

Regional Inspector General for Audit  
Cairo, Egypt

---

Audit of Locally Incurred  
Costs of Black & Veatch International/  
James M. Montgomery Joint Venture Under  
USAID/Egypt Contract No. 263-0174-C-00-8077-00  
Project No. 263-0174

---

Report No. 6-263-92-11-N  
March 22, 1992



BEST AVAILABLE COPY

U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT





**UNITED STATES OF AMERICA  
AGENCY FOR INTERNATIONAL DEVELOPMENT  
OFFICE OF THE REGIONAL INSPECTOR GENERAL/AUDIT**

March 22, 1992

MEMORANDUM FOR D/USAID/Egypt, Henry H. Bassford

FROM : RIG/A/C, *Philippe B. Darcy*

SUBJECT: Audit of Locally Incurred Costs of Black & Veatch International/James M. Montgomery Joint Venture Under USAID/Egypt Contract No. 263-0174-C-00-8077-00 (Project No. 263-0174)

The attached report dated February 24, 1992 by Shawki & Co. presents the results of a financial audit of locally incurred costs of Black & Veatch International/James M. Montgomery Joint Venture (BVI/JMM) under USAID/Egypt Contract No. 263-0174-C-00-8077-00. BVI/JMM provides institutional development support for the wastewater departments in Port Said, Ismailia and Suez and the water training division in the Suez Canal Authority.

We engaged Shawki & Co. to perform a financial audit of BVI/JMM's expenditures totaling \$731,613 for the period July 28, 1988 to October 31, 1990. The purpose of the audit was to evaluate the propriety of costs incurred during this period. In performing the audit, Shawki & Co. evaluated BVI/JMM's internal controls and compliance with applicable laws, regulations and agreement terms as necessary in forming an opinion regarding the Fund Accountability Statement.

Shawki & Co. questioned \$122,464 of BVI/JMM's claimed costs. Questioned costs include, but are not limited to, the purchase of food, beverages and flowers, personal expenses and unsupported subcontract costs. Shawki & Co. also noted weaknesses in BVI/JMM's accounting system and internal controls, including the absence of prenumbered disbursement vouchers and inadequate review of subcontractor invoices. Finally, Shawki & Co. noted that BVI/JMM's subcontractor, Sabbour, substituted personnel without the advance written authorization of BVI/JMM, a violation of subcontract provisions.

U.S. Mailing Address  
USAID-RIG/A/C Unit 64902  
APO AE 09839-4902

Tel. Country Code (202)  
357-3909

# 106, Kasr El Aini St.  
Cairo Center Building  
Garden City, Egypt

**Recommendation No. 1:** We recommend that USAID/Egypt resolve questioned costs of \$122,464 consisting of ineligible costs of \$95,552 and unsupported costs of \$26,912 as detailed on page 5 of the audit report.

This recommendation will be included in the Inspector General's audit recommendation follow-up system. Until we are advised of USAID/Egypt's determination regarding the questioned costs, Recommendation No. 1 is considered unresolved. This recommendation can be resolved when we receive the Mission's formal determination as to the amounts sustained or not sustained and can be closed when any amounts determined to be owed to A.I.D. are paid by BVI/JMM.

**Recommendation No. 2:** We recommend that USAID/Egypt require BVI/JMM to address the weaknesses in its system for reviewing subcontractor invoices.

Sabbour, BVI/JMM's Egyptian subcontractor, provides BVI/JMM with administrative staff and services. On a periodic basis, Sabbour personnel prepare an invoice for administrative services which is presented to BVI/JMM, where it is then reviewed for adequacy by Sabbour employees and BVI/JMM's Chief of Party. We are recommending that USAID/Egypt require BVI/JMM's to address the less than arms length relationship between Sabbour employees who prepare subcontract invoices and those reviewing the invoices.

This recommendation will be included in the Inspector General's audit recommendation follow-up system. This recommendation can be resolved when the Mission requires BVI/JMM to address the lack of segregation of duties in its system for reviewing subcontractor invoices. This recommendation can be closed when USAID/Egypt has evaluated BVI/JMM's planned actions and has conducted appropriate follow-up procedures.

Please advise this office within 30 days of any actions planned or taken to close the recommendations. We appreciate the courtesies extended to the staff of Shawki & Co. and to our office.

AUDIT OF LOCALLY INCURRED COST BY  
BLACK & VEATCH INTL./JAMES M. MONTGOMERY  
ASSOCIATION  
UNDER USAID/EGYPT  
CONTRACT NO. 263-0174-C-00-8077-00

BLACK & VEATCH INTL./JAMES M. MONTGOMERY  
ASSOCIATION

CONTENTS

	<u>Page</u>
EXECUTIVE SUMMARY	
Background	1
Audit Objectives, Scope, and Methodology	2
Audit Results	2
FUND ACCOUNTABILITY STATEMENT	
Report of Independent Auditors	4
Fund Accountability Statement	5
Findings and Recommendations	7
INTERNAL ACCOUNTING CONTROLS	
Report of Independent Auditors	9
Findings and Recommendations	11
COMPLIANCE WITH AGREEMENT TERMS AND APPLICABLE LAWS AND REGULATIONS	
Report of Independent Auditors	12
APPENDICES	15

# SHAWKI & CO.

Member Firm of Arthur Andersen & Co.

Members of the Egyptian Society of Accountants & Auditors

Cairo Office : 153 Mohamed Farid St.  
Bank Misr Tower  
P.O.BOX 2095- Cairo 11511  
Tel : 3926000 - 3917299  
Tlx : 92195 AASCO 93649 AAS  
Fax : 3939430

Mostafa Shawki  
Hafez Ragheb  
Dr. Ahmed Shawki  
M. Sberif Abdel Salam  
Emad Ragheb  
Wahid Abdel Ghafar  
Azmy Aboud  
Nabil Istanbul  
Hoda Shawki  
Mohsen Gamgoum  
Mohamed El Kateb  
Abdel Salam Shehata  
Abdel Aziz Fatouh  
Tamer Abdel Aziz  
Khaled El Ghanam  
Tarek El Menshawwy  
Rashad Hosny  
Hala Rashed

February 24, 1992

Mr. P.L. Darcy  
Regional Inspector General for Audit  
US Agency for International Development  
Mission to Egypt  
Cairo - Egypt

As requested in work order No. 22 dated December 1, 1990, we performed a financial and compliance, locally incurred cost audit of Black & Veatch Intl./James M. Montgomery Assoc., under Contract No. 263-0174-C-00-8077-00.

Our audit encompassed local expenditures for the period July 28, 1988 to October 31, 1990.

## BACKGROUND

In 1978 the United States Agency for International Development initiated assistance to the Canal cities of Port Said, Ismailia and Suez for improving and upgrading existing water and wastewater facilities. The project consisted of two phases. Phase I began early 1984 and provided \$ 169 million to finance the most urgently needed improvements to water treatment. Phase I of the project consisted of constructing eight major wastewater pump stations, 20 kilometers of force main, and 16 kilometers of gravity interceptors. Phase I activities were completed in mid 1986.

Phase II, which was authorized in September 1987 provided \$ 14.6 million for construction management of wastewater treatment facilities in each of the three canal cities and for the expansion of the water supply in Port Said, and the strengthening of institutional capacities for operation and maintenance of facilities.

The majority of activities under the contract are being performed by the joint venture of Black & Veatch International and James M. Montgomery with Dames & Moore as a subcontractor. BVI/JMM's contract provides funding to support the project office in Egypt.

## AUDIT OBJECTIVES, SCOPE AND METHODOLOGY

We conducted a financial and compliance, cost-incurred audit of BVI/JMM under Contract No. 263-0174-C-00-8077-00. The audit objectives were to determine whether:

1. The fund accountability statement for BVI/JMM's field office, presents fairly, in all material respects, costs incurred and reimbursed for the contract in conformity with the applicable accounting principles;
2. The costs reported as incurred under this contract are in fact allowable, allocable and reasonable in accordance with the terms of the contract and A.I.D. Handbook 14;
3. The internal controls, accounting systems and management practices of BVI/JMM are adequate;
4. BVI/JMM complied with the contract terms (including standard contract provisions) which may have affected the costs incurred under this contract.

Our audit encompassed local expenditures of \$ 731,613 incurred by BVI/JMM's Cairo field office for the period July 28, 1988 to October 31, 1990. Our audit field work consisted of discussions with BVI/JMM's local management and reviewing documentation supporting reported costs for BVI/JMM's field office in Cairo. We did not perform a physical inspection of assets nor did we test subcontract costs beyond examining invoices and documentation submitted to BVI/JMM.

We assessed the internal control structure of BVI/JMM's Cairo field office, to determine the level of control risk and the extent of substantive testing required. We examined 100% of the transactions associated with each category of cost incurred and reported by BVI/JMM's Cairo field office because we were unable to rely on the internal control structure to mitigate control risk.

We reviewed BVI/JMM's controls to assure ourselves that contract/subcontract provisions were being adhered to. We assessed those agreement provisions, which if not adhered to, could have a material affect on amounts reported in the fund accountability statement.

## AUDIT RESULTS

### Fund Accountability Statement

The results of our audit produced \$ 95,552 in questioned cost and \$ 26,912 in unsupported cost.

### Internal control structure

We noted weaknesses in internal controls which may have an effect on funds accountability, such as:

1. Lack of controls to ensure recording all project expenditures as a result of the absence of prenumbered disbursement vouchers;
2. Inadequate controls to ensure accuracy of subcontractor invoices submitted to BVI/JMM Cairo field office; and
3. Lack of controls to ensure that the subcontractor complied with the contract terms.

### Compliance with agreement terms and applicable laws and regulations

Except for questioned costs noted in the fund accountability statement, BVI/JMM complied, in all material respects with applicable contract terms, regulations and laws which could have a material effect on the fund accountability statement.

### MANAGEMENT COMMENTS

The management of BVI/JMM has prepared comments related to certain questioned cost and internal control matters. These comments are included as Appendix A.



Shawki & Co.

# SHAWKI & CO.

Member Firm of Arthur Andersen & Co.

Members of the Egyptian Society of Accountants & Auditors

Cairo Office : 153 Mohamed Farid St.  
Bank Misr Tower  
P.O.BOX 2095- Cairo 11511  
Tel : 3926000 - 3917299  
Tlx : 92195 AASCO 93649 AAS  
Fax : 3939430

Mostafa Shawki  
Hafez Ragheb  
Dr. Ahmed Shawki  
M. Sherif Abdel Salam  
Emad Ragheb  
Wahid Abdel Ghafar  
Azmy Aboud  
Nabil Istanbouli  
Hoda Shawki  
Mohsen Gamgoum  
Mohamed El Kateb  
Abdel Salam Shehata  
Abdel Aziz Fatouh  
Tamer Abdel Aziz  
Khaled El Ghanam  
Tarek El Menshawey  
Rashad Hosny  
Hala Rashed

Mr. P.L. Darcy  
Regional Inspector General for Audit  
US Agency for International Development  
Mission to Egypt  
Cairo, Egypt

## REPORT OF INDEPENDENT AUDITORS FUND ACCOUNTABILITY STATEMENT

We have audited the fund accountability statement of BVI/JMM under Contract No. 263-0174-C-00-8077-00 for the period July 28, 1988 to October 31, 1990. The fund accountability statement of BVI/JMM is the responsibility of BVI/JMM's management. Our responsibility is to express an opinion on the fund accountability statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and Government Auditing Standards issued by the Comptroller General (1988 Revision). These standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the fund accountability statement. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion. As described in Note 1, the fund accountability statement has been prepared on the basis of cash receipts and disbursements and is not intended to be a presentation in conformity with generally accepted accounting principles.

In our opinion, except for questioned cost of \$ 122,464, the fund accountability statement presents fairly, in all material respects, the costs incurred by BVI/JMM's Cairo field office for the period July 28, 1988 to October 31, 1990, in accordance with the cash basis of accounting described in Note 1.



Shawki & Co.

February 15, 1991

FUND ACCOUNTABILITY STATEMENT OF BVI/JMM FIELD OFFICE CAIRO  
FOR THE PERIOD JULY 28, 1988 TO OCTOBER 31, 1990 (NOTE 1)

(AMOUNTS EXPRESSED IN U.S. DOLLARS)

<u>Cost Element</u>	<u>Cost</u> <u>Reported</u>	<u>Questioned</u> <u>Cost</u>	<u>Adjusted</u> <u>Cost</u>	<u>Finding</u>
Office facilities	\$ 55,735	\$ 42,994	\$ 12,741	1
Office equipment	33,425	4,830	28,595	1
Communication	29,015	24,462	4,553	1
Transportation	24,835	454	24,381	1
Office furniture	13,700	-	13,700	
Reproduction	5,565	112	5,453	1
Other direct costs	68,435	5,273	63,162	1
Deposits	5,430	5,430	-0-	1
Subtotal	236,140	83,555	152,585	
Subcontractor Costs	495,473	31,620 7,289	456,564	2 page 7 1 page 14
Total	731,613	122,464	609,149	
		95,552		
		26,912		
		122,464		

Black & Veatch Intl./James M. Montgomery Assoc.  
Notes to the Fund Accountability Statement

1. Basis of presentation

The accompanying fund accountability statement has been prepared on the cash basis of accounting, consequently, expenditure invoices are recognized when submitted for payment rather than when the liability is incurred. Additionally, the statements have been prepared in accordance with AID Handbook 14 and the Federal Acquisition Regulations (FAR), which prescribe the nature of reimbursable expenditures not specifically defined in the contract.

FINDINGS

1. Operating costs

We have included as an integral part of this report Appendix B which details costs questioned for allowability, allocability or reasonableness. The appendix presents details of each transaction questioned and the criteria which was applied in assessing adherence to the FAR/AID cost principles. The cost elements and amounts of questioned cost for these elements are as follows:

	<u>Amount</u>	<u>Appendix page</u>
Office facilities	\$ 42,994	1 - 4
Office equipment	4,830	5
Communication	24,462	6
Transportation	454	7
Reproduction	112	8
Other direct costs	5,273	9
Deposits	5,430	10
	-----	
	83,555	
	=====	

2. Subcontract costs

Sabbour is an Egyptian firm specializing in providing local employees skilled in technical, administrative or general capacities to US based prime contractors. BVI/JMM has contracted with Sabbour to provide local labor trained in various disciplines. In reviewing invoices for services which were submitted by Sabbour we discovered the following costs that we questioned for the reason indicated:

1. Testing services	\$ 20,098
2. Transportation costs overbilled by Sabbour	4,708
3. Unsupported costs	6,814
	-----
	\$ 31,620
	=====

- a. Subcontract cost amounting to LE 251,128 represents the cost of soil investigation, analysis of wastewater samples and surveys in the canal cities area. It includes LE 50,976 (\$ 20,098) for which we could not identify third party supporting documentation. These unsupported expenses are as follows:

<u>Month of payment</u>	<u>Description</u>	<u>Firm name</u>	<u>Amount</u>
May 89	Survey works in Ismailia	RASM for surveying & mapping	LE 34,776
Aug.89	Analysis of wastewater samples	NOPWASD	15,900
Aug.89	Samples of wastewater	NOPWASD	300
			-----
			LE 50,976
			=====
		Equivalent in US \$	20,098
			=====

- b. Transportation cost includes LE 11,000 (\$ 4,708) for car rental which was an overbilling by Sabbour. Sabbour has acknowledged the overbilling. The allowability of this cost is questioned.
- c. BVI/JMM did not receive from Sabbour proper detailed documentation supporting other direct costs charged by Sabbour totaling LE 17,441 (\$ 6,814). Accordingly, these costs are questioned. Sabbour did not provide acceptable documentation in response to our inquiry. See Appendix C for details related to these costs.

# SHAWKI & CO.

Member Firm of Arthur Andersen & Co.

Members of the Egyptian Society of Accountants & Auditors

Cairo Office : 153 Mohamed Farid St.  
Bank Misr Tower  
P.O.BOX 2095- Cairo 11511  
Tel : 3926000 - 3917299  
Tx : 92195 AASCO 93649 AAS  
Fax : 3939430

Mostafa Shawki  
Hafez Ragheb  
Dr. Ahmed Shawki  
M. Sherif Abdel Salam  
Emad Ragheb  
Wahid Abdel Ghafar  
Azmy Aboud  
Nabil Istaboull  
Hoda Shawki  
Mohsen Gimgoum  
Mohamed El Kateb  
Abdel Salam Shehata  
Abdel Aziz Fatouh  
Tamer Abdel Aziz  
Khaled El Ghanam  
Tarek El Menshawy  
Rashad Hosny  
Hala Rashed

Mr. P. L. Darcy  
Regional Inspector General for Audit  
US Agency for International Development  
Mission to Egypt  
Cairo, Egypt

## REPORT OF INDEPENDENT AUDITORS REPORT ON INTERNAL ACCOUNTING CONTROLS

We have audited the fund accountability statement of BVI/JMM under Contract No. 263-0174-C-00-8077-00 for the period July 28, 1988 to October 31, 1990 and have issued our report thereon dated February 15, 1991. We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standards issued by the Comptroller General (1988 Revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the fund accountability statement is free of material misstatement.

In planning and performing our audit of BVI/JMM, we considered its internal control structure in order to determine our auditing procedures for the purpose of expressing our opinion on the fund accountability statement and not to provide assurance on the internal control structure.

The management of BVI/JMM is responsible for establishing and maintaining an internal control structure. In fulfilling this responsibility, estimates and judgments by management are required to assess the expected benefits and related costs of internal control policies and procedures. The objectives of an internal control structure are to provide management with reasonable, but not absolute, assurance that assets are safeguarded against loss from unauthorized use or disposition, and that transactions are executed in accordance with management's authorization and recorded properly to permit reporting to BVI/JMM's US headquarters in accordance with cash basis of accounting. Because of limitations inherent in any internal control structure, errors or irregularities may nevertheless occur and not be detected. Also, projection of any evaluation of the structure to future periods is subject to the risk that procedures may become inadequate because of changes in conditions or that the effectiveness of the design and operation of policies and procedures may deteriorate.

For the purpose of this report, we have classified the significant internal control structure policies and procedures into the following categories:

- a. Disbursements - check  
                  - petty cash
- b. Payroll
- c. Travel
- d. Subcontract costs

For all of the control categories listed above, we obtained an understanding of the design of relevant policies and procedures and whether they have been placed in operation, and we assessed control risk.

We noted certain matters involving the internal control structure and its operation that we consider to be reportable conditions under standards established by the American Institute of Certified Public Accountants and Government Auditing Standards. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control structure that, in our judgment, could adversely affect the organization's ability to record, process, summarize, and report financial data consistent with the assertions of management regarding the fund accountability statement.

Our study and evaluation of internal control disclosed that BVI/JMM does not control disbursement vouchers, has inadequate controls to assure the accuracy of subcontractor invoices and lacks controls to insure the subcontractor's adherence to contract terms.

A material weakness is a condition in which the design or operation of the specific internal control structure elements does not reduce to a relatively low level, the risk that errors or irregularities in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions.

Our consideration of the internal control structure would not necessarily disclose all matters in the internal control structure that might be reportable conditions and accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses as defined above. However, we believe none of the reportable conditions described above is a material weakness.

We also noted other matters involving the internal control structure and its operation that we reported to the management of BVI/JMM in a separate communication dated August 15, 1991.

This report is intended for the information of BVI/JMM management and USAID. This restriction is not intended to limit the distribution of this report which is a matter of public record.

  
Shawki & Co.

February 15, 1991

## FINDINGS

1. BVI/JMM does not use prenumbered disbursement vouchers. The lack of a numbering system and cancellation of paid invoices introduces a possibility of unauthorized, duplicate or erroneous payments.

### Recommendation

We recommend BVI/JMM obtain and use sequentially numbered disbursement vouchers.

2. The company has not implemented controls for reviewing the receipt of services and accuracy of subcontractor invoices. Currently the staff members who process subcontractor invoices are employees of the subcontractor. There is not an effective independent review performed by the management of BVI/JMM.

### Recommendation

We recommend that a member of the BVI/JMM management team review and approve all subcontractor requests for payment.

3. BVI/JMM has not instituted controls to ensure the subcontractor's adherence with contract terms. The subcontractor recruited personnel without obtaining the contractors concurrence. (This process violated the subcontract provisions.)

### Recommendation

We recommend the subcontractor be required to adhere to the contract terms.

# SHAWKI & CO.

Member Firm of Arthur Andersen & Co.

Members of the Egyptian Society of Accountants & Auditors

Cairo Office : 153 Mohamed Farid St.  
Bank Misr Tower  
P.O.BOX 2095- Cairo 11511  
Tel : 3926000 - 3917299  
Tlx : 92195 AASCO 93649 AAS  
Fax : 3939430

Mostafa Shawki  
Hafez Ragheb  
Dr. Ahmed Shawki  
M. Sherif Abdel Salam  
Emad Ragheb  
Wahid Abdel Ghafar  
Azmy Aboud  
Nabil Istanboull  
Hoda Shawki  
Mohsen Gavgoum  
Mohamed El Kateb  
Abdel Salam Shehata  
Abdel Aziz Fatouh  
Tamer Abdel Aziz  
Khaled El Ghanam  
Tarek El Menshawy  
Rashad Hosny  
Hala Rashed

Mr. P. L. Darcy  
Regional Inspector General for Audit  
US Agency for International Development  
Mission to Egypt  
Cairo, Egypt

## REPORT OF INDEPENDENT AUDITORS REPORT ON COMPLIANCE WITH CONTRACT TERMS AND APPLICABLE LAWS AND REGULATIONS

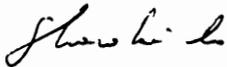
We have audited the fund accountability statement of BVI/JMM under Contract No.263-0174-C-00-8077-00 for the period July 28, 1988 to October 31, 1990 and have issued our report thereon dated February 15, 1991. We conducted our audit in accordance with generally accepted auditing standards and the standards for financial audits contained in Government Auditing Standard issued by the Comptroller General of the United States (1988 Revision). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether BVI/JMM's fund accountability statement is free of material misstatement.

Compliance with laws, regulations, contracts, grants, and binding policies and procedures applicable to BVI/JMM is the responsibility of BVI/JMM's management. As part of our audit, we performed tests of BVI/JMM's compliance with certain provisions of laws, regulations, contracts, and binding policies and procedures. However, it should be noted that we performed these tests of compliance as part of obtaining reasonable assurance about whether the fund accountability statement is free of material misstatement; our objective was not to provide an opinion on compliance with such provisions.

Our testing of transactions, and records selected disclosed instances of noncompliance with those laws and regulations. All instances of noncompliance that we found and the programs to which they relate, are identified in the accompanying schedules of findings and questioned costs, presented in Appendices B and C.

Except for the non-compliance noted in the preceeding paragraph, the results of our tests of compliance indicate that with respect to the items tested BVI/JMM complied in all material respects with the provisions referred to in the second paragraph of this report. With respect to items not tested nothing came to our attention that caused us to believe that BVI/JMM had not complied, in all material respects, with those provisions.

This report is intended for the information of BVI/JMM's management and USAID. This restriction is not included to limit the distribution of this report which is matter of public record.



Shawki & Co.

February 15, 1991

## FINDING

### 1. Compliance with subcontract provisions

According to article 3.4 of Sabbour's contract with BVI/JMM, Sabbour is required to obtain advance approval for changes made in employees assigned to work under the contract.

Sabbour did not comply with article 3.4 of its contract with BVI/JMM because personnel were recruited, hired and assigned to work under the contract without BVI/JMM's approval. Additionally, Sabbour assigned field office staff to work for BVI/JMM which were not included in the contract between the two companies. Field office staff consists of Sabbour employees assigned to work for BVI/JMM under the contract terms. The cost of salaries paid by BVI/JMM for Sabbour employees, excluding fixed fees, is LE 19,042 (\$ 7,289). The allowability of such cost is questioned. We have received task orders from BVI/JMM's field office signed by the project manager on July 18, 1991 approving services rendered 1989, 1990 and 1991.

Our recommendation is made as a part of Finding No. 3 on page 11 (Internal Control).

**APPENDICES**

CMC MANAGEMENT RESPONSE

TO AUDIT FINDINGS ON

BLACK & VEATCH INTERNATIONAL/JAMES M. MONTGOMERY

ASSOCIATION EXPENDITURES

UNDER USAID/EGYPT CONTRACT NO. 263-0174-G-00-8077-00

DECEMBER 1991

## INTRODUCTION

This report is prepared by management for the joint venture of Black & Veatch Intl/James M. Montgomery (BVI/JMM), and it presents written comments on the audit report prepared by Shawki & Co. The audit report is entitled "AUDIT OF LOCAL EXPENDITURES BY BLACK & VEATCH INT'L/JAMES M. MONTGOMERY ASSOCIATION UNDER USAID/EGYPT CONTRACT NO. 263-0174-C-00-8077-00", and it encompasses a financial and compliance audit of local expenditures for the period from 28 July 1988 through 31 October 1990. The audit report was delivered to the Cairo Office of BVI/JMM on 2 October 1991, and the management comments relative to the auditors' report are presented in the subsequent sections of this report.

## MANAGEMENT COMMENTS ON AUDIT EXPENDITURES

### 1.00 EXECUTIVE SUMMARY (CHAPTER 1)

PAGE 1 In the first line of the second paragraph under the heading "BACKGROUND", the figure of \$14.7 million should be revised to \$14.6 million and this cost should refer to the construction management contract for the Canal Cities Phase II Project, not the entire Phase II Project.

PAGE 2 In the third paragraph under the heading "BACKGROUND", it should be noted that only the BVI home office is located in Kansas City. The home office of James M. Montgomery is located in Pasadena, California, and the home office of Dames & Moore is located in San Francisco, California.

Specific comments on the Audit Results and the costs questioned are present in subsequent sections of this management report.

### 2.00 REPORT OF INDEPENDENT AUDITORS' STATEMENT OF LOCALLY INCURRED COST (CHAPTER 2).

PAGE 7 The report shows in finding No. 1, Operating Costs, an amount totalling \$64,095 that is questioned. The recommendation is that USAID/EGYPT resolve the questioned costs. The questioned costs are itemized in appendices 1 through 7, and the management comments relative to the questioned costs are presented in the subsequent sections of this report which reference Appendices 1 through 7.

**Best Available Document**

17

PAGE 7 In Finding No. 2 deposits/advances are shown totalling \$19,460. It is recommended that this amount be reclassified from an expense to an asset in accordance with Generally Accepted Accounting Principles (GAAP). The deposits/advances are itemized in Appendices 1 through 7, and the management comments relative to the deposits/advances are presented in the subsequent sections of this report which reference Appendix 1 through 7.

PAGE 8 In finding No. 3 subcontract costs totalling \$38,899 are questioned. The subcontract costs in question are associated with the subcontract between BVI/JMM and the Egyptian firm of Sabbour Associates. Therefore, the management staff of Sabbour Associates has been requested to comment on the questioned cost, and a copy of their report is attached as Appendix A.

### 3.00 REPORT ON INTERNAL ACCOUNTING CONTROLS (CHAPTER 3)

PAGE 12 The Audit report indicates BVI/JMM does not use prenumbered disbursement vouchers and recommends sequentially numbered disbursement vouchers be utilized.

Response: The auditors recommendations have been implemented by BVI/JMM.

PAGE 12 Finding No. 2 indicates controls for reviewing subcontractor invoices do not exist. The report recommends a member of the BVI/JMM management team review and approve all subcontractor requests for payment.

Response: Subcontractor invoices prepared by Sabbour Associate are submitted through the field office. An arithmetic check is performed by a Sabbour employee who is assigned to the field office as the financial manager. The invoices are then reviewed by the chief of party to verify completeness, reasonableness of charges and compliance with the contract.

Other subcontractor invoices are submitted directly to the home office for review and approval.

**Best Available Document**

PAGE 12 Finding No. 3 indicates that BVI/JMM has not instituted controls to ensure the subcontractor's adherence with contract terms. It recommends the subcontractor be required to adhere to contract terms.

Response: Work performed by the subcontractors is authorized through task orders which are issued by BVI/JMM management. There have been cases where work was performed based on verbal authorizations in order to expedite the project. However, this practice is discouraged, and BVI/JMM management has taken the steps necessary to issue task orders for all subcontract work.

4.00 REPORT ON COMPLIANCE WITH CONTRACT TERMS AND APPLICABLE LAWS AND REGULATIONS (CHAPTER 4).

Findings indicate that BVI/JMM has complied, in all material respects, with contract terms and applicable laws and regulations. BVI/JMM management agrees with these findings.

5.00 APPENDICES

The seven appendices provide information to support the data presented on page 5 in the table under Note 1, Statement of Locally Incurred Costs by BVI/JMM Field Office Cairo for the Period July 28, 1988 to October 31, 1990.

As part of our comments, we present a revised version of this table supported by additional tables and comments.

TABLE A  
 STATEMENT OF LOCALLY INCURRED COST BY BVI/JMM FIELD OFFICE CAIRO  
 FOR THE PERIOD JULY 28, 1988 TO OCTOBER 31, 1990  
 (AS PRESENTED IN THE AUDIT REPORT)

COST ELEMENT	COSTS REPORTED	ADJUSTMENTS	AMOUNTS AUDITED	QUESTIONED COSTS	FINDINGS
OFFICE FACILITIES	\$55,735	(\$10,389)	\$45,346	\$32,604	1
OFFICE EQUIPMENT	\$33,425	(\$3,640)	\$29,785	\$1,190	1
COMMUNICATIONS	\$29,015		\$29,015	\$24,462	1
TRANSPORTATION	\$24,835		\$24,835	\$454	1
OFFICE FURNITURE	\$13,700		\$13,700	---	
REPRODUCTION	\$5,565		\$5,565	\$112	1
OTHER DIRECT COSTS	\$68,435		\$68,435	\$5,273	1
DEPOSITS	\$5,430	(\$5,430)	\$0	---	2
SUBTOTAL	\$236,140	(\$19,459)	\$216,681	\$64,095	
SUBCONTRACTOR COSTS	\$495,473		\$495,473	\$38,899	3
TOTAL	\$731,613	(\$19,459)	\$712,154	\$102,994	

TABLE B  
 STATEMENT OF LOCALLY INCURRED COST BY BVI/JMM FIELD OFFICE CAIRO  
 FOR THE PERIOD JULY 28, 1988 TO OCTOBER 31, 1990

(MANAGEMENT COMMENTS-BVI/JMM)

COST ELEMENT	COSTS REPORTED	ADJUSTMENTS	AMOUNTS AUDITED	QUESTIONED COSTS	COMMENT NUMBER
OFFICE FACILITIES	\$55,735	\$0	\$55,735	\$1,495	1
OFFICE EQUIPMENT	\$33,425	(\$3,640)	\$29,785	\$0	2
COMMUNICATIONS	\$29,015		\$29,015	\$3,284	3
TRANSPORTATION	\$24,835		\$24,835	\$6	4
OFFICE FURNITURE	\$13,700		\$13,700	-----	
REPRODUCTION	\$5,565		\$5,565	\$6	5
OTHER DIRECT COSTS	\$68,435		\$68,435	\$0	6
DEPOSITS	\$5,430	(\$5,430)	\$0	---	
SUBTOTAL	\$236,140	(\$9,070)	\$227,070	\$4,791	
SUBCONTRACTOR COSTS	\$495,473		\$495,473	\$2,328	7
TOTAL	\$731,613	(\$9,070)	\$722,543	\$7,119	

TABLE B:

- Comment 1 - Refer to Table C, Appendix F (Comments 3-17) - Office Facilities, for detailed breakdown of costs.
- Comment 2 - The expense of \$1190.08 represents purchase of phones and the inter-office phone system equipment. These items are part of the office equipment. They should be allowable and are reasonable cost items.
- Comment 3 - The phones are used for communication with the home office and subcontractors. Faxes and verbal communication are vital to the project. A review of phone bills indicates non-business use of phone facilities of \$3284. Additional comments are provided in Table D, comment 19.
- Comment 4 - Car rental for sub-contractor was provided by BVI/JMM. These costs were paid by BVI/JMM. The sub-contractor (Dames & Moore) did not bill for these particular car rental costs. Receipts were obtained by BVI/JMM directly and were not available to Dames & Moore. Additional comments are provided in Table D, Comment 20.
- Comment 5 - The item shown as PERSONAL-FILM ENLARGE was the copying of large maps used for presentations and for office activities. BVI/JMM management believes it is an allowable office expense. Additional comments are provided in Table D, Comment 21.
- Comment 6 - Refer to comment 22, Table D and Comments 24 through 29, Table E.
- Comment 7 - Subcontractor costs for Sabbour Associates are addressed in Appendix A of this report. BVI/JMM management comments and back-up documentation are provided.

TABLE C  
APPENDIX 1- OFFICE FACILITIES

ITEM	QUESTIONED AUDITED AMOUNT	CORRECTED QUESTIONED AMOUNT	COMMENT NUMBER
KITCHEN SUPPLIES	\$2,020.80	\$1,326.10	8
BUTANE GAS	\$10.32	\$10.32	9
LUNCH FOR 50	\$1,634.96	\$0.00	10
ENTERTAINMENT	\$88.25	\$88.25	
ELECTRIC DRILL	\$50.56	\$0.00	11
FLOWERS	\$130.71	\$0.00	12
GRATUITY	\$88.97	\$57.09	13
TAXES ON RENT	\$679.66	\$0.00	14
PERSONNEL	\$472.92	\$13.27	15
OFFICE RENT	\$37,816.58	\$0.00	16
TOTAL	\$42,993.73	\$1,495.03	
RECLAS. ADV. RENT(1)	(\$10,389.61)	\$0.00	17
QUESTIONED COSTS	\$32,604.12	\$1,495.03	

(1) RECLASSIFICATION OF ADVANCE RENT

TABLE C:

- Comment 8 - Kitchen supplies are broken into two categories consumable (tea, sugar, etc) and office maintenance (Soap, toilet paper, towels, etc.). The consumable only should be listed as a questioned amount. (\$1326.10). BVI/JMM management believes the \$694.70 for office maintenance are allowable expenses.
- Comment 9 - Butane gas listed as questioned amount.
- Comment 10 - The lunch charge was in conjunction with use of meeting facilities. There was no separate charge for use of meeting facilities. BVI/JMM management believes the total charges are allowable expenses.
- Comment 11 - The electric drill was purchased for office maintenance. It was used for replacement of faulty light fixtures and is continually used for office maintenance. BVI/JMM management believes this expense should be treated as an allowable charge for office equipment.
- Comment 12 - Plants were purchased for office decoration, and BVI/JMM management believes the total charges are an allowable expense.
- Comment 13 - A portion of "gratuity" was trash collection, copies, and office supplies. BVI/JMM management believes these should be excluded from this category and included as an allowable business related expenses. A total of \$31.88 was for business related expenses.
- Comment 14 - In accordance with the lease agreement, the office rent was 4000LE per month during the audit period. Taxes were deducted from this amount and paid directly to the appropriate authority for a portion of the lease period. (14 months at 120LE per month). BVI/JMM management believes these costs should be treated as part of the rent costs since they are included in the 4000 LE per month rate.
- Comment 15 - "Personal" expenses are costs related to employment of U.S. nationals living in Egypt. These include resident visas, drivers license, and fees on freight shipments. The reimbursement for "Jerry Passport" is listed as questioned. This charge related to replacement of a lost passport. BVI/JMM management believes the other costs are allowable since they are required for U.S. nationals to remain in Egypt.

Comment 16 - The rent for 24 months of the audit period was 96,000 LE (4000 LE per month). Rent was paid for this period in three components:

Advance Rent Payment	24,000 LE
Monthly Rent Payment	70,320 LE
Tax Payment	1,680 LE
TOTAL RENT PAYMENT	<u>96,000 LE</u>

The 4000 LE per month is considered a "reasonable" amount by BVI/JMM Management. The office is the equivalent of 2 flats and houses 15 employees. The 4th edition of the USAID Contractor's Handbook allows \$14,800 per year for housing costs for a family of 1-2. Two housing units would allow \$29,600 per year or \$2467 (USD) per month. This is equal to 6152 LE (2.494 exchange rate). Housing costs for a family of 7 or more is listed at \$19,290 per year or \$1603 per month. The pound equivalent of \$1603 is 3997 (2.494 exchange rate). The BVI/JMM management believes this indicates the rent for office facilities is reasonable.

Comment 17 - Reclassification of advance rent is considered a moot point. It may not have met a GAAP test initially, however, it was expended for rent during the course of the audit period. (The first 14 months) therefore, it is the opinion of BVI/JMM management that the advance rent was not an asset by the end of the audit period. Refer to Comment 16.

TABLE D  
SUMMARY OF APPENDICES 2-7

ITEM	QUESTIONED AUDITED AMOUNT	CORRECTED QUESTIONED AMOUNT	COMMENT NUMBER
APPENDIX 2	\$4,830.69	\$0.00	18
APPENDIX 3	\$24,461.66	\$3,284.00	19
APPENDIX 4	\$454.52	\$5.82	20
APPENDIX 5	\$111.68	\$6.25	21
APPENDIX 6	\$5,273.18	\$0.00	22
APPENDIX 7	-----	-----	
	=====	=====	
TOTAL	\$35,131.73	\$3,296.07	
RECLAS. DEP	(\$9,070.81)	\$0.00	23
	=====	=====	
QUESTIONED COSTS	\$26,060.92	\$3,296.07	.

Comment 18 - BVI/JMM management agrees that the deposit for telephones (\$3640) should be reclassified as an asset. However, the remaining costs are for telephones and the internal phone system equipment. BVI/JMM management believes that these costs (\$1190.07) should be treated as office equipment expenses, since they are reasonable costs for needed office equipment.

Comment 19 - Non-business phone costs have been subtracted from the total billings. These calls total \$3284 and are listed as questioned costs. The average remaining phone bill calculates to approximately 105 minutes of phone time per week. With 2 to 4 coordination phone calls per week and 4 to 8 faxes per day, BVI/JMM management believes the phone costs are certainly reasonable. The field office is staffed with 3 expatriats and during the design phase the technical work is being performed primarily in the U.S. This necessitates significant and continuous communication between offices.

BVI/JMM management has implemented a policy to discourage non-business use of the office phones as well as procedures to control non-business use of the office telephone. Each employee is required to complete a phone log for all long distance calls. Any non-business calls will be paid by the employee and credited against the phone bill.

Comment 20 - Auto costs for sub-contractor Dames & Moore were paid by BVI/JMM. BVI/JMM paid the costs and obtained the receipt directly. Dames & Moore had no access to receipts and did not bill for these rental vehicles. The additional vehicles were needed for short term workloads that exceeded the capabilities of the project vehicle pool. BVI/JMM management believes these costs (\$448.70) are legitimate project costs. The remaining \$5.82 for international drivers license is shown as a questioned cost.

Comment 21 - Film enlargement (\$105.43) as map copying and not a personal cost. BVI/JMM management believes this is a legitimate project cost. The remaining \$6.25 for personal photos is shown as a questioned cost.

Comment 22 - Refer to Table E, comments 23 through 28.

Comment 23 - With the exclusion of advance rent payments, BVI/JMM management believes reclassification of deposits should total \$9070.81.

TABLE E  
SUMMARY OF APPENDIX 6  
OTHER DIRECT COSTS

ITEM	AUDIT QUESTIONED AMOUNT	CORRECTED QUESTIONED AMOUNT	COMMENT NUMBER
ADVERTISE IN NEWSPAPER	\$411.98	\$0.00	24
BOAT RENTAL	\$1,384.98	\$0.00	25
POLICE AUTH. INCENT.	\$790.51	\$0.00	26
D&M CAR RENTAL	\$1,873.92	\$0.00	27
PERSONNAL	\$730.17	\$0.00	28
FOREIGN MADE TELEPHONE	\$81.62	\$0.00	29
TOTAL	\$5,273.18	\$0.00	

BEST AVAILABLE COPY

TABLE C:

- Comment 24 - The \$411.98 shown for advertising in the newspaper was to publish an announcement of meetings related to environmental reviews related to the project. This is a project requirement and the BVI/JMM management believes this item is an appropriate project cost.
- Comment 25 - The boat rental of \$1384.98 was for field studies in various waterways near the Canal Cities. These studies lasted several days. BVI/JMM management believes the boat rental costs were reasonable. The boat was large enough to support a working staff of 3 to 4 plus 2 people with the boat.
- Comment 26 - To gain access to Lake Manzala, BVI/JMM was required to provide for security clearance. Part of that requirement was to be accompanied by someone from the police authority. BVI/JMM management believes that since this was a requirement to gain access to Lake Manzala for project field studies, it is a legitimate project cost.
- Comment 27 - Refer to comment 20, Table D, as it pertains to auto expenses for Dames & Moore.
- Comment 28 - Refer to comment 15, Table C.
- Comment 29 - Refer to comment 18, Table D. Telephones were purchased in Egypt, and U.S. manufactured telephones are not available in Egypt.

BEST AVAILABLE COPY

29

Appendix A

SUBCONTRACTOR COSTS  
SABBOUR ASSOCIATES

The five areas of questioned costs include:

1.	Data Analysts	\$ 1,970
2.	Home Office Labor	\$ 5,319
3.	Testing Services	\$ 20,098
4.	Transportation Costs	\$ 4,708
5.	Unsupported Costs	<u>\$ 6,804</u>
	Total	\$ 38,899

Item 1 through 3 are addressed in the attached documents and CMC management believes these costs are appropriate.

Item 4, has previously been credited to the project. See attached documents.

Item 5 costs are divided into 3 categories:

With Documents	1484.60
Cost Allocations from Home Office	3001.50
Internal Receipt	2327.86

The cost for internal receipts (\$2327.86) are left as questioned costs. BVI/JMM management believes a review of the documentation for this item will allow acceptance of these costs. BVI/JMM management believes the other two categories are appropriate project costs.

BEST AVAILABLE COPY

Ref : 5276/SA/ANA

Date : Nov.7,1991.

Mr. David W. Williams  
Field Project Coordinator  
BVI/JMM Joint Venture  
Canal Cities Water & Waste Water Phase II Project

Dear Mr. Williams

As per our discussions regarding the audit report for the local expenditures, please find enclosed the attached comments.

These comments shall be joined in your management report.

Thank you for your best cooperation and if you have any question please don't hesitate to contact me.

Very Truly Yours  
Sabbour Associates

Assaad N. A/Fattah.

16/11/1991

1- Data analysts: not a part

-----  
of contract provisions  
-----

\$ 1,970

- This Task ( Prepare operation and maintenance cost study )  
was authorized from US AID to BVI/JMM and consequently  
authorized from BVI/JMM to SABBOUR ASSOCIATES by Task Order  
No 16 dated 12 June 1990 (see attached copy )

2- Home office Labor Costs not included

-----  
in contract provisions  
-----

\$ 5319.00

The purposes of using two lists for the Home Office and  
for Field Office labor are :-

a- SABBOUR had two rates of overhead

Field Office 110%

Home office 142.8%

b- Labor cost was put as a monthly rate and to be adjusted  
to actuals for each year begining with rates for 1990.

- It was agreed with BVI/JMM that the jobs not included in  
the home office labor list and included in field office labor  
list and this job is required for home office we use the basic  
sallary from the field office labor cost list and using the  
O.H. rate of Home office to obtain the new monthly rate.

This was done for the administration position as follow :-

* Administration (Field Labor Rates 1988)	= 1,200
	1200
Basic Salaary (1988)	= 600 x 2.1428=1285.7
	1285.7

\* Administration ( Home office labor Rates ) = 600 x 2.1428=1285.7

\* This job was authorised by BVI/JMM (see attached task orders)

- In 31 October 1989 a contract revision No 1 was done and the labor rates became at actuals salary plus fringes benefits and engineering overhead.  
 ( see attached copy ), therefore this Appendix B supercedes the first one (Monthly Rate & Labor Lists )  
 The Architects, drafts-man, Technical specification.....etc. were authorized by BVI/JMM in Mars & Jun 1990 to SABBOUR ASSOCIATES under professional support.  
 (see attached task orders)

**3- Testing Services** \$ 20,098.00

-----

Month of Payment	Description	Firm Name	Amount
-----	-----	-----	-----
May 1989	Survey works in Ismailia	Rasm for surveying & mapping	L.E. 34,776

- Task order from BVI/JMM to SABBOUR ASSOCIATES attached .
- Rasm Invoice, cheque and receipts are attached.

Month of Payment	Description	Firm Name	Amount
-----	-----	-----	-----
Aug. 1989	Analysis of Wastewater Samples	Nopwasd	L.E. 15,900
Aug. 1989	Analysis of Wastewater Samples	Nopwasd	L.E. 300

- The correction(lab. of Ministry of Health) instead of (Nopwasd)

BEST AVAILABLE COPY

33

- Task order from BVI/JMM to SABBOUR ASSOCIATES attached.
- Cheque and receipts from Ministry of Health Financing Department attached.

4- Transportation costs, overbilled by SABBOUR \$4,708  
-----

This amount L.E. (11,000) Reimbursed in Sabbour January 1991 Invoice. (see attached letters and invoice ) .

5- Unsupported Costs \$6,804  
-----

These costs are called other direct costs as mentioned in BVI/JMM & Sabbour Associates agreement and this including but not limited to, communication, reproduction , computer ...etc. These costs (\$ 6,804) represent the cost of blue prints, maps, reproduction, binding of reports, Equipment rentals (Tractors, boats ....etc), hiring labors, miscellaneous costs selling of ice.(w.w. samples), obtaining of data from different sources, overtime in labs, computer cost .....etc.

These costs are divided in three categories as shown in the attached tables :-

L.E	3,802.10	equivalent to U.S \$ 1,484.60	( With Documents )
L.E	7,686.70	equivalent to U.S \$ 3,001.50	( Cost Allocations from Home Office. )
L.E.	5,953.00	equivalent to U.S \$ 2,327.80	(Internal receipts.)

All these costs were accepted from BVI/JMM , and also within the approved budget.

Please see attached Tables and documents.

Month/Invoice	ITEMS	AMOUNT L.E.	AMOUNT U.S. \$
Sep.88 Inv.No 1	- Payment for workers in wastewater		
Oct.88	treatment plant in Ques & Is.		
Nov.88	& P.S.	377.00	
	- Stationery and Obtaining Maps	150.00	
	- Obtaining Test results	150.00	
		700.00	301.12
Dec.88 Inv.No.2	- Xerox Copies of Maps	30.00	
	- Maps (Geology Authority)	5.15	
	- Topographic Maps	285.75	
	- Port Said Entrance Fee	0.50	
		328.00	141.36
Jan.89 Inv.No.3	- Maps Copying & Binding	517.90	
	- Invitation Cards	130.00	
	- Maps (Geology Authority )	6.15	
	- Stationery	506.15	
	- Data Collection (Payment For worker )	359.80	
		1520.00	635.98
Feb.89 Inv.No.4	- Data collection (P.S. & Is.& SU.) (payment for workers)	270.00	111.57

Month/Invoice	ITEMS	Amount L.E.	Amount U.S. \$
Sep.88 Inv.No 1 Oct.88 Nov.88	- Payment for workers' in wastewater treatment plant in Suez & Is. & P.S. - Stationery and Obtaining Maps - Obtaining Test Results	300.00 150.00 250.00 ----- 700.00 =====	301.72
Dec.88 Inv.No.2	- Xerox Coppies of Maps - Maps (Geology Authority) - Topographic Maps - Port Said Entrance Fee	36.60 5.15 285.75 0.50 ----- 328.00 =====	141.38
Jan.89 Inv.No.3	- Maps Copying & Binding - Invitation Cards - Maps (Geology Authority ) - Stationery - Data Collection (Payment For worker )	517.90 130.00 6.15 506.15 359.80 ----- 1520.00 =====	635.98
Feb.89 Inv.No.4	- Data collection (P.S. & Is.& SU.) (payment for workers)	270.00 ----- =====	111.57

Month/Invoice	ITEMS	Amount L.E.	Amount U.S. \$
Mar.89 Inv.No.5	Pay ice for keepig samples & data collection	600.00	243.90
Apr.89 Inv.No.6	- Tractor Rental to take Samples & data collection	230.00	
	- Obtaining test results	1500.00	
		----- 1730.00 =====	673.15
May.89 Inv.No.7	- Stationery	74.00	28.79
		=====	
Jul.89 Inv. No.9	- Tractor Rental & data Collection	108.00	
	- Obtaining test results	71.00	
		----- 179.00 -----	69.92
Aug.89 Inv.No.10	- Boat Rental & Tractor Rental & Payment for worker in field Su. & P.S. & Is.	1250.00	
	- Computer Cost.	630.00	
		----- 1880.00 =====	731.52
Sep.89 Inv.No.11	- Maps copying & Stationery	75.00	29.07
		=====	
Oct.89 Inv. No.12	- Maps Copying & Binding	265.00	
	- Stationery	135.00	
		----- 400.00 =====	153.85
Nov. 89 Inv. No.13	- Xerox Coppies of Maps & Misc.	215.00	
	- Wastewater Test Lab. (Payment for Government Men)	2000.00	
		----- 2215.00	861.87

Month/Invoice	ITEMS	Amount L.E.	Amount U.S.: \$
Dec.89 Inv.No.14	Xerox coppies of Maps Wastewater Test Lab. (Government Mem)	170.00  2000.00 ----- 2170.00 =====	   847.55
- Jan.90 Inv.No.15	- Photocopy & Maps coping & Binding	200.00 -----	77.22
- Feb.90 Inv.No.16	- Stationery - Data Collection(P.S. & Is. & SU.)	450.00 180.00 ----- 630.00 =====	   238.64
- Mar.90 Inv.No.17	- Printing and reproduction - Videocassette Tape - Photocopy & Stationery	1088.50 1078.00 400.00 ----- 2566.50 =====	   958.49
- Apr.90 Inv.No.18	- Xerox Coppies - Stationery	103.50 96.50 ----- 200.00 =====	   74.91
- May.90 Inv.No.19	- Data collection & Obtaining test Results - Stationery	180.00 80.00 ----- 260.00 =====	   96.65
- Jun.90 Inv.No.20	- Printing and reproduction - Tractor Rental - Stationery	294.30 50.00 150.00 ----- 494.30 =====	   182.40
-Jul.90 Inv.No.21	- Photocopy & Binding	150.00 -----	55.15

Month/Invoice	ITEMS	Amount L.E.	Amount U.S. \$
Aug 90 Inv.No.22	- Boat & Tractor Rental to data collection	350.00	68.23
Sep.90 Inv.No.23	- Stationery & photocopy	175.00	
	- Data collection	25.00	
		200.00	210.00
Oct.90 Inv.NO.24	-Xerox Coppies	111.50	
	- Stationery	138.50	
		250.00	68.47
	Total	1744.80	6813.96

L.E.	U.S. \$	
-----	-----	
3802.10	1484.60	Documents
7686.70	3001.50	Memos
5953.00	2327.86	Receipts, for
-----	-----	governmental and
17441.80	6813.96	private firms.
=====	=====	

BUDGET LINE-ITEM	000. NUM.	DATE			FAR --- CLAUSE	DESCRIPTION OF COST	QUESTIONED COST IN L.E.	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE ITEM TOTAL IN U.S. \$
		DD	MM	YY							
OFFICE FACILITIES	3	12	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			107.55	12.31	46.56
OFFICE FACILITIES	4	12	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			127.04	12.31	55.00
OFFICE FACILITIES	6	13	11	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.50	12.31	5.45
OFFICE FACILITIES	8	13	11	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			75.24	12.31	32.57
OFFICE FACILITIES	11	14	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			48.25	12.31	20.69
OFFICE FACILITIES	10	14	11	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			7.80	12.31	3.38
OFFICE FACILITIES	14	16	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			8.10	12.31	3.51
OFFICE FACILITIES	15	17	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			44.30	12.31	19.18
OFFICE FACILITIES	16	20	11	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			9.45	12.31	4.09
OFFICE FACILITIES	29	30	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.15	12.31	5.26
OFFICE FACILITIES	29	30	11	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			40.10	12.31	17.36
OFFICE FACILITIES	2	2	12	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			0.90	12.31	0.39
OFFICE FACILITIES	15	14	12	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			15.40	12.31	6.67
OFFICE FACILITIES	25	18	12	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			73.70	12.31	31.90
OFFICE FACILITIES	40	29	12	88	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			21.75	12.31	9.42
OFFICE FACILITIES	11	3	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			13.75	12.31	5.95
OFFICE FACILITIES	24	6	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.00	12.31	2.60
OFFICE FACILITIES	30	9	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			3.25	12.31	1.41
OFFICE FACILITIES	38	11	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			13.75	12.31	5.95
OFFICE FACILITIES	46	14	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			16.00	12.31	6.93
OFFICE FACILITIES	51	19	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			125.15	12.31	54.18
OFFICE FACILITIES	56	25	1	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.05	12.31	5.22
OFFICE FACILITIES	3	8	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			22.55	12.32	9.72
OFFICE FACILITIES	15	15	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			18.80	12.32	9.10
OFFICE FACILITIES	12	15	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			51.60	12.32	22.24
OFFICE FACILITIES	20	20	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			4.50	12.32	1.94
OFFICE FACILITIES	18	20	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.70	12.32	2.89
OFFICE FACILITIES	25	22	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.05	12.32	2.61
OFFICE FACILITIES	27	24	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			196.00	12.32	84.48
OFFICE FACILITIES	30	27	2	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.15	12.32	2.65
OFFICE FACILITIES	31	13	3	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			232.50	12.32	100.22
OFFICE FACILITIES	28	13	3	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.15	12.32	5.24
OFFICE FACILITIES	49	20	3	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			1.70	12.32	0.73
OFFICE FACILITIES	67	29	3	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			5.98	12.32	2.58
OFFICE FACILITIES	8	4	4	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.50	12.32	2.80
OFFICE FACILITIES	19	11	5	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.75	12.40	5.31
OFFICE FACILITIES	28	15	5	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			199.36	12.40	83.07
OFFICE FACILITIES	23	15	5	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			19.50	12.40	8.13
OFFICE FACILITIES	38	21	5	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			5.00	12.40	2.08
OFFICE FACILITIES	53	31	5	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			23.75	12.40	9.90
OFFICE FACILITIES	3	2	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			2.60	12.53	1.03
OFFICE FACILITIES	10	3	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			29.80	12.53	11.78
OFFICE FACILITIES	12	3	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			3.00	12.53	1.19
OFFICE FACILITIES	18	5	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			3.00	12.53	1.19
OFFICE FACILITIES	21	5	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			15.00	12.53	5.93
OFFICE FACILITIES	19	5	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			3.40	12.53	1.34
OFFICE FACILITIES	40	11	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			6.50	12.53	2.57
OFFICE FACILITIES	51	19	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.30	12.53	4.86
OFFICE FACILITIES	67	27	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			292.45	12.53	115.59
OFFICE FACILITIES	72	31	7	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.75	12.53	5.04
OFFICE FACILITIES	12	2	8	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			26.00	12.53	10.28
OFFICE FACILITIES	29	13	8	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES			12.80	12.53	5.06

40

OFFICE FACILITIES:	81	24	8	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	12.30	12.53	5.76
OFFICE FACILITIES:	82	24	8	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	21.40	12.53	8.45
OFFICE FACILITIES:	82	30	8	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	4.90	12.53	1.94
OFFICE FACILITIES:	9	6	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	3.75	12.53	3.46
OFFICE FACILITIES:	13	11	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	246.65	12.53	97.49
OFFICE FACILITIES:	30	14	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	2.50	12.53	0.99
OFFICE FACILITIES:	33	13	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	8.25	12.53	3.26
OFFICE FACILITIES:	44	24	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	97.50	12.53	36.54
OFFICE FACILITIES:	48	25	9	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	35.30	12.53	13.95
OFFICE FACILITIES:	48	19	10	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	10.00	12.56	3.91
OFFICE FACILITIES:	65	25	10	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	33.00	12.56	12.39
OFFICE FACILITIES:	72	19	10	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	93.15	12.56	36.39
OFFICE FACILITIES:	73	30	10	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	10.00	12.56	3.91
OFFICE FACILITIES:	71	28	11	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	3.50	12.56	1.37
OFFICE FACILITIES:	25	11	12	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	184.30	12.61	70.61
OFFICE FACILITIES:	26	11	12	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	17.40	12.61	6.67
OFFICE FACILITIES:	35	13	12	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	5.50	12.61	2.11
OFFICE FACILITIES:	54	21	12	89	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	80.00	12.61	30.65
OFFICE FACILITIES:	7	3	1	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	2.00	12.70	0.74
OFFICE FACILITIES:	12	7	1	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	2.50	12.70	0.93
OFFICE FACILITIES:	21	11	1	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	153.80	12.70	56.96
OFFICE FACILITIES:	22	11	2	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	3.75	12.53	1.48
OFFICE FACILITIES:	54	25	2	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	175.60	12.53	69.41
OFFICE FACILITIES:	59	26	2	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	2.00	12.53	0.79
OFFICE FACILITIES:	3	5	3	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	85.00	12.61	32.57
OFFICE FACILITIES:	44	27	3	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	2.50	12.61	0.96
OFFICE FACILITIES:	33	23	4	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	206.90	12.60	79.58
OFFICE FACILITIES:	41	30	4	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	20.65	12.60	7.94
OFFICE FACILITIES:	20	13	5	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	117.80	12.66	44.29
OFFICE FACILITIES:	28	14	5	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	90.00	12.66	33.83
OFFICE FACILITIES:	47	28	5	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	74.35	12.66	27.95
OFFICE FACILITIES:	12	6	6	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	31.00	12.67	11.61
OFFICE FACILITIES:	58	27	6	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	182.65	12.67	68.41
OFFICE FACILITIES:	24	16	7	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	61.00	12.70	22.59
OFFICE FACILITIES:	13	9	8	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	177.05	12.70	65.57
OFFICE FACILITIES:	19	19	8	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	32.25	12.70	11.94
OFFICE FACILITIES:	29	22	8	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	104.82	12.70	38.82
OFFICE FACILITIES:	36	28	8	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	246.40	12.70	91.26
OFFICE FACILITIES:	11	6	9	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	16.00	12.66	6.02
OFFICE FACILITIES:	34	23	9	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	16.00	12.66	6.02
OFFICE FACILITIES:	40	27	9	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	136.05	12.66	51.15
OFFICE FACILITIES:	44	30	9	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	4.60	12.66	1.73
OFFICE FACILITIES:	11	8	10	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	35.20	12.69	13.09
OFFICE FACILITIES:	31	19	10	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	7.50	12.69	2.79
OFFICE FACILITIES:	36	21	10	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	67.20	12.69	24.98
OFFICE FACILITIES:	42	28	10	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	9.35	12.69	3.48
OFFICE FACILITIES:	49	30	10	90	31.205-14	ENTERTAINMENT:KITCHEN SUPPLIES	102.00	12.69	37.92
									2,020.80
OFFICE FACILITIES:	6	2	3	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	0.95	12.32	0.41
OFFICE FACILITIES:	54	23	3	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.32	0.43
OFFICE FACILITIES:	37	21	5	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.40	0.42
OFFICE FACILITIES:	29	15	6	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.30	12.53	0.51
OFFICE FACILITIES:	37	10	7	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.50	12.53	0.59
OFFICE FACILITIES:	34	14	8	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.53	0.40
OFFICE FACILITIES:	15	10	9	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.53	0.40
OFFICE FACILITIES:	15	5	10	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.56	0.39
OFFICE FACILITIES:	20	8	11	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.56	0.39
OFFICE FACILITIES:	15	7	12	89	31.205-14	ENTERTAINMENT:BUTAIN GAS	1.00	12.61	0.38

41

OFFICE FACILITIES	6	7	1	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.00	12.70	0.57	
OFFICE FACILITIES	14	10	1	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.00	12.70	0.57	
OFFICE FACILITIES	25	14	3	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.00	12.51	0.73	
OFFICE FACILITIES	10	3	4	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.25	12.50	0.43	
OFFICE FACILITIES	13	4	5	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.50	12.46	0.56	
OFFICE FACILITIES	11	5	5	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.75	12.57	0.55	
OFFICE FACILITIES	25	18	7	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.50	12.70	0.56	
OFFICE FACILITIES	20	19	8	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.50	12.70	0.56	
OFFICE FACILITIES	15	5	9	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	2.25	12.56	0.55	
OFFICE FACILITIES	43	20	9	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.75	12.56	0.66	
OFFICE FACILITIES	27	21	10	90	31.205-14	ENTERTAINMENT	BUTAIN GAS	1.50	12.59	0.56	
OFFICE FACILITIES	6	15	2	89	31.205-14	ENTERTAINMENT	LUNCH FOR 30 PERSONS	2,792.10	12.72	1,604.96	10.00
OFFICE FACILITIES	35	15	9	89	31.205-14	ENTERTAINMENT	ENTERTAINMENT	10.90	12.53	4.27	1,604.96
OFFICE FACILITIES	27	10	10	89	31.205-14	ENTERTAINMENT	ENTERTAINMENT	215.00	12.56	93.68	
OFFICE FACILITIES	28	12	6	90	31.201-02	ALLOWABILITY	ELECTRIC DRILL	135.00	12.67	50.56	33.25
OFFICE FACILITIES	44	14	1	89	31.201-02	ALLOWABILITY	FLOWERS	64.35	12.31	27.96	30.55
OFFICE FACILITIES	42	14	1	89	31.201-02	ALLOWABILITY	FLOWERS	25.00	12.31	10.82	
OFFICE FACILITIES	56	23	3	89	31.201-02	ALLOWABILITY	FLOWERS	10.00	12.32	4.31	
OFFICE FACILITIES	53	23	3	89	31.201-02	ALLOWABILITY	FLOWERS	60.00	12.32	25.86	
OFFICE FACILITIES	18	11	4	89	31.201-02	ALLOWABILITY	FLOWERS	15.00	12.32	6.47	
OFFICE FACILITIES	56	24	7	89	31.201-02	ALLOWABILITY	FLOWERS	28.00	12.53	11.07	
OFFICE FACILITIES	24	10	10	89	31.201-02	ALLOWABILITY	FLOWERS	30.00	12.56	11.72	
OFFICE FACILITIES	21	11	2	90	31.201-02	ALLOWABILITY	FLOWERS	20.00	12.53	7.91	
OFFICE FACILITIES	5	5	3	90	31.201-02	ALLOWABILITY	FLOWERS	25.00	12.61	9.58	
OFFICE FACILITIES	18	10	4	90	31.201-02	ALLOWABILITY	FLOWERS	20.00	12.60	7.69	
OFFICE FACILITIES	6	4	10	90	31.201-02	ALLOWABILITY	FLOWERS	20.00	12.69	7.43	
OFFICE FACILITIES	19	21	11	88	31.201-02	ALLOWABILITY	GRATUITY	6.00	12.31	2.60	130.71
OFFICE FACILITIES	6	2	12	88	31.201-02	ALLOWABILITY	GRATUITY	1.50	12.31	0.65	
OFFICE FACILITIES	4	2	1	89	31.201-02	ALLOWABILITY	GRATUITY	3.00	12.31	1.30	
OFFICE FACILITIES	20	6	1	89	31.201-02	ALLOWABILITY	GRATUITY	43.50	12.31	18.83	
OFFICE FACILITIES	12	6	3	89	31.201-02	ALLOWABILITY	GRATUITY	15.00	12.32	6.47	
OFFICE FACILITIES	32	23	3	89	31.201-02	ALLOWABILITY	GRATUITY	5.00	12.32	2.16	
OFFICE FACILITIES	61	26	3	89	31.201-02	ALLOWABILITY	GRATUITY	5.00	12.32	2.16	
OFFICE FACILITIES	4	3	4	89	31.201-02	ALLOWABILITY	GRATUITY	5.00	12.32	2.16	
OFFICE FACILITIES	32	24	4	89	31.201-02	ALLOWABILITY	GRATUITY	5.00	12.40	2.08	
OFFICE FACILITIES	34	7	7	89	31.201-02	ALLOWABILITY	GRATUITY	3.40	12.53	1.34	
OFFICE FACILITIES	60	26	7	89	31.201-02	ALLOWABILITY	GRATUITY	1.50	12.53	0.59	
OFFICE FACILITIES	57	30	9	89	31.201-02	ALLOWABILITY	GRATUITY	15.00	12.53	5.93	
OFFICE FACILITIES	30	15	10	89	31.201-02	ALLOWABILITY	GRATUITY	5.20	12.56	2.03	
OFFICE FACILITIES	50	22	10	89	31.201-02	ALLOWABILITY	GRATUITY	24.00	12.56	9.38	
OFFICE FACILITIES	62	25	10	89	31.201-02	ALLOWABILITY	GRATUITY	38.00	12.56	14.84	
OFFICE FACILITIES	34	31	10	89	31.201-02	ALLOWABILITY	GRATUITY	18.00	12.56	7.03	
OFFICE FACILITIES	41	18	11	89	31.201-02	ALLOWABILITY	GRATUITY	3.00	12.56	1.17	
OFFICE FACILITIES	60	26	12	89	31.201-02	ALLOWABILITY	GRATUITY	7.00	12.61	2.68	
OFFICE FACILITIES	8	4	10	90	31.201-02	ALLOWABILITY	GRATUITY	15.00	12.69	5.58	
OFFICE FACILITIES	44	19	3	89	31.201-02	ALLOWABILITY	TAXES ON RENT	600.00	12.32	258.62	98.97
OFFICE FACILITIES	35	6	7	89	31.201-02	ALLOWABILITY	TAXES ON RENT	360.00	12.53	142.29	
OFFICE FACILITIES	8	4	10	89	31.201-02	ALLOWABILITY	TAXES ON RENT	0.25	12.56	0.10	
OFFICE FACILITIES	8	4	10	89	31.201-02	ALLOWABILITY	TAXES ON RENT	360.00	12.56	140.63	
OFFICE FACILITIES	69	28	12	89	31.201-02	ALLOWABILITY	TAXES ON RENT	360.25	12.61	138.03	
OFFICE FACILITIES	4	2	12	98	31.201-02	ALLOWABILITY	PERSONNAL-MR.EDWARD PH	5.00	12.31	2.16	679.66
OFFICE FACILITIES	27	19	12	88	31.201-02	ALLOWABILITY	PERSONNAL-MOORE DRV. L	7.50	12.31	3.25	

BUDGET LINE-ITEM	DOC. NO.	DATE			FAR --- CLAUSE	DESCRIPTION	DESCRIPTION OF COST	QUESTIONED COST IN U.S.	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE OR TOTAL IN U.S.
		DD	MM	YY								
OFFICE EQUIPMENT	20	12	8	89	31.201-02	ALLOWABILITY FOREIGN MADE TELEPHONE	266.00	12.53	105.14			
OFFICE EQUIPMENT	24	10	10	89	31.201-02	ALLOWABILITY FOREIGN MADE TELEPHONE	85.00	12.56	33.20			
OFFICE EQUIPMENT	29	12	7	90	31.201-02	ALLOWABILITY FOREIGN MADE TELEPHONE	69.50	12.70	25.74			
OFFICE EQUIPMENT	7	6	9	90	31.201-02	ALLOWABILITY FOREIGN MADE TELEPHONE	293.00	12.66	110.15			
											374.23	
OFFICE EQUIPMENT	15	12	11	88	31.201-02	GAAP DEPOSIT FOR TELEPHONE	5,010.10	12.31	2,158.87			
OFFICE EQUIPMENT	50	12	7	89	31.201-02	GAAP DEPOSIT FOR TELEPHONE	3,723.50	12.53	1,471.74			
											3,630.61	
OFFICE EQUIPMENT	19	15	12	88	31.201-03	REASONABLENESS TELEPHONE INST. FEES	1,000.00	12.31	432.90			
OFFICE EQUIPMENT	37	12	12	88	31.201-03	REASONABLENESS TELEPHONE INST. FEES	1,115.60	12.31	482.94			
											915.84	
											4,930.	

BEST AVAILABLE COPY

43'

OFFICE FACILITIES:	11	6	7	89	31.201-02	ALLOWABILITY	PERSONNAL-PAIR OF GLOV	3.50	12.22	1.31	
OFFICE FACILITIES:	21	14	6	89	31.201-02	ALLOWABILITY	PERSONNAL-RESID. PERM.	21.00	12.53	3.20	
OFFICE FACILITIES:	27	31	7	89	31.201-02	ALLOWABILITY	PERSONNAL-RESID. PERM.	20.00	12.53	7.91	
OFFICE FACILITIES:	28	13	8	89	31.201-02	ALLOWABILITY	PERSONNAL-DRIVING LICEN	88.25	12.52	26.98	
OFFICE FACILITIES:	58	15	8	89	31.201-02	ALLOWABILITY	PERSONNAL-FREIGHT S.H.	491.00	12.53	194.07	
OFFICE FACILITIES:	76	39	8	89	31.201-02	ALLOWABILITY	PERSONNAL-RESIDEN. PERM	60.00	12.53	23.72	
OFFICE FACILITIES:	44	20	2	90	31.201-02	ALLOWABILITY	PERSONNAL-R.FEES/C.SIN	24.00	12.53	13.44	
OFFICE FACILITIES:	28	17	5	90	31.201-02	ALLOWABILITY	PERSONNAL-DRV.LIC/D.SIN	45.75	12.66	17.20	
OFFICE FACILITIES:	28	14	6	90	31.201-02	ALLOWABILITY	PERSONNAL-CUSTOMS D.W.	401.95	12.67	159.54	
OFFICE FACILITIES:	29	19	6	90	31.201-02	ALLOWABILITY	PERSONNAL-DRV.LIC/D.W.	12.00	12.67	4.47	
OFFICE FACILITIES:	18	19	8	90	31.201-02	ALLOWABILITY	PERSONNAL-JERY PASSPOR	30.00	12.70	11.11	
OFFICE FACILITIES:	28	29	8	90	31.201-02	ALLOWABILITY	PERSONNAL-DRV.LIC/G.H.	22.25	12.70	8.24	
											472.92
OFFICE FACILITIES:	4	10	10	88	31.201-02	GAAP	ADVANCE RENT 6 MONTHS	24,000.00	12.31	10,389.61	
OFFICE FACILITIES:	2	8	11	88	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	1	1	12	88	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	63	1	1	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	2	5	2	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.32	810.34	
OFFICE FACILITIES:	18	7	3	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.32	810.34	
OFFICE FACILITIES:	1	2	4	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.40	783.33	
OFFICE FACILITIES:	1	3	5	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.40	783.33	
OFFICE FACILITIES:	1	1	6	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	7	1	7	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	8	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	9	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	10	89	31.201-03	REASONABLNESS	OFFICE RENT	1,880.00	12.56	734.38	
OFFICE FACILITIES:	1	1	11	89	31.201-03	REASONABLNESS	OFFICE RENT	3,880.00	12.56	1,515.63	
OFFICE FACILITIES:	1	1	12	89	31.201-03	REASONABLNESS	OFFICE RENT	3,880.00	12.61	1,486.59	
OFFICE FACILITIES:	1	1	1	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	1	2	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.53	1,581.03	
OFFICE FACILITIES:	1	4	3	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.61	1,532.57	
OFFICE FACILITIES:	1	3	4	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.60	1,538.46	
OFFICE FACILITIES:	1	2	5	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.66	1,503.76	
OFFICE FACILITIES:	1	3	6	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.67	1,498.13	
OFFICE FACILITIES:	1	7	7	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	1	8	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	3	9	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.66	1,503.76	
OFFICE FACILITIES:	1	1	10	90	31.201-03	REASONABLNESS	OFFICE RENT	4,000.00	12.69	1,486.99	
											37,816.58
											42,993.74

1. Office rentals rates were questioned as unreasonable because real estate brokers in the area quoted lesser rates for larger flats than BVI/JMM was paying/occupying.

BEST AVAILABLE COPY

-44-

OFFICE FACILITIES:	11	6	7	89	31.201-02	ALLOWABILITY (PERSONNAL-PAIR OF GLOV)	7.50	12.32	1.51	
OFFICE FACILITIES:	21	14	8	89	31.201-02	ALLOWABILITY (PERSONNAL-RESID. PERM.)	21.00	12.53	8.30	
OFFICE FACILITIES:	77	21	7	89	31.201-02	ALLOWABILITY (PERSONNAL-RESID. PERM.)	20.00	12.53	7.91	
OFFICE FACILITIES:	25	13	9	89	31.201-02	ALLOWABILITY (PERSONNAL-DRIVING LICEN)	68.25	12.53	26.98	
OFFICE FACILITIES:	56	15	8	89	31.201-02	ALLOWABILITY (PERSONNAL-FREIGHT S.H.)	491.00	12.53	194.07	
OFFICE FACILITIES:	76	22	8	89	31.201-02	ALLOWABILITY (PERSONNAL-RESIDEN. PER)	60.00	12.53	23.72	
OFFICE FACILITIES:	44	20	2	90	31.201-02	ALLOWABILITY (PERSONNAL-R.FEES/C.SIN)	34.00	12.53	13.44	
OFFICE FACILITIES:	73	17	5	90	31.201-02	ALLOWABILITY (PERSONNAL-DRV.LIC/D.SI)	45.75	12.56	17.20	
OFFICE FACILITIES:	78	14	6	90	31.201-02	ALLOWABILITY (PERSONNAL-CUSTOMS D.W.)	401.65	12.57	150.54	
OFFICE FACILITIES:	79	19	6	90	31.201-02	ALLOWABILITY (PERSONNAL-DRV.LIC/D.W.)	12.00	12.57	4.49	
OFFICE FACILITIES:	13	18	8	90	31.201-02	ALLOWABILITY (PERSONNAL-JERY PASSPOR)	30.00	12.70	11.11	
OFFICE FACILITIES:	78	29	8	90	31.201-02	ALLOWABILITY (PERSONNAL-DRV.LIC/G.H.)	22.25	12.70	8.24	
										472.92
OFFICE FACILITIES:	4	10	10	88	31.201-02	GAAP ADVANCE RENT 6 MONTHS	24,000.00	12.31	10,389.61	
OFFICE FACILITIES:	2	8	11	88	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	1	1	12	88	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	63	1	1	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.31	813.85	
OFFICE FACILITIES:	2	5	2	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.32	810.34	
OFFICE FACILITIES:	18	7	3	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.32	810.34	
OFFICE FACILITIES:	1	2	4	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.40	783.33	
OFFICE FACILITIES:	1	3	5	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.40	783.33	
OFFICE FACILITIES:	1	1	6	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	7	1	7	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	8	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	9	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.53	743.08	
OFFICE FACILITIES:	1	1	10	89	31.201-03	REASONABLNESS:OFFICE RENT	1,880.00	12.56	734.38	
OFFICE FACILITIES:	1	1	11	89	31.201-03	REASONABLNESS:OFFICE RENT	3,880.00	12.56	1,515.63	
OFFICE FACILITIES:	1	1	12	89	31.201-03	REASONABLNESS:OFFICE RENT	3,880.00	12.61	1,486.59	
OFFICE FACILITIES:	1	1	1	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	1	2	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.53	1,581.03	
OFFICE FACILITIES:	1	4	3	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.61	1,532.57	
OFFICE FACILITIES:	1	3	4	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.60	1,538.46	
OFFICE FACILITIES:	1	2	5	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.66	1,503.76	
OFFICE FACILITIES:	1	3	6	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.67	1,498.13	
OFFICE FACILITIES:	1	7	7	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	1	8	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.70	1,481.48	
OFFICE FACILITIES:	1	3	9	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.66	1,503.76	
OFFICE FACILITIES:	1	1	10	90	31.201-03	REASONABLNESS:OFFICE RENT	4,000.00	12.69	1,486.99	
										37,816.58
										42,993.

1. Office rentals rates were questioned as unreasonable because real estate brokers in the area quoted lesser rates for larger flats than BVI/JMM was paying/occupying.

BEST AVAILABLE COPY

45

BUDGET LINE-ITEM	COD. # NUM.	DATE			FAR		DESCRIPTION OF COST	QUESTIONED COST IN L.E.	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE ITEM TOTAL IN U.S. \$
		DD	MM	YY	CLAUSE	DESCRIPTION						
COMMUNICATION	39	1	1	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	44.30	12.32	17.09		
COMMUNICATION	40	10	2	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	1,101.50	12.32	474.78		
COMMUNICATION	41	16	3	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	27.50	12.32	11.85		
COMMUNICATION	42	17	3	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	1,204.50	12.32	519.18		
COMMUNICATION	43	20	4	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	343.00	12.39	352.72		
COMMUNICATION	42	19	5	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	2,033.00	12.40	847.08		
COMMUNICATION	46	3	6	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	608.90	12.53	240.67		
COMMUNICATION	47	5	7	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	1,175.00	12.53	464.43		
COMMUNICATION	48	17	8	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	1,988.60	12.53	745.48		
COMMUNICATION	42	22	9	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,360.35	12.53	1,328.20		
COMMUNICATION	4	1	10	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,210.75	12.56	1,254.20		
COMMUNICATION	37	16	11	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	2,880.95	12.56	1,047.25		
COMMUNICATION	52	26	11	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	3.45	12.56	1.35		
COMMUNICATION	28	11	12	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	10.56	12.61	4.05		
COMMUNICATION	32	12	12	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	17.90	12.61	6.86		
COMMUNICATION	45	18	12	89	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,342.25	12.61	1,280.56		
COMMUNICATION	14	3	1	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,514.45	12.70	1,301.65		
COMMUNICATION	27	12	2	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	2,773.95	12.53	1,096.42		
COMMUNICATION	36	19	3	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,214.00	12.61	1,231.42		
COMMUNICATION	25	15	4	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,358.50	12.60	1,291.73		
COMMUNICATION	40	22	5	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	4,819.75	12.66	1,811.94		
COMMUNICATION	47	20	6	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	4,239.50	12.67	1,587.83		
COMMUNICATION	57	25	6	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	579.00	12.67	216.85		
COMMUNICATION	36	25	7	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	4,679.00	12.70	1,732.96		
COMMUNICATION	30	22	8	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	4,593.00	12.70	1,701.11		
COMMUNICATION	15	9	9	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	3,572.25	12.66	1,342.95		
COMMUNICATION	24	16	10	90	31.201-03	REASONABLNESS	TELEPHONE CALLS	6,854.25	12.69	2,548.05		
QUESTIONED COSTS											24,461.66	24,461.66

All telephone calls were questioned because we could not identify business versus personal calls from the documentation made available.

46

BUDGET LINE-ITEM	BUDG. NUM.	DATE			FAR		DESCRIPTION OF COST	QUESTIONED COST IN L.E.	CONV. RATE	EQUIV. IN U.S. \$	BLS-TOTAL IN L.E. \$	LINE ITEM TOTAL IN L.E. \$
		DD	MM	YY	CLAUSE	DESCRIPTION						
TRANSPORTATION	59	08	11	59	31.201-02	ALLOWABILITY	DAMES & MOORE CAR RENT	308.50	12.56	315.32		
TRANSPORTATION	58	08	11	59	31.201-02	ALLOWABILITY	DAMES & MOORE CAR RENT	340.18	12.56	132.89		
TRANSPORTATION	54	08	03	59	31.201-02	ALLOWABILITY	PERSONNAL-INT. DRIV. LI	15.50	12.32	5.82	443.70	
QUESTIONED COSTS											5.32	454.52

BEST AVAILABLE COPY

BUDGET LINE-ITEM	ACCT. NO.	DATE	FAR ---	DESCRIPTION OF COST	QUESTIONED COST IN U.S. \$	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE ITEM TOTAL IN U.S. \$
REPRODUCTION	100	06 89	01.201-02	ALLOWABILITY (PERSONNAL-FILM ENLARGE)	150.00	12.40	105.43		
REPRODUCTION	100	06 89	01.201-02	ALLOWABILITY (PERSONNAL-MR.ROMAN PHO)	15.00	12.40	8.25		
								111.68	
QUESTIONED COSTS									111.68

BEST AVAILABLE COPY

48

BLACK & VEATCH INT./ JAMES M. MONTGOMERY

BUDGET LINE-ITEM	DOC. NUM.	DATE DD MM YY	FAR --- CLAUSE	DESCRIPTION	DESCRIPTION OF COST	QUESTIONED COST IN U.S. \$	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE ITEM TOTAL IN U.S. \$
OTHER DIRECT COST:	15	11 3 90	31.201-02	ALLOWABILITY	ADVERTISING IN NEWSPAP	476.55	2.51	182.59		
OTHER DIRECT COST:	12	10 7 90	31.201-02	ALLOWABILITY	ADVERTISING IN NEWSPAP	619.35	2.70	229.39		
									411.98	
OTHER DIRECT COST:	4	15 8 89	31.201-03	REASONABLENESS	BOAT RENT	2,232.00	2.53	884.98		
OTHER DIRECT COST:	38	13 12 89	31.201-03	REASONABLENESS	BOAT RENT	1,308.00	2.61	500.00		
									1,384.98	
OTHER DIRECT COST:	65	25 7 89	31.201-03	REASONABLENESS	POLICE AUTHO. INCENTIV	2,000.00	2.53	790.51		
									790.51	
OTHER DIRECT COST:	20	13 9 89	31.201-04	ALLOCABILITY	DAMES & MOORE CAR RENT	2,258.00	2.53	892.49		
OTHER DIRECT COST:	41	15 8 89	31.201-04	ALLOCABILITY	DAMES & MOORE FREIGHT	170.00	2.53	67.19		
OTHER DIRECT COST:	3	4 12 89	31.201-04	ALLOCABILITY	DAMES & MOORE CAR RENT	2,075.95	2.61	795.38		
OTHER DIRECT COST:	20	10 12 89	31.201-04	ALLOCABILITY	DAMES & MOORE CAR RENT	151.23	2.61	57.94		
OTHER DIRECT COST:	44	13 12 89	31.201-04	ALLOCABILITY	DAMES & MOORE CAR RENT	158.98	2.61	60.91		
									1,973.92	
OTHER DIRECT COST:	3	2 8 89	31.201-04	ALLOCABILITY	PERSONNAL-FREIGHT G.H.	194.85	2.53	77.02		
OTHER DIRECT COST:	21	13 8 89	31.201-04	ALLOCABILITY	PERSONNAL-FREIGHT D.W.	264.70	2.53	104.62		
OTHER DIRECT COST:	2	4 9 89	31.201-04	ALLOCABILITY	PERSONNAL-FREIGHT CLEA	150.95	2.53	59.66		
OTHER DIRECT COST:	12	6 11 89	31.201-04	ALLOCABILITY	PERSONNAL-FREIGHT CLEA	47.90	2.56	18.71		
OTHER DIRECT COST:	42	20 11 89	31.201-04	ALLOCABILITY	PERSONNAL-FREIGHT CLEA	267.91	2.56	104.65		
OTHER DIRECT COST:	32	16 1 90	31.201-04	ALLOCABILITY	PERSONNAL-CUSTOMS L.F.	532.75	2.70	197.31		
OTHER DIRECT COST:	48	28 1 90	31.201-04	ALLOCABILITY	PERSONNAL-CUSTOMS D.W.	226.30	2.70	83.81		
OTHER DIRECT COST:	34	26 8 90	31.201-04	ALLOCABILITY	PERSONNAL-CUSTOMS G.H.	125.65	2.70	46.54		
OTHER DIRECT COST:	14	9 9 90	31.201-04	ALLOCABILITY	PERSONNAL-CUSTOMS G.H.	100.65	2.66	37.84		
									730.17	
OTHER DIRECT COST:	33	15 2 90	31.201-02	ALLOWABILITY	FOREIGN MADE TELEPHONE	80.00	2.53	31.62		
OTHER DIRECT COST:	13	9 4 90	31.201-02	ALLOWABILITY	FOREIGN MADE TELEPHONE	105.00	2.60	40.38		
OTHER DIRECT COST:	22	15 4 90	31.201-02	ALLOWABILITY	FOREIGN MADE TELEPHONE	25.00	2.60	9.62		
									31.62	
QUESTIONED COSTS										5,273.18

BEST AVAILABLE COPY

BUDGET LINE-ITEM	DOC. NUM.	DATE			FAR		DESCRIPTION OF COST	QUESTIONED COST IN L.E.	CONV. RATE	EQUIV. IN U.S. \$	SUB-TOTAL IN U.S. \$	LINE ITEM TOTAL IN U.S. \$
		DD	MM	YY	CLAUSE	DESCRIPTION						
DEPOSITS	26	12	2	90	31.201-02	GAAP	DEPOSIT FOR TELEPHONE	1,000.25	12.53	795.56		
DEPOSITS	4	3	6	90	31.201-02	GAAP	DEPOSIT 3 PARTS STORE	500.00	12.67	224.72		
DEPOSITS	1	9	11	98	31.201-02	GAAP	DEPOSIT 2 MONTHS RENT	8,000.00	12.33	3,440.12		
DEPOSITS	14	10	4	89	31.201-02	GAAP	DEPOSIT FOR TELEPHONE	350.00	12.42	145.00		
DEPOSITS	12	11	5	89	31.201-02	GAAP	DEPOSIT FOR TELEPHONE	3,000.40	12.45	1,225.00		
											5,430.20	5,430.20

BEST AVAILABLE COPY

## Appendix C

<u>Month/Invoice</u>	<u>ITEMS</u>	<u>Amount L.E.</u>	<u>Amount U.S.\$</u>
Sep.88 Inv.No 1	- Payment for workers in wastewater treatment plant in Suez & Is. & P.S.	300.00	
Oct.88	- Stationery and Obtaining Maps	150.00	
Nov.88	- Obtaining Test Results	250.00	
		-----	
		700.00	301.72
		=====	
Dec.88 Inv.No 2	- Xerox Copies of Maps	36.60	
	- Maps (Geology Authority)	5.15	
	- Topographic Maps	285.75	
	- Port Said Entrance Fee	0.50	
		-----	
		328.00	141.38
		=====	
Jan.89 Inv.No 3	- Maps Copying & Binding	517.90	
	- Invitation Cards	130.00	
	- Maps (Geology Authority)	6.15	
	- Stationery	506.15	
	- Data Collection (Payment for worker)	359.80	
		-----	
		1520.00	635.98
		=====	
Feb.89 Inv.No 4	- Data collection (P.S. & IS. & SU.) (Payment for workers)	270.00	111.57
		=====	
Mar.89 Inv.No 5	Pay ice for keeping samples & data collection	600.00	243.90
Apr.89 Inv.No 6	- Tractor Rental to take samples & data collection	230.00	
	- Obtaining test results	1500.00	
		-----	
		1730.00	673.15
		=====	
May.89 Inv.No 7	- Stationery	74.00	28.79
		=====	
Jul.89 Inv.No 9	- Tractor Rental & Data Collection	108.00	
	- Obtaining test results	71.00	
		-----	
		179.00	69.92
		-----	
Aug.89 Inv.No 10	- Boat Rental & Tractor Rental & payment for worker in field SU. & P.S. & Is.	1250.00	
	- Computer Cost	630.00	
		-----	
		1880.00	731.52
		=====	
			2937.93

<u>Month/Invoice</u>	<u>ITEMS</u>	<u>Amount L.E.</u>	<u>Amount U.S.\$</u>
Sep.89 Inv.No 11	- Maps copying & Stationery	75.00	29.07
		=====	
Oct.89 Inv.No 12	- Maps copying & binding	265.00	
	- Stationery	135.00	
		-----	
		400.00	153.85
		=====	
Nov.89 Inv.No 13	- Xerox copies of Maps & Misc.	215.00	
	- Wastewater Test Lab. (payment for government men)	2000.00	
		-----	
		2215.00	861.87
		=====	
Dec.89 Inv.No 14	- Xerox copies of Maps	170.00	
	- Wastewater Test Lab. (Government Mem.)	2000.00	
		-----	
		2170.00	847.66
		=====	
Jan.90 Inv.No 15	- Photocopy & Maps copying & Binding	200.00	77.22
		-----	
Feb.90 Inv.No 16	- Stationery	450.00	
	- Data Collection (P.S. & Is. & SU.)	180.00	
		-----	
		630.00	238.64
		=====	
Mar.90 Inv.No 17	- Printing and reproduction	1088.50	
	- Videocassette Tape	1078.00	
	- Photocopy & Stationery	400.00	
		-----	
		2566.50	968.49
		=====	
Apr.90 Inv.No 18	- Xerox copies	103.50	
	- Stationery	96.50	
		-----	
		200.00	74.91
		=====	
May.90 Inv.No 19	- Data collection & Obtaining test Results	180.00	
	- Stationery	80.00	
		-----	
		260.00	96.65
		=====	
Jun.90 Inv.No 20	- Printing and reproduction	294.30	
	- Tractor Rental	50.00	
	- Stationery	150.00	
		-----	
		494.30	182.40
		=====	
Jul.90 Inv.No 21	- Photocopy & Binding	150.00	55.15
		=====	
			-----
			3585.91

52'

<u>Month/Invoice</u>	<u>ITEMS</u>	<u>Amount L.E.</u>	<u>Amount U.S.\$</u>
Aug.90 Inv.No 22	- Boat & Tractor Rental to data Collection	350.00	
Sep.90 Inv.No 23	- Stationery & Photocopy	175.00	128.68
	- Data Collection	25.00	
		200.00	72.47
Oct.90 Inv.No 24	- Xerox Copies	111.50	
	- Stationery	138.50	
		250.00	88.97
	<b>Total</b>	<b>17441.80</b>	<b>290.12</b>
			<b>6813.96</b>

<u>L.E.</u>	<u>U.S.\$</u>	
3802.10	1484.60	Documents
7686.70	3001.50	Memos
5953.00	2327.86	Receipts for governmental and private firms
-----	-----	
17441.80	6813.96	
=====	=====	

We cannot provide specific voucher reference because supporting documentation was not provided for our examination.

53



UNITED STATES AGENCY for INTERNATIONAL DEVELOPMENT

CAIRO, EGYPT

RECEIVED  
17 MAR 1992

March 17, 1992

MEMORANDUM

TO: Philippe Darcy, RIG/A

FROM: Michael F. Walsh, <sup>MFW</sup>DIR/CS 

THRU: Frederick A. Will, Director, DIR/CS

SUBJ: Audit of Locally Incurred Costs of Black & Veatch  
International/James M. Montgomery Joint Venture  
Under Contract No. 263-0174-C-00-8077-00

Thank you for the draft audit report on the subject audit. I have two requests for clarification in the document.

First, the reasons for questioning each cost item are not evident. Although I can guess the basis in reading BVI/JMM's response, it is important that the audit clearly state why the specific cost is questioned.

My second request is that the auditing firm examine the costs associated with the housing allowance. Representatives of BVI have indicated to me that they pay a lump-sum amount each month to their employees to cover housing and furnishing allowances, however these costs are not based on actuals. The employees are keeping the difference. This is not in accordance with the Standardized Regulations and should be examined closely. The auditing firm may have examined this already, but it is not clear due to the lack of detail in the document.

The clarifications suggested above will facilitate our resolution of the questioned costs. Thank you for your assistance.

cc: NWijesooriya, A/AD/FM

**RIG/A/C Response to Mission Comments**

We will work with Shawki & Co. to obtain any additional information required by the contracting officer in reaching a decision on questioned costs.

55

**Report Distribution**

	<b><u>No. of Copies</u></b>
U.S. Ambassador, Egypt	1
Mission Director, USAID/Egypt	5
Assistant Administrator Bureau for Near East AA/NE	2
Associate Administrator for Finance and Administration, AA/FA	1
Associate Administrator for Operations, AA/OPS	1
Office of Press Relations, XA/PR	1
Office of Financial Management, FA/FM	1
Office of Legislative Affairs, LEG	1
Office of the General Counsel, GC	1
Office of Egypt, NE/MENA/E	1
POL/CDIE/DI, Acquisitions	1
FA/MCS	1
IG	1
AIG/A	1
IG/A/PSA	1
IG/A/PPO	2
IG/LC	1
AIG/I	1
IG/RM/C&R	5
Other RIG/A's	1 each