9816

RECEIVED

2007 JUN 28 AM 10: 56

LOUISIANA TRANSIT COMPANY, INC.

AUDITED FINANCIAL STATEMENTS, SUPPLEMENTAL INFORMATION AND REPORT ON INTERNAL CONTROL AND COMPLIANCE

Years Ended December 31, 2006 and 2005

LOUISIANA TRANSIT COMPANY, INC.

TABLE OF CONTENTS

December 31, 2006 and 2005

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CrFA*
WILSON A. LaGRAIZE, JR, CPA, CrFA
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
A Professional Accounting Corporation

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Stockholders
of Louisiana Transit Company, Inc.
Metairie, Louisiana

We have audited the accompanying balance sheet of Louisiana Transit Company, Inc. (an S corporation), as of December 31, 2005 and the related statement of income and retained earnings, and cash flows for the year then ended. In addition, we have audited the statement of net assets in liquidation as of December 31, 2006, and the related statement of changes in net assets in liquidation, and cash flows for the year ended December 31, 2006. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. 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 audits 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 audits provide a reasonable basis for our opinion.

As discussed in Note 1 to the financial statements, the Company's contract with its sole customer was terminated as of March 31, 2006. Management ceased operations and began to wind down the Company's affairs which is expected to be completed in late 2007. In accordance with accounting principles generally accepted in the United States of America, the Company has changed its basis of accounting from the going-concern basis used in presenting the 2005 financial statements to the liquidation basis used in presenting the 2006 financial statements.

As more fully described in Note 6 to the financial statements, for the year ended December 31, 2005, the Company did not determine the cost of its defined benefit pension plan in accordance with U. S. generally accepted accounting principles, which require the cost of employees' pensions to be recognized over the employees' respective service periods and a liability to be recognized when the accumulated benefit obligation exceeds the fair value of plan assets. In addition, information necessary to provide certain required disclosures with regard to the Company's defined benefit plan was not available. The effects of these departures on the financial statements were not reasonably determinable.

In our opinion, except for the matter discussed in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Transit Company, Inc., as of December 31, 2005 and the results of its operations and its cash flows for the year then ended and its net assets in liquidation as of December 31, 2006, and the changes in net assets in liquidation for the year ended December 31, 2006, in conformity with accounting principles generally accepted in the United States of America applied on the basis of accounting described in the preceding paragraph.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2007, on our consideration of Louisiana Transit Company, Inc.'s internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. 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.

Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental information on page 14 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 in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 18, 2007

LOUISIANA TRANSIT COMPANY, INC.

STATEMENT OF NET ASSETS IN LIQUIDATION
AS OF DECEMBER 31, 2006
AND BALANCE SHEET
AS OF DECEMBER 31, 2005

ASSETS

	Liquidation Basis 2006	Going-Concern Basis 2005
CURRENT ASSETS		
Cash	$ 562,764	$ 621,214
Certificate of deposit	0	100,000
Excise tax refund receivable	0	8,739
Other receivables	0	50,012
Accounts receivable - Jefferson Parish	0	122,135
Accrued interest receivable	0	1,636
Fuel inventory	0	5,069
Prepaid expenses	1,245	560,628
Deposits	596	596
TOTAL CURRENT ASSETS	564,605	1,470,029
	$ 564,605	$ 1,470,029

See Notes to the Financial Statements.

LOUISIANA TRANSIT COMPANY, INC.

STATEMENT OF NET ASSETS IN LIQUIDATION
AS OF DECEMBER 31, 2006 AND
BALANCE SHEET AS OF
DECEMBER 31, 2005 - continued

LIABILITIES AND STOCKHOLDERS' EQUITY

	Liquidation Basis 2006	Going-Concern Basis 2005
CURRENT LIABILITIES		
Accounts payable - trade	$ 4,130	$ 60,238
Accounts payable - due to Jefferson Parish	42,454	0
Accrued expenses	19,965	206,260
Notes payable	0	555,792
Reserve for tokens	0	6,882
TOTAL CURRENT LIABILITIES	66,549	829,172
COMMITMENTS		
STOCKHOLDERS' EQUITY		
Common stock, par value $100; 5,000 shares authorized, 1,750 shares issued and outstanding	175,000	175,000
Retained earnings	323,056	465,857
	498,056	640,857
	$ 564,605	$ 1,470,029

LOUISIANA TRANSIT COMPANY, INC.

STATEMENT OF CHANGES IN NET ASSETS IN LIQUIDATION
FOR THE YEAR ENDED DECEMBER 31, 2006 AND
STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED DECEMBER 31, 2005

	Liquidation Basis 2006	Going-Concern Basis 2005
OPERATING REVENUES	$ 276,434	$ 1,924,479
DIRECT COSTS	849,854	3,454,925
GROSS PROFIT (LOSS)	(573,420)	(1,530,446)
GENERAL AND ADMINISTRATIVE EXPENSES	289,631	1,725,747
OPERATING LOSS	(863,051)	(3,256,193)
OPERATING SUBSIDY	609,998	2,976,836
	(253,053)	(279,357)
OTHER INCOME		
Management fees	110,453	441,815
Other income	69,799	1,237
	180,252	443,052
NET INCOME (LOSS)	(72,801)	163,695
RETAINED EARNINGS AT BEGINNING OF YEAR	465,857	354,662
DISTRIBUTIONS TO STOCKHOLDERS	(70,000)	(52,500)
RETAINED EARNINGS AT END OF YEAR	$ 323,056	$ 465,857

See Notes to the *Financial Statements.*

LOUISIANA TRANSIT COMPANY, INC.

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	Liquidation Basis 2006	Going-Concern Basis 2005
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Net income (loss)	$ (72,801)	$ 163,695
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities		
Decrease (increase) in operating assets		
Certificate of deposit	100,000	0
Accounts receivable - other/excise tax	8,739	11,371
Accounts receivable - Jefferson Parish	122,135	(1,290)
Other receivables	50,012	(44,166)
Accrued interest receivable	1,636	(386)
Fuel inventory	5,069	1,394
Prepaid expenses	559,383	443,184
Increase (decrease) in operating liabilities		
Accounts payable - trade	(56,108)	(88,930)
Accounts payable - Jefferson Parish	42,454	0
Accrued expenses	(186,295)	(14,540)
Reserve for tokens	(6,882)	(1,117)
Refundable deposits	0	(2,000)
NET CASH PROVIDED BY OPERATING ACTIVITIES	$ 567,342	$ 467,215

See Notes to the Financial Statements.

LOUISIANA TRANSIT COMPANY, INC.

STATEMENTS OF CASH FLOWS - CONTINUED
FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	Liquidation Basis 2006	Going-Concern Basis 2005
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES		
Net reduction in notes payable to fund insurance premiums	$ (555,792)	$ (204,205)
Dividend distributions to stockholders	(70,000)	(52,500)
NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES	(625,792)	(256,705)
NET INCREASE (DECREASE) IN CASH	(58,450)	210,510
CASH AT BEGINNING OF YEAR	621,214	410,704
CASH AT END OF YEAR	$ 562,764	$ 621,214

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION

	Liquidation Basis 2006	Going-Concern Basis 2005
Cash paid during the year for:		
Interest expense - financing of insurance premiums	$ 7,800	$ 18,962

NOTE 1 - BUSINESS ACTIVITY/PLANS TO LIQUIDATE

Business Activity/Plans to Liquidate

The Company's operations consisted of managing and operating mass transit facilities and operations for the East Bank of the Parish of Jefferson, Louisiana. The Company operated under a contract with the Parish of Jefferson, Louisiana (the Parish), to provide these services (See Note 7). The Company's contract with Jefferson Parish, its sole customer, was set to expire on December 31, 2005. An extension was granted until March 31, 2006, at which time the Company's contract terminated. As a result, the Company began to wind down its affairs and begin the liquidation process which is expected to be completed in late 2007.

The winding down of Company affairs included the termination of Company contracts and obligations, including its pension plans and the collective bargaining agreement. Management plans to liquidate all assets and payoff creditors, file all regulatory reports and income tax returns, and eventually distribute dividends to shareholders of any remaining net assets. The notes to the financial statements include additional specific information regarding management's plans.

Basis of Accounting/Significant Estimates

The Company's financial statements have been presented on the liquidation basis for 2006. Generally accepted accounting principles require that financial statements of companies for which liquidation appears imminent, be presented on a liquidation basis, which presents assets at amounts expected to be realized in liquidation and liabilities at amounts expected to be paid to creditors.

Due to the nature of the Company's assets and liabilities at December 31, 2006, there are no material differences between carrying values in the liquidation basis compared to a going-concern basis. The balance of $498,056 in stockholders' equity at December 31, 2006 represents net assets *in liquidation* at December 31, 2006.

The Company's financial statements for the period December 31, 2005 were prepared on the going-concern basis of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary is presented to assist in understanding Louisiana Transit Company, Inc. (the Company's), financial statements. The financial statements and notes are representations of the Company's management, which is responsible for their integrity and objectivity. These accounting policies conform with U.S. generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The presentation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Receivables

Uncollectible accounts receivable are recognized as bad debts through the establishment of an allowance account. No allowances were established at December 31, 2006 and 2005, because all accounts receivable were considered to be collectible. The Company generally does not require collateral regarding receivables. At December 31, 2006, the Company had no receivables.

Inventory

The Company's inventory of fuel was stated at the lower of cost or market. Cost was determined by the first-in, first-out (FIFO) method.

Property, Plant and Equipment

Property, plant and equipment used by the Company were owned by the Parish, and were not included on the Company's balance sheet.

Reserve for Tokens

The Company recognized a liability for tokens sold but not redeemed. The Company periodically recognized income for the estimated value of tokens sold that management believed would not be redeemed for use. The Company recognized $5,851 and $6,882 of such revenues in 2006 and 2005, respectively.

Advertising Costs

Advertising costs were expensed as incurred. In 2006 and 2005, the Company recognized $116 and $257 respectively, of such costs which are included in general and administrative expenses.

Statement of Cash Flows

The Company considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 3 - OFF BALANCE SHEET RISK

Carrying amounts of the Company's deposits (checking accounts and certificate of deposit) were \$562,764 and \$721,214, and the bank balances were \$568,737 and \$745,284 at December 31, 2006 and December 31, 2005, respectively. Of the bank balances, \$171,655 and \$195,172 were covered by federal depository insurance and \$397,082 and \$550,112 were uninsured and uncollateralized at December 31, 2006 and December 31, 2005, respectively.

NOTE 4 - NOTES PAYABLE

Notes payable consisted of the following at December 31, 2006 and 2005.

Note payable at December 31, 2005 was \$555,792. This amount was due to First Insurance Funding Corporation bearing interest at 6.30 percent. The Company was scheduled to make nine monthly payments of principal and interest totaling \$63,387 beginning January 31, 2006 with a final payment due September 30, 2006. The note was unsecured and the proceeds were used to pay for certain 2006 insurance premiums. As of March 31, 2006, the Company eliminated the vast majority of its insurance coverage for the remainder of the year, which substantially reduced the amount of this note, and which also resulted in a corresponding reduction and/or refund of the prepaid insurance balance at December 31, 2005. The balance of the note payable at December 31, 2006 was \$0.

NOTE 5 - INCOME TAXES

The Company elected by unanimous consent of its stockholders to be taxed under the provisions of Subchapter S of the Internal Revenue Code. Under those provisions, the Company does not pay federal and state corporate income taxes on its taxable income. Instead, the stockholders are liable for individual federal and state income taxes on their respective shares of the Company's taxable income.

NOTE 6 - EMPLOYEE BENEFIT PLANS

The Company has two employee benefit plans as follows:

A.T.U. Pension Plan

The A.T.U. Pension Plan (a defined contribution money purchase pension plan) provides coverage for all hourly employees who have attained the age of 20½ years and are employed by the Company on January 1 of each year. Employees are 100 percent vested after 5 years. The employer and employee contributions are mandatory based upon the Employee Collective Bargaining Agreement. Employee contributions were 7 percent of gross pay for 2006 and 2005. Employer contributions were 13 percent of gross pay for 2006 and 2005. The Company's contributions totaled \$59,698 and \$240,694 for 2006 and 2005, respectively. In conjunction with plans to wind down the Company's

NOTE 6 - EMPLOYEE BENEFIT PLANS - Continued

affairs (See Note 1), management terminated the plan effective April 30, 2006. On June 1, 2007, the Plan received a favorable determination letter approving Plan termination. It is anticipated that participants will receive distributions of their vested balances in the fall of 2007.

Employee Benefit Plan for Salaried Employees

The Employee Benefit Plan for Salaried Employees (a defined benefit plan) provided retirement and disability benefits for all employees not covered under the A.T.U. Pension Plan who attained the age of 21 years and who had been employed by the Company for one year. Benefits accrued evenly over all years of participation at a rate of 2 percent of compensation per year up to a maximum benefit of 40 percent of compensation plus 2 percent of average compensation for each year of service from January 30, 1991, to actual retirement, up to a maximum of 20 years. The Plan was amended in 2002 to be in compliance with ERISA and Department of Labor requirements. The Company terminated the plan as of January 29, 2006, and the Company distributed Plan assets to participants in June 2006 with a final distribution in September 2006.

The amount of employer contributions, $8,699 and $151,256 in 2006 and 2005, respectively, were computed by plan actuaries using the methods of accruing benefits as described above.

For the year ended December 31, 2005, the Company was required under U.S. generally accepted accounting principles to implement Statement of Financial Accounting Standards No. 87, Statement of Financial Accounting Standards No. 132 and Statement of Financial Accounting Standards No. 132(R), with regard to the defined benefit plan described above. Under SFAS 87 the annual costs of providing for employees' pensions is to be recognized over the employees' respective service periods, and a liability is to be recognized when the accumulated benefit obligation exceeds the fair value of plan assets. In some instances, a pension plan asset is to be recognized when the fair value of plan assets exceeds the accumulated benefit obligation. Additionally, SFAS 87, SFAS 132 and SFAS 132(R) require certain disclosures regarding details on assets, obligations, cash flows, net periodic benefit costs and certain activities within the plan. Actuarial methods utilized by the Company's actuary did not conform to methods prescribed by SFAS 87, SFAS 132 and SFAS 132(R) and, as such, the information necessary for implementation of SFAS 87, SFAS 132 and SFAS 132(R) was not available. The effects of these departures from U.S. generally accepted accounting principles were therefore not reasonably determinable.

NOTE 7 - OPERATING SUBSIDY

On December 29, 1997, the Company signed a contract with the Parish to provide management services and facilities to operate the transit system for the East Bank of Jefferson Parish for the period January 1, 1998 through December 31, 2001. On September 24, 2001, the Company renewed its contract with Jefferson Parish to operate the transit system on essentially the same terms through December 31, 2005. The contract was extended through March 31, 2006, but was effectively terminated thereafter (See Note 1).

NOTE 7 - OPERATING SUBSIDY - Continued

Under these contracts, all revenues derived from operations were the property of the Parish, and reimbursements of most operating expenses were limited to predetermined maximum (budgeted) amounts. Insurance, bus parts and supplies, and fuel costs were fully reimbursed by the Parish, and certain expenses such as salaries and fringe benefits of management personnel were not reimbursed, as they were considered to be compensated through management fees paid to the Company. In addition, prior to the extension, the Company received an incentive fee of 10 percent of the difference between actual expenses incurred and related budgeted expenses included in the contract in the event that the actual expenses were less than budgeted amounts during the contract periods.

The contract also contained deductive/additive factors which allowed the Parish to appropriately reduce/increase the budget in the event of a reduction/increase in the actual service hours provided by the Company. Accordingly, the Company decreased its operating budget by a deductive factor of $41.07 per hour, for service hours less than 88,000 during the year ended December 31, 2005. For the period January 1, 2006 - March 31, 2006, the Company's expenses were reimbursed based on 25% of the budgeted expenses allowed per the 2005 contract with the Parish. As such, insurance, bus parts and supplies, and fuel costs were fully reimbursed by the Parish during this period. Subsequent to this date, the Company lost the contract and terminated all bus operations.

The Company received management fees of $110,453 and $441,815 in 2006 and 2005.

Incentive fees earned for the years ended December 31, 2006 and 2005, were $0 and $19,737, respectively.

Operating subsidies earned during the years ended December 31, 2006 and 2005, totaled $609,998 and $2,976,836, respectively, exclusive of the monthly management fees noted above.

NOTE 8 - COLLECTIVE BARGAINING AGREEMENT

The Company operated under a collective bargaining agreement with Amalgamated Transit Union, Division 1535 (Union). From February 2002 through January 31, 2006, union workers were entitled to a 4 percent wage increase each year after their first year, and a 13 percent pension contribution to be made by the Company each year through January 31, 2006. As of December 31, 2006 and 2005, 85 percent of the work force was employed under this agreement. The collective bargaining agreement was extended until March 31, 2006 and was not renewed for periods thereafter due to the non-renewal of the contract with Jefferson Parish (See Note 1).

NOTE 9 - RELATED-PARTY TRANSACTIONS

At December 31, 2006, $42,454 was due to Jefferson Parish and as of December 31, 2005, $122,135 was due from Jefferson Parish relating to the operating subsidy.

SUPPLEMENTAL INFORMATION

LOUISIANA TRANSIT COMPANY, INC.

SCHEDULES OF REVENUES AND EXPENSES

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005

	Liquidation Basis 2006	Going-Concern Basis 2005
OPERATING REVENUES		
Sales	$ 276,434	$ 1,919,137
Other	0	5,342
	$ 276,434	$ 1,924,479
DIRECT COSTS		
Fuel	$ 97,683	$ 454,991
Tires	0	2,845
Salaries and wages	469,058	1,640,176
Employee benefits	64,941	257,852
Lubrication	3,329	12,820
Insurance	178,492	919,453
Interest - insurance financing	7,800	18,962
Repairs and maintenance	28,551	147,826
	$ 849,854	$ 3,454,925
GENERAL AND ADMINISTRATIVE EXPENSES		
Salaries - officers	$ 42,914	$ 194,820
Salaries - other	0	322,107
Advertising	116	257
Automobile and truck expenses	1,456	4,778
Conventions	0	469
Contributions	50	900
Dues and subscriptions	25	549
Employee pension costs	107,587	421,700
Insurance - group health and life	0	414,223
Insurance - other	19,942	39,927
Legal and professional	41,462	43,295
Maintenance and repairs	3,703	29,101
Miscellaneous	13,980	12,683
Office	8,148	7,619
Printing	6	8,617
Safety material	574	5,521
Taxes - payroll	44,558	205,442
Taxes - other	2,577	4,352
Travel and entertainment	201	0
Utilities and telephone	2,332	5,303
VIP passes	0	4,084
	$ 289,631	$ 1,725,747

Kushner LaGraize, L.L.C.

CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS

S. DAVID KUSHNER, CPA, CrFA*
WILSON A. LaGRAIZE, JR, CPA, CrFA
ERNEST G. GELPI, CPA, CGFM
CRAIG M. FABACHER, CPA
DOUGLAS W. FINEGAN, CPA, CVA
MARY ANNE GARCIA, CPA
*A Professional Accounting Corporation

Members
American Institute of CPA's
Society of Louisiana CPA's

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Board of Directors & Stockholders
Louisiana Transit Company, Inc.
Metairie, Louisiana

We have audited the basic financial statements of Louisiana Transit Company, Inc. (the Company), as of and for the year ended December 31, 2006, and have issued our report thereon dated June 18, 2007. We conducted our audit in accordance with U.S. 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Company's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the Company's financial statements that is more than inconsequential will not be prevented or detected by the Company's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

SUITE 100 3330 WEST ESPLANADE AVENUE METAIRIE, LOUISIANA 70002 (504) 838-9991 FAX (504) 833-7971
info@kl-cpa.com • www.kl-cpa.com

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Company's basic 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, 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.*

We noted no other matters involving the internal control over financial reporting.

This report is intended for the information of management. However, this report is a matter of public record and its distribution is not limited.

Kushner LaGraize, L.L.C.

Metairie, Louisiana
June 18, 2007