

Louisiana Asset
Management Pool, Inc.

LAMP

1998 Annual Report

Celebrating Five Years
of Service to Local
Louisiana Public Entities



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Program Summary

Louisiana Asset Management Pool (LAMP) operates under Louisiana law as a cooperative endeavor to assist local Louisiana governmental entities in the investment of cash balances. The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return through investments in obligations issued by the U.S. government, its agencies and instrumentalities and in repurchase agreements collateralized by those investments. All public entities, excluding the State of Louisiana and its departments, are eligible to participate in LAMP.

LAMP is administered by a non-profit corporation, Louisiana Asset Management Pool, Incorporated (LAMP, Inc.), which is governed by a board of 15 members elected by the pool's participants each year at the LAMP annual meeting.

Printing Disclosure Statement

This report is a public document. A copy of this report has been submitted to the Louisiana State Treasurer, to the 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

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Message from the President

June 30, 1999

Dear LAMP participants:

As we predicted last year, 1998 proved momentous in the short history of your Louisiana Asset Management Pool (LAMP).

LAMP celebrated its fifth full year of operation by setting new marks in the number of participants, the amount of funds under management and the accomplishment of the initiatives we set out to achieve. During its first five years, LAMP has established a track record of growth in which we all take justifiable pride—344% increase in the number of participants, from 61 at the close of 1994 to 210 at the close of 1998 and an astonishing 572% jump in net assets, from \$101.9 million in 1994 to 586 million at the end of 1998.

However, even as LAMP reached these milestones, we had already embarked on an examination of every aspect of the organization. After an intensive competitive selection process, LAMP hired an internationally respected management and investment consulting firm to analyze LAMP's operation and to recommend methods to enhance LAMP's continued success. I'm pleased to report that the consultants gave LAMP high marks in just about every aspect.

As proud as I am of the performance of LAMP, I'm equally proud that these internationally recognized experts have validated the unique organization of LAMP as a cooperative venture among public entities. The LAMP concept truly represents a creative response to address the needs of local officials.

In my official position as Louisiana's banker, it's my job to seek ways to manage public funds in our state to earn competitive returns without sacrificing safety of the principal. LAMP was created to offer its participants the level of professional money management typically available only to large institutions like state government. The LAMP concept works due to the economies of scale made possible only when dedicated people come together for a common purpose.

I salute our participants' commitment and I urge all Louisiana local officials to consider participating in LAMP, because prudent money management is absolutely necessary to the economic health of the communities that form the fabric of our great state.



Ken Duncan
Treasurer, State of Louisiana
and President, LAMP, Inc.

Widespread participation in LAMP—indeed, LAMP's very existence—sends a message to the capital markets that Louisiana officials are as tireless as those anywhere in the United States in taking responsibility to manage our citizens' funds in a professional, diligent, accountable manner. This is precisely the theme I have communicated since taking office. Your participation in LAMP lends credence to my words, significantly aiding my efforts to enhance the financial credibility of our state.

I also want to take this opportunity to recognize and thank the members of LAMP's Board of Directors for their dedication in serving the pool for the past year, as always, without compensation. Our board's counsel has been invaluable to me and has contributed in no small measure to the successes detailed in this report.

Finally, I want to salute the tireless efforts of the LAMP staff over the past year in serving current participants and recruiting new ones to the pool. LAMP is most fortunate to be staffed by a group of professionals small in number but immense in dedication and energy. LAMP is administered with the efficiency and devotion that would do any business proud.

Thank you for your support and confidence in our efforts to assist Louisiana public entities in generating higher returns on public funds while providing utmost safety of principal. We pledge to continue serving you as a valued customer and partner, while we continue to seek even greater heights for the Louisiana Asset Management Pool.

Sincerely,

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

Ken Duncan

AS WE PREPARE TO MARK THE END OF A MILLENNIUM, a five-year anniversary may seem less significant by comparison. However, Louisiana Asset Management Pool (LAMP) can reflect on a fifth-anniversary year that proved to be a true landmark in the short history of this unique organization.

Although the performance numbers again report a story of remarkable success, LAMP's most notable accomplishments during the year focused on the pool's very structure and organization. The strategic decisions made in 1998 promise to create significant positive impact on LAMP for many years to come.

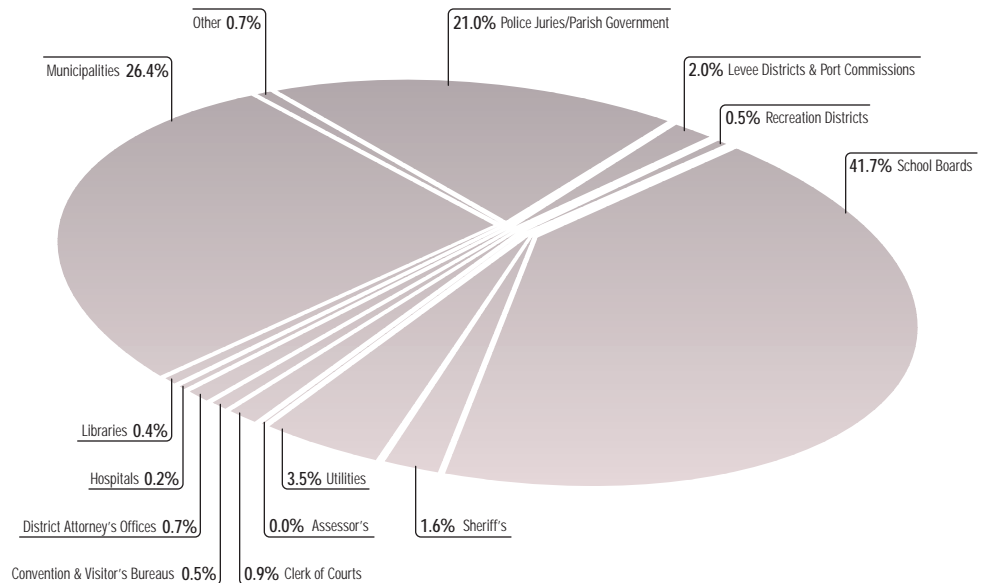
Last year, we initiated an independent review of the entire LAMP concept and structure. After an extensive RFP and interview process, we engaged William M. Mercer, Inc., an internationally known consulting firm with 12,500 employees in 125 cities and 34 countries around the world.

We are pleased to report that overall Mercer gave LAMP a rating of "excellent" in six of nine categories and recommended enhancement in three. The independent experts gave their highest possible performance ratings to the LAMP President, Secretary-Treasurer, staff, investment manager, accounting and legal functions. Their report offered suggestions for enhancements to the custodian, recordkeeping and future compliance assurance functions, to accommodate the demands of LAMP's projected growth.

The consultants' review also suggested certain ways LAMP can improve yield without a measurable increase in risk, namely by amending investment policy to allow a broader investment mix and by adding securities lending to the duties of the custodian bank. The Board of Directors will carefully consider these two positive recommendations, and any changes will be communicated to LAMP participants in advance of implementation.

Assets by Participant

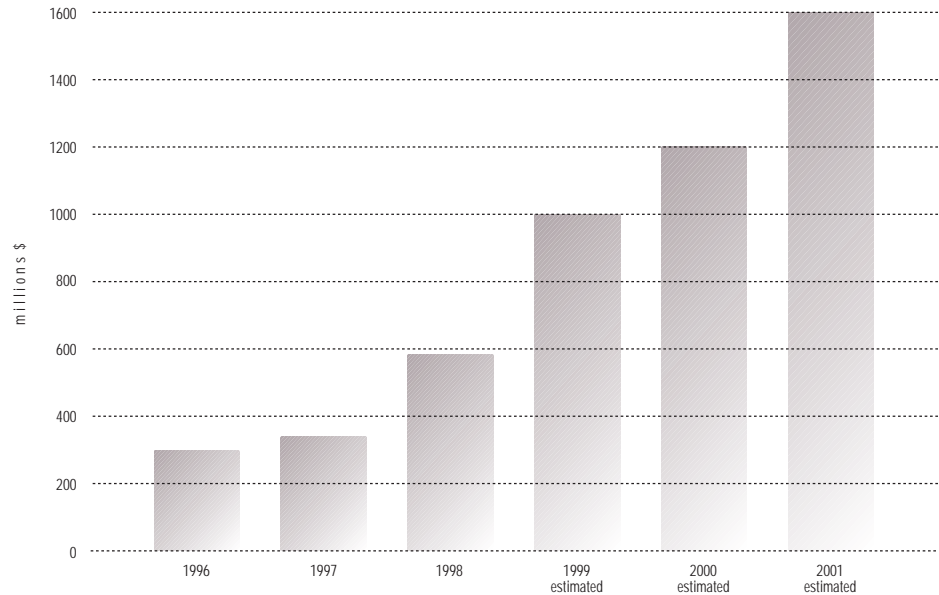
Although school boards represent only about 20% of the participants in LAMP, they account for more than 40% of the funds under management, pointing to the potential for tremendous growth in this category for the pool. Combined, the three largest segments of participants—school boards, municipal and parish governments—total more than 89% of LAMP's assets.



Growth Projection

The growth of LAMP has been significant. Two factors account for this: 1) new participants and 2) competitive rates of return. Both factors were the direct result of good governance and prudent management by the State Treasurer who serves as President of LAMP, the Secretary/Treasurer, the Board, the President's Advisory Board, the LAMP internal staff and the outside service providers. It is estimated that the growth in new participants will be steady and the rates of return will meet or exceed those in past years.

Source: William M. Mercer, Inc.



Mercer went on to project that LAMP's funds could exceed \$1.5 billion by the end of 2001, 15 times the size of the pool at the end of its first year in 1994. In doing so, the firm made note of LAMP's significant history of growth, attributing it to "good governance and prudent management by the State Treasurer...the Secretary-Treasurer, the Board, the President's Advisory Board, the LAMP internal staff and the outside service providers." Mercer then analyzed the organizational structure of LAMP to strengthen the pool's ability to accommodate the anticipated pace of growth.

This in-depth independent analysis of the LAMP structure and operation has confirmed our confidence in the ability of the pool to continue its strong rate of growth while maintaining the highest level of service to LAMP's participants. An intensive review like the Mercer report is designed to uncover potential weaknesses before they can become problems. That way, the process of examination aids LAMP in the continuing efforts to enhance the pool's value to its participants and to the taxpayers of Louisiana.

The fact that 70 public entities in 1998 chose to join the 140 existing members of LAMP is evidence the pool concept for money management is gaining wider acceptance among local officials. Today, LAMP's participants are located in nearly every parish of Louisiana, and more join every month. They recognize the inherent advantages LAMP provides, with sophisticated money management that, until LAMP's inception, only much larger institutions could

enjoy. In many ways, LAMP is emblematic of the move toward more empowerment of local governments and the citizens they serve with dedication, commitment and a high level of personal response.



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

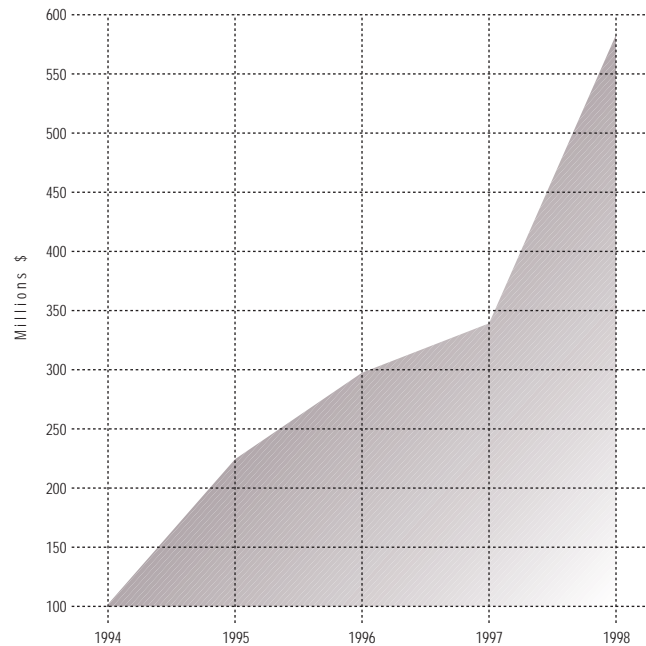
AS NOTED EARLIER, for the year ended December 31, 1998, LAMP enjoyed another successful year of operation and expansion:

- Net assets increased nearly 72%, from \$340.5 million at the end of 1997 to \$586 million. By mid-1999, assets topped \$750 million and are projected to reach the billion-dollar mark in early 2000.
- The number of participants increased 50%, growing from 140 the year before to 210 by the end of 1998. To put that achievement in perspective, the number of participants added in 1998 exceeded the entire membership roster of LAMP after its first full year of operation.
- The average participant account grew 14.9% from year to year, from \$2.42 million in 1997 to \$2.78 million in 1998.
- LAMP's net yield consistently exceeded its benchmarks of the IBC/Donahue's Institutional Government Money Market Funds Index, the 90-day Treasury bill and the 60-day Louisiana bank CD. In fact, LAMP's weekly return averaged 5.29%, a full 30 basis points higher than the IBC/Donahue Index, which is generally the highest of the three comparable indices.

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Net Assets

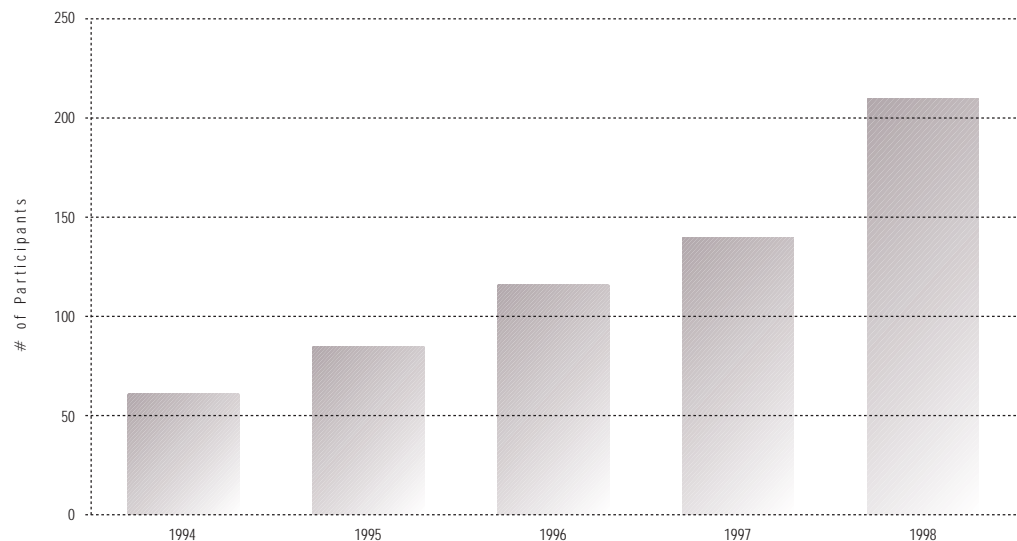
Net assets increased nearly 72% during 1998, ending the year at a record \$583.1 million.



Source: LAMP and Banc One Investment Advisors Corporation

Number of Participants

Participants in LAMP jumped a record 50% during 1998, from 140 to 210. The year's increase alone was larger than the number of participants in LAMP's first year of operation.

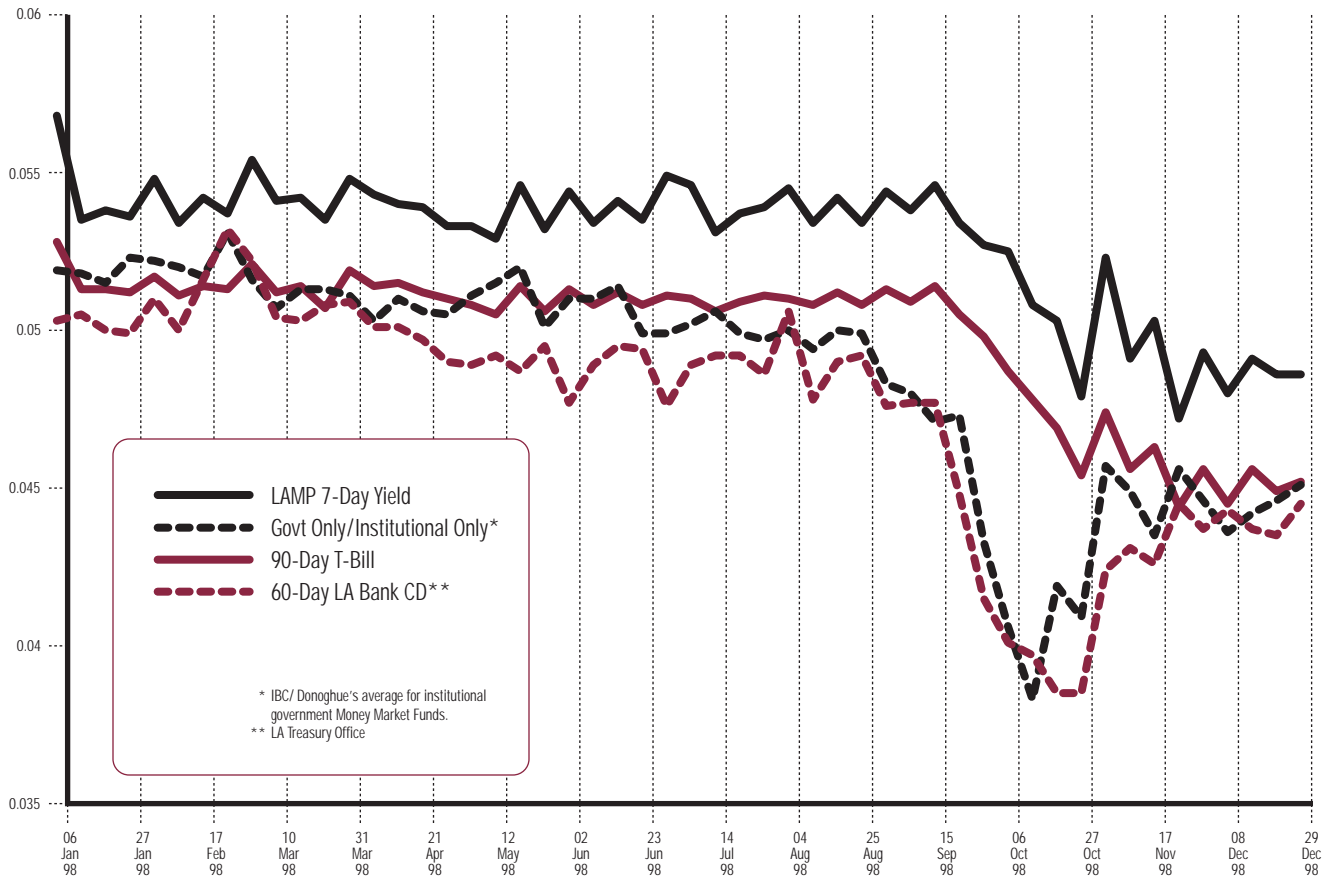


Source: LAMP and Banc One Investment Advisors Corporation

Comparative Yields

LAMP's 7-day yield outperformed its benchmarks every week of the year, averaging 30 basis points over the IBC/Donahue Index.

Source:
LAMP and Banc One Investment Advisors Corporation



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- The LAMP program received a fifth consecutive unqualified opinion from the Louisiana Legislative Auditor.
- Standard & Poor's again gave LAMP a rating of AAAM, the highest available from the service. The AAAM rating is defined by S&P as "Safety is excellent. 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. LAMP has continuously earned S&P's highest rating of AAAM since it was first assigned in 1995. The full text of the S&P report is available on LAMP's website at www.lamppool.com.

Other notable events during the year included retaining a new custodian bank, Hibernia National Bank, following the merger of LAMP's former custodian, First Commerce Corporation with the current investment manager, Bank One Corporation. The board and management of the pool made the change in custodian to remove any potential conflict of interest and to potentially enhance safety of funds under LAMP's management.

In addition, LAMP launched its website on the Internet, www.lamppool.com, which has been greeted with enthusiastic support. The Internet site contains information on LAMP's latest rates participants, upcoming events, board members, staff and officers, as well as links to interesting and informative sites of other Louisiana associations, state agencies and national financial information providers.

We also continued our efforts to expand LAMP's presence across the state at major meetings and conferences in order to reach out to participants and prospects alike. Our staff attended and participated in 15 meetings last year (not including the LAMP annual meeting), spreading the LAMP word to a variety of groups that can benefit from LAMP's innovative cooperative approach to money management. Clearly, this effort has paid handsome returns, reflected in the huge increase in the number of participants in LAMP.

Participants

Assessors

Assessor 3rd Municipal District Parish of Orleans
Assessor 6th Municipal District Parish of Orleans
Board of Assessors Parish of Orleans
Bienville Parish Tax Assessor

Clerks of Court

East Feliciana Parish Clerk of Court
Grant Parish Clerk of Court
Jefferson Parish Juvenile Court
Livingston Parish Clerk of Court
Ouachita Parish Clerk of Court
Tangipahoa Parish Clerk of Court
Vernon Parish Clerk of Court
Vermilion Parish Clerk of Court
32nd Judicial Law Clerk Fund

Convention & Visitor's Bureaus

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

District Attorney's Offices

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

Hospitals

Homer Memorial Hospital
Lane Memorial Hospital

Libraries

East Carroll Parish Police Jury Library Fund
Iberville Parish Library
St. Bernard Parish Library
The Allen Parish Libraries
Tangipahoa Parish Library

Municipalities

City of Bastrop
City of Baton Rouge Parish of East Baton Rouge
City of Carencro
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 New Roads
City of Opelousas
City of Ponchatoula
City of Port Allen
City of Ruston
City of Shreveport
City of Sulphur
City of West Monroe
City of Westlake
Town of Cheneyville
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 Livonia

Town of Lockport
Town of Madisonville
Town of Olla
Town of Ringgold
Town of Sorrento
Town of St. Francisville
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
Village of Tangipahoa

Other

Acadiana Criminalistics Laboratory Commission
Amite River Basin Drainage and Water Conservation District
Board of Trustees, Police & Relief Fund
Caddo Council on Aging
Evangeline Council on Aging
Firemen's Pension & Relief Fund of the City of Houma
Iberville Chamber of Commerce
Iberville Parish Sales & Use Tax Department
Louisiana Conference of Mayors
Pointe Coupee Health Service District #1
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.
William Pitcher Scholarship Fund

Police Juries/Parish Governments

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
Livingston Parish Council
Pointe Coupee Parish Police Jury
St. Bernard 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
West Feliciana Parish Police Jury

Levee Districts & Port Commissions

Atchafalaya Levee Basin District
Bossier Levee District
Greater Baton Rouge Port Commission
Greater Lafourche Port Commission
Lake Charles Harbor & Terminal District
Pointe Coupee Parish Port Commission
South Louisiana Port Commission

Recreation Districts

Iberville Parish Parks & Recreation District
Pontchatoula Area Recreation District
Recreation District #1—
St. Tammany Parish
Recreation District #12—
St. Tammany Parish

Schools & 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

Covington Elementary School
Covington High School
Fontainebleau High School
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
Mandeville High School
Morehouse Parish School Board
Northshore High School
Northside High School
Orleans Parish School Board
Ouachita Parish School Board
Paul Breaux Middle School
Pearl River High School
Plaquemines Parish School Board
Red River Parish School Board
Salmen High School
Slidell High School
Slidell Junior High School
St. James Parish School Board
St. Landry Parish School Board
St. Martin Parish School Board
St. Mary Parish School Board
St. Tammany Junior High School
St. Tammany Parish School Board
Tangipahoa Parish School System
Terrebonne Parish School Board
Vernon Parish School Board
Washington Parish School Board

Sheriff's Offices

Assumption Parish Sheriff's Office
Bossier Parish Sheriff's Office
Caddo Parish Sheriff's Office
Jefferson Parish Sheriff's Office
Lafourche Parish Sheriff's Office
Madison Parish Law Enforcement District
Orleans Parish Criminal Sheriff's Office

Plaquemines Parish Law Enforcement District
Tangipahoa Parish Sheriff's Office
Washington Parish Sheriff's Office
West Baton Rouge Parish Sheriff's Office

Utilities

Assumption Parish Waterworks District No. 1
Consolidated Gravity Drainage District #1
DeSoto Fire District #8
Fire Protection District #4
Fire Protection District of Jackson
Houston River Waterworks District #11
Iberville Parish Natural Gas System
Iberville Parish Water District #4
Iberville Parish Waterworks District #2
Jefferson Davis Central Waterworks District
Lafourche Parish Water District No. 1
Livingston Parish Communications 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
St. Tammany Parish Fire Protection District No. 1
Varnado Waterworks
Village of Rosedale Fire Department
Waterworks District No. 1 of the Parish of DeSoto
Waterworks District No. 8 of Wards 3 & 8
Waterworks District No. 9, Ward 4
Webster Parish Communications District
West Ouachita Sewerage District No. 5
Winn Parish Fire District No. 3

210 as of December 31, 1998



LAMP WAS CREATED IN 1993 as a cooperative endeavor to assist local Louisiana governmental entities in the investment of their cash balances. LAMP's primary objectives include:

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 LAMLine at 1-800-272-8162 to make transfers or redemptions 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.

Who participates and why?

Municipalities, parish governments, school boards, levee boards, sheriff departments, district attorneys, utility districts, local government units and other political subdivisions are eligible to enroll in the LAMP program and enjoy all the program benefits. By pooling assets and resources local authorities can benefit from the same level of professional money management otherwise available only to larger institutions:

Administrative efficiency

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

Internet information

LAMP's website, www.lamppool.com, contains information on LAMP's latest rates, participants, upcoming events, board members, staff and officers, as well as links to interesting and informative sites of other Louisiana associations, state agencies and national financial information providers.

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.

For more information about joining LAMP, access the LAMP website, www.lamppool.com, or call the LAMP office at (504) 525-LAMP (5267) or toll-free at (800) 249-LAMP (5267) and ask to speak with a LAMP marketing representative.

1998 Board of Directors



THE HONORABLE KEN DUNCAN
Louisiana State Treasurer
President, LAMP, Inc.



WILLIAM A. "BILL" CARDNEAUX
Management Assistant, City of Shreveport



THE HONORABLE HAROLD R. CORNETT
Mayor, City of Mansfield



THE HONORABLE DUDLEY R. DIXON
Mayor, City of Westlake



MR. MATTHEW W. DUGAS, CPA
Director of Finance, Lafayette Parish
School Board



THE HONORABLE CLARENCE W. HAWKINS
Mayor, City of Bastrop



THE HONORABLE DEBBIE D. HUDNALL
East Feliciana Parish Clerk of Court



MR. MARK KOLWE
Administrative Director of Finance
& Support Services, Tangipahoa Parish
School Board



CHIEF DEPUTY NEWELL NORMAND
Jefferson Parish Sheriff's Office



THE HONORABLE ABE E. PIERCE III
Mayor, City of Monroe



MR. RON RANDOLPH
Director of Accounting Services,
St. Tammany Parish School Board



THE HONORABLE PEGGY C. SAVOY
Mayor, Village of Port Vincent



MS. EARLINE R. SIMONEAUX
Accounting Manager, Assumption Parish
Waterworks District No. 1



THE HONORABLE GARY SOILEAU
Mayor, Town of Krotz Springs



THE HONORABLE HAROLD TAYLOR
Director of Finance, Lafayette Parish
School Board

President's Advisory Board



THE HONORABLE JOHN A. BERTHELET
Mayor, City of Gonzales



THE HONORABLE PAUL D. CONNICK, JR.
Jefferson Parish District Attorney



MR. JAMES T. HAYS
Executive Secretary, Police Jury
Association of Louisiana



MR. L. GORDON KING
Executive Director,
Louisiana Municipal Association



MR. RONALD S. WASCOM
Director of Publications/School Finance,
Louisiana School Board Association



**Louisiana
Asset
Management
Pool, Inc.**

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LAMline 1-800-249-5267
LAMPfax 1-800-604-6988
www.lamppool.com

To set up
your personal
appointment
with a LAMP
representative,
call Jo Reynolds
today at
1(800)249-LAMP.



Jo Reynolds
LAMP Marketing
Representative

I am interested in learning more about the LAMP program for my public entity's operating cash. Please have Jo Reynolds call to set up an appointment.

name

name of public entity

address

city

state

zip

phone

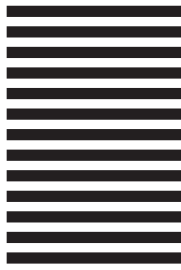
fax

email

If you wish immediate attention, call the LAMP office at 1-800-249-LAMP or to obtain yield information, call the 24-hour LAMPLine at 1-800-272-8162. Visit our website at www.lamppool.com.



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with a LAMP
representative,
call Jo Reynolds
today at
1(800)249-LAMP.