

FAME Assistance Corporation

**Report on the Audit of Immediate Needs Transportation Program (INTP)
by FAME Assistance Corporation under
its Memorandum of Understanding No. MOU. P00FAC8
with the Los Angeles County Metropolitan Transportation Authority**

**As of and for the Years Ended June 30, 2016 and 2015
with Independent Auditor's Report**



Simpson & Simpson, LLP
Certified Public Accountants

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
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FINANCIAL SECTION



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Independent Auditor's Report

To FAME Assistance Corporation and the
Los Angeles County Metropolitan Transportation Authority

Report on the Financial Statements

We have audited the accompanying financial statements of the **Immediate Needs Transportation Program (the Program) by the FAME Assistance Corporation (FAC)**, a not-for-profit organization, funded by the Los Angeles County Metropolitan Transportation Authority (LACTMA), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Immediate Needs Transportation Program by FAME Assistance Corporation, Inc. as of June 30, 2016, 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.

Other Matter

The financial statements of the Immediate Needs Transportation Program as of and for the year ended June 30, 2015, were audited by other auditors, whose report, dated May 23, 2016, expressed an unmodified opinion on those statements.

Emphasis of Matter

As discussed in Note 3, the financial statements present only the Immediate Needs Transportation Program, and do not purport to, and do not present fairly FAC's financial position as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements taken as a whole. The schedules of taxi companies with payment data and outstanding payables to taxi companies (Schedules) are presented for the purpose of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 28, 2017 on our consideration of FAC's internal control over financial reporting and on 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FAC's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Simpson & Simpson".

February 28, 2017
Los Angeles, California

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Statements of Financial Position**

		June 30	
		2016	2015
ASSETS			
Accounts receivable	\$	160,028	\$ 126,946
Due from FAC		-	278,495
Total Assets	\$	<u>160,028</u>	<u>\$ 405,441</u>
LIABILITIES AND NET ASSETS			
Liabilities			
Accounts payable	\$	104,328	\$ 405,441
Due to FAC		55,700	-
		<u>160,028</u>	<u>405,441</u>
Net assets		<u>-</u>	<u>-</u>
Total liabilities and net assets	\$	<u>160,028</u>	<u>\$ 405,441</u>

The accompanying notes are an integral part of the financial statements

FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Statements of Activities

		Years Ended June 30	
		2016	2015
REVENUES			
Grant revenue	\$	2,351,766	\$ 2,390,110
Contribution from FAC		3,716	72,120
Total revenues		2,355,482	2,462,230
EXPENDITURES			
Program expenses			
Tokens		1,412,250	1,413,500
Taxi voucher		614,522	663,360
Printing		19,589	16,647
Total program expenses		2,046,362	2,093,507
Administrative expenses			
Salaries and wages		208,403	223,392
Employee benefits		36,902	39,879
Payroll taxes		17,180	20,438
Facility cost		16,919	16,695
Allocated indirect costs		9,635	39,158
Telephone		7,428	7,059
Printing and postage		5,853	728
Consultants and purchased services		1,886	6,002
Insurance		1,675	3,499
Purchased/Leased equipment		1,361	3,075
Supplies		952	2,669
Travel, conference and dues		881	598
Security		36	1,289
Repairs and maintenance		11	385
Utilities		-	3,857
Total administrative expenses		309,121	368,723
Total expenses		2,355,482	2,462,230
Change in net assets		-	-
Net assets at beginning of year		-	-
Net assets at end of year	\$	<u>-</u>	\$ <u>-</u>

The accompanying notes are an integral part of the financial statements

FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Statements of Cash Flows

	Years ended June 30	
	2016	2015
Cash from operating activities		
Change in net assets	\$ -	\$ -
Adjustment to reconcile change in net asset to net cash provided by (used in) operating activities:		
change in operating assets and liabilities		
Accounts receivable	(33,082)	60,475
Accounts payable	(301,113)	(55,052)
Net cash provided by (used in) operating activities	(334,195)	5,423
Cash from financing activities		
Due from FAC	278,495	(5,423)
Due to FAC	55,700	-
Net cash provided by (used in) financing activities	334,195	(5,423)
Change in cash		
Cash		
Beginning of year	-	-
End of year	\$ -	\$ -

The accompanying notes are an integral part of the financial statements

FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Notes to Financial Statements
June 30, 2016 and 2015

NOTE 1 – BACKGROUND

The Immediate Needs Transportation Program (INTP) was created in 1992 upon a cooperative partnership with FAME Assistance Corporation (FAC) and the International Institute of Los Angeles (IILA). The purpose of the INTP is to provide supplemental transportation assistance to meet the basic needs of individuals in the Los Angeles County with limited resources. The Los Angeles County Metropolitan Transportation Authority (LACTMA) provides funding for this program under separate MOUs by FAC and IILA with LACMTA.

FAC and IILA make the service available throughout the Los Angeles County through a wide range of not-for-profit and government agencies that distribute taxi coupons and tokens/scrips to their respective clients who meet certain eligibility requirements.

INTP provides three types of transportation subsidies: transit tokens/scrips, \$11 taxi coupons and variable value vouchers.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

Accounts are maintained using the accrual basis of accounting for financial reporting purposes, which recognize income in the period earned and expenses when incurred, regardless of the timing of payments.

Revenue Recognition

Revenue is recognized on an accrual basis as earned according to the provisions of its contract with LACMTA. Under the contract, LACMTA will reimburse FAC for all costs incurred by FAC in the performance of the program up to a certain amount annually approved by LACMTA (see Note 5).

NOTE 3 – REPORTING ENTITY

The financial statements present only the financial position and results of operations of the INTP, and do not purport to, and do not present fairly the FAC's financial position as of June 30, 2016 and 2015, and the changes in its financial position and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

NOTE 4 – DUE TO AND DUE FROM FAC

FAC advances money to fund the operating expenses of the INTP, except for amounts payables to the taxi companies. Monthly, FAC sends an invoice to LACMTA to seek reimbursement for expenses incurred by FAC for operating the INTP. During the years ended June 30, 2016 and 2015, there were liabilities to the taxi companies that were not yet paid by FAC but already billed to LACMTA. At June 30, 2016 and 2015, the amount due to FAC was \$55,700 and due from FAC was \$278,495, respectively.

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Notes to Financial Statements
June 30, 2016 and 2015**

NOTE 5 – ALLOCATION FOR THE YEAR

On the Amendment No. 1 Agreement dated July 1, 2015, the LACMTA Board of Directors authorized a not-to-exceed amount of \$325,000 for administrative costs and a not-to-exceed amount of \$2,175,000 for transportation fare media costs. Any expenditures exceeding the total contract amount for a particular fiscal year shall be the sole responsibility of FAC.

Expenses presented in the Statements of Activities represent reimbursements received from LACMTA of the total expenses incurred by FAC on the INTP.

NOTE 6 – INTP COMPLIANCE REQUIREMENTS

The INTP is governed by the provisions of the Memorandum of Understanding between LACMTA and FAC, and INTP Operating Guidelines (collectively, the Guidelines). The Guidelines provide, among other requirements, that transportation subsidies be distributed to Los Angeles County residents living below poverty level and who will use the subsidy for trips pertaining to job search, medical needs and other purposes deemed appropriate under the Guidelines.

NOTE 7 – GENERAL AND ADMINISTRATIVE COSTS

General and administrative costs are allocated to programs based on payroll hours of employees who worked directly on the programs.

NOTE 8 – SUBSEQUENT EVENTS

FAC has evaluated events through February 28, 2017, the date the financial statements were available to be issued, and concluded no events have occurred that require disclosure or adjustment to the financial statements.

FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Supplementary Information
Schedule of Taxi Companies with Payment Data
Year ended June 30, 2016

Taxi Company	Taxi Coupons	Variable Value Vouchers	Total
Administrative Services Co-op.	\$ 108,224	\$ 265,940	\$ 374,164
All Yellow Taxi Inc.	2,797	120	2,917
Bell Cab Co-op	124,746	2,900	127,646
Best Taxi and Delivery Service, LLC	132	-	132
Beverly Hills Cab Co.	4,611	1,858	6,470
G&S Transit Management, Inc.	650	696	1,346
Gorgee Enterprises, Inc.	54	274	329
Green Valley Cab Inc.	2,596	3,125	5,720
Independent Taxi Owners	11,630	31,725	43,355
JR Taxi Services Inc.	4,816	-	4,816
LA Check Cab Co-op	4,215	1,818	6,033
LA City Cab Co-op	1,021	535	1,556
Tri City Transportation and System, Inc. EM	86	-	86
Tri City Transportation and System, Inc. SV	415	1,292	1,707
United Independent Taxi Drivers	27,054	10,452	37,506
United Taxi of the Southern, Inc.	500	240	740
Total	\$ 293,546	\$ 320,976	\$ 614,522

See accompanying independent auditor's report

FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Supplementary Information
Outstanding Payables to Taxi Companies
Year ended June 30, 2016

Taxi Company	0-30 Days	31-60 Days	Total
Admin Services	\$ 31,103	\$ 31,715	\$ 62,818
All Yellow Taxi Inc.	253	324	577
Bell Cab Co.	11,421	10,883	22,304
Best Taxi and Delivery Service	44	22	66
Beverly Hills Cab Co.	630	523	1,153
Blue & Yellow Taxi	490	432	921
G&S Transit Management	45	23	68
Gorgee Enterprises	84	-	84
Green Valley Cab Inc.	-	521	521
Independent Taxi Owners	7,538	915	8,454
JR Taxi Services Inc.	351	394	746
LA City Cab Co.	72	119	191
Tri City - Sun Valley	142	144	286
United Independent Taxi Co.	2,937	3,090	6,027
United Taxi of the Southern	65	48	112
Total	\$ 55,175	\$ 49,153	\$ 104,328

See accompanying independent auditor's report



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**Independent Auditor's 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 FAME Assistance Corporation and the
Los Angeles County Metropolitan Transportation Authority**

Report on Compliance

We have audited, in accordance with the 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, the financial statements of the **Immediate Needs Transportation Program (INTP) (the Program) by the FAME Assistance Corporation, Inc. (FAC)**, a not-for-profit organization, funded by the Los Angeles County Metropolitan Transportation Authority (LACMTA), which comprise the statement of financial position as of June 30, 2016, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 28, 2017.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered FAC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of FAC's internal control. Accordingly, we do not express an opinion on the effectiveness of FAC's internal control.

A *deficiency in internal control* 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 and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Program's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Simpson & Simpson".

Los Angeles, California
February 28, 2017

COMPLIANCE SECTION



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Independent Auditor's Report on Compliance

To FAME Assistance Corporation, Inc. and the
Los Angeles County Metropolitan Transportation Authority
Report on Compliance

We have audited the compliance of the **FAME Assistance Corporation, Inc. (FAC)** with the Memorandum of Understanding No. MOU. P000FAC8 and the Immediate Needs Transportation Program (INTP) Operating Guidelines (collectively, the Guidelines) for the year ended June 30, 2016.

Management's Responsibility

Management is responsible for FAC's compliance with the Guidelines.

Auditor's Responsibility

Our responsibility is to express an opinion on FAC's compliance based on our audit. We conducted our audit in accordance with the 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 Guidelines. Those standards and the Guidelines require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the Guidelines referred to above that could have a direct and material effect on the INTP Program occurred. An audit includes examining, on a test basis, evidence about FAC's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance with the Guidelines. However, our audit does not provide a legal determination on FAC's compliance with the Guidelines.

Opinion

In our opinion, FAME Assistance Corporation, Inc. complied, in all material respects, with the compliance requirements of the Guidelines for the year ended June 30, 2016.



Report on Internal Control over Compliance

Management of FAME Assistance Corporation, Inc. is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered FAC's internal control over compliance to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of FAC's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that a material noncompliance will not be prevented, or detected and corrected on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we considered to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing. Accordingly, this report is not suitable for any other purpose.

A handwritten signature in cursive script, reading 'Simpson & Simpson'.

Los Angeles, California
February 28, 2017

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Schedule of Findings sand Recommendations
Year ended June 30, 2016**

There were no reportable findings noted during the fiscal year ended June 30, 2016.

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2016**

Finding No. 2015-001 – Unallowable Expenses

Criteria or Specific Requirement

OMB Circular A-122 provides the principles for determining the cost applicable to work performed by nonprofit organizations under contracts with the government. Under OMB Circular A-122, the factors affecting allowability of costs are the following:

- Be reasonable for the performance of the award and allocable.
- Conform to any limitations or exclusions set forth in the award as to types or amount of cost items.
- Be consistent with policies and procedures.
- Be accorded consistent treatment.
- Be determined in accordance with generally accepted accounting principles.
- Not be included as a cost or used to meet cost sharing or matching requirements.
- Be adequately documented.

Condition

The following costs totaling \$27,908 are questionable for having been charged to the program for the reasons cited below. However, FAC receives a fixed fee for the administration of INTP and is not reimbursed based on expenses.

Depreciation - \$14,231

FAC allocated a portion of its depreciation expenses to the INTP totaling \$16,195. Based on the depreciation schedule, the amount included depreciation of FAC's buildings. However, FAC also charged facility rent to the program for the use of its office spaces in the building. This is considered a duplication of expenses that was charged to the program. The amount of building depreciation expenses that was charged to INTP totaled \$14,231.

Indirect Costs (Management Fees) - \$10,902

FAC charged monthly fees to manage the program. However, FAC also charged directly to the program a portion of the salaries of its executive management such as the President and Chief Executive Officer, Chief Financial Officer, and the Human Resources Director. This is considered a duplication of salary charges.

Interest - \$2,039

FAC allocates 9.4% of its interest expenses to the program. Under A-122, costs incurred for interest on borrowed capital or the use of the nonprofit organization's own funds, however represented, are unallowable.

Consultants - \$736

A consultant's fee amounting to \$736 who spent time working on FAC's EDA micro loan audit was charged to the INTP program.

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2016**

Finding No. 2015-001 – Unallowable Expenses (Continued)

Effect

FAC incurred more administrative expenses in fiscal year 2014/2015. The net administrative expenses of \$340,815 (\$368,723 total administrative expenses identified by FAC minus \$27,908 of unallowable costs) are greater than the fixed fee for administration of \$325,000 paid by Metro. Although these costs were unallowable, FAC did not overbill LACMTA.

Recommendation

FAC should determine allowability of expenses prior to billing the program to avoid being questioned or disallowed by LACMTA.

Views of Responsible Officials and Planned Corrective Action

We agree with the audit finding that our Agency incurred more administrative expenses for the fiscal year 2014/2015. Some of these expense, have been identified to be unallowable: Depreciation, indirect cost (management fees), and Interest, for a total of \$27,908. Although, this did not make any difference in total expenses that FAC billed to LACMTA, we have made the following changes for those unallowable expenses as of May 16, 2016:

- 1.) FAC no longer booked depreciation, indirect cost (management fees), and interest in the Program; and
- 2.) Any accumulated amounts for the current fiscal year have been reclassified to other cost centers.

Status

Implemented

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Schedule of Prior Year Findings and Recommendations
Year ended June 30, 2016**

Finding 2015-002 – Cash Management

Criteria or Specific Requirement

Under the Immediate Needs Transportation Program (INTP) agreement between LACMTA and FAC, FAC shall act as the administrator and coordinator of INTP within the designated area. FAC shall be reimbursed by LACMTA for the administrative services and subsidies provided by FAC to operate INTP.

While not specifically stipulated in the MOU, most government grants require for expenses to be paid with grantee funds before requesting for reimbursement or for those under the cash advance method, to minimize the lapse of time from the receipt of funds to the actual disbursement.

Condition

The accounts payable aged invoice report to the taxi companies as of June 30, 2015 shows that there were amounts that were past due for more than 90 days.

As of June 30, 2015, the total amount due to the taxi companies amounted to \$405,441 and, of this amount, a total of \$261,215 has been outstanding for more than 90 days.

Effect

The taxi companies may not continue their services with the INTP which will reduce the number of eligible taxi companies resulting to delays in servicing the INTP recipients.

Recommendation

We suggest that FAC promptly settle its liabilities to the taxi companies to comply with the cash management compliance requirement.

Views of Responsible Officials and Planned Corrective Action

FAC settled these liabilities with most of the cab companies as of December 31, 2015. As of May 19, 2016, there is a remaining outstanding balance of \$100,707 that is owed to one cab company (Administrative Services Co-op). FAC has an agreement with the cab company to settle the liability by end of June 2016.

Status

Implemented

EXIT CONFERENCE

**FAME Assistance Corporation
Immediate Needs Transportation Program (INTP)
Exit Conference
Year ended June 30, 2016**

An exit conference was held on February 28, 2017 with the FAME Assistance Corporation, Inc.'s representatives. Those in attendance were:

Simpson & Simpson CPAs representatives

Tiayun Sun – Auditor

FAC representatives:

Solon Escobar – Chief Financial Officer

Azim Popatia – Staff Accountant

Matters discussed:

Results of the audit disclosed issues of noncompliance with the Guidelines.

A copy of this report was forwarded to the following FAC representatives for comments prior to the issuance of the final report:

Solon Escobar – Chief Financial Officer

Azim Popatia – Staff Accountant