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LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

**FINANCIAL STATEMENTS AND REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**

June 30, 2004

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 2/2/05

CASCIO, DAVIS & SCHMIDT, LLP
Certified Public Accountants

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

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PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS**REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS**To the Board of Directors
Louisiana Gene Therapy Research Consortium, Inc.

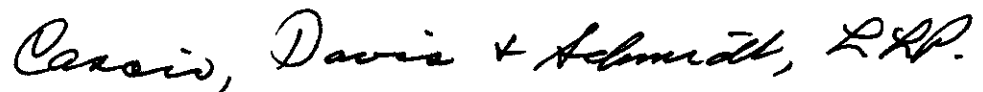
We have audited the accompanying statement of financial position of Louisiana Gene Therapy Research Consortium, Inc. (a non-profit corporation) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized information has been derived from the Consortium's 2003 financial statements and, in our report dated November 21, 2003, we expressed an unqualified opinion on those financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of Louisiana Gene Therapy Research Consortium, Inc. as of June 30, 2004, and the changes in its net assets and its 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 November 21, 2004, on our consideration of Louisiana Gene Therapy Research Consortium, 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 audit was performed for the purpose of forming an opinion on the basic financial statements of Louisiana Gene Therapy Research Consortium, Inc. taken as a whole. The accompanying combined statement of activities and the statement of expenses are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit 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.

Metairie, Louisiana
December 27, 2004

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

STATEMENT OF FINANCIAL POSITION

June 30, 2004

	ASSETS	MEMORANDUM ONLY
		<u>June 30, 2003</u>
CURRENT ASSETS		
Cash (Note A4)	\$ 841,126	\$ 836,395
Receivables (Notes A5 and B)	831,388	505,892
Prepaid expenses	<u>7,807</u>	<u>3,884</u>
Total current assets	1,680,321	1,346,171
PROPERTY AND EQUIPMENT - At cost (Note A6)		
Lab scientific equipment	10,119,695	7,672,728
Office furniture and equipment	<u>77,614</u>	<u>40,505</u>
	10,197,309	7,713,233
Less accumulated depreciation	<u>2,930,999</u>	<u>1,649,795</u>
	7,266,310	6,063,438
Construction in progress (Note D)	<u>1,901,553</u>	<u>868,131</u>
	9,167,863	6,931,569
OTHER ASSETS		
Deposits	<u>3,394</u>	<u>3,394</u>
Total assets	<u>\$ 10,851,578</u>	<u>\$ 8,281,134</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 604,409	\$ 1,002,405
Current maturities of capital lease	<u>879</u>	<u>2,667</u>
Total current liabilities	605,288	1,005,072
LONG - TERM LIABILITIES		
Capital lease payable, less current maturities (Note E)	<u>198</u>	<u>1,820</u>
Total liabilities	605,486	1,006,892
COMMITMENT (Note F)		
	-	-
NET ASSETS (Notes A2 and A3)		
Temporarily restricted	<u>10,246,092</u>	<u>7,274,242</u>
Total liabilities and net assets	<u>\$ 10,851,578</u>	<u>\$ 8,281,134</u>

The accompanying notes are an integral part of this statement.

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>TOTAL MEMORANDUM ONLY 2004</u>	<u>2003</u>
REVENUE				
Grants (Note C)	\$ -	\$ 7,064,536	\$ 7,064,536	\$ 6,490,249
Interest income		8,016	8,016	12,346
Other income	204		204	2,834
Net assets released from restrictions	<u>4,100,702</u>	<u>(4,100,702)</u>	<u>-</u>	<u>-</u>
Total Revenue	<u>4,100,906</u>	<u>2,971,850</u>	<u>7,072,756</u>	<u>6,505,429</u>
EXPENSES				
Salaries	370,404	-	370,404	252,495
Benefits & payroll taxes	105,254	-	105,254	45,364
Contract employment	47,284	-	47,284	57,185
Professional services	158,119	-	158,119	160,546
Facility expense	25,523	-	25,523	34,575
Equipment expense	2,089	-	2,089	3,421
Office expense	30,897	-	30,897	20,772
Marketing and PR expense	20,758	-	20,758	28,579
Travel	39,703	-	39,703	10,569
Business expense (Note J)	20,563	-	20,563	13,706
Program expense	16,789	-	16,789	-
Research expense	1,982,319	-	1,982,319	2,229,991
Depreciation	1,281,204	-	1,281,204	919,774
Disposal of equipment	-	-	-	1,879
Total Expenses	<u>4,100,906</u>	<u>-</u>	<u>4,100,906</u>	<u>3,778,856</u>
INCREASE IN NET ASSETS	-	2,971,850	2,971,850	2,726,573
Net assets, beginning of year	<u>-</u>	<u>7,274,242</u>	<u>7,274,242</u>	<u>4,547,669</u>
Net assets, end of year	\$ <u><u>-</u></u>	\$ <u><u>10,246,092</u></u>	\$ <u><u>10,246,092</u></u>	\$ <u><u>7,274,242</u></u>

The accompanying notes are an integral part of this statement.

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

STATEMENT OF CASH FLOWS

Year Ended June 30, 2004

CASH FLOWS FROM OPERATING ACTIVITIES		
Grant revenue	\$ 6,739,040	
Interest income	8,016	
Other income	<u>204</u>	
	6,747,260	
Payments to employees, suppliers and for research expense	(3,221,621)	
Net Cash Provided by Operating Activities		\$ 3,525,639
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of property and equipment	(3,518,241)	
Net Cash Used in Investing Activities		(3,518,241)
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on long-term lease	(2,667)	
Net Cash Used by Financing Activities		(2,667)
Net Increase in Cash and Cash Equivalents		4,731
Cash and Cash Equivalents at Beginning of Year		<u>836,395</u>
Cash and Cash Equivalents at End of Year		\$ <u>841,126</u>
 RECONCILIATION OF INCREASE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Increase in net assets		\$ 2,971,850
Adjustments to reconcile increase in net assets provided by operating activities:		
Depreciation	\$ 1,281,204	
(Increase) in operating assets:		
Accounts receivable	(325,496)	
Prepaid expenses	(3,923)	
(Decrease) in operating liabilities:		
Accounts payable	(397,996)	
Total adjustments		<u>553,789</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		\$ <u>3,525,639</u>

The accompanying notes are an integral part of this statement.

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

NOTES TO FINANCIAL STATEMENTS

June 30, 2004

NOTE A - SUMMARY OF ACCOUNTING POLICIES

A summary of the Corporation's significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Nature of Activities

Louisiana Gene Therapy Research Consortium, Inc. was incorporated April 7, 1999, and began operations in the Fall of 2000. The Corporation is a not-for-profit organization that is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

The mission of the Louisiana Genetics Research Consortium is to enable economic development throughout Louisiana based on human, agricultural, and veterinary genetics and genetherapy by strengthening basic research capacity, engaging citizens in lifelong learning activities, and expanding opportunities for stable, sustainable business growth.

The Consortium supports, leverages, and expands gene therapy research through the State of Louisiana by creating a critical mass of scientists, laboratories, and equipment as health science centers, both public and private.

In carrying out its mission, the Consortium has the following five objectives:

- Enhance and expand gene therapy research throughout Louisiana.
- Facilitate economic growth through commercialization of gene therapy innovations emerging from research institutions and through collaborations with industry.
- Provide career development, job training, and life-long learning opportunities in gene therapy, genetics, and life sciences.
- Disseminate information about the ethical, legal, and social implications of gene therapy research and development.
- Increase national and international visibility for the state, its academic institutions, and its economic development efforts.

2. Financial Statement Presentation

The Corporation's financial statements are presented in accordance with the requirements established by the Financial Accounting Standards Board (FASB) as set forth in the Statement of Financial Accounting Standards No. 117, "Financial Statements of Not-For-Profit Organizations." Accordingly, the net assets of the Corporation are reported in each of the following classes: (a) unrestricted net assets, (b) temporarily restricted net assets, and (c) permanently restricted net assets. There were no permanently restricted net assets during the year ended June 30, 2004.

3. Revenue Recognition

For financial reporting, the Corporation recognizes all contributed support as income in the period received. Contributed support is reported as unrestricted or restricted depending on the existence of donor stipulations that limit the use of the support. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified to unrestricted net assets and reported in the statement of activity as "net assets released from restrictions."

Grant revenue is recognized as it is earned in accordance with approved contracts.

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE A - SUMMARY OF ACCOUNTING POLICIES - CONTINUED

4. Cash and Cash Equivalents

At June 30, 2004, the carrying amount of the Corporation's deposits was \$841,126, and the bank balances amounted to \$1,923,913. The Corporation's agent pledges and holds securities in an amount sufficient to protect the Corporation's funds on a day to day basis.

For the purposes of the statement of cash flows, the Corporation considers all investments with original maturities of three months or less to be cash equivalents.

Generally accepted accounting principles require disclosure of fair value information about financial instruments for which it is practicable to estimate fair value, whether or not recognized in the statement of financial position. Cash and cash equivalents carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

5. Receivables

The corporation considers accounts receivable to be fully collectible since the balance consists of payments due under governmental grants. If amounts due become uncollectible, they will be charged to operations when that determination is made.

6. Property and Equipment

Louisiana Gene Therapy Research Consortium, Inc. owns the property and equipment, and follows the practice of capitalizing, at cost, all expenditures for property and equipment in excess of \$1,000. Depreciation is computed using the straight-line method over the useful lives of the assets, generally as follows:

Lab scientific equipment	7 years
Office and computer equipment	3 years
Furniture	7 years

Property and equipment acquired with grant funding during the year ended June 30, 2004 amounted to \$3,512,923. Depreciation amounted to \$1,281,204.

7. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

8. Total Columns of Combined Statements - Overview

Total columns are captioned "Memorandum Only" to indicate that they are presented only to assist with financial analysis. Data in these columns do not present financial position, results of operations or changes in financial position in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation.

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE B - RECEIVABLES

Receivables consist of the following:

	<u>2004</u>	<u>2003</u>
Grants		
Louisiana Department of Economic Development		
GMP Facility	\$ 523,423	\$ 49,517
Wirth Building Renovation	94,984	67,897
Louisiana Department of Facility Planning		
and Control (Capital grant)	-	285,686
Louisiana Cancer Research Center	212,964	102,172
Other	17	620
	\$ <u>831,388</u>	\$ <u>505,892</u>

NOTE C - GRANT REVENUE

Grant revenue consists of the following:

	<u>2004</u>	<u>2003</u>
Louisiana Board of Regents (Operating grant)	\$ 3,065,299	\$ 2,480,000
Louisiana Department of Facility Planning		
and Control (Capital grant)	2,445,095	3,142,118
Louisiana Department of Economic Development		
GMP Facility	320,086	339,112
Operating	523,423	-
Wirth Building Renovations		
Construction	<u>710,633</u>	<u>529,019</u>
	\$ <u>7,064,536</u>	\$ <u>6,490,249</u>

NOTE D - CONSTRUCTION IN PROGRESS

Louisianan Gene Therapy Research Consortium, Inc. (LGTRC) has entered into a Cooperative Endeavor Agreement with the Louisiana Department of Economic Development, Office of Business Development to fund, and with New Orleans BioInnovation Center, Inc. to provide oversight and management of interior demolition and site development of the Wirth Building, 1441 Canal Street, New Orleans.

	<u>2004</u>	<u>2003</u>	<u>Total</u>
Construction in Progress consisted of the following:			
GMP Facility	\$ 320,086	\$ 339,112	\$ 659,198
Wirth Building Renovations	<u>710,633</u>	<u>531,722</u>	<u>1,242,355</u>
	\$ <u>1,030,719</u>	\$ <u>870,834</u>	\$ <u>1,901,553</u>

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

NOTES TO FINANCIAL STATEMENTS - CONTINUED

June 30, 2004

NOTE F - COMMITMENT

The Corporation leases its administrative office under an operating lease expiring June 30, 2006, with an option to renew for six months. The following is a schedule by years of minimum rental payments:

Year ending June 30, 2005	\$ 73,508
Year ending June 30, 2006	\$ 73,508

Louisiana Cancer Research Center of LSU Health Sciences Center in New Orleans/Tulane Health Sciences Center (Louisiana Cancer Research Center) share the administrative office. Louisiana Gene Therapy Research Consortium's share of the lease rental of the \$43,615 for the year ended June 30, 2004 amounted to \$24,555.

NOTE G - RETIREMENT PLANS

As of June 30, 2004, the Corporation maintained two contributory retirement plans for its eligible employees. The plans offer employees the choice of two investment company options, Teachers Insurance and Annuity Association (TIAA) and College Retirement Equities Fund (CREF). Participating employee and Corporate contributions are immediately vested. The Corporation contributed \$26,476 to the two plans for the year ended June 30, 2004.

NOTE H - BOARD OF DIRECTORS' COMPENSATION

The Board of Directors is a voluntary board. Accordingly, no compensation was paid to any board member during the year ended June 30, 2004.

NOTE I - ECONOMIC DEPENDENCY

The Corporation received all of its revenue from funds provided through grants administered by the State of Louisiana during the year ended June 30, 2004. The grant amounts are appropriated periodically by the State of Louisiana. If significant budget cuts are made at the State level, the amount of the funds the organization receives could be reduced significantly and have an adverse impact on its operations. At the time of completion of the examination of the Corporation's financial statements, management was not aware of any actions taken that would adversely affect the amount of funds the organization will receive in the next fiscal year.

SUPPLEMENTAL INFORMATION

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

COMBINED STATEMENT OF ACTIVITIES

Year Ended June 30, 2004

	Operating Grant	Capital Outlay Grant	GMP Facility	Wirth Building Renovations	Property and Equipment	Total
REVENUE						
Grants	\$ 3,065,299	\$ 2,445,095	\$ 843,509	\$ 710,633	\$ -	\$ 7,064,536
Interest income	8,016	-	-	-	-	8,016
Other income	204	-	-	-	-	204
Total Revenue	<u>3,073,519</u>	<u>2,445,095</u>	<u>843,509</u>	<u>710,633</u>	<u>-</u>	<u>7,072,756</u>
EXPENSES						
Salaries	120,127		250,277			370,404
Benefits and payroll taxes	30,534		74,720			105,254
Contract employment	47,284		-			47,284
Professional services	81,772		76,347			158,119
Facility expense	4,980		20,543			25,523
Equipment expense	1,222		867			2,089
Office expense	12,839		18,058			30,897
Marketing	1,585		19,173			20,758
Travel	12,741		26,962			39,703
Business expense	11,991		8,572			20,563
Program expense	16,789		-			16,789
Research expense	1,982,319		-			1,982,319
Depreciation expense	-		-		1,281,204	1,281,204
Total expenses	<u>2,324,183</u>	<u>-</u>	<u>495,519</u>	<u>710,633</u>	<u>1,281,204</u>	<u>4,100,906</u>
Increase (decrease) in net assets	(749,336)	2,445,095	347,990	710,633	(1,281,204)	2,971,850
Property and equipment capitalized						
Construction in progress	(1,955)	(2,445,095)	(320,086)	(710,633)	3,475,814	-
Office equipment	-	-	(35,154)	-	37,109	-
Transfers to/from operating grant	(7,250)	-	7,250	-	-	-
Net assets, beginning of year	<u>342,673</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,931,569</u>	<u>7,274,242</u>
Net assets, end of year	<u>\$ 1,082,804</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,163,288</u>	<u>\$ 10,246,092</u>

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

STATEMENT OF EXPENSES

June 30, 2004

Salaries	\$ <u>370,404</u>	\$ <u>252,495</u>
Benefits and payroll taxes		
Health insurance	27,282	9,932
Life and disability expenses	1,183	375
Retirement benefits	26,476	19,163
Payroll taxes	25,671	12,358
Parking	3,692	1,195
Dental insurance	991	203
Workers comp insurance	2,306	859
Payroll processing	530	1,279
	<u>17,123</u>	<u>524</u>
	<u>105,254</u>	<u>45,888</u>
Contract Services		
Intern Stipends	11,040	16,120
Other	<u>36,244</u>	<u>41,065</u>
	<u>47,284</u>	<u>57,185</u>
Professional Services		
Legal	13,036	37,579
Accounting	17,873	13,204
Procurement	36,000	36,000
Recruitment	42,332	360
Consultants	<u>48,878</u>	<u>73,403</u>
	<u>158,119</u>	<u>160,546</u>
Facility expense		
Lease and utilities	24,555	33,594
Maintenance	576	411
Insurance, property	<u>392</u>	<u>570</u>
	<u>25,523</u>	<u>34,575</u>
Equipment expense		
Lease	270	540
Maintenance and repairs	1,512	2,791
Small item purchases	168	294
Storage/Delivery	63	101
Interest expense	76	695
Other	-	879
	<u>2,089</u>	<u>5,300</u>
Office expense		
Office and computer supplies	12,632	5,082
Telephone and fax	6,618	3,953
Internet	1,169	3,615
Postage/Shipping	1,307	725
Printing	6,770	6,462
Administrative fees	1,410	699
Other	991	236
	<u>30,897</u>	<u>20,772</u>

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

STATEMENT OF EXPENSES - Continued

June 30, 2004

Marketing and PR expense		
Materials	6,055	16,312
Trade shows	14,618	12,037
Other	85	230
	<u>20,758</u>	<u>28,579</u>
Travel		
Mileage and parking	1,853	896
General travel	34,660	8,501
Travel meals	3,190	648
	<u>39,703</u>	<u>10,045</u>
Business expenses		
General meetings/meals	6,247	2,519
Board meetings	1,217	808
Conferences and workshops	3,116	3,154
Staff recruiting	1,081	1,010
Membership dues	888	3,306
Subscriptions/Publications	4,641	468
Insurance, business	3,373	2,441
	<u>20,563</u>	<u>13,706</u>
Program expense		
Education	<u>16,789</u>	<u>-</u>
Research expense		
Personnel	975,600	1,242,905
Supplies	619,419	583,838
Other research expenses	387,300	403,248
	<u>1,982,319</u>	<u>2,229,991</u>
Depreciation expense	<u>1,281,204</u>	<u>919,774</u>
TOTAL EXPENSES	<u>\$ 4,100,906</u>	<u>\$ 3,778,856</u>

FRANCIS J. CASCIO, CPA
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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED
PUBLIC ACCOUNTANTS
SOCIETY OF LOUISIANA CERTIFIED
PUBLIC ACCOUNTANTS

**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Louisiana Gene Therapy Research Consortium, Inc.

We have audited the financial statements of Louisiana Gene Therapy Research Consortium, Inc. (a non-profit corporation) as of and for the year ended June 30, 2004, and have issued our report thereon dated December 27, 2004. 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 Louisiana Gene Therapy Research Consortium, Inc.'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 Louisiana Gene Therapy Research Consortium, Inc.'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.

This report is intended for the information and use of the audit committee, management, others within the organization, the Louisiana Legislative Auditor, federal awarding agencies and pass-through entities 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.

Cascio, Davis & Schmidt, LLP.

Metairie, Louisiana
December 27, 2004

LOUISIANA GENE THERAPY RESEARCH CONSORTIUM, INC.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Year ended June 30, 2004

AUDIT FINDINGS

There were no prior year or current year audit findings.

QUESTIONED COSTS

There were no questioned costs.

MANAGEMENT LETTER

A management letter was not issued for the year ended June 30, 2004.