	(556,901)	(419,718)	(1,193,314)	(1,724,101)
Net Change in Plan Fiduciary Net Position	1,029,561,024	(691,436,100)	(209,702,500)	1,297,255,075
Plan Fiduciary Net Position - Beginning	10,723,714,826	11,415,150,926	11,624,853,426	10,327,598,351
Plan Fiduciary Net Position - Ending (b)	$ 11,753,275,850	$ 10,723,714,826	$ 11,415,150,926	$ 11,624,853,426
Net Pension Liability - Ending (a)-(b)	$ 7,038,829,711	$ 7,852,551,797	$ 6,801,509,530	$ 6,252,891,519

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedules of Changes in Net Pension Liability (Continued)

For Nine Years Ended June 30, 2022*

	2017	2016	2015	2014
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	62.5%	57.7%	62.7%	65.0%
Covered Payroll	$ 1,821,943,975	$ 1,842,286,184	$ 1,856,735,292	$ 1,813,759,357
Net Pension Liability as a Percentage of Covered Payroll	386.3%	426.2%	366.3%	344.7%

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Schedules of Employers' Net Pension Liability

For Ten Years Ended June 30, 2022

Fiscal Year	Total Pension Liability	Plan Fiduciary Net Position	Employers' Net Pension Liability	Plan Fiduciary Net Position as a Percentage of Total Pension Liability	Covered Payroll	Employers' Net Pension Liability as a Percentage of Covered Payroll
2013	$ 17,612,223,257	$ 10,327,598,351	$ 7,284,624,906	58.6%	$ 1,951,987,750	373.2%
2014	$ 17,877,744,945	$ 11,624,853,426	$ 6,252,891,519	65.0%	$ 1,813,759,357	344.7%
2015	$ 18,216,660,456	$ 11,415,150,926	$ 6,801,509,530	62.7%	$ 1,856,735,292	366.3%
2016	$ 18,576,266,623	$ 10,723,714,826	$ 7,852,551,797	57.7%	$ 1,842,286,184	426.2%
2017	$ 18,792,105,561	$ 11,753,275,850	$ 7,038,829,711	62.5%	$ 1,821,943,975	386.3%
2018	$ 19,103,640,164	$ 12,283,713,118	$ 6,819,927,046	64.3%	$ 1,864,035,191	365.9%
2019	$ 19,527,612,295	$ 12,282,698,991	$ 7,244,913,304	62.9%	$ 1,952,495,777	371.1%
2020	$ 19,691,378,799	$ 11,420,710,895	$ 8,270,667,904	58.0%	$ 1,999,414,595	413.7%
2021	$ 20,220,320,534	$ 14,716,344,767	$ 5,503,975,767	72.8%	$ 2,004,062,861	274.6%
2022	$ 20,798,321,945	$ 13,238,580,140	$ 7,559,741,805	63.7%	$ 2,008,311,596	376.4%

Schedules of Employer Contributions

For Ten Years Ended June 30, 2022

Date	Actuarial Determined Contribution	Contributions in Relation to Actuarial Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2013	$ 724,391,420	$ 649,029,708	$ 75,361,712	$ 1,951,987,750	33.2%
2014	$ 709,799,409	$ 612,698,414	$ 97,100,995	$ 1,813,759,357	33.8%
2015	$ 697,377,899	$ 722,137,361	$ (24,759,462)	$ 1,856,735,292	38.9%
2016	$ 694,091,525	$ 718,606,514	$ (24,514,989)	$ 1,842,286,184	39.0%
2017	$ 701,906,777	$ 675,583,750	$ 26,323,027	$ 1,821,943,975	37.1%
2018	$ 707,672,002	$ 725,802,871	$ (18,130,869)	$ 1,864,035,191	38.9%
2019	$ 717,033,569	$ 760,150,449	$ (43,116,880)	$ 1,952,495,777	38.9%
2020	$ 785,380,878	$ 837,449,602	$ (52,068,724)	$ 1,999,414,595	41.9%
2021	$ 795,212,826	$ 844,776,387	$ (49,563,561)	$ 2,004,062,861	42.2%
2022	$ 820,423,194	$ 833,985,463	$ (13,562,269)	$ 2,008,311,596	41.5%

Schedules of Investment Returns

For Ten Years Ended June 30, 2022

	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Annual Money-Weighted Rate of Return, Net of Investment Expense	-6.9%	33.4%	-3.6%	3.8%	8.9%	14.9%	-2.6%	1.5%	17.9%	12.1%

Schedules of the System's Proportionate Share of the Collective Total OPEB Liability

For Five Years Ended June 30, 2022*

Fiscal Year	Percentage of the Collective Total OPEB Liability	System's Proportionate Share of the Collective Total OPEB Liability	Employers' Covered Payroll	Proportionate Share of the Collective Total OPEB Liability as a % of Covered Payroll
2018	0.2127%	$ 18,489,294	$ 8,317,152	222.30%
2019	0.2156%	$ 18,401,229	$ 8,627,155	213.29%
2020	0.2205%	$ 17,023,923	$ 8,688,890	195.93%
2021	0.2246%	$ 18,605,250	$ 9,197,742	202.28%
2022	0.2396%	$ 21,939,790	$ 9,656,660	227.20%

Note: The amounts presented have a measurement date of the previous fiscal year end.

**Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.*

Notes to Required Supplementary Information

A. Schedules of Changes in Net Pension Liability

The total pension liability contained in this schedule was provided by the System's actuary, Foster & Foster, and was determined based on the net pension liability actuarial assumptions found in the chart that follows. The net pension liability is measured as the total pension liability less the amount of the fiduciary net position of the System.

B. Schedules of Employers' Net Pension Liability

The schedule of employers' net pension liability shows the percentage of LASERS employers' net pension liability as a percentage of covered employee payroll and was determined based on the net pension liability actuarial assumption found in the chart that follows. The employers' net pension liability is the liability of contributing employers to members for benefits provided through LASERS. Covered employee payroll is the payroll of all employees that are provided with benefits through the plan.

C. Schedules of Employer Contributions

The difference between actuarially determined employer contributions and employer contributions received, and the percentage of employer contributions received to covered employee payroll is presented in this schedule. This information was determined based on the net pension liability actuarial assumptions found in the chart that follows.

D. Schedules of Investment Returns

The annual money-weighted rate of return is shown in this schedule. The money-weighted rate of return is calculated as the internal rate of return on pension plan investments, net of pension plan investment expense. This expresses investment performance adjusted for the changing amounts actually invested throughout the year, measured on daily inputs with expenses measured on an accrual basis.

E. Schedules of the System's Proportionate Share of the Collective Total OPEB Liability

This schedule shows the System's proportionate share of the collective total OPEB liability allocated to its current employees and retirees participating in the State of Louisiana Postretirement Benefit Plan as of June 30, 2022. No assets are accumulated in a trust that meets the criteria in paragraph 4 of Statement 75. Fiscal year end 2021 data was used in determining the System's proportionate share of the collective total OPEB liability. The discount rate changed from 2.66% as of June 30, 2020 to 2.18% as of June 30, 2021. The number of retirees participating in the plan increased by one to 49 from fiscal year end 2020 to 2021. There were no changes in benefit terms. The schedule also represents the percentage of the collective total OPEB liability to covered payroll. This information was determined based on the OPEB actuarial assumptions found in the chart that follows.

Net Pension Liability Actuarial Assumptions

For Ten Years Ended June 30, 2022

	2022	2021	2020	2019	2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Investment Rate of Return	7.25%	7.40%	7.55%	7.60%	7.65%
Inflation Rate	2.30%	2.30%	2.30%	2.50%	2.75%
Salary Increases	Varied	Varied	Varied	Varied	Varied
Cost of Living Adjustments	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits
Mortality/ Disability	2013-2018 Experience Study	2013-2018 Experience Study	2013-2018 Experience Study	2013-2018 Experience Study	2008-2013 Experience Study
Changes in Benefit Terms	Act 656 of 2022	Act 37 of 2021	N/A	Acts 224 and 595 of 2018	Acts 224 and 595 of 2018

	2017	2016	2015	2014	2013
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Projected Unit Credit
Investment Rate of Return	7.70%	7.75%	7.75%	7.75%	7.75%
Inflation Rate	2.75%	3.00%	3.00%	3.00%	3.00%
Salary Increases	Varied	Varied	Varied	Varied	Varied
Cost of Living Adjustments	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits	Not Automatic; Subject to Limits
Mortality/ Disability	2008-2013 Experience Study	2008-2013 Experience Study	2008-2013 Experience Study	2008-2013 Experience Study	2003-2008 Experience Study
Changes in Benefit Terms	N/A	Act 648 of 2014	N/A	N/A	N/A

OPEB Actuarial Assumptions

For Five Years Ended June 30, 2022

	2022	2021	2020	2019	2018
Actuarial Cost Method	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal	Entry Age Normal
Asset Valuation	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis	Pay-As-You-Go Basis
Discount Rate	2.18%	2.66%	2.79%	2.98%	3.13%
Salary Increases	Varied	Varied	Varied	Varied	Varied
Inflation Rate	2.40%	2.80%	2.80%	2.80%	2.80%
Mortality/ Disability	2013-2018 Experience Study	2013-2018 Experience Study	2013-2018 Experience Study	2013-2018 Experience Study	2008-2013 Experience Study

Schedules of Administrative Expenses

For the Years Ended June 30, 2022 and 2021

	2022	2021
Administrative Expenses:		
Salaries and Related Benefits	$ 12,655,638	$ 12,674,920
Travel Expenses	20,999	3,052
Operating Services	3,308,129	3,275,412
Professional Services	539,379	561,971
Acquisitions	186,065	91,231
Total Administrative Expenses	**$ 16,710,210**	**$ 16,606,586**

Schedules of Investment Expenses

For the Years Ended June 30, 2022 and 2021

	2022	2021
Investment Activities Expenses:		
Alternative Investment Expenses		
Manager Fees	$ 55,165,192	$ 59,163,171
Profit Sharing Fees	(395,546)	438,138
Total Alternative Investment Expenses	**54,769,646**	**59,601,309**
Investment Management Expenses		
Manager Fees	25,190,184	25,354,699
Administrative Expenses	2,795,500	2,560,588
Profit Sharing Fees	10,499,694	13,056,831
Consultant Fees	796,000	774,500
Research and Data Services	747,951	681,339
Investment Performance Management	111,768	112,717
Investment Legal Fees	25,338	11,059
Global Custodian Fees	165,091	160,190
Total Investment Management Expenses	**40,331,526**	**42,711,923**
Security Lending Expenses		
Securities Lending Management Fees	1,547,391	605,387
Total Investment Expenses	**$ 96,648,563**	**$ 102,918,619**

Schedules of Board Compensation

For the Years Ended June 30, 2022 and 2021

Board of Trustees	2022 Number of Meetings	2022 Amount	2021 Number of Meetings	2021 Amount
Thomas Bickham[1]	12	$ -	12	$ -
Virginia Burton	13	975	12	900
Charles Castille	11	825	12	900
Byron Decoteau[1]	6	-	-	-
Beverly Hodges	6	450	12	900
Ternisha Hutchinson[1]	5	-	-	-
William Kleinpeter	8	600	10	750
Janice Lansing	6	450	11	825
Barbara McManus	12	900	12	900
Lori Pierce	6	450	12	900
Shannon Templet[1]	9	-	9	-
Total Compensation		**$ 4,650**		**$ 6,075**

[1] Board member chose not to receive per diem for all or part of their term.

Schedules of Professional/Consultant Fees
For the Years Ended June 30, 2022 and 2021

	2022	2021
Accounting and Auditing		
Postlethwaite & Netterville, APAC	$ 85,850	$ 87,383
Actuary		
Foster & Foster Actuaries & Consultants, Inc.	180,090	172,000
Legal Fees		
Laura Denson Holmes	39,994	-
Tarcza & Associates, LLC	10,147	9,440
Disability Program		
Physician and Other Reviews	53,406	51,347
Other Professional Services		
CMA Technology Solutions	12,975	30,838
Cognizant Technology Solutions US Corp.	103,800	103,800
ConvergeOne Inc.	8,025	-
Election Services, Co.	13,880	12,398
ERP-One Consulting Inc.	-	69,615
Guidepoint Security, LLC	11,812	24,500
Sparkhound	19,400	-
Other Non-Consultant Professionals	-	650
Professional Service/Consultant Fees	**$ 539,379**	**$ 561,971**