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FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
COMPILED FINANCIAL STATEMENTS
TOGETHER WITH
INDEPENDENT ACCOUNTANTS' REPORT
FOR THE YEAR ENDED 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 2-16-05

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Member
American Institute of
Certified Public Accountants
Society of Louisiana
Certified Public Accountants

Michael B. Bruno, CPA
Alcide J. Tervalon, Jr., CPA
Waldo J. Moret, Jr., CPA
Paul K. Andoh, Sr., CPA

INDEPENDENT ACCOUNTANTS' REPORT

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

We have compiled the accompanying statement of financial position of **Family Advocacy and Neighborhood Services, Inc. (FANS)** (a not-for-profit corporation) as of June 30, 2004, and the related statements of activities and cash flows for the year then ended, and the accompanying supplementary schedule of functional expenses, which is presented only for supplementary analysis purposes, in accordance with the *Statements on Standards for Accounting and Review Services* issued by the American Institute of Certified Public Accountants.

A compilation is limited to presenting in the form of financial statements and supplementary schedule, information that is the representation of management. We have not audited or reviewed the accompanying financial statements and supplementary schedule and, accordingly, do not express an opinion or any other form or assurance on them.

The accompanying financial statements have been prepared assuming that **FANS** will continue as a going concern. **FANS** has experienced changes in net deficits of \$(28,317) and \$(25,970) for the years ended June 30, 2004 and 2003 and has a net deficit of \$(63,597) at June 30, 2004. These conditions raise substantial doubt about **FANS'** ability to continue as a going concern. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

In accordance with the *Louisiana Governmental Audit Guide* and the provisions of state law, we have issued a report, dated January 25, 2005, on the results of our agreed-upon procedures.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

January 25, 2005

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2004

ASSETS

Cash	\$ 12,957
Grants receivable	33,137
Property and equipment, net (NOTES 2 AND 3)	<u>26,093</u>
 Total assets	 <u>\$ 72,187</u>

LIABILITIES AND NET DEFICITS

Liabilities:	
Accounts payable and accrued liabilities	\$ 49,325
Deferred revenue	15,427
Notes payable (NOTE 3)	<u>71,032</u>
 Total liabilities	 <u>135,784</u>
 Net deficits:	
Unrestricted (NOTE 1)	<u>(63,597)</u>
 Total net deficits	 <u>(63,597)</u>
 Total liabilities and net deficits	 <u>\$ 72,187</u>

See Independent Accountants' Report and Notes to Financial Statements.

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2004

SUPPORT AND REVENUE

Support:

Grants - Federal	\$ 97,835
Grants - State and Local	9,573
Grants - other	38,000
Contributions	<u>34,350</u>

Total support 179,758

Revenue:

Program services fees	5,020
Other income	<u>13,443</u>

Total revenue 18,463

Total support and revenue 198,221

EXPENSES

Program services:

City Municipal	9,573
Louisiana Stadium and Exposition District	22,648
Safe and Drug Free Schools	67,769
Children and Youth	5,000
Senior Citizens	4,638
Home Construction	1,050
Community Opportunity Prosperity and Empowerment	15,000
Literacy	<u>19,379</u>

Total program services 145,057

Support services:

Management and general	<u>81,481</u>
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Total supports services 81,481

Total expenses 226,538

Change in net deficits (28,317)

Net deficits, beginning of year (35,280)

Net deficits, end of year \$(63,597)

See Independent Accountants' Report and Notes to Financial Statements.

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2004

OPERATING ACTIVITIES

Change in net deficits	\$ (28,317)
Adjustments to reconcile change in net assets (deficits) to net cash provided by operating activities:	
Depreciation	9,233
Change in operating assets and liabilities:	
Grants receivable	(7,123)
Prepaid expenses	2,400
Accounts payable and accrued liabilities	10,268
Deferred revenue	<u>15,427</u>
Net cash provided by operating activities	<u>1,888</u>

FINANCING ACTIVITIES

Proceeds from notes payable	15,000
Principal payments on notes payable	<u>(7,759)</u>
Net cash provided by financing activities	<u>7,241</u>
Net increase in cash	9,129
Cash at beginning of year	<u>3,828</u>
Cash at end of year	<u>\$ 12,957</u>
Supplemental Disclosure for Cash Flow Purposes:	
Interest paid	<u>\$ 4,528</u>

The Independent Accountants' Report and Notes to Financial Statements.

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies:

General

Family Advocacy and Neighborhood Services, Inc. (FANS) is a nonprofit community service organization designed to service the economic, social and cultural needs of the underprivileged and disadvantaged, including but not limited to at-risk youth, teenage mothers, single parent female head-of-households and isolated senior citizens.

FANS offers programs that provide an array of consulting, teaching, and advising services to help families work together to enhance a student's learning and academic achievements. Cultural enrichment activities such as concerts, dances, and theme festivals are also offered to the community.

The objectives of **FANS** are to provide:

- o Individual and/or family counseling for juveniles demonstrating adjustment or behavioral problems in the traditional classroom environment;
- o Individual and/or group parenting skills, financial management planning programs, and/or self esteem and confidence building programs for single female parents and teenage mothers;
- o Cultural enrichment programs for economically disadvantaged and gifted youth;
- o Medication and nutrition counseling services for senior citizens and assistance with elderly compliance as it applies to Medicare;
- o Coordination with after school church-based tutorial programs; and

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies, Continued:

- o Facilitate and promote information dissemination and communication regarding the availability of necessary social services on a federal, state, and/or local level.

Principles of Accounting

FANS financial statements are prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Property and Equipment

Property and equipment of **FANS** are recorded as assets and are stated at historical costs if purchased or at fair market value at the date of the gift, if donated. Additions, improvements and expenditures that significantly extend the useful life of an asset are capitalized.

Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

Equipment and furniture	3-5 years
Vehicles	5 years

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies,
Continued:

Revenue Recognition

Revenue from governmental grants and certain other contributions are recognized when allowable expenditures are made by FANS. Funds received for specific purposes but not yet expended are recorded as deferred revenue.

Cash

Cash consists of the interest bearing and non-interest bearing checking accounts.

Income Taxes

FANS is exempt from federal income taxes through Section 501(c)(3) of the Internal Revenue Code. Therefore, no provision for income taxes is made in the accompanying financial statements.

Fair Value of Financial Instruments

FANS considers the carrying amounts of its cash and notes payable to be fair value.

Financial Statement Presentation

In accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations", FANS is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, as applicable.

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 1 - Nature of Activities and Summary of Significant Accounting Policies, Continued:

Contributions

In accordance with Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made", contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence or nature of any donor restrictions.

NOTE 2 - Property and Equipment:

Property and equipment at June 30, 2004 are summarized as follows:

Land	\$ 20,000
Equipment and furniture	39,237
Vehicles	<u>42,503</u>
	101,740
Accumulated depreciation	<u>(75,647)</u>
Property and equipment, (net)	<u>\$ 26,093</u>

NOTE 3 - Notes Payable:

The following is a summary of the notes payable at June 30, 2004:

Note payable to a bank, secured by vehicle with an interest rate of 9% payable at maturity on December 30, 2004.	\$56,032
Note payable to a bank, secured by vehicle with an interest rate of 9% payable at maturity on June 23, 2004.	<u>15,000</u>
Total notes payable	<u>\$71,032</u>

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
NOTES TO THE FINANCIAL STATEMENTS, CONTINUED

NOTE 4 - Description of Leasing Arrangements:

The facilities presently used by FANS are leased under a short-term arrangement. Total rent expense for the year ended June 30, 2004 was \$2,400.

NOTE 5 - Contingency:

FANS is a recipient of grants from the State of Louisiana and other funding sources. The grants are governed by various State guidelines, regulations, and contractual agreements.

The administration of the programs and activities funded by these grants are under the control and administration of FANS and are subject to audit and/or review by the applicable funding source. Any grant found to be not properly spent in accordance with the terms, conditions, and regulations of the funding sources may be subject to recapture.

NOTE 6 - Concentration of Credit Risk:

FANS receives primarily all of its revenues from the State of Louisiana and the City of New Orleans. If the amount of revenues received from the State and City fall below critical levels, FANS' operating results could be adversely affected.

SUPPLEMENTARY INFORMATION

FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2004

	PROGRAM SERVICES										SUPPORT SERVICES Management and General
	City Municipal	LSED	Safe and Drug Free Schools	Children and Youth	Senior Citizens	Home Construction	COPE	Literacy	Total		
Salaries and wages	\$ -0-	\$ -0-	\$ 10,300	\$ -0-	\$ -0-	\$ -0-	\$ 3,231	\$ 739	\$ 14,270	\$ 13,807	
Payroll taxes and fringe benefits	-0-	-0-	1,493	-0-	-0-	-0-	512	57	2,062	1,115	
Professional services	-0-	2,381	40,682	4,580	3,325	850	1,600	17,581	70,999	10,694	
Repairs and maintenance	-0-	-0-	-0-	-0-	-0-	200	482	-0-	682	5,904	
Equipment and supplies	3,350	-0-	8,524	420	708	-0-	68	1,002	14,072	1,009	
Office expenses	1,842	-0-	1,750	-0-	-0-	-0-	514	-0-	4,106	5,580	
Interest expense	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	4,528	
Insurance expense	4,381	-0-	-0-	-0-	380	-0-	8,566	-0-	13,327	12,787	
Meetings and conferences	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	56	
Travel	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	81	
Other	-0-	20,267	5,020	-0-	225	-0-	27	-0-	25,539	16,687	
Total before depreciation	9,573	22,648	67,769	5,000	4,638	1,050	15,000	19,379	145,057	72,248	
Depreciation	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	-0-	9,233	
Total expenses	\$ 9,573	\$ 22,648	\$ 67,769	\$ 5,000	\$ 4,638	\$ 1,050	\$ 15,000	\$ 19,379	\$ 145,057	\$ 81,481	

See Independent Accountants' Report.

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FAMILY ADVOCACY AND NEIGHBORHOOD SERVICES, INC.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

FOR THE YEAR ENDED JUNE 30, 2004



Member
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Society of Louisiana
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Michael B. Bruno, CPA
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**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

We have performed the procedures included in the *Louisiana Governmental Audit Guide* and enumerated below, which were agreed to by the management of **Family Advocacy and Neighborhood Services, Inc. (FANS)** and the Legislative Auditor of the State of Louisiana and applicable state grantor agency/agencies solely to assist the users in evaluating management's assertions about **FANS'** compliance with certain laws and regulations during the year ended June 30, 2004 included in the accompanying *Louisiana Attestation Questionnaire*. This agreed-upon procedures engagement was performed in accordance with standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

Federal, State, and Local Awards

- Determine the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

FANS's Federal, state, and local award expenditures for the fiscal year follow:

Federal Grantor/Pass-through Agency Grant Name	<u>Grant Year</u>	<u>CFDA No.</u>	<u>Amount</u>
<u>FEDERAL AWARD EXPENDITURES</u>			
U. S. Department of Housing and Urban Development passed through the City of New Orleans- Community Development Block Grant	07/01/03-06/30/04	14.218	\$24,016
U.S. Department of Housing and Urban Development passed through the City of New Orleans - Home Investment Partnership Program	07/01/03-06/30/04	14.239	1,050
U.S. Department of Education passed through the State of Louisiana Safe and Drug-Free Schools	07/01/03-06/30/04	84.186	67,769
U.S. Department of Health and Human Services passed through the State of Louisiana - Louisiana Children's Trust Fund	07/01/03-06/30/04	93.590	<u>5,000</u>
Total Federal Award Expenditures			<u>\$97,835</u>

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

<u>Grant Name</u>	<u>Grant Year</u>	<u>CFDA No.</u>	<u>Amount</u>
<u>State Award Expenditures</u>			
NONE.			
<u>Local Award Expenditures</u>			
City of New Orleans	07/01/03-06/30/04	N/A	\$ <u>9,573</u>
Total Local Award Expenditures			\$ <u>9,573</u>

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

2. For each Federal, state and local award, we randomly selected six (6) disbursements from each award administered during the period under examination, provided that no more than thirty (30) disbursements would be selected.
3. For the items selected in procedure 2, we traced all six (6) disbursements for each Federal, state and local award to supporting documentation as to proper amount and payee.

For items selected in procedure 2, the supporting documentation agreed as to proper amount and payee.

4. For the items selected in procedure 2, we determined if the six (6) disbursements for each Federal, state and local award were properly coded to the correct fund and general ledger account.

Of the items selected in procedure 2, one (1) disbursement was coded to the incorrect general ledger account.

5. For the items selected in procedure 2, we determined whether the six (6) disbursements from each Federal, state and local award received approval from proper authorities.

Of the items selected in procedure 2, five (5) disbursements were not approved by the proper authority.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

6. For the items selected in procedure 2: For Federal awards, we determined whether the disbursements complied with the applicable specific program compliance requirements summarized in the *Compliance Supplement* (or contained in the grant agreement, if the program is not included in the *Compliance Supplement*) and for the state and local awards, we determined whether the disbursements complied with the grant agreement, relating to:

Activities allowed or unallowed:

For the items selected in procedure 2, all disbursements selected were allowed and complied with specific program/ grant agreement requirements as applicable.

Eligibility:

Not applicable.

Reporting:

Not applicable.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

7. For the programs selected for testing in procedure 2, that had been closed out during the period under review, we compared the close-out reports, when required, with FANS's financial records to determine whether the amounts agree.

For the programs selected in procedure 2, the amounts reported on the close-out reports agreed to the entity's financial records, as applicable.

Meetings

8. We examined evidence indicating that agendas for meetings recorded in the minute book were posted as an open meeting as required by LSA-RS- 42:1 through 42.12 (the open meetings law).

Management has asserted that such documents were posted although, we could find no evidence supporting such assertion other than an unmarked copy of the notices and agendas.

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

Comprehensive Budget

9. For all grants exceeding five thousand dollars, we determined that each applicable Federal, state or local grantor agency/agencies was provided with a comprehensive budget of those grants that include the purpose and duration, and for state grants included specific goals and objectives that included measures of performance.

Other Matters

10. Pursuant to the requirements of Louisiana Revised Statute 24:514, the compiled financial statements together with this agreed-upon procedures report must be completed within six months after the close of the entity's fiscal year. Due to delays in receiving the year-end accounting books and records, FANS compiled financial statements and agreed-upon procedures were not completed within six months after the close of FANS' fiscal year.

Prior Comments and Recommendations

11. We reviewed any prior year suggestions, recommendations, and/or comments to determine the extent to which such matters have been resolved.

<u>Description</u>	<u>Resolved</u>	<u>Unresolved</u>
Net Asset Deficits		X

**INDEPENDENT ACCOUNTANTS' REPORT
ON
APPLYING AGREED-UPON PROCEDURES, CONTINUED**

To the Board of Directors
Family Advocacy and Neighborhood Services, Inc.

We were not engaged to, and did not, perform an examination, the objective of which would be the expression of an opinion on management's assertions. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the use of management of **Family Advocacy and Neighborhood Services, Inc.**, the Legislative Auditor of the State of Louisiana and the applicable state grantor agency/agencies and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Bruno & Tervalon LLP
BRUNO & TERVALON LLP
CERTIFIED PUBLIC ACCOUNTANTS

January 25, 2005

LOUISIANA ATTESTATION QUESTIONNAIRE
(For Attestation Engagements of Quasi-public Entities)
JANUARY 25, 2005 (Date Transmitted)

Bruno & Tervalon, LLP, CPAs
4298 Elysian Fields Avenue
New Orleans, LA 70122

In connection with your compilation of our financial statements as of June 30, 2004 and for the year then ended, and as required by Louisiana Revised Statute 24:513 and the *Louisiana Governmental Audit Guide*, we make the following representations to you. We accept full responsibility for our compliance with the following laws and regulation and the internal controls over compliance with such laws and regulations. We have evaluated our compliance with the following laws and regulations prior to making these representations.

These representations are based on the information available to us as of JANUARY 25, 2005 completion/representation).

Federal, State, and Local Awards

We have detailed for you the amount of Federal, state and local award expenditures for the fiscal year, by grant and grant year.

Yes No

All transactions relating to federal, state, and local grants have been properly recorded within our accounting records and reported to the appropriate state, federal, and grantor officials.

Yes No

The reports filed with federal, state, and local agencies are properly supported by books of original entry and supporting documentation.

Yes No

We have complied with all applicable specific requirements of all federal, state, and local programs we administer, to include matters contained in the Compliance Supplement, matters contained in the grant awards, eligibility requirements, activities allowed and unallowed, and reporting and budget requirements.

Yes No

Open Meetings

Our meetings, as they relate to public funds, have been posted as an open meeting as required by LSA-RS 42:1 through 42:12 (the open meetings law).

Yes No

Budget

For each federal, state, and local grant we have filed with the appropriate grantor agency a comprehensive budget for those grants that included the purpose and duration, and for state grants included specific goals and objectives and measures of performance

Yes No

Prior Year Comments

We have resolved all prior-year recommendations and/or comments.

Yes No

We have disclosed to you all known noncompliance of the foregoing laws and regulations, as well as any contradictions to the foregoing representations. We have made available to you documentation relating to the federal, state, and local grants, to include the applicable laws and regulations.

We have provided you with any communications from regulatory agencies or other sources concerning any possible noncompliance with the foregoing laws and regulations, including any communications received between the end of the period under examination and the issuance of this report. We will also disclose to you, the Legislative Auditor, and the applicable state grantor agency/agencies any known noncompliance which may occur up to the date of your report.

Debrae Cavation Secretary Debrae Cavation Date 1-24-05
E. Moyer Treasurer E. Moyer Date 1/24/05
Bobby L. Johnson President Bobby L. Johnson Date 1/24/2005

January 31, 2005

Bruno & Tervalon, LLP
Certified Public Accountants
4298 Elysian Fields Avenue
New Orleans, LA 70122

RE: Response to Independent Accountants' Report on Applying Agreed-Upon Procedures

Gentlemen:

This is in response to your firm's January 25, 2005 letter regarding your independent accountant's report on applying agreed upon procedures for the year ended June 30, 2004. Our comments are numbered according to the numbered items in your report as follows:

4. Miscoding of a Disbursement to a General Ledger Account.

We acknowledge the fact that a check was miscoded and the proper adjustment will be made. We shall be more vigilant in the future regarding account coding.

5. Lack of Approval from Proper Authority.

Five (5) of the disbursements referenced pertained to approval of time sheets. It is the policy of FANS for there to be a written acknowledgement of time sheets by the initials of the supervisor. This was an oversight and will not happen again. When the checks are cut, the check signer will be more vigilant to see that the time sheets are initialed and this oversight will not occur again. With respect to the other disbursements, again, this was an oversight and we will obtain the proper approval. This will not happen again.

10. Late submission of June 30, 2004 Financial Compliance Report to the State Legislative Auditor

We acknowledge this lateness. This is the first time in 10 years our reports have been late. We shall take the necessary steps to see that there is no re-occurrence. The primary cause was our not having our financial records processed on a more timely basis. We will maintain our financial records more timely.

11. Net Asset Deficits

A detail plan has been developed to eliminate the cumulative net deficit balance by the end of the current period. A budget is in place and sufficient excess revenues over expenses have been budgeted to eliminate the deficit. The budget will be closely monitored.

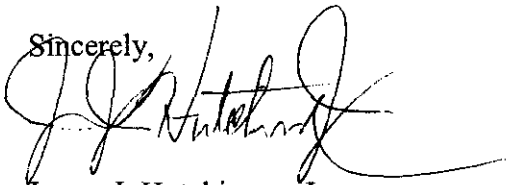
January 31, 2005---- Page 2
Bruno & Tervalon, LLP
Certified Public Accountants

RE: Response to Independent Accountants' Report on Applying Agreed-Upon Procedures

Thank you for calling the above matters to our attention. It is our desire to be in compliance in all aspects of FANS' accounting and financial considerations.

If you have any questions, please contact me.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Hutchinson, Jr.", with a long, sweeping horizontal flourish extending to the right.

James J. Hutchinson, Jr.
Executive Director

JJH,Jr.:smd