

STATE OF LOUISIANA
LEGISLATIVE AUDITOR

Louisiana Asset Management Pool
State of Louisiana
New Orleans, Louisiana

June 10, 1998



Financial and Compliance Audit Division

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

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STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Asset Management Pool
State of Louisiana
New Orleans, Louisiana

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**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

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA

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

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BASILE L. LYLE, 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,



Orville C. Austin, CPA
First Assistant Legislative Auditor

ETM:THC:aa

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

Statement of Net Assets, December 31, 1997

ASSETS	
Cash (note 3)	\$355,479
Investments (note 3)	339,191,999
Interest receivable	1,071,638
Furniture, fixtures, and office equipment, net (note 4-E)	<u>24,114</u>
TOTAL ASSETS	<u>340,623,230</u>
LIABILITIES	
Accounts payable	\$29,429
Federal income tax payable (note 4)	4,184
Loan payable (note 5)	<u>45,063</u>
TOTAL LIABILITIES	<u>78,676</u>
NET ASSETS	<u>\$340,524,121</u>

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	\$ 14,495,652
Less administrative expenses	(748,638)
Net increase in fair value of investments	<u>5,642,318</u>
Increase in net assets from investment activities	<u>19,391,462</u>
FROM PARTICIPANTS' TRANSACTIONS	
Deposits	973,954,280
Withdrawals	<u>(390,792,631)</u>
Increase in net assets from participants' transactions	<u>22,571,419</u>
Total increase in net assets	41,962,881
NET ASSETS, BEGINNING OF YEAR	<u>296,571,229</u>
NET ASSETS, END OF YEAR	<u>\$340,534,111</u>

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, 1987

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. 82-182 (March 31, 1982) issued by the Louisiana Attorney General's Office, which noted that public entities may pool funds for investment purposes. At December 31, 1987, 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 custody 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, 1984. 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, 1987, with options to extend for two additional one-year terms.

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

I. 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 GASS 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. 33:2905 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 307 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.

8. 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, 2008)		Additions	Debitals	Balance (December 31, 2007)	
Furniture and fixtures			\$10,127			\$10,127
Office equipment			17,466			17,466
Total			<u>27,593</u>	507.4		<u>27,112</u>
Less - accumulated depreciation			5026	(5076)	5026	<u>14,086</u>
Furniture, fixtures, and office equipment			<u>22,567</u>	<u>507.4</u>	<u>5026</u>	<u>\$24,114</u>

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

Furniture and fixtures	64 months
Office equipment	64 months

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

F. COMPENSATED ABSENCES, PENSION
MEMBERSHIP, 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 1.5 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	\$354,499
Custodial deposit	979
	<hr/>
Total	<u>\$355,478</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 \$355,499 in deposits (collected bank balances), which are secured from risk by \$172,958 of federal deposit insurance (GA58 Risk Category 1) and \$207,541 of pledged securities (GA58 Risk Category 1).

3. INVESTMENTS

Investments of \$528,181,905, as presented on Statement A, are valued at fair value. The investments are comprised of several different types of investment securities. The following summarizes 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)

Investment Security	Maturity Dates	Yield	Face Amount at December 31, 1987	Carrying Value at (Amortized Cost) December 31, 1987	Fair Value at December 31, 1987
Federal/State/Credit Bank Notes	1/25/88 - 1/25/90	5.47 - 5.70%	\$16,000,000	\$14,969,750	\$14,969,600
Federal/State/Credit Bank Notes	4/7/88 - 12/1/88	5.80 - 6.10%	50,000,000	50,000,000	50,000,000
Federal/State/Local Mortgage Corporation/Student Note	1/25/88	5.71%	10,000,000	9,801,628	9,800,000
Federal/State Mortgage Association Notes	1/25/88 - 1/25/90	5.80 - 6%	40,000,000	40,212,700	40,200,000
Repurchase Agreements, Overnight Student Loan Marketing Association Notes	1/25/88	5.62%	10,000,000	9,979,680	9,979,000
Total			\$126,000,000	\$124,953,458	\$124,953,600

	Change in Investments	
	Amortized Cost	Fair Value
Balance, December 31, 1986	\$285,158,004	\$285,143,357
Add:		
Investment purchases	48,121,147,342	48,121,147,342
Reinvested interest	17,253,865	11,854,993
Fair value adjustment		8,842,518
Total	48,138,401,307	48,139,844,853
Less - investment maturities	48,087,408,455	48,087,408,455
Balance, December 31, 1987	\$126,143,456	\$126,191,565

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 GA99 Codification Section 150.104.

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, 1987:

<u>Months</u>	<u>Actual 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, 1983. The loan agreement with Bank One Investment Advisors Corporation requires a monthly payment of \$4,153 commencing on May 1, 1987, and ending on December 20, 1988. Interest expense for the year was \$3,020. As shown on Statement A, the loan payable at December 31, 1987, totals \$46,082.

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

5. 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:

Asset Value	Bank One Investment Advisors	Reich and Tang
	<u>Basis Point Fee</u>	<u>Basis Point Fee</u>
\$100 million	15.0	15.0
200 million	15.0	15.0
300 million	13.0	13.5
400 million	10.0	13.5
500 million	10.0	13.5
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 \$465,000 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 (Continued)

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 6.5 basis points (.00065) beginning April 1997. During the year ended December 31, 1997, administrative fees of \$195,429 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</u> <u>December 31,</u>	<u>Amount</u>
1998	\$13,107
1999	13,889
2000	<u>10,867</u>
Total	<u>\$37,863</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 \$25,435 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>PAGE AMOUNT</u>	<u>MATURITY DATE</u>	<u>YIELD</u>	<u>FAIR VALUE</u>	<u>AMORTIZED COST</u>
Federal Firm Credit Bank Notes:				
\$5,000,000	1/2/98	5.47%	\$5,000,000	\$4,989,258
5,000,000	1/23/98	5.83%	4,977,900	4,977,525
5,000,000	1/11/98	5.79%	4,991,480	4,982,000
<u>15,000,000</u>			<u>14,969,480</u>	<u>14,968,783</u>
Federal Home Loan Bank Notes:				
\$5,000,000	4/17/98	5.18%	\$5,000,000	\$4,999,724
10,000,000	5/12/98	5.50%	9,994,990	9,991,888
5,000,000	6/19/98	5.99%	10,023,580	10,025,848
10,000,000	7/13/98	5.80%	9,957,680	10,003,424
10,000,000	1/3/98	5.88%	4,998,580	4,997,312
5,000,000	10/23/98	5.90%	4,998,080	4,999,192
5,000,000	12/17/98	5.80%	10,001,480	10,000,724
<u>60,000,000</u>			<u>59,973,790</u>	<u>60,000,804</u>
Federal Home Loan Mortgage Corporation Discount Note:				
<u>\$10,000,000</u>	<u>2/2/98</u>	<u>5.71%</u>	<u>\$9,925,080</u>	<u>\$9,921,528</u>
Federal National Mortgage Association Notes:				
\$5,000,000	1/28/98	5.28%	\$4,979,580	\$4,979,408
5,000,000	2/5/98	5.99%	4,973,380	4,973,758
6,048,000	3/20/98	5.98%	6,892,218	6,892,728
3,340,000	5/13/98	5.87%	3,286,187	3,333,888
4,000,000	5/11/98	5.92%	4,034,080	4,028,291
10,000,000	5/21/98	5.99%	10,007,680	9,998,538
10,000,000	6/23/98	5.80%	10,000,080	9,991,517
5,000,000	9/2/98	5.97%	4,995,880	4,999,898
<u>49,388,000</u>			<u>48,238,513</u>	<u>49,212,758</u>
Repurchase Agreements, Overnight				
\$80,000,000	1/2/98	5.50%	\$80,000,000	\$80,000,000
\$5,000,000	1/2/98	5.90%	\$5,000,000	\$5,000,000
\$2,051,800	1/2/98	5.80%	\$2,051,080	\$2,051,800
<u>87,051,800</u>			<u>87,051,080</u>	<u>87,051,800</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>	03/01/98	8.07%	<u>\$9,878,120</u>	<u>\$9,978,888</u>
<u>\$229,398,808</u>			<u>\$228,181,585</u>	<u>\$229,151,458</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.



CAROL D. KELL, PH.D., CPA, CFE
LEGISLATIVE AUDITOR

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May 21, 1995

Report on Compliance and an 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, 1994, and have issued our report thereon dated May 21, 1995. 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 31, 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

ETM:THC:aa

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