

STATE OF LOUISIANA LEGISLATIVE AUDITOR

Louisiana Asset Management Pool
State of Louisiana
New Orleans, Louisiana

June 27, 2003



Financial and Compliance Audit Division

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LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
New Orleans, Louisiana

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2002
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 27, 2003

**LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA**

Basic Financial Statements
and Independent Auditor's Reports
As of and for the Year Ended December 31, 2002
With Supplemental Information Schedule

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June 9, 2003

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 basic financial statements of the Louisiana Asset Management Pool, a component unit of the State of Louisiana, as of and for the year ended December 31, 2002, 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 financial statements based on our audit.

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

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the net assets of the Louisiana Asset Management Pool as of December 31, 2002, and the changes in net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated June 9, 2003, on our consideration of the Louisiana Asset Management Pool's internal control over financial reporting and on our tests of its compliance with certain provisions of laws and regulations. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

LEGISLATIVE AUDITOR

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

Audit Report, December 31, 2002

Our audit was made for the purpose of forming an opinion on the Louisiana Asset Management Pool's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, in our opinion, based on our audit, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management's discussion and analysis on pages 4 through 10 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Respectfully submitted,



Grover C. Austin, CPA
First Assistant Legislative Auditor

JB:ES:PEP:ss

[LAMP02]

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA
MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Louisiana Asset Management Pool ("LAMP Pool"), we offer readers of LAMP's financial statements this narrative overview and analysis of the financial activities of LAMP for the year ended December 31, 2002. LAMP is administered by Louisiana Asset Management Pool, Inc. ("LAMP, Inc.") and its activity is included in LAMP's financial statements. The two entities are collectively referred to as "LAMP."

FINANCIAL HIGHLIGHTS

- The assets of LAMP exceeded its liabilities at the close of the most recent fiscal year by \$1,040,936,936 (*net assets*).
- LAMP's total net assets decreased by \$114,752,408.
- The number of participants increased by 33 from 425 to 458 at December 31, 2002.
- Interest income decreased by \$19,747,770 because of the overall decline in interest rates in 2002.
- Effective August 1, 2001, total basis points charged by LAMP Pool for investment advisory, administrative and custodial fees were decreased from 19 $\frac{3}{4}$ to 13 $\frac{3}{4}$ basis points. This substantially reduced the administrative fees paid by LAMP Pool to LAMP, Inc., and increased the investment yield to participants of LAMP.
- Effective August 1, 2001, the investment guidelines were amended to permit the investment of LAMP funds in government-only money market funds.
- Effective October 1, 2001, the investment guidelines were amended to allow the investments of LAMP funds in commercial paper of domestic United States corporations rated A-1 or A-1+ by Standard & Poor's.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**

Management's Discussion and Analysis (Continued)

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

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

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

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

BASIC FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of an entity's financial position. In the case of LAMP, assets exceeded liabilities by \$1,040,936,936 at the close of the most recent year, December 31, 2002. By far the largest portion of LAMP's net assets (99%) reflects its investments at fair market value. The following is a comparison of LAMP's net assets to the prior year.

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
Management's Discussion and Analysis (Continued)

LAMP's Net Assets

	For the Year Ended December 31,	
	<u>2002</u>	<u>2001</u>
Cash	\$18,950	\$7,003,332
Certificates of Deposit	285,000	380,000
Investments at Fair Market Value	1,045,128,522	1,146,919,271
Accrued Interest Receivable	2,369,757	1,486,647
Federal Income Tax Receivable	30,000	
Prepaid Federal Income Tax	1,560	
Furniture, Fixtures, and Office Equipment	39,690	39,197
	<u>1,047,873,479</u>	<u>1,155,828,447</u>
Total Assets		
Securities Purchased Payable	6,520,816	
Accounts Payable and Accrued Expenses	405,555	115,745
Federal Income Tax Payable		13,950
Compensated Absences Payable	10,172	9,408
	<u>6,936,543</u>	<u>139,103</u>
Total Liabilities		
Net Assets	<u>\$1,040,936,936</u>	<u>\$1,155,689,344</u>

- Total assets decreased by \$107,954,968.
- Most of the decrease in assets is attributable to a decrease in investments of \$101,790,749.
- Investments decreased primarily because of participants' withdrawals exceeding deposits received from participants of LAMP Pool.

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**

Management's Discussion and Analysis (Continued)

Changes in Net Assets. Investment activities and participants' transactions decreased LAMP's net assets by \$114,752,408 for the year ended December 31, 2002. Key elements of the changes for the years ended December 31, 2002, and 2001, are as follows:

LAMP's Changes in Net Assets

	<u>For the Year Ended December 31,</u>	
	<u>2002</u>	<u>2001</u>
From Investment Activities:		
Interest Income	\$12,829,733	\$32,577,503
Investment Income (Amortization/Accretion of Income, Fair Value Increase and Gain or Loss on Sales)	13,496,961	13,311,189
Less Administrative Expenses	<u>(2,044,607)</u>	<u>(1,757,856)</u>
Income in Net Assets from Investment Activities	<u>24,282,087</u>	<u>44,130,836</u>
From Participants' Transactions:		
Deposits	1,512,355,246	1,507,434,839
Withdrawals	<u>(1,651,389,741)</u>	<u>(1,152,992,056)</u>
Increase (Decrease) in Net Assets from Participants' Transactions	<u>(139,034,495)</u>	<u>354,442,783</u>
Total Increase (Decrease) in Net Assets	(114,752,408)	398,573,619
Net assets, Beginning of Year	<u>1,155,689,344</u>	<u>757,115,725</u>
Net assets, End of Year	<u>\$1,040,936,936</u>	<u>\$1,155,689,344</u>

- Interest income declined because of overall declines in interest rates during 2002.
- The majority of the decrease in net assets (\$114,752,408) is due to participants' withdrawals (\$139,034,495), which were partially offset by the increase (\$24,282,087) in net assets from investment activities.

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
Management's Discussion and Analysis (Continued)

ENTITY FINANCIAL STATEMENTS

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

By far the largest portion of LAMP Pool's assets (99%) reflects its investments at fair market value. The largest portion of LAMP, Inc.'s assets (77%) reflects its investment in certificates of deposit. The following is an analysis of the net assets at December 31, 2002, attributable to LAMP Pool and to LAMP, Inc.:

LAMP's Net Assets (By Entity)

	<u>LAMP</u>	<u>LAMP Pool</u>	<u>LAMP, Inc.</u>
Cash	\$18,950	\$8,314	\$10,636
Certificates of Deposit	285,000		285,000
Investments at Fair Market Value	1,045,128,522	1,045,128,522	
Accrued Interest Receivable	2,369,757	2,368,565	1,192
Federal Income Tax Receivable	30,000		30,000
Prepaid Federal Income Tax	1,560		1,560
Furniture, Fixtures, and Office Equipment	39,690		39,690
	<u>1,047,873,479</u>	<u>1,047,505,401</u>	<u>368,078</u>
Total Assets			
Securities Purchased Payable	6,520,816	6,520,816	
Accounts Payable and Accrued Expenses	405,555	291,716	113,839
Compensated Absences Payable	10,172		10,172
	<u>6,936,543</u>	<u>6,812,532</u>	<u>124,011</u>
Total Liabilities			
Net Assets	<u><u>\$1,040,936,936</u></u>	<u><u>\$1,040,692,869</u></u>	<u><u>\$244,067</u></u>

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
Management's Discussion and Analysis (Continued)

Changes in Net Assets. Investment activities and participants' transactions decreased LAMP's net assets by \$114,752,408. Key elements of the changes are as follows:

LAMP's Changes in Net Assets (By Entity)

	<u>LAMP</u>	<u>LAMP Pool</u>	<u>LAMP, Inc.</u>
From Investment Activities:			
Interest Income	\$12,829,733	\$12,819,686	\$10,047
Amortization/Accretion of Income	12,902,040	12,902,040	
Net Increase in the Fair Value of Investments	606,376	606,376	
Loss on Sales of Investments	(11,455)	(11,455)	
Administrative Income (Expense)		(1,030,558)	1,030,558
Less Administrative Expenses	<u>(2,044,607)</u>	<u>(771,699)</u>	<u>(1,272,908)</u>
Increase (Decrease) in Net Assets from Investment Activities	<u>24,282,087</u>	<u>24,514,390</u>	<u>(232,303)</u>
From Participants' Transactions:			
Deposits	1,512,355,246	1,512,355,246	
Withdrawals	<u>(1,651,389,741)</u>	<u>(1,651,389,741)</u>	
Decrease in Net Assets from Participants' Transactions	<u>(139,034,495)</u>	<u>(139,034,495)</u>	<u>NONE</u>
Total Decrease in Net Assets	(114,752,408)	(114,520,105)	(232,303)
Net assets, Beginning of Year	<u>1,155,689,344</u>	<u>1,155,212,974</u>	<u>476,370</u>
Net assets, End of Year	<u><u>\$1,040,936,936</u></u>	<u><u>\$1,040,692,869</u></u>	<u><u>\$244,067</u></u>

- In preparing the statement of changes in net assets for LAMP, administrative fees of \$1,030,558 paid by LAMP Pool to LAMP, Inc., were eliminated.
- Investment advisors' fees of \$673,220 and custodial fees of \$99,034 are included in administrative expenses paid.

**LOUISIANA ASSET MANAGEMENT POOL AND
LOUISIANA ASSET MANAGEMENT POOL, INCORPORATED
STATE OF LOUISIANA**
Management's Discussion and Analysis (Concluded)

REQUESTS FOR INFORMATION

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

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

Statement of Net Assets, December 31, 2002

ASSETS

Cash and cash equivalents (note 2)	\$303,950
Investments (note 3)	1,045,128,522
Interest receivable	2,369,757
Federal income tax receivable (note 10)	30,000
Prepaid federal income tax (note 10)	1,560
Furniture, fixtures, and office equipment, net (note 1-E)	39,690

TOTAL ASSETS	<u>\$1,047,873,479</u>
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LIABILITIES

Securities purchased payable (note 3)	\$6,520,816
Accounts payable and accruals	405,555
Compensated absences payable (note 5)	10,172

TOTAL LIABILITIES	<u>6,936,543</u>
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Net assets held in trust for pool participants	<u>1,040,936,936</u>
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TOTAL NET ASSETS	<u><u>\$1,040,936,936</u></u>
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The accompanying notes are an integral part of this statement.

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

**Statement of Changes in Net Assets
For the Year Ended December 31, 2002**

FROM INVESTMENT ACTIVITIES

Interest income	\$12,829,733
Less administrative expenses	(2,044,607)
Net increase in fair value of investments	606,376
Amortization/accretion of income	12,902,040
Loss on sale of investments	(11,455)
Increase in net assets from investment activities	<u>24,282,087</u>

FROM PARTICIPANTS' TRANSACTIONS

Subscriptions	1,512,355,246
Redemptions	<u>(1,651,389,741)</u>
Decrease in net assets from participants' transactions	<u>(139,034,495)</u>

Total decrease in net assets (114,752,408)

NET ASSETS, BEGINNING OF YEAR 1,155,689,344

NET ASSETS, END OF YEAR \$1,040,936,936

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, 2002

INTRODUCTION

The Louisiana Asset Management Pool (LAMP) is an investment pool established as a cooperative endeavor to enable public entities of the State of Louisiana to aggregate funds for investment. The cooperative endeavor was formed, in part, in reliance upon Opinion 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. The investment pool is intended to improve administrative efficiency and increase investment yield of participating public entities. Public entities, as defined by Article XIX of LAMP's Articles of Incorporation, include the instrumentalities and political subdivisions of the State of Louisiana; parishes, municipalities, or other subdivisions of government; any entity created by, subject to the administration of, or otherwise governed by any university, hospital, or retirement system; and any other entity which may be designated as a public entity by the president of LAMP. Section XIX of LAMP's Articles of Incorporation specifically exclude the State of Louisiana and its departments from participation in the investment pool. As of December 31, 2002, there were 458 voluntary participants in the pool.

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

Article VIII of LAMP's Articles of Incorporation provides that the Treasurer of the State of Louisiana is the sole Administrative Member of the corporation. The Board of Directors of LAMP, Inc., consists of 9-14 pool participants plus the administrative member, who is President of the Corporation. Board members are elected annually by participants, except the President, who is a standing member of the board. There are currently 14 members of the board of directors. Board members can serve for a maximum of three one-year terms, and all board members serve without compensation. LAMP, Inc., has four 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 entered into a contract with a custodial bank (Hibernia National Bank) for a period of one year commencing as of May 8, 1998, with options to extend for four additional one-year terms. Effective May 8, 2001, the corporation extended the contract for an additional year. The contract was terminated on September 3, 2002.

The corporation entered into a contract with a custodial bank (Bank One) for a period of three years commencing as of September 3, 2002, with options to extend for two additional one-year terms.

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

The corporation entered into separate contracts with investment advisors AMR Investment Services, Inc. and Reich & Tang Asset Management L.L.C. commencing April 4, 2001, for a period of three years with options to renew the contracts for two additional 12-month periods.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

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

B. REPORTING ENTITY

Using the criteria in GASB Codification Section 2100, the Division of Administration, Office of Statewide Reporting and Accounting Policy has defined the governmental reporting entity to be the State of Louisiana. The Office of Statewide Reporting and Accounting Policy considers LAMP to be a component unit (investment trust fund) of the State of Louisiana because the state has financial accountability in that the state treasurer, as the administrative member, is a standing member of the board of directors, acts as the chief executive officer of the corporation, supervises and controls the affairs of the corporation, and has the power and authority reasonably necessary to direct the operations and activities of the corporation. The state treasurer serves as president of the corporation and 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 basic financial statements, which include the activity contained in the accompanying financial statements. The basic financial statements are audited by the Louisiana Legislative Auditor.

C. BASIS OF ACCOUNTING

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

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

**D. CASH, CASH EQUIVALENTS,
AND INVESTMENTS**

Cash and cash equivalents represent amounts on deposit with the custodian, fiscal agent banks, and the investment advisor. 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 notes, Federal National Mortgage Association notes, Federal Farm Credit Bank notes, Student Loan Marketing Association notes, and other investments as approved by the board of directors.

Effective August 1, 2001, LAMP's executive committee and its full board of directors amended its investment guidelines to permit investment of LAMP funds in government-only money market funds. Investments in money market funds are limited to no more than 35% of the total assets of LAMP, and no more than 10% may be invested in any single money market fund at any time.

Act 701 of the 2001 Regular Legislative Session revised R.S. 33:2955 to permit investment in A-1 rated commercial paper for political subdivisions of Louisiana. On August 28, 2001, LAMP's executive committee and its full board of directors amended its investment guidelines to permit the investment of LAMP funds in commercial paper of domestic United States Corporations rated A-1 or A-1+ by Standard & Poor's. Investments in commercial paper are limited to no more than 50% of the total assets of LAMP. No more than 5% of assets may be in any one issuer, and no more than 25% of assets may be in any one industry, except banking. This change became effective on October 1, 2001.

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. LAMP complies with Standard & Poor's requirement for AAAM rated funds to restrict the dollar weighted average maturity of investments to 60 days or less in order to maintain its AAAM rating for the LAMP pool.

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 fair value.

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

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

**E. FURNITURE, FIXTURES, OFFICE EQUIPMENT,
AND COMPUTER EQUIPMENT**

Furniture, fixtures, office equipment, and computer 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, office equipment, and computer equipment follows:

	Balance December 31, 2001	Additions	Deletions	Balance December 31, 2002
Furniture and fixtures	\$22,725	\$4,980		\$27,705
Office equipment	28,623	6,279	(\$7,499)	27,403
Computer equipment	35,622	7,782		43,404
Total	<u>86,970</u>	<u>19,041</u>	<u>(7,499)</u>	<u>98,512</u>
Less - accumulated depreciation	<u>(47,773)</u>	<u>(16,762)</u>	<u>5,713</u>	<u>(58,822)</u>
Net furniture and fixtures and office equipment	<u><u>\$39,197</u></u>	<u><u>\$2,279</u></u>	<u><u>(\$1,786)</u></u>	<u><u>\$39,690</u></u>

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
Computer equipment	60 months

2. CASH AND CASH EQUIVALENTS

At December 31, 2002, LAMP has cash and cash equivalents (book balances) totaling \$303,950 as follows:

Demand deposits	\$10,636
Custodial deposit	8,314
Time deposits	<u>285,000</u>
Total	<u><u>\$303,950</u></u>

The demand and custodial (custodian and investment advisor) deposits of LAMP are secured by federal deposit insurance or the pledge of securities owned by the custodial bank and investment advisor. 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

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

securities are maintained in the custodial bank's joint custody account at the Federal Reserve. LAMP also has three certificates of deposit for \$95,000 each. These certificates of deposit are held at three separate banks and are fully collateralized by federal deposit insurance. At December 31, 2002, LAMP has \$362,605 in deposits (collected bank balances), which are secured from risk by federal deposit insurance (GASB Risk Category 1).

3. INVESTMENTS

Investments of \$1,045,128,522, 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, 2002, and the change in investments during the year.

<u>Investment Securities</u>	<u>Maturity Dates</u>	<u>Yield to Maturity</u>	<u>Face Amount at December 31, 2002</u>	<u>Carrying Value at (Amortized Cost) December 31, 2002</u>	<u>Fair Value at December 31, 2002</u>
Federal Farm Credit Bank Notes	2/3/03 - 9/22/03	1.66 - 2.58%	\$15,220,000	\$15,250,539	\$15,274,909
Federal Home Loan Bank Notes	1/13/03 - 12/10/03	1.29 - 2.43%	85,935,000	86,099,532	86,207,015
Federal Home Loan Mortgage Corporation Notes	1/2/03 - 12/1/03	.99 - 2.38%	91,663,000	91,444,458	91,611,516
Federal National Mortgage Association Notes	1/10/03 - 9/12/03	1.29 - 2.59%	102,549,000	102,473,871	102,588,196
Money Market Accounts	1/2/03	1.29 - 1.36%	154,956,000	154,956,000	154,956,000
Repurchase Agreements	1/2/03	1.25 - 1.35%	95,480,887	95,480,887	95,480,887
Commercial Paper	1/6/03 - 7/2/03	1.19 - 2.55%	499,592,000	498,816,864	499,009,999
Total			<u>\$1,045,395,887</u>	<u>\$1,044,522,151</u>	<u>\$1,045,128,522</u>

	<u>Change in Investments</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
Balance, December 31, 2001	<u>\$1,145,577,159</u>	<u>\$1,146,919,271</u>
Add:		
Investment purchases	62,192,728,871	62,192,728,871
Amortization/accretion of income	12,902,040	12,902,040
Losses on sales of investments	(11,455)	(11,455)
Market value adjustment		606,376
Total	<u>62,205,619,456</u>	<u>62,206,225,832</u>
Less - investment maturities	<u>(62,306,674,464)</u>	<u>(62,308,016,581)</u>
Balance, December 31, 2002	<u>\$1,044,522,151</u>	<u>\$1,045,128,522</u>

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

Included in investments are commitments to purchase securities at December 31, 2002, totaling \$6,520,816, and the corresponding securities purchased payable.

The investments are registered in the name of LAMP and are held in the custodial bank's trust account at its custodial agent or at the Federal Reserve. 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 150.125.

4. INVESTMENT EARNINGS

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

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

The objective of LAMP is to provide safety of principal and daily liquidity with a competitive rate of return to members by pooling monies. The following table shows, by quarter, the average daily yield percentage (annualized on a cumulative basis) of LAMP for the year ended December 31, 2002:

<u>Period</u>	<u>Annual Interest Rate</u>
January 1 to March 31	2.04%
January 1 to June 30	1.96%
January 1 to September 30	1.90%
January 1 to December 31	1.83%

5. COMPENSATED ABSENCES PAYABLE

The corporation has three full-time employees. These employees are provided vacation and sick leave on a cumulative basis. Hours of vacation and sick leave earned are based on the number of years of service. Vacation leave cannot be used until after the first 6 months of

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

employment but may be carried forward into the next year at a rate of 2.5 times the employee's annual accrual or a maximum of 300 hours, whichever is less. A maximum of 300 hours of vacation leave is payable upon termination. Sick leave may be carried forward into the next year with no limitation but is not payable upon termination. Compensatory time earned may be carried forward into the next year but is not payable upon termination. A compensated absence liability of \$10,172 as of December 31, 2002, is included in the financial statements.

6. RETIREMENT PLAN

Effective June 1, 1998, the corporation established a Savings Incentive Match Plan for employees, which is an Individual Retirement Account (IRA) under Section 408(p) of the Internal Revenue Code. Under the plan as authorized by the corporation's board of directors, all full-time employees may elect to defer a percentage of their annual compensation in an amount not to exceed \$6,000 into an account established at a financial institution of their choice. The corporation contributes to this account a matching portion up to 3% of the employee's annual compensation. Each employee is fully and immediately vested in employee and employer contributions made to the employee's account. The employees' contributions for 2001 and 2000 totaled \$11,762 and \$5,901, respectively. The employer's contributions for 2001 and 2000 totaled \$2,961 and \$2,067, respectively. Beginning in 2001, employees participated in the Simplified Employee Pension Retirement Plan and there were no IRA contributions for 2002.

Effective October 1, 2001, a Simplified Employee Pension Retirement Plan was established whereby the employer contributes an amount equal to 8% of the employees' salaries monthly. This retirement plan disqualified employees from participating in the Simple IRA Plan. The employer contributions for 2002 and 2001 totaled \$18,756 and \$5,973, respectively.

7. ADMINISTRATIVE CHARGES

Under the agreements with AMR Investment Services, Inc. and Reich & Tang Asset Management L.L.C, which became effective April 5, 2001, the corporation pays an annual advisory fee (calculated and remitted monthly) based upon LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$400 million	6.0
Next \$100 million	5.0
Next \$300 million	3.0
Over \$800 million	2.0

During the year ended December 31, 2002, investment advisor fees of \$673,220 were incurred.

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

Under the agreement with Hibernia National Bank (terminated on September 2, 2002), the corporation paid an annual custodial fee (accrued daily and payable quarterly) based on LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$400 million	1.0
Next \$300 million	0.9
Over \$700 million	0.8

Under the agreement with Bank One, which became effective September 3, 2002, the corporation pays an annual custodial fee (accrued daily and payable quarterly) based on LAMP's average daily net assets as follows:

<u>Asset Value</u>	<u>Basis Point Fee</u>
First \$500 million	0.5
Next \$1.50 billion	0.375
Over \$2 billion	0.3

During the year ended December 31, 2002, total custodian fees of \$99,034 were incurred.

LAMP, Inc., is paid an administrative fee for the administration of LAMP. The Executive Committee of LAMP, Inc., has oversight authority with respect to the amount of administrative fees deemed necessary to properly administer LAMP. The administrative fee is a monthly fee of LAMP's average daily net assets, which was computed at the annual rate of 6.75 basis points. LAMP, Inc., may adjust its administrative fee proportionately so that the total of all three fees does not exceed the maximum approved by the board. On June 12, 2001, LAMP's board of directors approved a reduction in the total of all three fees that may be charged from 19.75 to 13.75 basis points. The change became effective on August 1, 2001.

During the year ended December 31, 2002, administrative fees of \$1,030,558 were incurred. These inter-entity fees have been eliminated in the accompanying financial statements. LAMP, Inc., net assets total \$244,067 at December 31, 2002.

8. OFFICE LEASE

The corporation has an operating lease for office space. Rental expense for this operating lease during the 2002 amounted to \$23,533. The future minimum rental payments applicable to this lease are as follows:

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

<u>Year Ended December 31</u>	<u>Amount</u>
2003	\$24,175
2004	24,175
2005	<u>18,131</u>
Total future rental payments	<u><u>\$66,481</u></u>

9. LITIGATION

There is no pending litigation against LAMP or LAMP, Inc., at December 31, 2002.

10. FEDERAL INCOME TAX

LAMP, Inc., is a taxable entity for federal income tax purposes. For the year ended December 31, 2002, the corporation had a taxable income of \$15,599 resulting in a federal income tax expense of \$2,340. The balance of the prepaid federal income tax was \$31,560 at December 31, 2002, of which, \$30,000 was refunded to LAMP, Inc. and \$1,560 was applied to next year's federal income tax.

**LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
SUPPLEMENTAL INFORMATION SCHEDULE
For the Year Ended December 31, 2002**

SCHEDULE OF INVESTMENTS

Schedule 1 presents individual investments held by the pool at December 31, 2002.

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2002

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD TO MATURITY	FAIR VALUE	AMORTIZED COST
Federal Farm Credit Bank Notes:					
\$3,220,000	02/03/03		1.66%	\$3,230,272	\$3,229,906
5,000,000	02/03/03		1.66%	5,001,940	5,000,277
5,000,000	03/07/03		2.58%	4,989,335	4,976,979
2,000,000	09/22/03		1.97%	2,053,362	2,043,377
<u>15,220,000</u>				<u>15,274,909</u>	<u>15,250,539</u>
Federal Home Loan Bank Notes:					
16,700,000	01/13/03		1.66%	16,720,875	16,720,375
1,400,000	01/21/03		1.63%	1,403,090	1,403,066
5,000,000	01/24/03		1.62%	4,996,365	4,994,729
5,000,000	02/05/03		2.43%	5,004,435	4,999,112
5,000,000	02/14/03		2.24%	5,021,585	5,016,736
5,000,000	02/28/03		1.42%	5,029,105	5,028,529
2,775,000	03/12/03		1.29%	2,768,618	2,767,985
2,000,000	04/08/03		1.38%	2,008,486	2,008,013
7,000,000	04/08/03		2.04%	7,024,598	7,010,557
1,000,000	04/25/03		1.53%	1,010,065	1,009,340
5,000,000	04/28/03		2.38%	4,980,990	4,962,138
1,810,000	04/29/03		1.65%	1,817,173	1,814,987
1,250,000	05/15/03		1.34%	1,264,673	1,264,627
2,000,000	05/16/03		1.31%	1,991,216	1,990,325
5,000,000	08/05/03		1.98%	5,018,305	4,997,012
2,000,000	08/15/03		1.90%	2,071,270	2,061,482
3,000,000	10/28/03		1.88%	3,014,313	2,999,951
4,000,000	11/14/03		1.45%	4,041,396	4,036,278
10,000,000	12/08/03		1.76%	10,004,520	10,000,000
1,000,000	12/10/03		1.49%	1,015,937	1,014,290
<u>85,935,000</u>				<u>86,207,015</u>	<u>86,099,532</u>
Federal Home Loan Mortgage Corporation Notes:					
10,000,000	01/02/03		0.99%	10,000,000	9,999,460
9,705,000	02/11/03		1.30%	9,691,840	9,690,631
2,000,000	02/13/03		1.30%	1,997,154	1,996,894
5,000,000	02/15/03		1.87%	5,033,965	5,031,850
1,578,000	02/27/03		1.28%	1,575,005	1,574,752
5,000,000	03/27/03		2.37%	4,986,000	4,971,903
10,000,000	04/24/03		2.38%	9,963,290	9,926,707
1,380,000	06/15/03		1.34%	1,400,107	1,399,730
5,000,000	06/25/03		1.34%	4,971,485	4,967,917
10,000,000	06/25/03		1.84%	9,942,970	9,912,500
5,000,000	06/30/03		1.73%	4,970,665	4,957,750
5,000,000	06/30/03		2.08%	4,970,665	4,949,250
7,000,000	07/15/03		1.38%	7,167,580	7,164,402
10,000,000	07/17/03		1.58%	9,935,760	9,915,181
4,000,000	10/09/03		1.82%	3,962,668	3,944,737
1,000,000	12/01/03		1.50%	1,042,362	1,040,794
<u>91,663,000</u>				<u>91,611,516</u>	<u>91,444,458</u>

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2002

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD TO MATURITY	FAIR VALUE	AMORTIZED COST
Federal National Mortgage Association Notes:					
\$10,000,000	01/10/03		2.50%	\$10,012,190	\$10,011,612
2,000,000	01/15/03		1.63%	2,002,984	2,002,936
5,000,000	01/15/03		1.96%	5,007,460	5,006,665
15,000,000	02/07/03		1.29%	14,981,700	14,979,958
5,000,000	02/25/03		1.29%	4,990,850	4,990,146
5,164,000	03/05/03		1.31%	5,153,326	5,152,252
1,310,000	03/12/03		1.30%	1,306,987	1,306,714
7,000,000	04/09/03		1.36%	6,977,747	6,974,466
10,000,000	04/15/03		1.36%	10,127,270	10,126,024
5,000,000	04/15/03		2.59%	5,063,635	5,045,046
6,885,000	05/02/03		1.32%	6,857,921	6,854,916
5,000,000	06/27/03		2.06%	4,971,155	4,950,588
15,000,000	07/25/03		1.86%	14,899,695	14,845,111
5,190,000	08/15/03		1.39%	5,277,441	5,274,004
5,000,000	09/12/03		1.35%	4,957,835	4,953,433
<u>102,549,000</u>				<u>102,588,196</u>	<u>102,473,871</u>
Money Market Accounts:					
100,000,000	01/02/03	Aim STIT Government & Agency	1.36%	100,000,000	100,000,000
28,000,000	01/02/03	Federated Government Obligations	1.29%	28,000,000	28,000,000
26,956,000	01/02/03	One Group Government	1.30%	26,956,000	26,956,000
<u>154,956,000</u>				<u>154,956,000</u>	<u>154,956,000</u>
Repurchase Agreements					
50,000,000	01/02/03	First Boston Tri-Party	1.35%	50,000,000	50,000,000
15,237,887	01/02/03	UBS Warburg Tri-Party	1.27%	15,237,887	15,237,887
30,243,000	01/02/03	Bank America	1.25%	30,243,000	30,243,000
<u>95,480,887</u>				<u>95,480,887</u>	<u>95,480,887</u>
Commercial Paper:					
10,000,000	01/06/03	Triple-A One Funding Corp.	1.19%	9,998,530	9,998,056
5,500,000	01/07/03	Private Export Funding Corp.	1.57%	5,499,016	5,498,359
5,000,000	01/08/03	Jupiter Securitization Corp.	1.19%	4,998,900	4,998,707
6,500,000	01/09/03	Asset Portfolio Funding Corp.	1.52%	6,498,369	6,497,588
5,000,000	01/09/03	Variable Funding Capital Corp.	1.58%	4,998,715	4,998,067
25,000,000	01/10/03	Long Lane Master Trust IV	1.30%	24,992,450	24,991,125
10,000,000	01/10/03	Quincy Capital Corp.	1.21%	9,997,020	9,996,700
10,000,000	01/13/03	Enterprise Funding Corp.	1.29%	9,995,940	9,995,433
5,000,000	01/14/03	Variable Funding Capital Corp.	1.27%	4,997,735	4,997,581
5,000,000	01/15/03	Jupiter Securitization Corp.	1.30%	4,997,545	4,997,356
5,000,000	01/16/03	Delaware Funding Corp.	1.27%	4,997,395	4,997,229
10,000,000	01/16/03	FCAR Owner Trust I	1.26%	9,994,790	9,994,500
8,000,000	01/16/03	GovCo Incorporated	1.55%	7,995,648	7,994,600
5,000,000	01/17/03	Asset Portfolio Funding Corp.	1.32%	4,997,230	4,996,956
10,000,000	01/17/03	Delaware Funding Corp.	1.28%	9,994,420	9,994,089

(Continued)

LOUISIANA ASSET MANAGEMENT POOL
STATE OF LOUISIANA
Schedule of Investments, December 31, 2002

FACE AMOUNT	MATURITY DATE	DESCRIPTION	YIELD TO MATURITY	FAIR VALUE	AMORTIZED COST
\$7,000,000	01/17/03	GovCo Incorporated	1.58%	\$6,995,919	\$6,994,898
5,000,000	01/17/03	Market Street Funding	1.30%	4,997,165	4,997,000
15,000,000	01/17/03	Quincy Capital Corp.	1.29%	14,991,630	14,991,067
25,000,000	01/17/03	Variable Funding Capital Corp.	1.73%	24,985,825	24,980,000
5,000,000	01/21/03	Honda American Finance Corp.	1.69%	4,996,515	4,995,194
5,000,000	01/21/03	Golden Funding Corp.	1.78%	4,996,040	4,994,917
10,000,000	01/21/03	FCAR Owner Trust I	1.31%	9,993,140	9,992,500
2,266,000	01/21/03	Jupiter Securitization Corp.	1.34%	2,264,421	2,264,263
10,000,000	01/22/03	Fountain Square Comm. Corp.	1.35%	9,992,780	9,991,950
7,985,000	01/23/03	Jupiter Securitization Corp.	1.35%	7,978,852	7,978,266
2,500,000	01/23/03	MOAT Funding LLC	1.34%	2,498,120	2,497,907
10,000,000	01/23/03	Asset Portfolio Funding Corp.	1.51%	9,992,480	9,990,589
10,000,000	01/23/03	PrefCo-Preferred Receivables	1.31%	9,992,300	9,991,811
5,000,000	01/27/03	Falcon Asset Securitization Corp.	1.34%	4,995,415	4,995,089
5,000,000	01/28/03	Market Street Funding	1.35%	4,995,235	4,994,863
10,000,000	01/29/03	Fountain Square Comm. Corp.	1.32%	9,990,250	9,989,578
5,000,000	01/30/03	Jupiter Securitization Corp.	1.35%	4,984,170	4,994,482
15,000,000	01/30/03	Market Street Funding	1.32%	14,984,595	14,983,808
10,000,000	01/31/03	Enterprise Funding Corp.	1.34%	9,989,610	9,988,667
20,000,000	01/31/03	FCAR Owner Trust I	1.67%	19,979,060	19,971,833
20,000,000	02/03/03	Fountain Square Comm. Corp.	1.62%	19,977,060	19,970,117
5,000,000	02/06/03	PrefCo-Preferred Receivables	1.33%	4,993,630	4,993,300
7,022,000	02/07/03	Triple-A One Funding Corp.	1.37%	7,020,715	7,012,040
5,000,000	02/07/03	Delaware Funding Corp.	1.52%	4,993,550	4,992,138
10,319,000	02/07/03	Triple-A One Funding Corp.	1.32%	10,317,112	10,304,895
10,000,000	02/07/03	Variable Funding Capital Corp.	1.32%	9,986,900	9,986,331
15,000,000	02/11/03	Golden Funding Corp.	1.76%	14,975,160	14,969,933
8,000,000	02/14/03	Edison Asset Securitization LLC	1.69%	7,987,672	7,983,476
5,000,000	02/19/03	GovCo Incorporated	1.34%	4,991,000	4,990,881
5,000,000	02/20/03	FCAR Owner Trust I	1.79%	4,991,220	4,987,639
6,214,000	02/25/03	Edison Asset Securitization LLC	1.74%	6,189,859	6,197,576
3,000,000	02/26/03	Enterprise Funding Corp.	1.80%	2,994,132	2,991,647
5,000,000	03/06/03	GovCo Incorporated	1.35%	4,988,185	4,988,089
10,000,000	03/06/03	Long Lane Master Trust IV	1.39%	9,977,080	9,975,467
10,000,000	03/17/03	Private Export Funding Corp.	1.62%	9,973,690	9,966,667
20,461,000	03/20/03	Stellar Funding Group, Corp.	1.99%	20,401,929	20,373,827
5,000,000	03/21/03	Stellar Funding Group, Corp.	1.99%	4,985,375	4,978,494
4,840,000	03/27/03	Fountain Square Comm. Corp.	1.78%	4,825,432	4,819,887
9,000,000	04/08/03	Private Export Funding Corp.	1.70%	8,970,003	8,959,260
3,000,000	04/23/03	Private Export Funding Corp.	1.62%	2,988,438	2,985,067
3,000,000	04/28/03	GE Capital Corp.	1.76%	2,987,916	2,983,133
5,000,000	04/28/03	GE Capital Corp.	1.70%	4,979,860	4,972,375
2,985,000	04/29/03	GE Capital Corp.	1.76%	2,972,875	2,968,073
3,000,000	06/10/03	Student Loan Marketing Assoc.	2.13%	2,984,364	2,972,267
4,000,000	06/25/03	GE Capital Corp.	1.68%	3,975,832	3,967,917
5,000,000	07/02/03	Student Loan Marketing Assoc.	2.55%	5,033,785	5,001,340
<u>499,592,000</u>				<u>499,009,999</u>	<u>498,816,864</u>
<u>\$1,045,395,887</u>				<u>\$1,045,128,522</u>	<u>\$1,044,522,151</u>

(Concluded)

OTHER REPORT REQUIRED BY
GOVERNMENT AUDITING STANDARDS

The following pages contain a report on compliance with laws and regulations and on internal control 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
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June 9, 2003

Report on Compliance and on Internal Control
Over Financial Reporting Based on an Audit
of the Financial Statements

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

We have audited the basic financial statements of Louisiana Asset Management Pool (LAMP), a component unit of the State of Louisiana, as of and for the year ended December 31, 2002, and have issued our report thereon dated June 9, 2003. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether LAMP's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the 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 amounts that would be material in relation to the 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.

LEGISLATIVE AUDITOR

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

Compliance and Internal Control Report

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

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Grover C. Austin". The signature is fluid and cursive, with a large initial "G" and "A".

Grover C. Austin, CPA
First Assistant Legislative Auditor

JB:ES:PEP:ss

[LAMP02]