

**1997**  
**ANNUAL**  
**REPORT**



**MONEY  
AT  
WORK**



Louisiana  
Asset  
Management  
Pool, Inc.

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*This report is a public document. A copy of this report has been submitted to the Louisiana State Treasurer, to the Louisiana Legislative Auditor and to the Board of Directors and participants of the Louisiana Asset Management Pool. This report is available for public inspection. To obtain an additional copy, please call (800) 249-5267 or write:*

**LAMP, Inc.**  
**228 St. Charles Ave.**  
**Suite 1123**  
**New Orleans, LA 70130**

*3,000 copies of this Annual Report were printed at a cost of \$2.76 per copy plus tax by Thomas Long Corporate Communications.*



**LAMP** was created in 1993 as a cooperative endeavor to assist local Louisiana governmental entities in the investment of their cash balances. It was formed under Louisiana law and at the initiative of the State Treasurer's Office. LAMP is administered by a non-profit corporation, LAMP, Inc., which provides comprehensive administration of the LAMP program.

The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return through investments consisting of obligations issued by the U.S. government, its agencies and instrumentalities and in repurchase agreements collateralized by those investments.

Municipalities, parish governments, school boards, levee boards, sheriff departments, district attorney offices, utility districts, local government units and other political subdivisions are eligible to enroll in the LAMP program and enjoy all the program benefits, including:

♦ **PRESERVATION OF PRINCIPAL:**

The primary goal of the program is to maintain a stable net asset value in the pool so that principal is preserved.

♦ **LIQUIDITY:**

LAMP offers same-day access to funds by a simple call to the toll-free LAMpline at 1-800-272-8162 to make transfers or deposits with no transaction fees. Participants may also fax instructions toll-free to LAMP at 1-800-604-6988.

♦ **INCREASED YIELD:**

The combined purchasing power of LAMP generally attracts higher interest rates for LAMP participants.

♦ **ADMINISTRATIVE EFFICIENCY:**

LAMP participants have 24-hour access to account information, performance and yields by calling the toll-free LAMpline at 1-800-272-8162.

♦ **PROFESSIONAL MANAGEMENT:**

LAMP employs a professional administrative staff, contracts with a major Louisiana bank for custodial services and contracts with a leading investment manager which follows strict investment guidelines adopted by the Board of Directors.

♦ **ARBITRAGE TRACKING:**

LAMP participants have a professional investment advisor to track earnings on bonds issued and invest those earnings to achieve attractive returns.

♦ **LOW COST:**

By aggregating the funds available for investment, LAMP can reduce the administrative and custodial fees and maximize the yield on participants' investments.

♦ **VOTING RIGHTS:**

LAMP participants maintain direct control of who oversees the management of the investment pool by electing the Board of Directors for LAMP, Inc. at the annual membership meeting.

## MESSAGE FROM THE PRESIDENT



July 14, 1998

Dear LAMP participants:

LAMP enjoyed another successful year in 1997 in providing local operating authorities a competitive rate of return and continued recognition for safety by once again earning Standard & Poor's highest AAAm rating.

Over the past year, LAMP has truly matured as an organization, employing a new money manager, moving into permanent office space, increasing professional staff and intensifying our efforts to spread the LAMP story across the state, all without increasing cost. Already, we are seeing the results of this program in the form of more responsive services, enhanced returns and increased participation.

However, as we move into our fifth full year of operation, I am pleased to report that 1998 is shaping up to be a true landmark in LAMP's short history. Many of the initiatives we instituted in 1997 have shifted into high gear, and at mid-year, we are generating impressive growth figures for assets under management, the number of participants and the acceptance of the LAMP concept among public authorities around the state.

LAMP's outstanding performance is particularly gratifying to me in my official capacity as Louisiana's banker. LAMP is unique in its operation as an independent non-profit organization governed by a board consisting of its participants, giving voice and control to the very people who are most directly responsible for managing their constituents' funds.

I want to salute the outstanding efforts of LAMP's dedicated Board of Directors, all of whom serve with no compensation other than the reward of knowing they are contributing to the financial health and growth of their communities.

I also want to acknowledge the hard work and unwavering dedication of the LAMP staff, who have devoted countless hours to telling the LAMP story in cities and towns the length and breadth of Louisiana. They have listened to you, our participants, and the lessons they take home are building a better organization to serve you, our clients.

Thank you for your support and confidence as we continue to seek ways to provide you with better service, enhanced returns and steadfast security of local public funds.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ken Duncan', enclosed within a circular scribble.

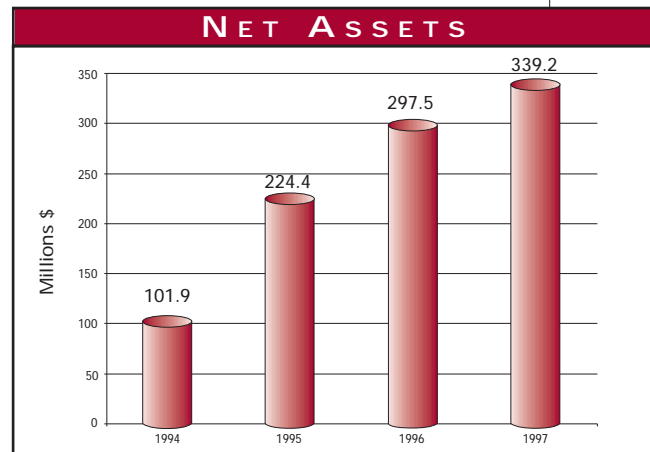
Ken Duncan

*Treasurer, State of Louisiana  
President, LAMP, Inc.*

# SECRETARY-TREASURER'S REPORT

THE LOUISIANA ASSET MANAGEMENT POOL enjoyed a most active, very successful year in 1997, a year that saw LAMP achieve new levels of accomplishment while at the same time setting the stage for even higher standards of performance in the future. Highlights of the past year include:

- ♦ Stellar financial results, with a yield to our participants consistently exceeding other comparable vehicles.
- ♦ A new record for funds under management, with 13.6% growth over the previous year to \$339,181,565. Even more gratifying, in early 1998 we exceeded the half-billion mark in net assets.
- ♦ Another new record for participants, with 140 at the end of 1997, an increase of 20.6% over 1996.
- ♦ The institution of arbitrage tracking for LAMP participants, enhancing their returns on bond issues.
- ♦ A fourth consecutive unqualified opinion from the Louisiana Legislative Auditor.
- ♦ Another AAAM rating, the highest given by Standard & Poor's.
- ♦ Another positive performance review from independent analysts at Smith Barney that showed an increase in LAMP's return over the previous year and a 51-basis-point spread over the Donahue Money Market Fund index.
- ♦ The hiring of a new investment manager, Banc One Investment Advisors Corporation, following an exhaustive nationwide review process of 19 proposals and six finalists.

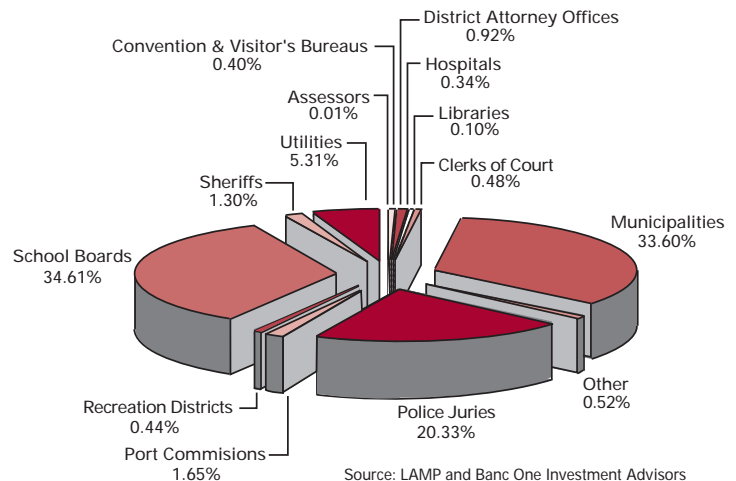


**Net assets grew 13.6% in 1997 and surpassed the half-billion-dollar mark by mid-1998.**

Source: LAMP and Banc One Investment Advisors

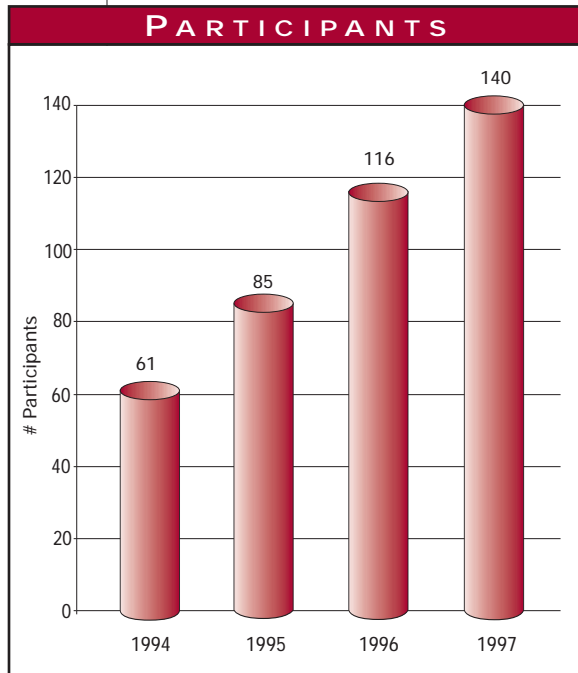
## ASSETS BY PARTICIPANTS

**Parish and municipal governments continue to provide the majority (53.9%) of LAMP's funds under management, with school boards growing to more than one third of total assets.**



Source: LAMP and Banc One Investment Advisors

# SECRETARY-TREASURER'S REPORT (CONT.)

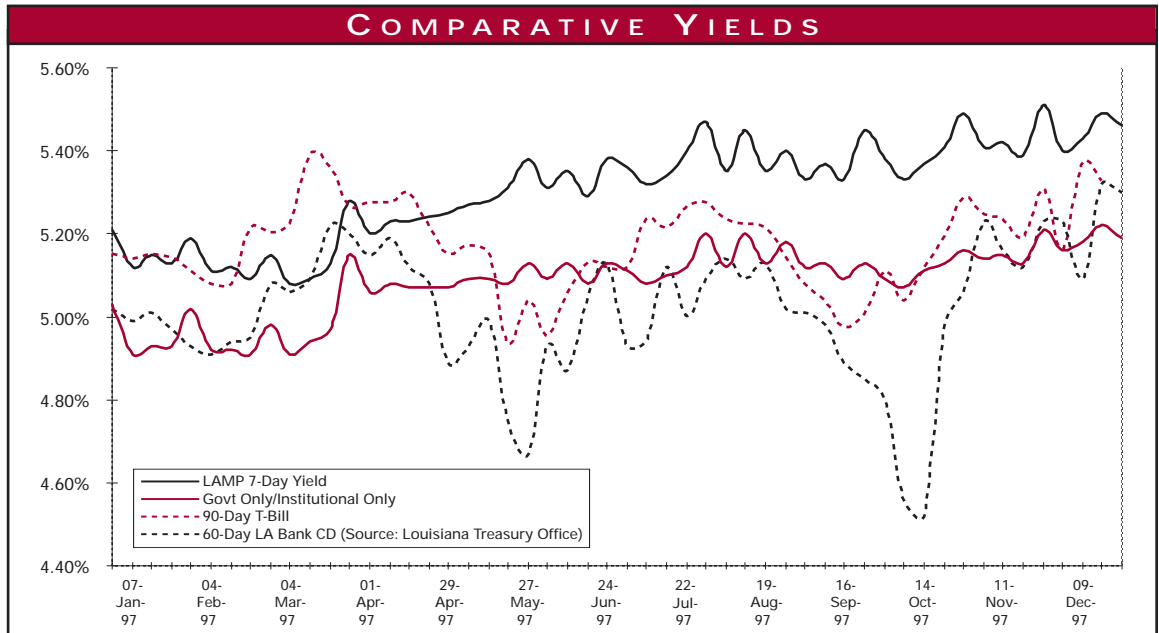


**The number of institutions participating in LAMP increased 20.6% during 1997 to a record 140, reflecting the organization's increased marketing efforts.**

Source: LAMP and Banc One Investment Advisors

**BEYOND THESE QUANTITATIVE RESULTS**, however, the year 1997 saw LAMP realize some significant accomplishments that set the stage for even greater growth and success in the future:

- ♦ The establishment of permanent offices in downtown New Orleans to provide a fixed base of operations for enhanced service and increased efficiency.
- ♦ Expansion of our administrative staff with the addition of a full-time client service representative in the office and a professional marketing coordinator with more than 20 years of experience. This growth in personnel has been accomplished without an increase in the overall cost of LAMP administration. In fact, LAMP's administrative cost as a percentage of total funds under management is expected to decrease as the fund continues to grow over the next few years.
- ♦ A dramatic increase in LAMP's presence across the state at conferences and meetings.



**Since second quarter of 1997, LAMP's yield has significantly exceeded all comparable indices, beating 90-day T bill rates by an average of 23 basis points for the year.**

Source: LAMP and Banc One Investment Advisors

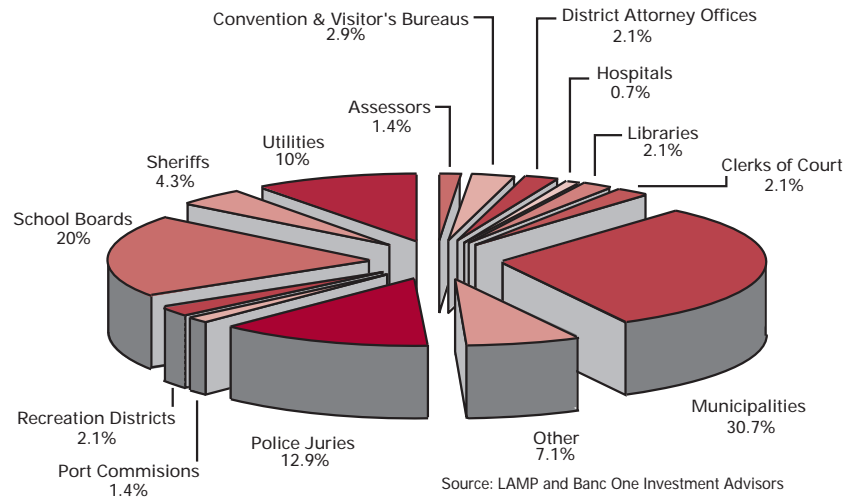
## SECRETARY-TREASURER'S REPORT (CONT.)

**DURING THE FIRST HALF OF 1998**, LAMP has pursued several initiatives that promise to accelerate our growth and enhance our ability to provide responsive, professional service to participants. Some of the major efforts in early 1998 include:

- ♦ Upgrade of our marketing materials, especially improving and expanding our advertising with the early 1998 launch of the popular "Money at Work" campaign.
- ♦ Registration of our web site on the Internet, **www.lamppool.com**, with plans to launch the site in the second half of 1998. The web site will provide another avenue for LAMP participants and other interested parties to gain updated information, obtain forms, and communicate with us.
- ♦ Expansion of our focus on identifying other groups eligible to participate in LAMP, an effort that began in 1997 and continues to be a major emphasis for 1998. We have already seen the result of these efforts in the growing diversity of LAMP's participants. Although municipalities and school boards continue to lead as a percentage of total participants (from 46% combined in 1996 to 51% in 1997), local municipal utilities have embraced the LAMP message enthusiastically, growing from about 3% of participants in 1996 to 10% in 1997.

### COMPOSITION OF PARTICIPANTS

*Participation by local utilities showed dramatic growth from 3% in 1996 to 10% in 1997.*



The LAMP concept—public entities pooling their operating funds to preserve capital, provide liquidity and increase yield—has proven to work well for its participants. LAMP is a success story for Louisiana, a success story for large and small communities across the state. The LAMP concept proves that public funds can indeed be put to work every day, enhancing returns for their owners—the people of the State of Louisiana.

**G. Anthony Gelderman, III**  
*Secretary-Treasurer, LAMP, Inc.*

# PARTICIPANTS

## **ASSESSORS**

Assessor 6th Municipal District Parish of Orleans  
Board of Assessors Parish of Orleans

## **CLERK OF COURTS**

East Feliciana Parish Clerk of Courts  
Tangipahoa Parish Clerk of Courts  
Jefferson Parish Juvenile Court

## **CONVENTION & VISITORS BUREAU**

Alexandria/Pineville Area Convention & Visitor's Bureau  
Lafayette Parish Convention & Visitor's Commission  
Monroe-West Monroe Convention & Visitor's Bureau  
St. Tammany Parish Tourist & Convention Commission

## **DISTRICT ATTORNEY OFFICES**

Indigent Defender Board of the 32nd Judicial District Court  
Jefferson Parish District Attorney's Office  
Sixteenth Judicial District, District Attorney

## **HOSPITALS**

Homer Memorial Hospital

## **LIBRARIES**

East Carroll Parish Police Jury Library Fund  
Iberville Parish Library  
The Allen Parish Libraries

## **MUNICIPALITIES**

City of Bastrop  
City of Baton Rouge Parish of East Baton Rouge  
City of Crowley  
City of DeQuincy  
City of DeRidder  
City of Gonzales  
City of Gretna  
City of Hammond  
City of Jennings  
City of Lafayette  
City of Lake Charles  
City of Mandeville

City of Mansfield  
City of Monroe  
City of Morgan City  
City of New Orleans  
City of Opelousas  
City of Ruston  
City of Shreveport  
City of Sulphur  
City of West Monroe  
City of Westlake  
Town of Cullen  
Town of Duson  
Town of Golden Meadow  
Town of Grand Isle  
Town of Hornbeck  
Town of Iowa  
Town of Jean Lafitte  
Town of Krotz Springs  
Town of Livingston  
Town of Lockport  
Town of Ringgold  
Town of Sorrento  
Town of St. Gabriel  
Town of Stonewall  
Town of Wisner  
Village of Folsom  
Village of Forest Hill  
Village of French Settlement  
Village of Palmetto  
Village of Port Vincent  
Village of Rosedale

## **OTHER**

Acadiana Criminalistics Laboratory Commission  
Caddo Council on Aging  
Consolidated Gravity Drainage District #1  
Iberville Chamber of Commerce  
Iberville Parish Sales & Use Tax Department  
Louisiana Conference of Mayors  
Prison District 1 of the Sixth Judicial District of Louisiana  
Secretary/Treasurer's Organization of the LA Police Jury Association  
Terrebonne Association for Retarded Citizens  
Trailblazer, Inc.



## **POLICE JURIES**

Assumption Parish Police Jury  
Caddo Parish Commission  
Calcasieu Parish Police Jury  
Claiborne Parish Police Jury  
DeSoto Parish Police Jury  
Evangeline Parish Police Jury  
Iberville Parish Police Jury  
Jackson Parish Police Jury  
Jefferson Parish  
Lafayette Parish Government  
St. Charles Parish Council  
St. James Parish Council  
St. Mary Parish Government  
Tangipahoa Parish Council  
Tensas Parish Police Jury  
Terrebonne Parish Consolidated Government  
Union Parish Police Jury  
Webster Parish Police Jury

## **PORT COMMISSIONS**

Greater Baton Rouge Port Commission  
Greater Lafourche Port Commission

## **RECREATION DISTRICTS**

Iberville Parish Parks & Recreation District  
Pontchatoula Area Recreation District  
Recreation District #1 – St. Tammany Parish

## **SCHOOL BOARDS**

Acadia Parish School Board  
Acadiana High School  
Allen Parish School Board  
Beauregard Parish School Board  
Bienville Parish School Board  
Caddo Parish School Board  
Calcasieu Parish School Board  
CarenCro High School  
Claiborne Parish School Board  
Grant Parish School Board  
Iberville Parish School Board  
Jefferson Parish Public School System  
Lafayette High School  
Lafayette Parish School Board (Attn Matt Dugas)  
Lafayette Parish School Board (Attn Sales Tax Division)

Lafourche Parish School Board  
Lincoln Parish School Board  
Orleans Parish School Board  
Ouachita Parish School Board  
Paul Breaux Middle School  
Plaquemines Parish School Board  
St. James Parish School Board  
St. Landry Parish School Board  
St. Mary Parish School Board  
St. Tammany Parish School Board  
Tangipahoa Parish School System  
Vernon Parish School Board  
Washington Parish School Board

## **SHERIFF OFFICES**

Caddo Parish Sheriff's Office  
Jefferson Parish Sheriff's Office  
Lafourche Parish Sheriff's Office  
Orleans Parish Criminal Sheriff's Office  
Plaquemines Parish Law Enforcement District  
West Baton Rouge Parish Sheriff's Office

## **UTILITIES**

Assumption Parish Waterworks District No. 1  
DeSoto Fire District #8  
Fire Protection District of Jackson  
Iberville Parish Natural Gas System  
Iberville Parish Water District #4  
Jefferson Davis Central Waterworks District  
Louisiana Rural Water Association  
Mosquito Abatement District No. 2'  
Parishwide Fire Protection District of the Parish of East Feliciana  
Plaquemine City Light & Water Plant  
Village of Rosedale Fire Department  
Waterworks District No. 1 of the Parish of DeSoto  
Webster Parish Communications District  
West Ouachita Sewerage District No. 5

As of December 31, 1997

# Louisiana Asset Management Pool

## Money Market Fund Ratings Definitions

**AAAm** Safety is excellent. Superior capacity to maintain principal value and limit exposure to loss.

**AAM** Safety is very good. Strong capacity to maintain principal value and limit exposure to loss.

**Am** Safety is good. Sound capacity to maintain principal value and limit exposure to loss.

**BBBm** Safety is fair. Adequate capacity to maintain principal value and limit exposure to loss.

**BBm** Safety is uncertain. Vulnerable to loss of principal value.

**Bm** Safety is limited. Very vulnerable to loss of principal value.

**CCCm** Extremely vulnerable to loss of principal value.

**Dm** Fund has failed to maintain principal value; realized or unrealized losses exceed 0.5% of net asset value.

**G** The letter 'G' follows the rating symbol when a fund's portfolio consists primarily of direct U.S. government securities.

Plus (+) or minus (-) sign  
Ratings may be modified to show relative standing within the rating categories.

## About the Pool

Money Market Fund Rating	<b>AAAm</b>
Fund Type	Government & Agencies
Investment Adviser	Banc One Investment Advisors
Portfolio Manager	Andrew Linton
Date Rating Assigned	April 11, 1995
Custodian	Hibernia National Bank

## Rationale

A 'AAAm' rating is assigned to the Louisiana Asset Management Pool (LAMP). The rating is based on Standard & Poor's analysis of the portfolio's credit quality, investment policies, market price exposure, and management. The rating indicates that safety of invested principal is excellent and there is a superior capacity to maintain principal value and limit exposure to loss. The rating also indicates a superior ability to maintain a \$1 per unit net asset value at all times.

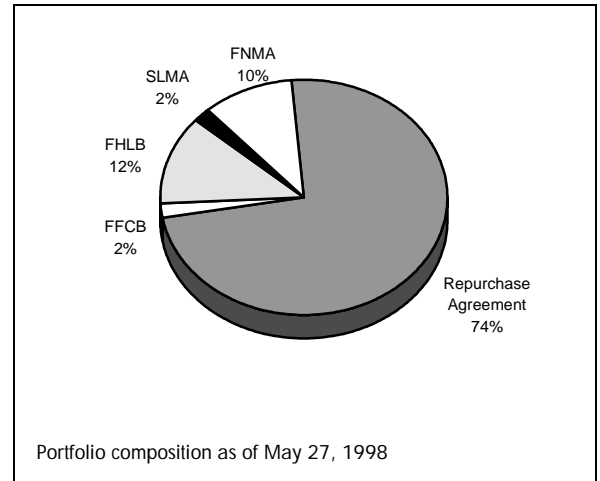
## Overview

LAMP is a local government investment pool initiated by the Louisiana Treasurer's Office to provide a safe, liquid and convenient investment alternative for local government entities. Since fund inception on January 4, 1994, LAMP has been managed with a very conservative investment policy. While LAMP is not required to be a registered investment company under the Investment Company Act of 1940, its investment policies are similar to those established by Rule 2-a7, which governs registered money market funds. Standard & Poor's ensures an accurate and current rating by monitoring pertinent pool information on a weekly basis. The primary investment objectives of LAMP are to preserve capital and protect principal, maintain sufficient liquidity, provide safety of funds and investments, and maximize the return on the pool. Investors consist of school boards, municipalities, police juries and other public entities of the State of Louisiana.

## Management

Banc One Investment Advisors Corporation is the pool's investment advisor. As advisor, Banc One manages the fund and is responsible for the purchase and sale of all portfolio assets. As of May 27, 1998, Banc One Investment Advisors maintained management responsibility for roughly \$56.5 billion in assets. The investment advisor is currently the manager of two other 'AAAm' rated money market funds. Located in Columbus, Ohio, Banc One Investment Advisors assumed management responsibility for LAMP as of April 4, 1997. Prior to April 4, 1997, LAMP had been managed by Reich & Tang Asset Management L.P. since fund inception on January 4, 1994. As evaluated by Standard & Poor's, the change in investment advisor has not negatively impacted LAMP's 'AAAm' rating.

## Portfolio Assets



LAMP invests its assets only in securities and other obligations that are permissible under Louisiana State law for local governments. Accordingly, LAMP investments are restricted to securities issued, guaranteed or otherwise backed by the U.S. Treasury, the U.S. Government or one of its agencies, enterprises or instrumentalities. In order to provide adequate liquidity, the pool also invests a portion of its assets in repurchase agreements (repos) contracted with highly rated counterparties collateralized by U.S. Government securities. The pool maintains an approved list of repo-counterparties, which is limited to primary dealers meeting stringent standards established by Banc One Investment Advisors' internal credit analysis department. LAMP may not invest more than 10% of the pool in repos longer than seven days, make loans, borrow money, or invest more than 25% of the pool in variable rate securities. The pool's short weighted average maturity provides liquidity and contributes to the stability of the net asset value during periods of volatile interest rates.

### For more information, contact:

Louisiana Asset Management Pool  
228 Saint Charles Avenue, Suite 1123  
New Orleans, LA 70130  
(800) 249-5267

### Standard & Poor's Analyst(s):

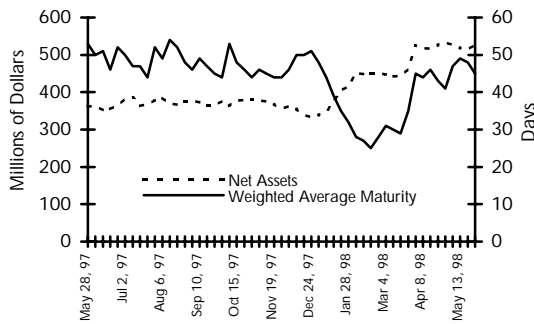
Jason Kingston 212-208-1812  
[www.standardandpoors.com/funds](http://www.standardandpoors.com/funds)

Data Bank as of May 27, 1998

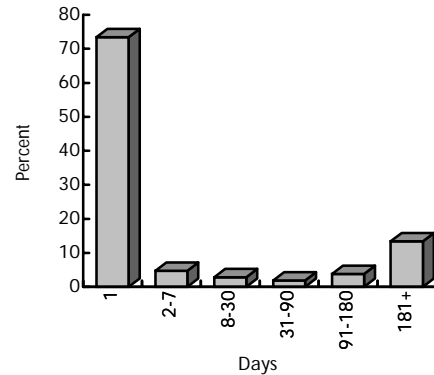
Net Asset Value per Share .....\$1.00  
 Weighted Average Maturity .....45 days  
 Net Assets (millions).....\$526.7

7 Day Yield.....5.32%  
 30 Day Yield.....5.35%  
 Inception Date.....January 4, 1994

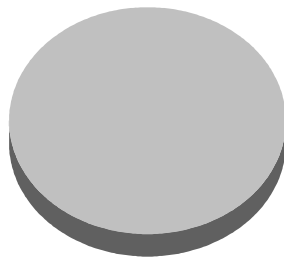
Net Assets and Weighted Average Maturities (WAM)



Portfolio Maturity Distribution As of May 27, 1998

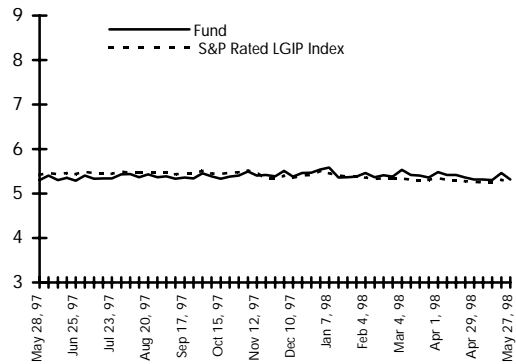


Portfolio Credit Quality As of May 27, 1998



A-1+ or Equivalent  
100%

Portfolio 7 Day Yield Comparison



\*S&P Money Fund Indices are calculated weekly by IBC Financial Data, Inc. and are comprised of funds rated or assessed by S&P to within the specific rating categories. The S&P Rated LGIP Index is calculated weekly by S&P and is comprised of 'AAAm' and 'AAAm' local government investment pools.

Money Market Fund Rating Approach and Criteria

A money market fund rating is not directly comparable to a bond rating due to differences in investment characteristics, rating criteria, and creditworthiness of portfolio assets. For example, a money market fund portfolio provides greater liquidity, price stability and diversification than a long-term bond, but not necessarily credit quality that would be indicated by the corresponding bond rating. Ratings are not commentaries on yield levels.

Standard & Poor's rates money market funds upon request and agreement by fund management to provide necessary information on a timely basis. A money market fund rating evaluates:

Credit risk: credit quality, types, and diversity of portfolio investment;

Market price exposure: degree of liquidity of investments, distribution and average length of maturities, and volatility of portfolio cash flows;

Management: philosophy, operating policies and procedures.

Fund portfolios are monitored weekly for developments that could cause changes in the ratings. Rating decisions are based on periodic meetings with senior fund executives and public information.

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**Michael T. Dieschbourg, CIMA**  
Vice President - Investments  
Consulting Group Director

April 30, 1998

The Honorable Ken Duncan  
Louisiana State Treasurer  
President of Louisiana Asset Management Pool, Inc.  
228 St. Charles Avenue, Suite 1123  
New Orleans, LA 70130

Dear Treasurer Duncan:

LAMP has retained Smith Barney Consulting Group to provide the following services for 1997:

1. Review the investment parameters of LAMP.
2. Conduct a performance review of the pool's gross and net rates of return for 1997.
3. Provide the Board of Directors with benchmarks for comparison purposes.

The LAMP Performance Review is attached to this letter.

### ***Investment Parameters***

The primary investment objectives of LAMP are to preserve capital and to protect principal, maintain sufficient liquidity, provide safety of funds and investments, and maximize the return of the pool.

We have reviewed the investment parameters and compared the investment results to the appropriate indices. It is our opinion that all of the investment objectives approved by LAMP were met in 1997.

## **Performance Review**

LAMP rates of return for 1997 are as follows:

1997	Return Rate	LAMP Net -vs- Index (+ or - Basis Points)	Differential from Lamp 1996 Return (basis Points)
LAMP (gross of fees)	5.54%		+ 7 BP
LAMP (net of fees)	5.31%		+ 6 BP
90 Day T-Bills	5.08%	+23 BP	
Donoghue Money Market Funds	4.80%	+51 BP	
CPI Index	1.69%		

For our performance review, we used net return numbers to compare LAMP's performance against the stated benchmarks. Due to your S&P AAAM credit requirements and an average maturity of less than 60 days, we did not find a comparable high-quality, short-term investment manager universe to compare your fund against. Based on your investment parameters and your S&P AAAM credit rating requirements, 1997 was another excellent year for LAMP.

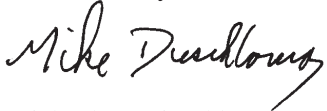
### **Benchmarks:**

Considering the S&P credit requirements and the average maturity of the portfolio at less than 60 days, we recommend the following benchmarks:

90 Day T-Bills  
Donoghue Money Market Funds  
CPI Index

We are available by phone or in person to discuss questions you may have regarding any investment topic. Thank you for the opportunity to work with you and LAMP. Please feel free to call upon either of us if we can be of further assistance.

Most sincerely,



Michael T. Dieschbourg, CIMA  
Vice President-Investments  
Consulting Group Director

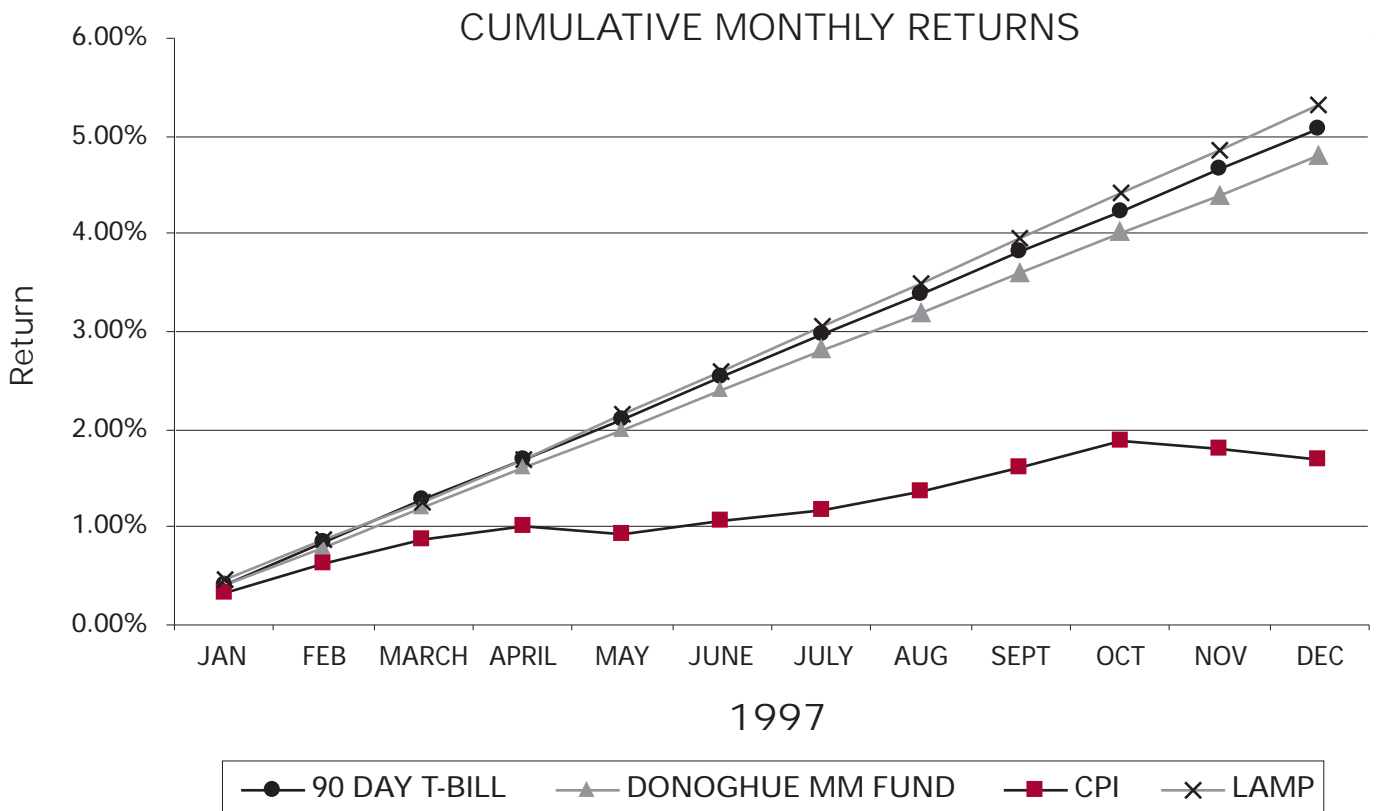
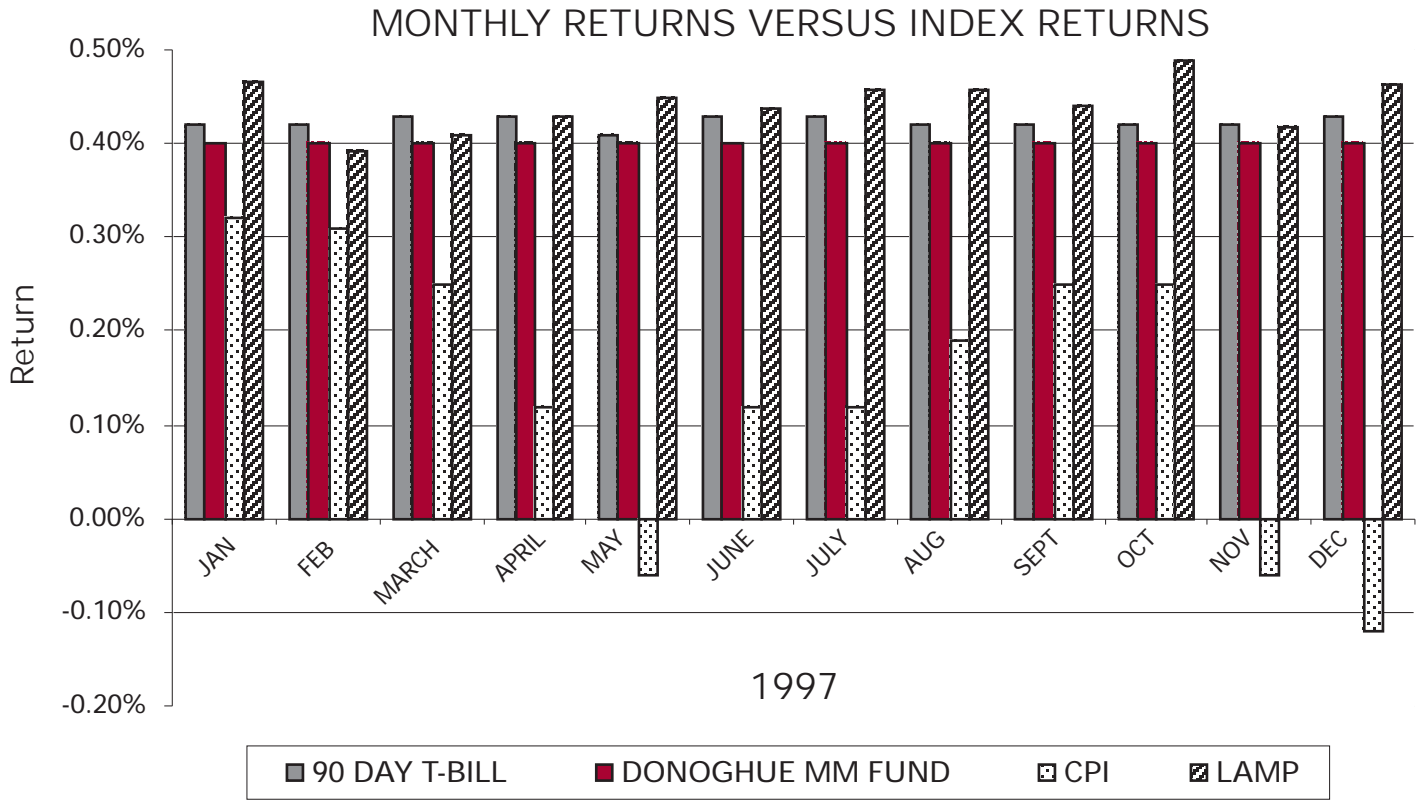


Claire C. Friedrichs  
Vice President-Investments

# LAMP PERFORMANCE REPORT

For Period Ending December 31, 1997

Prepared By: Michael T. Dieschbourg, CIMA  
 Claire C. Friedrichs, Vice President/Investments



# STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Asset Management Pool  
State of Louisiana  
New Orleans, Louisiana

June 10, 1998



***Financial and Compliance Audit Division***

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***Daniel G. Kyle, Ph.D., CPA, CFE  
Legislative Auditor***

**LEGISLATIVE AUDIT ADVISORY COUNCIL**

**MEMBERS**

**Senator Ronald C. Bean, Chairman**  
**Representative Francis C. Thompson, Vice Chairman**

**Senator Robert J. Barham**  
**Senator Wilson E. Fields**  
**Senator Thomas A. Greene**  
**Senator Craig F. Romero**  
**Representative F. Charles McMains, Jr.**  
**Representative Edwin R. Murray**  
**Representative Warren J. Triche, Jr.**  
**Representative David Vitter**

**LEGISLATIVE AUDITOR**

**Daniel G. Kyle, Ph.D., CPA, CFE**

**DIRECTOR OF FINANCIAL AND COMPLIANCE AUDIT**

**Albert J. Robinson, Jr., CPA**

This document is produced by the Legislative Auditor, State of Louisiana, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397 in accordance with Louisiana Revised Statute 24:513. Sixty-five copies of this public document were produced at an approximate cost of \$128.05. This material was produced in accordance with the standards for state agencies established pursuant to R.S. 43:31. A copy of this document is available on the Legislative Auditor's Web site at [www.la.state.la.us](http://www.la.state.la.us).

In compliance with the Americans With Disabilities Act, if you need special assistance relative to this document, or any documents of the Legislative Auditor, please contact Wayne "Skip" Irwin, Director of Administration, at 504/339-3800.



**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
New Orleans, Louisiana**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 1997  
With Supplemental Information Schedule**

Under the provisions of state law, this report is a public document. A copy of this report has been submitted to the Governor, to the Attorney General, and to other public officials as required by state law. A copy of this report has been made available for public inspection at the Baton Rouge and New Orleans offices of the Legislative Auditor.

June 10, 1998

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**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA**

**General Purpose Financial Statements  
and Independent Auditor's Reports  
As of and for the Year Ended December 31, 1997  
With Supplemental Information Schedule**

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**LEGISLATIVE AUDITOR**  
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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

May 21, 1998

Independent Auditor's Report  
on the Financial Statements

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

We have audited the accompanying general purpose 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, 1997, as listed in the foregoing table of contents. These financial statements are the responsibility of management of the Louisiana Asset Management Pool. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and *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 general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the accompanying general purpose financial statements referred to above present fairly, in all material respects, the net assets of the Louisiana Asset Management Pool as of December 31, 1997, and the changes in net assets for the year then ended, in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 21, 1998, on our consideration of the Louisiana Asset Management Pool's internal control over financial reporting and on its compliance with laws and regulations.

LEGISLATIVE AUDITOR

BOARD OF DIRECTORS OF THE LOUISIANA  
ASSET MANAGEMENT POOL, INCORPORATED  
STATE OF LOUISIANA  
Audit Report, December 31, 1997

Our audit was made for the purpose of forming an opinion on the general purpose financial statements taken as a whole. The accompanying supplemental information schedule listed in the table of contents is presented for the purpose of additional analysis and is not a required part of the general purpose financial statements of the Louisiana Asset Management Pool. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general purpose financial statements taken as a whole.

Respectfully submitted,



Grover C. Austin, CPA  
First Assistant Legislative Auditor

ETM:THC:ss

[LAMP]

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

## Statement of Net Assets, December 31, 1997

**ASSETS**

Cash (note 2)	\$355,478
Investments (note 3)	339,181,565
Interest receivable	1,071,636
Furniture, fixtures, and office equipment, net (note 1-E)	<u>24,114</u>
<b>TOTAL ASSETS</b>	<b><u>\$340,632,793</u></b>

**LIABILITIES**

Accounts payable	\$59,439
Federal income tax payable (note 9)	4,181
Loan payable (note 5)	<u>45,052</u>
<b>TOTAL LIABILITIES</b>	<b><u>108,672</u></b>

**NET ASSETS****\$340,524,121**

The accompanying notes are an integral part of this statement.

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

**Statement of Changes in Net Assets  
For the Year Ended December 31, 1997**

**FROM INVESTMENT ACTIVITIES**

Interest income	\$14,485,802
Less administrative expenses	(746,638)
Net increase in fair value of investments	<u>5,642,318</u>
Increase in net assets from investment activities	<u>19,381,482</u>

**FROM PARTICIPANTS' TRANSACTIONS**

Deposits	573,364,250
Withdrawals	<u>(550,792,831)</u>
Increase in net assets from participants' transactions	<u>22,571,419</u>

Total increase in net assets	41,952,901
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<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>298,571,220</u>
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<b>NET ASSETS, END OF YEAR</b>	<u><u>\$340,524,121</u></u>
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The accompanying notes are an integral part of this statement.

**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA**

Notes to the Financial Statements  
As of and for the Year Ended December 31, 1997

**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. 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. The State of Louisiana and its departments are specifically excluded from participation in LAMP by Section XIX of LAMP's Articles of Incorporation. The investment pool is intended to improve administrative efficiency and increase investment yield. LAMP is a cooperative endeavor formed, in part, in reliance upon Opinion No. 92-192 (March 31, 1992) issued by the Louisiana Attorney General's Office, which noted that public entities may pool funds for investment purposes. At December 31, 1997, there are 140 voluntary participants in the pool. There were no involuntary participants during the year.

LAMP is administered by Louisiana Asset Management Pool, Incorporated, (the "corporation"), a nonprofit corporation formed under the provisions of Louisiana Revised Statute (R.S.) 12:2, 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.

The initial board of 12 directors and an executive committee of 5 directors was selected by the state treasurer, president of the corporation, to facilitate the initial organization of the corporation. The original board and the executive committee were replaced by representatives of the depositing members at the conclusion of a one-year term. Members of the board of directors serve for a maximum of three one-year terms. All members of the board serve without compensation. LAMP has two employees 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 has maintained contracts with an investment advisor (Reich and Tang Mutual Funds Division of New England Investment Companies, L.P.) and a custodial bank [First National Bank of Commerce (FNBC)] since January 3, 1994. However, the corporation has entered into contracts with a new investment advisor (Bank One Investment Advisors Corporation) and the same custodial bank [First National Bank of Commerce (FNBC)] for a period of three years commencing April 7, 1997, with options to extend for two additional one-year terms.



**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

LAMP reports on its financial position and results of operations. The financial statements account for receipts from participants, investment income, and distribution of funds to participants. The activities of LAMP and the corporation (LAMP, Inc.) are consolidated for financial statement purposes. All interagency receivables, payables, revenues, and expenses have been eliminated.

**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 pool) 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 appoints the secretary-treasurer. 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 general purpose financial statements, which include the activity contained in the accompanying financial statements. The general purpose 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 accounted for using 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. Under state law, LAMP may deposit funds within 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 United States Treasury bills or notes, Federal Home Loan Bank

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

notes, Federal National Mortgage 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 90 days.

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

The plan sponsor 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. FURNITURE, FIXTURES, AND OFFICE EQUIPMENT**

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

	Balance December 31, 1996	Additions	Deletions	Balance December 31, 1997
Furniture and fixtures		\$10,137		\$10,137
Office equipment		17,996		17,996
Total	NONE	28,133	NONE	28,133
Less - accumulated depreciation	NONE	(4,019)	NONE	(4,019)
Net furniture, fixtures, and office equipment	NONE	\$24,114	NONE	\$24,114

The estimated useful lives used in determining depreciation for the various types of assets are as follows:

Furniture and fixtures	84 months
Office equipment	84 months

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**F. COMPENSATED ABSENCES, PENSION  
BENEFITS, AND POSTRETIREMENT  
HEALTH CARE AND LIFE INSURANCE  
BENEFITS**

The corporation has one full-time employee and one part-time employee. The corporation does not provide a pension or profit sharing plan or life insurance benefits. The corporation has no written policy for severance pay. The full-time employee of the corporation is accorded vacation and sick leave on a cumulative basis. Hours of vacation and sick leave earned are based on the number of years of service and are not earned in the first year of employment. Vacation leave 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. No liability has been established on the financial statements because the full-time employee did not meet the length of service requirement necessary to accrue benefits.

**2. CASH**

At December 31, 1997, LAMP has cash (book balances) totaling \$355,478 as follows:

Demand deposits	\$354,495
Custodial deposit	<u>983</u>
Total	<u><u>\$355,478</u></u>

The demand and custodial deposits of LAMP are secured by federal deposit insurance or the pledge of securities owned by the custodial bank. The fair value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the custodial bank. These pledged securities are maintained in the custodial bank's joint custody account at the Federal Reserve. At December 31, 1997, LAMP has \$380,499 in deposits (collected bank balances), which are secured from risk by \$172,958 of federal deposit insurance (GASB Risk Category 1) and \$207,541 of pledged securities (GASB Risk Category 1).

**3. INVESTMENTS**

Investments of \$339,181,565, as presented on Statement A, are valued at fair value. The investments are comprised of several different types of investment securities. The following itemizes 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, 1997, and the change in investments during the year.

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

<u>Investment Securities</u>	<u>Maturity Dates</u>	<u>Yield</u>	<u>Face Amount at December 31, 1997</u>	<u>Carrying Value at (Amortized Cost) December 31, 1997</u>	<u>Fair Value at December 31, 1997</u>
Federal Farm Credit Bank Notes	1/2/98 - 10/1/98	5.47 - 5.79%	\$15,000,000	\$14,968,786	\$14,969,400
Federal Home Loan Bank Notes	4/17/98 - 12/17/98	5.59 - 6.15%	50,000,000	50,030,804	50,021,750
Federal Home Loan Mortgage Corporation Discount Note	2/20/98	5.71%	10,000,000	9,921,528	9,925,000
Federal National Mortgage Association Notes	1/28/98 - 9/9/98	5.55 - 6%	49,285,000	49,212,758	49,238,315
Repurchase Agreements, Overnight	1/2/98	6 - 6.6%	205,051,000	205,051,000	205,051,000
Student Loan Marketing Association Notes	9/28/98	5.62%	10,000,000	9,978,580	9,976,100
<b>Total</b>			<b>\$339,336,000</b>	<b>\$339,163,456</b>	<b>\$339,181,565</b>

	<u>Change in Investments</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
Balance, December 31, 1996	<u>\$298,168,604</u>	<u>\$298,143,367</u>
Add:		
Investment purchases	48,121,147,342	48,121,147,342
Reinvested interest	17,253,965	11,654,993
Fair value adjustment		5,642,318
Total	<u>48,138,401,307</u>	<u>48,138,444,653</u>
Less - investment maturities	<u>48,097,406,455</u>	<u>48,097,406,455</u>
Balance, December 31, 1997	<u>\$339,163,456</u>	<u>\$339,181,565</u>

The investments are registered in the name of LAMP and are held in the custodial bank's trust account at the Federal Reserve. Because the investments are held by the custodian in the name of LAMP, the investments are considered Category A, in applying the credit risk of GASB Codification Section I50.164.

**LOUISIANA ASSET MANAGEMENT POOL**  
**STATE OF LOUISIANA**  
Notes to the Financial Statements (Continued)

**4. INVESTMENT EARNINGS**

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 members' 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 valued 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.

A primary objective of LAMP is to provide a higher rate of return to members by pooling monies. The following table shows, by quarter, the average daily yield percentage (annualized) of LAMP for the year ended December 31, 1997:

<u>Months</u>	<u>Annual Interest Rate</u>
January-March	5.14%
April-June	5.29%
July-September	5.38%
October-December	5.43%

**5. LOAN PAYABLE**

During the year, Bank One Investment Advisors Corporation made a cash advance to Louisiana Asset Management Pool, Incorporated, for \$75,500. The funds were used to pay off the outstanding balance, totaling \$75,500, of an initial \$100,000 advance by Reich and Tang Mutual Funds Division of New England Investment Companies, L.P., in accordance with an agreement dated December 13, 1993. The loan agreement with Bank One Investment Advisors Corporation requires a monthly payment of \$4,153 commencing on May 1, 1997, and ending on December 20, 1998. Interest expense for the year was \$3,020. As shown on Statement A, the loan payable at December 31, 1997, totals \$45,052.

LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
Notes to the Financial Statements (Continued)

6. ADMINISTRATIVE CHARGES

Under the agreements with Reich and Tang and Bank One Investment Advisors, the corporation pays an annual advisory fee (calculated and remitted monthly) based on LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Bank One Investment Advisors Basis Point Fee</u>	<u>Reich and Tang Basis Point Fee</u>
\$100 million	13.0	15.0
200 million	13.0	15.0
300 million	13.0	12.5
400 million	10.0	12.5
500 million	10.0	12.5
600 million	10.0	10.0
700 million	10.0	10.0
800 million	10.0	10.0
900 million	10.0	10.0
1 billion	5.0	5.0

During the year ended December 31, 1997, investment advisor fees of \$485,907 were incurred.

Under the custodial agreement with First National Bank of Commerce, the corporation pays a quarterly custodian fee at the annual rate of one and one-half basis points (.00015) of LAMP's average daily net assets. During the year ended December 31, 1997, custodian fees of \$68,121 were incurred.

LEGISLATIVE AUDITOR

LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
Notes to the Financial Statements (Concluded)

The corporation is paid an administrative fee for the administration of LAMP. The administrative fee is a monthly fee of LAMP's average daily net assets, which was computed at the annual rate of five basis points (.0005) for the first three months of the year and at the annual rate of 8.5 basis points (.00085) beginning April 1997. During the year ended December 31, 1997, administrative fees of \$188,429 were incurred.

**7. OFFICE LEASE**

The corporation has an operating lease for office space. The future minimum rental payments applicable to this lease are as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
1998	\$13,107
1999	13,889
2000	<u>10,857</u>
Total	<u>\$37,853</u>

**8. LITIGATION**

There is no pending litigation against LAMP or Louisiana Asset Management Pool, Incorporated, at December 31, 1997.

**9. FEDERAL INCOME TAX PAYABLE**

The corporation is a taxable entity for federal income tax purposes. For the year ended December 31, 1997, the corporation had a taxable income of \$26,438 resulting in a federal income tax liability of \$4,181.

**LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
SUPPLEMENTAL INFORMATION SCHEDULE  
For the Year Ended December 31, 1997**

**SCHEDULE OF INVESTMENTS**

Schedule 1 presents individual investments held by the pool at December 31, 1997.



LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
Schedule of Investments, December 31, 1997

<u>FACE AMOUNT</u>	<u>MATURITY DATE</u>	<u>YIELD</u>	<u>FAIR VALUE</u>	<u>AMORTIZED COST</u>
Federal Farm Credit Bank Notes:				
\$5,000,000	1/2/98	5.47%	\$5,000,000	\$4,999,258
5,000,000	1/30/98	5.63%	4,977,900	4,977,525
5,000,000	10/1/98	5.79%	4,991,500	4,992,003
<u>15,000,000</u>			<u>14,969,400</u>	<u>14,968,786</u>
Federal Home Loan Bank Notes:				
\$5,000,000	4/17/98	6.15%	\$5,006,050	\$4,999,724
10,000,000	5/12/98	5.50%	5,004,650	5,005,585
5,000,000	6/19/98	5.59%	10,023,500	10,025,840
10,000,000	7/10/98	5.66%	9,987,600	10,002,424
10,000,000	10/2/98	5.65%	4,999,550	4,997,315
5,000,000	10/23/98	5.90%	4,999,000	4,999,192
5,000,000	12/17/98	5.90%	10,001,400	10,000,724
<u>50,000,000</u>			<u>50,021,750</u>	<u>50,030,804</u>
Federal Home Loan Mortgage Corporation Discount Note:				
<u>\$10,000,000</u>	2/20/98	5.71%	<u>\$9,925,000</u>	<u>\$9,921,528</u>
Federal National Mortgage Association Notes:				
\$5,000,000	1/28/98	5.55%	\$4,979,350	\$4,979,488
5,000,000	2/5/98	5.55%	4,973,300	4,973,750
6,945,000	2/20/98	5.58%	6,892,218	6,892,720
3,340,000	3/10/98	5.87%	3,355,197	3,353,855
4,000,000	5/11/98	6.00%	4,034,000	4,029,291
10,000,000	5/21/98	5.99%	10,007,500	9,996,538
10,000,000	6/23/98	5.90%	10,000,900	9,991,517
5,000,000	9/9/98	5.85%	4,995,850	4,995,599
<u>49,285,000</u>			<u>49,238,315</u>	<u>49,212,758</u>
Repurchase Agreements, Overnight				
\$60,000,000	1/2/98	6.50%	\$60,000,000	\$60,000,000
83,000,000	1/2/98	6.60%	83,000,000	83,000,000
62,051,000	1/2/98	6.00%	62,051,000	62,051,000
<u>205,051,000</u>			<u>205,051,000</u>	<u>205,051,000</u>

(Continued)

LOUISIANA ASSET MANAGEMENT POOL  
 STATE OF LOUISIANA  
 Schedule of Investments, December 31, 1997

<u>FACE AMOUNT</u>	<u>MATURITY DATE</u>	<u>YIELD</u>	<u>FAIR VALUE</u>	<u>AMORTIZED COST</u>
Student Loan Marketing Association Note:				
<u>\$10,000,000</u>	9/28/98	5.62%	<u>\$9,976,100</u>	<u>\$9,978,580</u>
<u>\$339,336,000</u>			<u>\$339,181,565</u>	<u>\$339,163,456</u>

(Concluded)

**OTHER REPORTS REQUIRED BY  
GOVERNMENT AUDITING STANDARDS**

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



OFFICE OF  
LEGISLATIVE AUDITOR  
STATE OF LOUISIANA  
BATON ROUGE, LOUISIANA 70804-9397

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DANIEL G. KYLE, PH.D., CPA, CFE  
LEGISLATIVE AUDITOR

May 21, 1998

Report on Compliance and on Internal Control Over  
Financial Reporting Based on an Audit of the 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 general purpose 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, 1997, and have issued our report thereon dated May 21, 1998. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether LAMP's general purpose 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 that are required to be reported under *Government Auditing Standards*.

**Internal Control Over Financial Reporting**

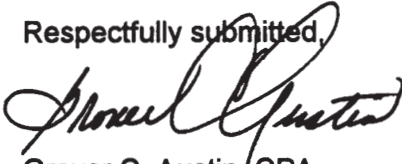
In planning and performing our audit, we considered LAMP's internal control over financial reporting to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amount that would be material in relation to the general purpose financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

**EXHIBIT A**

LEGISLATIVE AUDITOR

LOUISIANA ASSET MANAGEMENT POOL  
STATE OF LOUISIANA  
Compliance and Internal Control Report  
May 21, 1998  
Page 2

This report is intended for the information and use of LAMP and its management. By provisions of state law, this report is a public document, and it has been distributed to appropriate public officials.

Respectfully submitted,  
  
Grover C. Austin, CPA  
First Assistant Legislative Auditor

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[LAMP]

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# 1997 BOARD OF DIRECTORS



**KEN DUNCAN**  
President, LAMP, Inc.  
Louisiana State  
Treasurer



**JOHN A. BERTHELOT**  
Mayor  
City of Gonzales



**WILLIAM E. "BILL"  
CARDNEAUX**  
Management Assistant  
City of Shreveport



**BRIAN CASTANZA**  
Administrative Analyst  
Jefferson Parish  
District Attorney



**DUDLEY R. DIXON**  
Mayor  
City of Westlake



**MATTHEW E.  
DUGAS, CPA**  
Director of Finance  
Lafayette Parish  
School Board



**CLARENCE W.  
HAWKINS**  
Mayor  
City of Bastrop



**DEBBIE D.  
HUDNALL**  
East Feliciana Parish  
Clerk of Court



**MARK KOLWE**  
Administrative Director of  
Finance & Support Services  
Tangipahoa Parish  
School Board



**EUGENE LEBOUF**  
Assistant Treasurer  
Evangeline Parish  
Police Jury



**WILLIE MOUNT**  
Mayor, City of Lake Charles  
President, Louisiana  
Conference of Mayors



**ABE E. PIERCE, III**  
Mayor  
City of Monroe



**PEGGY C. SAVOY**  
Mayor  
Village of Port Vincent



**GARY SOILEAU**  
Mayor  
Town of Krotz Springs



**MICHAEL R.  
THIBODEAUX**  
Mayor, City of Opelousas

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Mayor, City of Mansfield  
Chairman, President's  
Advisory Board



**JAMES T. HAYS**  
Executive Secretary  
Police Jury Association  
of Louisiana



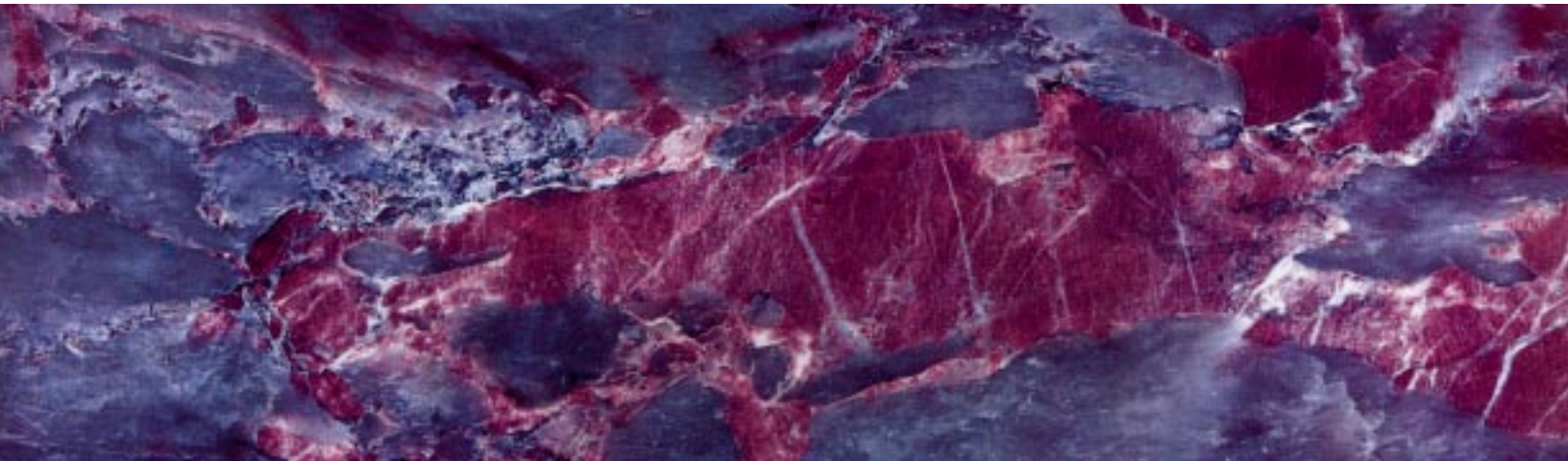
**L. GORDON KING**  
Executive Director  
Louisiana Municipal  
Association



**PAUL RIVERA, CPA**  
Internal Auditor  
Jefferson Parish  
Sheriff's Office



**RONALD WASCOM**  
Director  
Louisiana School  
Board Association



**Louisiana  
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