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TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND

FINANCIAL REPORT

YEAR ENDED JUNE 30, 2006

With

REPORT OF CERTIFIED PUBLIC ACCOUNTANTS

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS LINE OPERATION AND MAINTENANCE FUND
FINANCIAL REPORT
YEAR ENDED JUNE 30, 2006

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THE HALFORD FIRM, PLLC

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INDEPENDENT AUDITOR'S REPORT

Honorable Mayors of the
Towns of Newellton and St. Joseph, Louisiana
Jointly Owned Gas Line Operation and
Maintenance Fund
St. Joseph, Louisiana

We have audited the accompanying financial statements of the Towns of Newellton and St. Joseph, Louisiana Jointly Owned Gas Line Operation and Maintenance Fund (the Joint Gas Line) as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the Joint Gas Line's management. Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards for financial audits contained in the *Government Auditing Standards* issued by the Comptroller General of the United States, and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Legislative Auditor and the Louisiana Society of Certified Public Accountants. 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 financial statements referred to above present fairly, in all material respects, the financial position of the Joint Gas Line, as of June 30, 2006, and the changes in its financial position and cash flows 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 our report dated December 6, 2006 on our consideration of the Joint Gas Line's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

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The management's discussion and analysis on pages 3 through 4 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 6, 2006

REQUIRED SUPPLEMENTARY INFORMATION

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA JOINTLY OWNED GAS LINE
OPERATION AND MAINTENANCE FUND (JOINT GAS LINE)
MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)
JUNE 30, 2006

As management of the Joint Gas Line, we offer readers of the Joint Gas Line financial statements this narrative overview and analysis of the financial activities of the Joint Gas Line for the fiscal year ended June 30, 2006. It is designed to assist the reader in focusing on significant financial issues, identify changes in the Joint Gas Line's financial position, and identify material deviations and individual fund issues or concerns.

Financial Highlights

- The assets of the Joint Gas Line exceeded its liabilities at the close of the most recent fiscal year by $468,135 (net assets). Of this amount $468,135 (unrestricted net assets) represents the portion of net assets which is not invested in capital assets or otherwise restricted.

- The government's total net assets increased by $46,303.

Overview of the Financial Statements

Under the provision of GASB Statement 14, The Financial Reporting Entity, the Joint Gas Line is considered a special-purpose, stand-alone unit of the local government.

This discussion and analysis is intended to serve as an introduction to the Joint Gas Line's basic financial statements. The Joint Gas Line's basic financial statements are comprised of the following components: 1) Statement of Fund Net Assets, 2) Statement of Revenues, Expenses, and Changes in Fund Net Assets, 3) Statement of Cash Flows, and 4) Notes to the Financial Statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

The Statement of Fund Net Assets presents information on all of the Joint Gas Line'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 the Joint Gas Line is improving or deteriorating.

The Statement of Revenues, Expenses, and Changes in Fund Net Assets presents information showing how the Joint Gas Line'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.

Fund Financial Statements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Joint Gas Line, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Joint Gas Line can be reported as in one category: a proprietary fund.

Proprietary funds. The Joint Gas Line maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail.

The proprietary fund financial statements can be found on page 6, 7, and 8 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements begin on page 9 of this report.

Government-wide Financial Analysis

As noted earlier, net assets serve over time as a useful indicator of a government's financial position. In the case of the Joint Gas Line, assets exceeded liabilities by approximately $468,000 at the close of the most recent fiscal year.

For the years ended June 30, 2006 and 2005, net assets changed as follows:

	2006	2005
Beginning Net Assets	$ 421,832	$ 341,708
Increase in Net Assets	46,303	80,124
Ending Net Assets	$ 468,135	$ 421,832

The following schedule presents a summary of revenues and expenses for the years ended June 30, 2006 and 2005:

	2006	2005
Revenues:		
Income		
Charges for Services	$ 681,145	$ 536,832
Other Income	43,833	52,138
Interest Income	10,314	5,012
Total	$ 735,292	$ 593,982
Expenses:		
Cost of Sales	$ 654,493	$ 449,913
Other Expenses	34,496	63,945
Total	$ 688,989	$ 513,858
Net Income	$ 46,303	$ 80,124

Business-type activities. Business-type activities increased the Joint Gas Line's net assets by approximately $46,000. The key element of this increase was activities of the gas line.

Financial Analysis of the Government's Funds

As noted earlier, the Joint Gas Line uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The focus of the Joint Gas Line's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Joint Gas Line's financing requirements.

As of the end of the current fiscal year, the Joint Gas Line's fund reported combined ending fund balances of $468,135, an increase of $46,303 in comparison with the prior year. Approximately one hundred percent of this total amount ($468,135) constitutes unreserved fund balance, which is available for spending at the Joint Gas Line's discretion.

Capital Asset and Debt Administration. The government has no capital assets nor outstanding debt.

Economic Factors and Next Year's Rates

Factors considered in planning for the Joint Gas Line's 2007 fiscal year included the impact that will be made by fluctuating gas prices. This could impact the Joint Gas Line's revenue.

Requests for Information

This financial report is designed to provide a general overview of the Joint Gas Line's finances for all of those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Mayor Edward Brown, PO Box 217, St. Joseph, LA, 71366.

BASIC FINANCIAL STATEMENTS

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS LINE OPERATIONS AND MAINTENANCE FUND
STATEMENT OF FUND NET ASSETS
JUNE 30, 2006

Assets		
Cash	$	438,631
Investments		22,653
Accounts receivable, net of allowance for doubtful accounts		21,462
Total assets		482,746
Liabilities and Fund Equity		
Liabilities		
Accounts payable		14,449
Customer deposits		162
Total liabilities		14,611
Net Assets		
Unrestricted net assets		468,135
Total liabilities and fund equity	$	482,746

The accompanying notes are an integral part of these financial statements.

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS LINE OPERATIONS AND MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
FOR THE YEAR ENDED JUNE 30, 2006

Operating Revenues:		
Charges for services	$	681,145
Other income		43,833
Total operating revenues		724,978
Cost of sales		654,493
Gross Profit from Operations		70,485
Operating Expenses:		
Salaries and wages		24,000
Payroll taxes		3,989
Leak survey		360
Legal and audit		4,000
Repair and maintenance		1,654
Other		493
Total operating expenses		34,496
Operating Income		35,989
Non-operating Revenue:		
Interest income		10,314
Change in Net Assets		46,303
Net Assets, beginning of year		421,832
Net Assets, end of year	$	468,135

The accompanying notes are an integral part of these financial statements.

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS LINE OPERATIONS AND MAINTENANCE FUND
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2006

Cash Flows From Operating Activities:		
Receipts from customers	$	723,646
Payments for employee services		(27,071)
Payments to suppliers		(654,145)
Payments for other expenses		(6,507)
Net cash provided by operating activities		35,923
Cash Flows from Investing Activities:		
Increase in investments		(555)
Interest income		10,314
Net cash provided by investing activities		9,759
Net Increase in Cash		45,682
Cash, beginning of year		392,949
Cash, end of year	$	438,631

Reconciliation of Operating Income to Net Cash Provided by Operating Activities:

Operating Income	$	35,989
Adjustments to Reconcile Operating Income to Net Cash provided by Operating Activities:		
Accounts receivable		(1,332)
Accounts payable and accrued liabilities		1,266
Total adjustments		(66)
Net Cash provided by operating activities	$	35,923

The accompanying notes are an integral part of these financial statements.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

The Town of Newellton and the Town of St. Joseph, Louisiana Jointly Owned Gas Line Operation and Maintenance Fund (the Joint Gas Line) is a joint venture of the two Northeast Louisiana towns. Its purpose is to provide natural gas to the two towns for resale to their citizens and approximately fifteen other customers in the service area. The gas is transmitted from local gas fields by way of two pipelines to the towns. The Board of Aldermen and the Mayors of the two Towns govern the Joint Line.

A. BASIS OF PRESENTATION

The accompanying financial statements of the Joint Gas Line have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

B. REPORTING ENTITY

As the municipal governing authority, for reporting purposes, the Joint Gas Line is considered a separate reporting entity. The financial reporting entity consists of (a) the primary government, the Joint Line, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Under the provisions of GASB Statement No.14, The Financial Reporting Entity, the Joint Gas Line is considered a special-purpose, stand-alone unit of local government. Both Towns share equally in the financial accountability and management, thus it cannot be a component unit of either.

C. FUND ACCOUNTING

The Joint Gas Line uses a fund to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions relating to certain government functions.

A fund is a separate accounting entity with a self-balancing set of accounts. The Joint Gas Line uses the proprietary fund for all of its operations. A description of the proprietary fund is as follows:

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Proprietary Funds

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of the net income is necessary or useful to sound financial administration. The Joint Gas Line functions as an Enterprise-type Proprietary fund to account for operations (a) where the intent of the governing body is that the cost (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided that periodic determinations of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

D. BASIS OF ACCOUNTING

The accompanying basic financial statements have been prepared in conformity with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statement - and Management's Discussion and Analysis - For State and Local Governments. Statement No. 34 establishes standards for external reporting for all state and local governmental entities which includes a Statement of Fund Net Assets, a Statement of Revenues, Expenses, and Changes in Fund Net Assets, and a Statement of Cash Flows. It also requires classifications of net assets into three components - invested in capital assets, net of related debt, restricted, and unrestricted. These classifications are defined as follows:

> Invested in capital assets, net of related debt - This component of net assets consists of capital assets net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings attributed to the acquisition, construction, or improvement of those assets.
>
> Restricted net assets - This component of net assets consists of those net assets on which constraints have been placed externally by creditors (such as through debt covenant), grantors, contributors, laws or regulations of other governments, or laws through constitutional provisions or enabling legislation.
>
> Unrestricted net assets - This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt."

The Joint Line has elected not to apply Financial Accounting Standards Board Statements and Interpretations issued since November 30, 1989 unless they are adopted by the GASB.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Proprietary funds are accounted for on a flow of economic resources measurement focus and a determination of net income and capital maintenance.

NOTE 1 – ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (CONT.)

D. BASIS OF ACCOUNTING (CONT.)

With this measurement focus, all assets and all liabilities associated with the operations of these funds are included on the balance sheet. The proprietary fund uses the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized at the time the liability is incurred.

The Joint Line distinguishes operating revenues and expense from non-operating items. Operating revenues and expenses generally result from providing services in connections with the Joint Line's principal ongoing operations. Their principal operating revenues are charges to customers for service. Customers are billed monthly for the service received during the month. Operating expenses include the cost of services and administrative expenses. All revenues not meeting this definition are reported as non-operating revenues and expenses.

For the year ended June 30, 2006, charges for these services were as follows:

1. The Towns of Newellton, Louisiana and St. Joseph, Louisiana paid rates ranging from $9.50 to $16.50 per MCF delivered.

2. All commercial and residential customers paid rates ranging from $11.00 to $16.00 per MCF delivered.

3. The Town of Waterproof, Louisiana, and the Locust Ridge Gas Company are charged $.20 and $.07 respectfully, for each MCF that they transport through the Joint Line's pipeline.

D. BUDGETS

The Joint Gas Line is not required to and does not adopt a budget.

F. CASH AND CASH EQUIVALENTS

Cash includes amounts in demand deposits, interest-bearing demand deposits, and time deposits. Cash equivalents include amounts in those time deposits and investments with maturities of 90 days or less. Under state law, the Joint Gas Line may deposit funds in demand deposits, money market accounts, or time deposits with state banks organized under Louisiana Law and national banks with principal offices in Louisiana.

G. USE OF ESTIMATES

The preparation of financial statements in accordance with 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 amount of revenue and expense during the reported period. Actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

State statutes require the Joint Line to invest surplus cash balances in obligations of the United States Treasury, time certificates of deposit, and any other federally insured investments. At June 30, 2006, the Joint Gas Line had cash and investments (book balances) as follows:

Demand deposits	$ 438,631
Time deposits	22,653
Total	$ 461,284

Under state law, federal deposit insurance or the pledge of securities owned by the fiscal agent bank must secure these deposits (or resulting bank balances). The market value of each of the pledged securities plus federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent in a holding custodial bank that is mutually acceptable to both parties.

At June 30, 2006, the Joint Gas Line had $448,923 in deposits. Of this balance, $305,329 is secured from risk by securities held by the custodial bank in the name of the fiscal agent bank. Even though the pledged securities are considered uncollateralized, Louisiana Revised Statutes 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Joint Gas Line that the fiscal agent failed to pay deposited funds upon demand.

NOTE 3 – ACCOUNTS RECEIVABLE

Trade accounts receivable at June 30, 2006 are summarized as follows:

Towns of Newellton and St. Joseph, Louisiana	$ 17,399
Other customers	6,727
Total	24,126
Less allowance for doubtful accounts	2,664
Net accounts receivable	$ 21,462

The Joint Line provides an allowance for uncollectible accounts based on evaluation of outstanding accounts receivable. The amount that is charged to the allowance account is determined by the use of historical collection data and specific account analysis. There were no bad debts in 2006.

NOTE 4 – RELATED PARTY TRANSACTIONS

The Towns of Newellton and St. Joseph, Louisiana jointly own the gas line that supplies natural gas to each of the towns. Each town purchases gas from the Joint Line for resale to their citizens. For the year ended June 30, 2006, the purchase of gas by each town was as follows:

Town of Newellton, Louisiana	$ 308,699
Town of St. Joseph, Louisiana	337,386
Total	$ 646,085

As of June 30, 2006, the amount due from each town for gas purchases was as follows:

Town of Newellton, Louisiana	$ 11,404
Town of St. Joseph, Louisiana	5,995
Total due from the Towns	$ 17,399

NOTE 5 – COMMITMENTS, CONTINGENCIES, AND CONCENTRATIONS

The Joint Gas Line purchases 100% of the natural gas it sells from Locust Ridge Gas Company. Locust Ridge Gas Company, which is owned by a private investor, has continued to supply natural gas to the Joint Line without a signed contract. At June 30, 2006 the Joint Gas Line is still in negotiations with the owner for the continuation of the supply of natural gas, but no contract has been signed by either party.

REPORT REQUIRED BY

GOVERNMENT AUDITING STANDARDS

THE HALFORD FIRM, PLLC

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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*

Honorable Mayors of the
Towns of Newellton and St. Joseph, Louisiana
Jointly Owned Gas Line Operation and
Maintenance Fund
St. Joseph, Louisiana

We have audited the financial statements of the Towns of Newellton and St. Joseph, Louisiana Jointly Owned Gas Line Operations and Maintenance Fund (the Joint Gas Line) as of and for the year ended June 30, 2006, and have issued our report thereon dated December 6, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *Louisiana Governmental Audit Guide*, issued by the Louisiana Society of Certified Public Accountants and the Louisiana Legislative Auditor.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Joint Gas Line'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. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Joint Gas Line's ability to initiate, record, process, and report financial data consistent with the assertions of management in the financial statements. Reportable conditions are described in the accompanying schedule of findings as item 06-01.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, of the reportable conditions described above, we consider item 06-01 to be a material weakness.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Joint Gas Line's financial statements are free of material misstatements, 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 noncompliance with those provisions was not the objective of our audit and, accordingly, we do not express such an opinion. The results of our test disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information of management of the Joint Gas Line and the Legislative Auditor for the State of Louisiana 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.

The Halford Firm, PLLC

Vicksburg, Mississippi
December 6, 2006

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS OPERATIONS AND MAINTENANCE FUND
SCHEDULE OF FINDINGS
JUNE 30, 2006

06-01 – Failure to Maintain Fiscal Responsibility

Finding:

We noted during our audit that the Joint Gas Line has not executed a contract with Locust Ridge Gas Company, its sole natural gas provider. This situation subjects the Towns of Newellton and St. Joseph and their respective citizens to unnecessary price vulnerability and potential service interruptions.

Recommendation:

We recommend that the Joint Gas Line negotiate, at a minimum, an annual contract with Locust Ridge Gas Company.

Management's Corrective Action Plan:

While we agree with the auditor's recommendation that there should be, at a minimum, an annual contract between the natural gas provider and the Joint Gas Line, it should be noted that a contracted natural gas rate be in the best interest of the citizens of each town and must be approved by both the St. Joseph and Newellton Boards of Aldermen. Several years ago, we attempted to negotiate a contract with the Locust Ridge Gas Company and requested the Louisiana Municipal Gas Association (LMGA) to represent us since they have expertise in such matters. Locust Ridge, however, refused to discuss the matter with the LMGA, demanding negotiations would only be with towns' personnel instead. Also, the Newellton Aldermen did not agree with the St. Joseph Aldermen that the Joint Gas Line allow the LMGA to negotiate with Locust Ridge and thus, a contract has yet to be realized. Further, Locust Ridge currently uses the natural gas pipeline owned by the Joint Gas Line to transport natural gas from gas fields located south of Tensas Parish to each town as well as the Locust Ridge Gas Plant where deliveries are made to a major natural gas pipeline located west of the Parish. Locust Ridge receives pipeline transportation fees from the gas field owners and pays the Joint Gas Line a pipeline usage fee, which may have to be negotiated annually as well. Nevertheless, we agree the towns could experience service interruptions but such interruptions would impact the Locust Ridge Gas Company operations as well.

We will inform the Aldermen of the potential risks of operating without a natural gas contract. Again, we want to ensure we contract the lowest natural gas rate available and might be able to do so by allowing the LMGA to negotiate a contract on behalf of the Joint Gas Line, looking at the possibility of using natural gas exchange contracts, or sign a contract with Locust Ridge at whatever rate offered.

TOWNS OF NEWELLTON AND ST. JOSEPH, LOUISIANA
JOINTLY OWNED GAS OPERATIONS AND MAINTENANCE FUND
SUMMARY STATUS OF PRIOR YEAR FINDINGS
JUNE 30, 2006

There were no prior year audit findings.