

FAME Assistance Corporation

**Report on the Low Income Fare is Easy (LIFE) Program
Administered by FAME Assistance Corporation under
its Contract No. PS60564000A
with the Los Angeles County Metropolitan Transportation Authority**

**As of and for the Year Ended June 30, 2024
with Independent Auditor's Report**



**Simpson & Simpson, LLP
Certified Public Accountants**

**FAME Assistance Corporation
Low Income Fare is Easy (LIFE) Program
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FINANCIAL SECTION



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
BRAINARD C. SIMPSON, CPA
MELBA W. SIMPSON, CPA

Independent Auditor's Report

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

Disclaimer of Opinion

We were engaged to audit the financial statements of the **Low Income Fare is Easy (LIFE) Program, prepared by FAME Assistance Corporation (FAC)**, a not-for-profit organization, funded by the Los Angeles County Metropolitan Transportation Authority (Metro), which comprise the statement of financial position as of June 30, 2024, and the related statements of activities, and cash flows for the years then ended, and the related notes to the financial statements.

We do not express an opinion on the accompanying financial statements. Due to the matters described in the Basis for Disclaimer of Opinion section of this report, we were unable to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on the financial statements.

Basis for Disclaimer of Opinion

On May 1, 2024, FAME Assistance Corporation **filed for Chapter 7 bankruptcy**, resulting in the cessation of program operations, financial reporting activities, and administrative functions. Following the bankruptcy filing, all staff responsible for financial reporting were laid off, and key financial records necessary for the audit were unavailable. Additionally, the Bankruptcy Trustee formally requested that the audit be waived, and no assistance was provided to support the audit process.

Because of the significance of these matters, we were unable to obtain sufficient and appropriate audit evidence, and the financial statements have not been presented in this report.

Explanatory Paragraph

As a result of the matters described above, including the unavailability of financial records and the cessation of operations following the bankruptcy filing, the financial statements for the fiscal year ended June 30, 2024, have not been prepared or presented. This report is issued solely to describe the scope limitations encountered and the resultant disclaimer of opinion.





Responsibilities of Management for the Financial Statements

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

In the current year, due to FAC's bankruptcy and the cessation of its operations, management was unable to prepare or provide the financial statements for the fiscal year ended June 30, 2024. As such, the accompanying financial statements are excluded from this report.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit in accordance with auditing standards generally accepted in the United States of America and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of this report, we were not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion, and the financial statements have not been presented. As such, we do not express an opinion on the financial statements.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. However, as the financial statements for the fiscal year ended June 30, 2024 have not been presented, no supplementary information is provided in this report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we are required to report 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. However, due to the unavailability of financial records and the cessation of operations following FAC's Chapter 7 bankruptcy filing, we were unable to perform these procedures.

A handwritten signature in cursive script that reads "Simpson & Simpson".

Los Angeles, California
January 31, 2025

**FAME Assistance Corporation
Low Income Fare is Easy (LIFE) Program
Explanatory Notes in Lieu of Financial Statements
For the Fiscal Year Ended June 30, 2024**

NOTE 1 – BACKGROUND AND IMPACT OF BANKRUPTCY

The Low Income Fare is Easy (LIFE) Program was approved by Metro’s Board of Directors in May 2017 to provide transportation assistance to low-income and transit dependent riders of Los Angeles County.

FAME Assistance Corporation (FAC), a not-for-profit organization, administered the LIFE Program under Contract No. PS60564000A with Metro. The LIFE Program provided transportation subsidies through a wide range of not-for-profit and government agencies across Los Angeles County. LIFE transportation subsidies were offered in the form of discounts toward purchase of transit passes, 20 regional rides loaded onto participants’ TAP cards, 4-Ride paper tickets, taxi coupons, and variable value vouchers (VVs).

On May 1, 2024, FAME Assistance Corporation filed for Chapter 7 bankruptcy, resulting in the cessation of all program operations, financial reporting, and administrative functions. Following the bankruptcy filing, all staff responsible for financial management and program oversight were laid off, and key financial records became unavailable.

Due to the unavailability of financial documentation and staff, the financial statements for the fiscal year ended June 30, 2024, have not been presented in this report. Consequently, the accompanying audit report includes a disclaimer of opinion due to the inability to obtain sufficient and appropriate audit evidence.

NOTE 2 – LIFE PROGRAM FUNDING FOR FISCAL YEAR 2024

During the fiscal year ended June 30, 2024, FAC received \$1,227,364 in funding from Metro under Contract No. PS60564000A for the administration of the LIFE Program.

However, due to FAC’s Chapter 7 bankruptcy filing and the subsequent cessation of operations, the auditors were unable to verify the use, allocation, or disbursement of these funds.



SIMPSON & SIMPSON
CERTIFIED PUBLIC ACCOUNTANTS

FOUNDING PARTNERS
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MELBA W. SIMPSON, CPA

**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

Disclaimer of Opinion on Internal Control Over Financial Reporting and Compliance

We were engaged to audit the financial statements of the **Low Income Fare is Easy (LIFE) Program, administered by FAME Assistance Corporation (FAC)**, for the fiscal year ended June 30, 2024. As described in our Independent Auditor's Report on the financial statements, we issued our disclaimer of opinion due to the inability to obtain sufficient and appropriate audit evidence.

Because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were unable to obtain sufficient and appropriate audit evidence to express an opinion on the effectiveness of FAC's internal control over financial reporting and its compliance with applicable laws, regulations, contracts, and grant agreements.

Purpose of this Report

The purpose of this report is solely to describe the scope of our consideration of internal control over financial reporting and compliance, and the results of that consideration. This report does not provide an opinion on the effectiveness of FAC's internal control and its compliance with applicable requirements.

This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering FAC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Los Angeles, California
January 31, 2025

COMPLIANCE SECTION



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Independent Auditor's Report On Compliance and On Internal Control Over Compliance Required by the Guidelines

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

Disclaimer of Opinion on Compliance

We were engaged to audit **FAME Assistance Corporation's (FAC)** compliance with the Contract No. PS60564000A and the Low Income Fare is Easy (LIFE) Operating Guidelines (collectively, the Guidelines) for the fiscal year ended June 30, 2024.

However, due to the matters described in the Basis for Disclaimer of Opinion section of our financial statement report, including FAC's Chapter 7 bankruptcy filing and the unavailability of financial and programmatic records, we were unable to obtain sufficient and appropriate audit evidence to express an opinion on FAC's compliance with the LIFE Program requirements.

Responsibility of Management for Compliance

Management is responsible for the FAC's compliance with the Guidelines and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statues, regulations, rules, and provisions of contracts or program agreements applicable to the FAC's Low Income Fare is Easy (LIFE) Program.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the FAC's compliance based on our audit. However, due to the scope limitations described above, we were unable to obtain sufficient and appropriate audit evidence and, therefore, do not express an opinion on FAC's compliance for the fiscal year ended June 30, 2024.

Purpose of This Report

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

Los Angeles, California
January 31, 2025