LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA

FINANCIAL STATEMENT AUDIT
FOR THE YEAR ENDED DECEMBER 31, 2010
ISSUED JULY 20, 2011

LEGISLATIVE AUDITOR
1600 NORTH THIRD STREET
POST OFFICE BOX 94397
BATON ROUGE, LOUISIANA 70804-9397

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LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 15, 2011

Independent Auditor's Report

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

We have audited the accompanying basic financial statements of the Louisiana Asset Management Pool, a component unit of the State of Louisiana, as of and for the year ended December 31, 2010, as listed in the table of contents. These financial statements are the responsibility of management of the Louisiana Asset Management Pool, Incorporated. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets of the Louisiana Asset Management Pool as of December 31, 2010, and the changes in its net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2011, on our consideration of the Louisiana Asset Management Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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Management's discussion and analysis on pages 5 through 9 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Louisiana Asset Management Pool's basic financial statements. The accompanying supplementary information Schedule of Investments is presented for the purpose of additional analysis and is not a required part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements, and in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

LMF:CGEW:EFS:THC:dl

LAMP 2010

As management of the Louisiana Asset Management Pool (LAMP Pool), we offer readers of LAMP's financial statements this narrative overview and analysis of the financial activities of LAMP for the year ended December 31, 2010. LAMP is administered by Louisiana Asset Management Pool, Inc. (LAMP, Inc.) and its activity is included in LAMP's combined financial statements. The two entities are collectively referred to as "LAMP."

FINANCIAL HIGHLIGHTS

- The assets of LAMP exceeded its liabilities at the close of the most recent calendar year by $1,869,769,722 (*net assets*).
- LAMP's total net assets decreased by $161,017,757 in 2010.
- The number of participants increased by three from 619 to 622 at December 31, 2010.
- Interest and investment income decreased by $2,781,134 in 2010 as a result of the continued low interest rate environment as well as a reduction in assets from participant withdrawals.
- Administrative expenses decreased by $261,482 in 2010. In 2010, LAMP, Inc., reduced its rebate to $1,875,000. LAMP, Inc., has rebated $7.2 million since the rebate program began in October 2006.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

BASIC FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of LAMP, assets exceeded liabilities by $1,869,769,722 at the close of December 31, 2010. The largest portion of LAMP's net assets (99.67%) reflects its investments at fair market value. The following is a comparison of LAMP's net assets to the prior year.

LAMP's Net Assets

	For the Year Ended December 31,	
	2010	2009
Cash	$6,273,840	$6,287,372
Investments at fair market value	1,863,529,162	2,024,175,834
Accrued interest receivable	102,548	478,842
Prepaid expenses	8,480	7,793
Furniture, fixtures, automobile, and office equipment (net)	51,957	33,468
Total Assets	1,869,965,987	2,030,983,309
Accrued expenses	141,782	159,506
Distribution payable	9,834	
Compensated absences payable	44,649	36,324
Total Liabilities	196,265	195,830
Net Assets	$1,869,769,722	$2,030,787,479

- Total assets decreased by $161,017,322.
- Most of the decrease in assets is attributable to participant withdrawals.
- Investments decreased primarily because participants' withdrawals exceeded deposits from LAMP Pool.

Changes in Net Assets. Investment activities and participants' transactions decreased LAMP's net assets by $161,017,757. Key elements of the decreases are as follows:

LAMP's Changes in Net Assets

	For the Year Ended December 31, 2010	2009
Additions:		
Participant deposits	$1,998,761,479	$2,360,386,000
From investment activities:		
Interest income	2,650,327	4,562,331
Investment income (amortization/accretion of income, increase or decrease in fair value of investments, and gain or loss on sales)	3,006,280	3,875,410
Gain on disposal of assets	5,217	
Total additions	2,004,423,303	2,368,823,741
Deductions:		
Participant withdrawals	(2,163,262,230)	(2,187,973,986)
Administrative expense	(2,178,830)	(2,440,312)
Loss on disposal of assets		(1,167)
Total deductions	(2,165,441,060)	(2,190,415,465)
(Decrease) increase in net assets	(161,017,757)	178,408,276
Net Assets, Beginning of Year	2,030,787,479	1,852,379,203
Net Assets, End of Year	$1,869,769,722	$2,030,787,479

- Interest and investment income decreased because of the continued low interest rate environment and a reduction in investments because participant withdrawals exceeded participant deposits.
- The majority of the decrease in net assets resulted from participants' net withdrawals of $164,500,751 for 2010.

ENTITY FINANCIAL STATEMENTS

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

By far the largest portion of LAMP Pool's assets (99%) reflects its investments at fair market value. The largest portion (82%) of LAMP, Inc.'s assets after the elimination of $180,472 fees receivable from LAMP Pool is its cash. The following is an analysis of the net assets at December 31, 2010, attributable to LAMP Pool and to LAMP, Inc.:

LAMP's Net Assets (by Entity)

	LAMP	Eliminations	LAMP Pool	LAMP, Inc.
Cash	$6,273,840		$6,000,000	$273,840
Investments at fair market value	1,863,529,162		1,863,529,162	
Accrued interest receivable	102,548		102,548	
Furniture, fixtures, automobile, and office equipment	51,957			51,957
Prepaid expenses	8,480			8,480
Fees receivable from LAMP Pool		($180,472)		180,472
Total Assets	1,869,965,987	(180,472)	1,869,631,710	514,749
Accrued expenses	141,782			141,782
Distribution payable	9,834		9,834	
Compensated absences payable	44,649			44,649
Fees payable to LAMP, Inc.		(180,472)	180,472	
Total Liabilities	196,265	(180,472)	190,306	186,431
Net Assets	$1,869,769,722	NONE	$1,869,441,404	$328,318

- In preparing the Statement of Net Assets, monthly fees of $180,472 payable by LAMP Pool to LAMP, Inc., were eliminated.

Changes in Net Assets. Investment activities and participants' transactions decreased LAMP's net assets by $161,017,757. Key elements of the changes are as follows:

LAMP's Changes in Net Assets (by Entity)

	LAMP	Eliminations	LAMP Pool	LAMP, Inc.
Additions:				
Participant deposits	$1,998,761,479		$1,998,761,479	
From investment activities:				
Interest income	2,650,327		2,649,740	$587
Investment income (amortization/ accretion of income, increase or decrease in the fair value of investments and gain or loss on sales)	3,006,280		3,006,280	
Gain on disposition of assets	5,217			5,217
Administrative income		($2,235,555)		2,235,555
Total additions	2,004,423,303	(2,235,555)	2,004,417,499	2,241,359
Deductions:				
Participant withdrawals	(2,163,262,230)		(2,163,262,230)	
Administrative expense	(2,178,830)	2,235,555	(2,235,555)	(2,178,830)
Total deductions	(2,165,441,060)	2,235,555	(2,165,497,785)	(2,178,830)
Total increase (decrease) in net assets	(161,017,757)	NONE	(161,080,286)	62,529
Net Assets, Beginning of Year	2,030,787,479	NONE	2,030,521,690	265,789
Net Assets, End of Year	$1,869,769,722	NONE	$1,869,441,404	$328,318

- In preparing the Combined Statement of Changes in Net Assets for LAMP, administrative fees of $2,235,555 paid by LAMP Pool to LAMP, Inc., were eliminated. A management fee rebate from LAMP, Inc., to LAMP Pool of $1,875,000 reduced the administrative expenses of LAMP, Inc., and LAMP Pool.

- Investment advisor and transfer agency/fund accountant fees of $1,142,465 and custodial fees of $104,512 are included in administrative expenses paid.

REQUESTS FOR INFORMATION

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

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Statement A

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

Statement of Net Assets, December 31, 2010

ASSETS	
Cash (note 2)	$6,273,840
Investments (note 3)	1,863,529,162
Interest receivable	102,548
Prepaid expenses	8,480
Furniture and fixtures, automobile, and office equipment, net (note 1-F)	51,957
TOTAL ASSETS	1,869,965,987
LIABILITIES	
Accounts payable and accruals	141,782
Distribution payable	9,834
Compensated absences payable (note 5)	44,649
TOTAL LIABILITIES	196,265
NET ASSETS HELD IN TRUST FOR POOL PARTICIPANTS	$1,869,769,722

The accompanying notes are an integral part of this statement.

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

Statement of Changes in Net Assets
For the Year Ended December 31, 2010

ADDITIONS	
Participant deposits	$1,998,761,479
From investment activities:	
Interest income	2,650,327
Amortization/accretion of income	2,712,155
Net increase in the fair value of investments	115,076
Gain on sale of investments	179,049
Gain on disposal of capital assets	5,217
Total additions	2,004,423,303
DEDUCTIONS	
Participant withdrawals	2,163,262,230
Administrative expense	2,178,830
Total deductions	2,165,441,060
Total decrease in net assets	(161,017,757)
NET ASSETS, BEGINNING OF YEAR	2,030,787,479
NET ASSETS, END OF YEAR	$1,869,769,722

The accompanying notes are an integral part of this statement.

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INTRODUCTION

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. The cooperative endeavor was formed, in part, in reliance upon Opinion 92-192 (March 31, 1992) issued by the Louisiana Attorney General's Office, which noted that public entities may pool funds for investment purposes. The investment pool is intended to improve administrative efficiency and increase investment yield of participating public entities. Public entities, as defined by Article XIX of LAMP's Articles of Incorporation, include the instrumentalities and political subdivisions of the State of Louisiana; parishes, municipalities, or other subdivisions of government; any entity created by, subject to the administration of, or otherwise governed by any university, hospital, or retirement system; and any other entity which may be designated as a public entity by the president of LAMP. Section XIX of LAMP's Articles of Incorporation specifically exclude the State of Louisiana and its departments from participation in the investment pool. As of December 31, 2010, there were 622 voluntary participants in the pool.

LAMP is administered by Louisiana Asset Management Pool, Incorporated, (the Corporation), a nonprofit corporation formed under the provisions of Louisiana Revised Statute (R.S.) 12:22, pursuant to Section 115 of the Internal Revenue Code of 1986, as amended. The Corporation was formed to manage and administer or provide for the orderly management and administration of LAMP.

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

The Corporation entered into a contract with a custodial bank (JP Morgan Chase) for three years commencing as of January 1, 2008, with options to extend for two additional one-year terms.

The Corporation issued a Request for Proposal for Investment Management Services on June 23, 2009. American Beacon Advisors was selected to manage 100% of the investment portfolio. The Corporation entered into a contract with American Beacon Advisors commencing October 5, 2009, for three years with options to renew the contract for two additional 12-month periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

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

B. REPORTING ENTITY

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

C. BASIS OF ACCOUNTING

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

D. CASH AND INVESTMENTS

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

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

LAMP's investments are stated at fair value based on quoted market values. The fair values of investments are determined on a weekly basis to monitor any variances between amortized costs and fair values.

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

E. PREPAID EXPENSES

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

F. FIXED ASSETS

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

	Balance December 31, 2009	Additions	Deletions	Balance December 31, 2010
Furniture and fixtures	$44,436			$44,436
Office equipment	10,675			10,675
Computer equipment	21,006	$389		21,395
Automobile	31,720	37,500	($31,720)	37,500
Total	107,837	37,889	(31,720)	114,006
Less - accumulated depreciation	(74,369)	(11,117)	23,437	(62,049)
Net furniture and fixtures, office equipment, computer equipment, and automobile	$33,468	$26,772	($8,283)	$51,957

2. DEPOSITS WITH FINANCIAL INSTITUTIONS

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

As reflected on the Statement of Net Assets, LAMP has deposits in bank accounts totaling $6,273,840 at December 31, 2010. Deposits in bank accounts are stated at cost, which approximates market. Under state law, these deposits must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent.

The deposits (book balances) at December 31, 2010, consist of the following:

	Cash Demand Deposits	Cash Custodial Deposits	Total
Deposits per Statement of Net Assets	$273,840	$6,000,000	$6,273,840

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

Bank Institution	Program or Type	Amount
JP Morgan Chase	Operating Account	$274,421
JP Morgan Chase	Zero Balance Account	6,007,386
Total		$6,281,807

LAMP maintains $6 million in its zero balance account, which is invested in the One Group money market fund, to ensure cash is available if participant withdrawals exceed participant deposits during the day. At December 31, 2010, the interest rate on the zero balance account is 0.18%. The investment earnings from the zero balance account are deposited into the earnings for the investment pool.

Custodial credit risk is the risk that in the event of a bank failure, LAMP's deposits may not be recovered. Under state law, LAMP's deposits must be secured by federal deposit insurance or similar federal security or the pledge of securities owned by the fiscal agent bank. The fair market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in LAMP's name by the pledging bank or by a holding or custodial bank that is mutually acceptable to both parties.

3. INVESTMENTS

Investments of $1,863,529,162, as presented on Statement A, are reported at fair value. The investments are comprised of several different types of investment securities. The following tables itemize the investments, the range of maturity dates and yields of each category of investment, the fair value of investments, the face amount of the investments, the carrying value at amortized cost at December 31, 2010, and the change in investments during the year.

Investment Securities	Maturity Dates	Yield to Maturity	Face Amount at December 31, 2010	Carrying Value (Amortized Cost) at December 31, 2010	Fair Value at December 31, 2010
Federal Home Loan Bank notes	10/13/11	0.25%	$49,600,000	$49,604,873	$49,615,128
Federal National Mortgage Association notes	6/15/11 - 9/19/11	0.23 - 0.24%	46,930,000	46,892,778	46,895,897
Federal Home Loan Mortgage Association notes	2/1/11 - 6/13/11	0.13 - 0.22%	162,182,000	162,145,311	162,164,648
Commercial paper	1/7/11 - 5/6/11	0.20 - 0.39%	914,900,000	914,444,092	914,526,457
Repurchase agreements	1/3/11 - 1/7/11	0.20 - 0.28%	690,327,032	690,327,032	690,327,032
Total			$1,863,939,032	$1,863,414,086	$1,863,529,162

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 2009	$2,023,935,271	$2,024,175,834
Add:		
Investment purchases	127,910,997,429	127,910,997,429
Amortization/accretion of income	2,952,720	2,952,720
Market value adjustment		115,076
Total	127,913,950,149	127,914,065,225
Less:		
Investment maturities	(128,074,471,334)	(128,074,471,333)
Prior year fair market value adjustment		(240,564)
Total	(128,074,471,334)	(128,074,711,897)
Balance, December 31, 2010	$1,863,414,086	$1,863,529,162

Unrealized investment gains exceeded unrealized investment losses by $115,076 at year-end. This net unrealized investment gain is reflected in the year-end investments since they are reported at fair market value.

For an investment, custodial credit risk is the risk that in the event of the failure of the counterparty, LAMP will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The investments are registered in the name of LAMP and are held in the custodial bank's trust account at its custodial agent or at the Federal Reserve. During the year ended December 31, 2010, there were no uninsured and unregistered investments held by the counterparty, or by its trust department or agent, which were not in LAMP's name.

Concentration of credit risk is the risk of loss attributed to the magnitude of an entity's investment in a single issuer. LAMP's investment policy limits investments in variable rate issues to 25% of the total assets of LAMP. Investments in money market funds are limited to no more than 25% of the total assets of LAMP, and no more than 10% may be invested in any single money market fund at any time. Investments in commercial paper are limited to no more than 50% of the total assets of LAMP. No more than 5% of assets may be in any one issuer, and no more than 25% of assets may be in any one industry, except banking. Before May 2010, commercial paper was limited to 30% of total assets, of which no more than 3% of assets could be in any one issuer.

Subsequent to the purchase of the following commercial paper investments, total assets in the Pool decreased from participant withdrawals, causing these issuers to exceed 5% of total assets at December 31, 2010. However, the fair value did not exceed this threshold at the time of purchase.

Issuer	Fair Value at December 31, 2010
US Bank Nat'l Assoc. Minn.	$99,983,000
Toyota Motor Credit Corp.	96,960,101
General Electric Capital Corp.	94,942,736
Toronto Dominion HDG USA	94,913,550

Since the investment percentage in any one issuer did not exceed 5% at the date the investment was made, there were no violations of LAMP's investment policy.

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. R.S. 33:2955 permits investment in A-1 rated commercial paper for political subdivisions of Louisiana. Accordingly, LAMP's investment guidelines permit the investment of LAMP funds in commercial paper of domestic U.S. corporations rated A-1 or A-1+ by Standard & Poor's. Furthermore, LAMP's investment policy minimizes credit risk by allowing investments only in federal agencies backed by the U.S. government and government-only money market funds rated AAA by Standard & Poor's. At December 31, 2010, LAMP's investments in government securities and government-only money market funds are AAA rated, and its commercial paper investments are either A-1 or A-1+ rated.

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

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

4. INVESTMENT EARNINGS

Interest income and amortization/accretion of income are recognized when earned using the full accrual method of accounting. Gains or losses on sales of investments are recognized using the specific identification method. The investments in LAMP are stated at fair value based on quoted market rates and any increases or decreases are reported as net increase (decrease) in the fair value of investments. The fair value of investments is determined on a weekly basis to monitor any variances between amortized cost and fair value.

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

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

The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return to members by pooling monies. The following table shows, by quarter, the average daily yield percentage (annualized on a cumulative basis) of LAMP for the year ended December 31, 2010.

Three-Month Period Ended	Annual Interest Rate
March 31, 2010	0.12%
June 30, 2010	0.14%
September 30, 2010	0.26%
December 31, 2010	0.18%

5. COMPENSATED ABSENCES PAYABLE

The Corporation has three employees: two officers and one full-time administrative staff person. These employees are provided vacation and sick leave on a cumulative basis. Hours of vacation and sick leave earned are based on the number of years of service. Vacation leave cannot be used until after the first six months of employment but may be carried forward into the next year at a rate of 2.5 times the employee's annual accrual or a maximum of 300 hours, whichever is less. A maximum of 300 hours of vacation leave is payable upon termination. Sick leave may be carried forward into the next year with no limitation but is not payable upon termination. Compensatory time earned may be carried forward into the next year but is not payable upon termination. A compensated absence liability of $44,649 as of December 31, 2010, is included in the financial statements. No other postemployment benefits exist.

6. RETIREMENT PLAN

Effective January 1, 2010, under LAMP's Simplified Employee Pension Retirement Plan, which was established on October 1, 2001, the employer contributes an amount equal to 12% of the employees' salaries monthly to the plan. The employer contributions for 2010, 2009, and 2008, totaled $37,149; $25,135; and $23,490, respectively.

7. ADMINISTRATIVE CHARGES

Under the agreement with American Beacon Advisors, which became effective October 5, 2009, the Corporation pays an annual advisory fee (calculated and remitted monthly) based upon LAMP's average daily net assets as follows:

Asset Value	Basis Point Fee
First $350 million	6.0
Next $350 million	4.0
Next $200 million	2.0
Over $900 million	1.0

During the year ended December 31, 2010, investment advisor fees of $1,142,465 and custodial fees of $104,512 were incurred.

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

During the year ended December 31, 2010, administrative fees of $2,235,555 were incurred. These inter-entity fees have been eliminated in the accompanying financial statements. In addition, administrative fees totaling approximately $1.875 million were returned to LAMP Pool under LAMP's Fee Rebate Program.

8. OFFICE LEASE

LAMP, Inc., has operating leases for office (three-year term expiring March 31, 2012) and storage (month-to-month) space. Rental expense for the operating leases during the year ended December 31, 2010, amounted to $28,415. The future minimum rental payments applicable to these leases are as follows:

Year Ending December 31	Amount
2011	$26,955
2012	6,769
Total	$33,724

9. LITIGATION

There is no pending litigation against LAMP or LAMP, Inc., at December 31, 2010.

10. FEDERAL INCOME TAX

LAMP, Inc., is a taxable entity for federal income tax purposes. A net operating loss deduction of $94,319 was carried over from the 2009 tax return to offset future taxable income. For the year ended December 31, 2010, the Corporation had net income of $62,529, which will be offset by this net operating loss carry forward, resulting in taxable income of $0.

Schedule 1 presents individual investments held by the Pool at December 31, 2010.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA

Schedule of Investments, December 31, 2010

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Federal Home Loan Bank Notes:					
$49,600,000	10/13/2011		0.25%	$49,604,873	$49,615,128
Federal National Mortgage Association Notes:					
$33,336,000	6/15/2011		0.23%	$33,300,858	$33,304,303
13,594,000	9/19/2011		0.24%	13,591,920	13,591,594
$46,930,000	Total Federal National Mortgage Association Notes			$46,892,778	$46,895,897
Federal Home Loan Mortgage Association Notes (Freddie Mac Notes)					
$60,000,000	2/1/2011		0.13%	$60,001,027	$60,005,760
26,500,000	4/1/2011		0.22%	26,511,338	26,509,487
22,000,000	5/4/2011		0.18%	22,001,389	22,009,284
28,682,000	6/6/2011		0.21%	28,655,897	28,663,596
25,000,000	6/13/2011		0.22%	24,975,660	24,976,521
$162,182,000	Total Federal Home Loan Mortgage Association Notes			$162,145,311	$162,164,648
Commercial Paper:					
$90,000,000	1/7/2011	Credit Agri North America	0.24%	$89,996,400	$89,998,100
60,000,000	1/7/2011	Societe Generale North America	0.20%	59,998,000	59,997,420
100,000,000	1/27/2011	US Bank Natl Assoc. Minn	0.29%	99,979,035	99,983,000
60,900,000	1/28/2011	Nordea North America	0.39%	60,882,240	60,889,221
35,000,000	2/7/2011	National Australia Fdg (DE)	0.32%	34,988,475	34,993,840
40,000,000	2/9/2011	Nordea North America	0.37%	39,983,943	39,988,880
48,000,000	2/16/2011	Toyota Motor Credit Corp.	0.35%	47,978,518	47,984,160
49,000,000	3/10/2011	Toyota Motor Credit Corp.	0.34%	48,968,512	48,975,941
95,000,000	3/14/2011	General Electric Capital Corp.	0.30%	94,942,965	94,942,736
90,000,000	3/18/2011	Svenska Handelsbank Inc.	0.28%	89,946,781	89,944,020
59,000,000	4/1/2011	National Australia Fdg (DE)	0.30%	58,955,739	58,967,019

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2009

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD	AMORTIZED COST	FAIR VALUE
Commercial Paper: (Cont.)					
$93,000,000	4/11/2011	Rabobank USA Finance Corp.	0.30%	$92,922,485	$92,948,570
95,000,000	5/6/2011	Toronto Dominion HDG USA	0.30%	94,900,998	94,913,550
$914,900,000	Total Commercial Paper			$914,444,092	$914,526,457
Repurchase Agreements:					
$215,327,032	1/3/2011		0.20%	$215,327,032	$215,327,032
200,000,000	1/3/2011		0.22%	200,000,000	200,000,000
100,000,000	1/3/2011		0.28%	100,000,000	100,000,000
175,000,000	1/7/2011		0.20%	175,000,000	175,000,000
$690,327,032	Total Repurchase Agreements			$690,327,032	$690,327,032
$1,863,939,032		Totals		$1,863,414,086	$1,863,529,162

(Concluded)

OTHER REPORT REQUIRED BY

GOVERNMENT AUDITING STANDARDS

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

LOUISIANA LEGISLATIVE AUDITOR
DARYL G. PURPERA, CPA, CFE

June 15, 2011

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*

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

We have audited the basic financial statements of the Louisiana Asset Management Pool (LAMP), a component unit of the State of Louisiana, as of and for the year ended December 31, 2010, and have issued our report thereon dated June 15, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LAMP's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of LAMP's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of LAMP's internal control over financial reporting.

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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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 over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined previously.

Compliance and Other Matters

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

This report is intended solely for the information and use of LAMP's management, LAMP's board of directors, others within the entity, and the Louisiana Legislature and is not intended to be, and should not be, used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Respectfully submitted,

Daryl G. Purpera

Daryl G. Purpera, CPA, CFE
Legislative Auditor

LMF:CGEW:EFS:THC:dl

LAMP 2010