

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

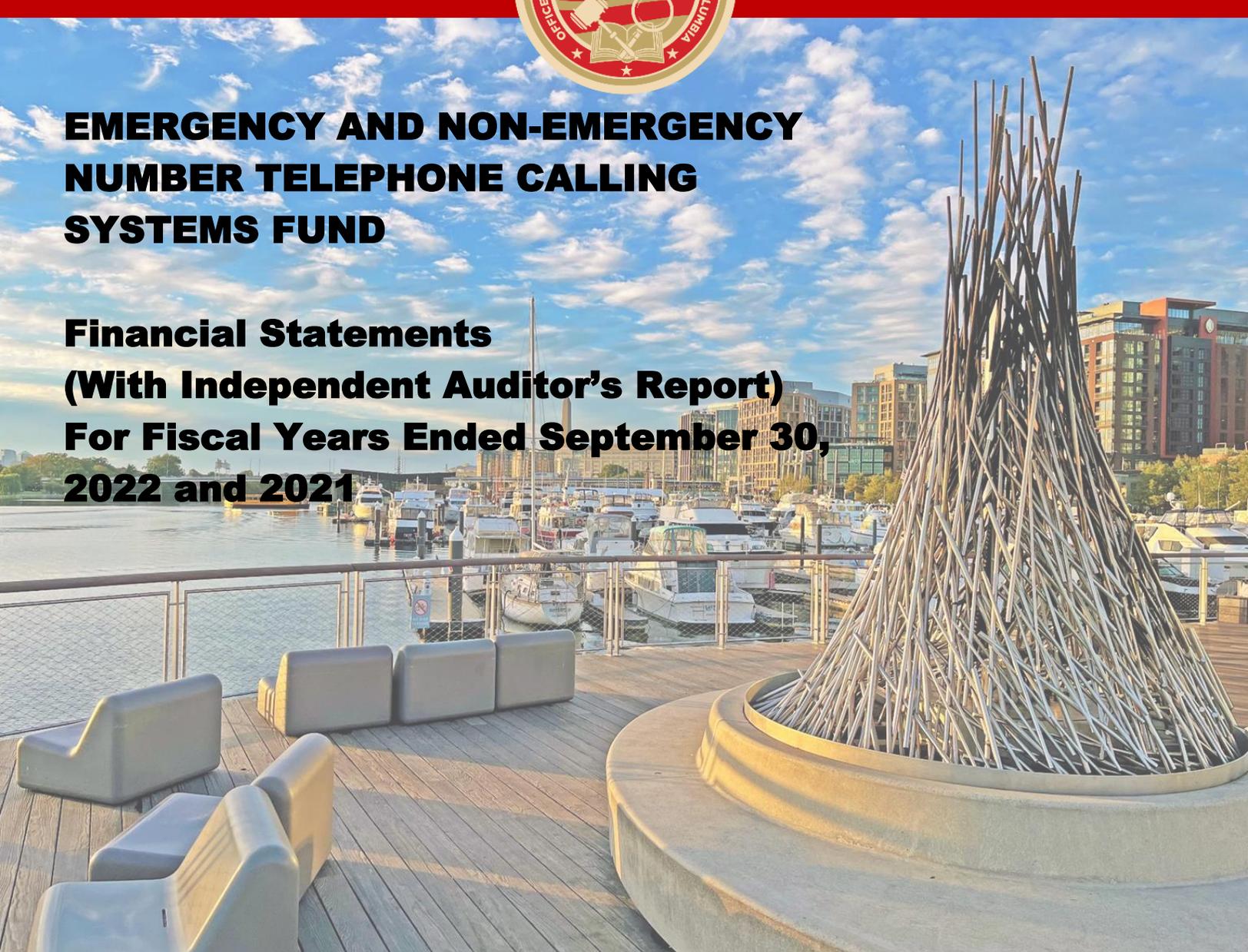
OIG Project No. 22-1-36UC



January 2023

## **EMERGENCY AND NON-EMERGENCY NUMBER TELEPHONE CALLING SYSTEMS FUND**

**Financial Statements  
(With Independent Auditor's Report)  
For Fiscal Years Ended September 30,  
2022 and 2021**



### *GUIDING PRINCIPLES*

*ACCOUNTABILITY \* INTEGRITY \* PROFESSIONALISM*

*TRANSPARENCY \* CONTINUOUS IMPROVEMENT \* EXCELLENCE*

## **Mission**

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## **Vision**

Our vision is to be a world-class Office of the Inspector General that is customer-focused and sets the standard for oversight excellence!

## **Core Values**

Accountability \* Integrity \* Professionalism  
Transparency \* Continuous Improvement \* Excellence



GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



January 31, 2023

The Honorable Muriel Bowser  
Mayor of the District of Columbia  
Mayor's Correspondence Unit  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 316  
Washington, D.C. 20004

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
John A. Wilson Building  
1350 Pennsylvania Avenue, N.W., Suite 504  
Washington, D.C. 20004

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report entitled *Emergency (E911) and Non-Emergency (E311) Number Telephone Calling Systems Fund Financial Statements (With Independent Auditor's Report) for Fiscal Years Ended September 30, 2022 and 2021* (OIG No. 22-1-36UC). McConnell & Jones LLP (MJ) conducted the audit and submitted this component report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2022.

On January 3, 2023, MJ issued its opinion and concluded that the financial statements are presented fairly in all material respects, in accordance with accounting principles generally accepted in the United States of America. MJ identified no material weaknesses in internal control over financial reporting.

If you have questions about this report, please contact me or Fekede Gindaba, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,



Daniel W. Lucas

Inspector General

DWL/ws

Enclosure

cc: See Distribution List

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Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management  
Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP

**Government of the District of Columbia  
Emergency and Non-Emergency Number  
Telephone Calling Systems Fund**

**Financial Statements Together  
with Reports of Independent Auditor's**

**For the Years Ended  
September 30, 2022 and 2021**

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

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For the Years Ended September 30, 2022 and 2021**

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## INDEPENDENT AUDITOR'S REPORT

The Mayor, Members of the Council of the Government of the District of Columbia and  
Inspector General of the Government of the District of Columbia  
Washington D.C.

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the Government of the District of Columbia Emergency and Non-Emergency Number Telephone Calling Systems Fund (the Fund), a part of the General Fund of the Government of the District of Columbia, as of and for the years ended September 30, 2022 and 2021, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Fund as of September 30, 2022, and 2021, and the changes in its financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Fund and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The



risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Fund's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Emphasis of Matter***

As discussed in Note 2 to the financial statements, the financial statements present only the Fund and do not purport to, and do not present fairly the financial position of the Government of the District of Columbia or its General Fund as of September 30, 2022, and 2021, or the related changes in financial position for the year then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to the matter.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 6, and the budgetary comparison schedule on page 12, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



# McConnell Jones

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2023, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

Washington, D.C.  
January 3, 2023

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Management’s Discussion and Analysis  
For the Years Ended September 30, 2022 and 2021**

The following is a discussion and analysis of the Government of the District of Columbia (District) Emergency and Non-Emergency Number Telephone Calling Systems Fund (Fund) financial performance for the fiscal years ended September 30, 2022 and 2021. The Office of Unified Communications, which is a subordinate agency under the Mayor, is responsible for the administration of the Fund. The financial statements and accompanying notes should be read in conjunction with this discussion.

**Basic Financial Statements**

The Fund’s basic financial statements are comprised of two components: fund financial statements and notes to the financial statements.

- **Fund Financial Statements.** The governmental fund financial statements focus primarily on the sources,uses, and balances of current financial resources. The financial statements consist of a balance sheet and statement of revenues, expenditures, and changes in fund balances.
- **Notes to the Financial Statements.** The notes provide additional information that is essential to a full understanding of the data provided in the fund financial statements.

**Financial Highlights**

**2022**

- **Pooled Cash** decreased by \$10,192,205 or 61%. The decrease was due to current year expenditures, such as payroll costs, contractual labor and IT related charges exceeding current year revenues.
- **Fund balance** decreased by \$10,213,800 or 57%. The decrease was due to increased current year expenditures such as payroll costs, contractual costs, IT related charges and usage of fund balance to cover additional costs in fiscal 2022.

**Condensed Balance Sheets as of September 30, 2022, 2021, and 2020**

	2022	2021	2020	2022-2021		2021-2020	
				Variance	%	Variance	%
Total Assets	\$ 8,925,710	\$ 19,480,393	\$ 25,566,622	\$ (10,554,683)	-54%	\$ (6,086,229)	-24%
Total Liabilities	\$ 1,069,515	\$ 1,410,398	\$ 768,125	\$ (340,883)	-24%	\$ 642,273	84%
Fund Balance	\$ 7,856,195	\$ 18,069,995	\$ 24,798,497	\$ (10,213,800)	-57%	\$ (6,728,501)	-27%

**2021**

- **Pooled Cash** decreased by \$6,055,383 or 27%. The decrease was due to the current year expenditures, such as payroll cost, contractual labor and IT related charges exceeding current year revenues.

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Management's Discussion and Analysis  
For the Years Ended September 30, 2022 and 2021**

- **Fund balance** decreased by \$6,728,501 or 27%. The decrease was due to lower than expected revenues and usage of fund balance to cover additional expenditures in fiscal year 2021.

**2022**

- **Assets** – A decrease in total assets by \$10,554,683 or 54% in fiscal year 2022 is attributed to assets being used to cover additional operating cost, such as IT maintenance, supplies and contractual labor.
- **Liabilities** – The liabilities decreased in fiscal year 2022 by \$340,883 or 24%. The decrease is attributed to decreased non-personnel service costs incurred in fiscal year 2022 compared to 2021 and more timely payment for goods and services.

**2021**

- **Assets** – A decrease in total assets by \$6,086,229 or 24% in fiscal year 2021 is attributed to assets being used to cover additional operating costs, such as IT maintenance costs, supplies and contractual labor.
- **Liabilities** – The liabilities increased in fiscal year 2021 by \$642,273 or 84%. The increase is attributed to increased personnel and non-personnel service costs incurred in fiscal year 2021 compared to 2020.

**Condensed Statements of Revenues, Expenditures, and Changes in Fund for the Years Ending September 30, 2022, 2021 and 2020**

Revenues:	2022	2021	2020	2022-2021		2021-2020	
				Variance	% Variance	Variance	% Variance
User Fees	\$ 12,308,528	\$ 12,408,673	\$ 12,162,963	\$ (100,145)	-1%	\$ 245,710	2%
Interest Income	218,839	16,243	282,636	202,596	1247%	(266,393)	-94%
Prior Year Cost Recovery	337,350	-	60	337,350	100%	(60)	-100%
<b>Total Revenue</b>	<b>\$ 12,864,717</b>	<b>\$ 12,424,916</b>	<b>\$ 12,445,659</b>	<b>\$ (439,801)</b>	<b>-4%</b>	<b>\$ (20,743)</b>	<b>0%</b>
<b>Expenditures:</b>							
Payroll	\$ 11,521,110	\$ 9,107,438	\$ 6,462,694	\$ 2,413,672	27%	\$ 2,644,744	41%
Telephone, Teletype, Telegram	2,717	-	3,027	2,717	100%	(3,027)	-100%
Professional/Contractual Services	3,803,198	4,136,985	7,062,180	(333,787)	-8%	(2,925,195)	-41%
Information Technology	6,926,048	4,335,229	2,878,371	2,590,819	60%	1,456,859	51%
Other*	653,669	1,573,764	338,172	(920,095)	-58%	1,235,592	365%
<b>Total Expenditures</b>	<b>\$ 22,906,742</b>	<b>\$ 19,153,418</b>	<b>\$ 16,744,444</b>	<b>\$ 3,753,324</b>	<b>20%</b>	<b>\$ 2,408,973</b>	<b>14%</b>
<b>Other Financing Sources (Uses)</b>							
Transfer to/from other fund/DC Agencies	\$ (171,775)	-	\$ (1,455,501)	\$ (171,775)	100%	\$ 1,455,501	-100%
Net Change in Fund Balance	\$ (10,213,800)	\$ (6,728,502)	\$ (5,754,286)	\$ (3,485,297)	52%	\$ (974,215)	17%
Beginning Fund Balance Oct. 1	18,069,995	24,798,497	30,552,783				
<b>Ending Fund Balance Sep. 30</b>	<b>\$ 7,856,195</b>	<b>\$ 18,069,996</b>	<b>\$ 24,798,497</b>				

\*Other=Equipment and Machinery, Furniture and Fixtures, General and others not IT related

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Management's Discussion and Analysis  
For the Years Ended September 30, 2022 and 2021**

**2022**

- **Revenues** – The Fund assesses user fees to carriers, which is the main source of revenues for the Fund. The fiscal year 2022 fees totaled \$12,308,527 which was a decrease of \$100,146 or 1%. Revenues remained consistent year over year due to timely remittance from carriers.
- **Expenditures** – Overall expenditures increased by \$3,753,324 or 20%. During fiscal year 2022, more payroll expenditures were reclassified from local source dollars to the Fund resulting in increased expenditures mainly from the continuing fulltime employment category.
- **Interest Income** – Interest Income increased by \$202,596 to \$ 218,839. The increase is attributed to higher interest rates during the fiscal year.

**2021**

- **Revenue** – The Fund assesses user fees to carriers, which is the main source of revenues for the Fund. The fiscal year 2021 fees totaled \$12,408,673 which was an increase of \$245,710 or 2%. This increase is attributed to an increase in remittances from carriers, based on an increase in the number of phone lines in use.
- **Expenditures** – Overall expenditures increased by \$2,408,973 or 14%. During fiscal year 2021, more payroll expenditures were reclassified from local source dollars to the Fund resulting in increased expenditures mainly from the continuing full time employment category.
- **Interest Income** – Interest Income decreased by \$266,393 or 94% to \$16,243. The decrease is attributed to a \$6,055,383 or 26.7% reduction in Pooled Cash and lower interest rates for FY 21 compared to the prior year.

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Balance Sheets  
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>ASSETS</b>		
Pooled Cash	\$ 6,402,574	\$ 16,594,779
Accounts Receivable	2,523,136	2,885,614
<b>Total Assets</b>	<b><u>\$ 8,925,710</u></b>	<b><u>\$ 19,480,393</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Vouchers Payable	\$ 402,267	\$ 721,535
Payroll Liabilities	667,248	688,863
<b>Total Liabilities</b>	<b><u>\$ 1,069,515</u></b>	<b><u>\$ 1,410,398</u></b>
<b>FUND BALANCE</b>		
Committed	\$ 22,298,224	\$ 22,470,000
Unassigned	(14,442,029)	(4,400,005)
<b>Total Fund Balance</b>	<b><u>\$ 7,856,195</u></b>	<b><u>\$ 18,069,995</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 8,925,710</u></b>	<b><u>\$ 19,480,393</u></b>

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Statements of Revenues, Expenditures, and Changes in Fund Balance  
For the Years Ended September 30, 2022 and 2021**

	<u>2022</u>	<u>2021</u>
<b>Revenues:</b>		
Wireline, Wireless, and VOIP User Fees	\$ 11,925,340	\$ 12,000,153
Prepaid Wireless and Internet User Fees	383,188	408,520
Interest Income	218,839	16,243
Prior Year Cost Recovery	337,350	-
<b>Total Revenues</b>	<b><u>\$ 12,864,717</u></b>	<b><u>\$ 12,424,916</u></b>
<b>Expenditures:</b>		
Contractual Services	\$ 3,489,889	\$ 3,915,377
Advertising	19,480	-
Equipment and Machinery	48,151	10,923
Furniture and Fixtures	57,349	22,263
General	328,457	265,640
IT Consultants Contracts	93,913	10,279
IT Hardware Acquisitions	58,610	73,587
IT Hardware Maintenance	48,761	62,119
IT Software Maintenance	5,651,776	4,187,245
IT Supplies	-	2,000
Maintenance and Repairs Auto	45,606	31,103
Maintenance and Repairs Machinery	-	15,000
OCTO IT Assessment	1,072,988	1,061,735
Payroll	11,521,110	9,107,438
Professional Services	313,308	221,608
Telephone, Teletype, Telegram, etc.	2,717	-
Travel	8,330	-
Tuition Reimbursement	146,297	167,101
<b>Total Expenditures</b>	<b><u>\$ 22,906,742</u></b>	<b><u>\$ 19,153,418</u></b>
<b>Excess of Expenditures over Revenue</b>	<b>\$ (10,042,025)</b>	<b>\$ (6,728,502)</b>
<b>Other Financing Sources (Uses)</b>		
Transfer to the District's General Fund	\$ (171,775)	\$ -
<b>Total Other Financing Sources (Uses)</b>	<b><u>\$ (171,775)</u></b>	<b><u>\$ -</u></b>
<b>Net Change in Fund Balance</b>	<b>\$ (10,213,800)</b>	<b>\$ (6,728,502)</b>
Beginning Fund Balance	\$ 18,069,995	\$ 24,798,497
<b>Ending Fund Balance</b>	<b><u>\$ 7,856,195</u></b>	<b><u>\$ 18,069,995</u></b>

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Notes to the Financial Statements  
As of September 30, 2022 and 2021**

**NOTE 1 DESCRIPTION OF FUND**

The Emergency and Non-Emergency Number Telephone Calling Systems Fund (the “Fund”) was created on August 11, 2000 pursuant to the Emergency and Non-Emergency Telephone Calling Systems Fund Act of 2000 (the “Act”). The Fund is part of the General Fund of the District of Columbia (the “District”) and is funded by user fees imposed by the Act. The user fees are collected from providers who have subscribers with wireless, wireline, and voice over internet protocol services. Effective October 1, 2010, the Fund began collecting fees from providers who sell prepaid wireless services. The Office of Unified Communications (OUC) is responsible for the administration of the Fund.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Presentation***

The accompanying financial statements have been prepared in accordance with U.S. Generally Accepted Accounting Principles (GAAP), as prescribed by the Governmental Accounting Standards Board (GASB).

A fund is a separate accounting entity with a self-balancing set of accounts. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain District functions or activities.

The Fund is part of the General Fund of the District and the financial statements of the Fund report its financial position and the changes in its financial position. These financial statements present only the Fund and are not intended to present fairly the financial position or changes in financial position of the District as a whole, in conformity with accounting principles generally accepted in the United States of America.

***Measurement Focus and Basis of Accounting***

The financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it is both measurable and available. “Measurable” means the amount of the transaction can be determined and “available” means collectible within the current period or soon thereafter, to be used to pay liabilities of the current period. For this purpose, any revenues collected within 60 days after year-end are considered available to pay liabilities of the Fund. Expenditures are typically recorded when the liability is incurred, regardless of the timing related to cash flow.

***Fund balance***

The Fund’s financial statements present fund balance based on classifications that comprise a hierarchy that is based primarily on the extent to which the Fund is bound to honor constraints on the amounts for which funds can be spent. The classifications used in Fund’s financial statements are as follows:

*Restricted:* This classification includes amounts for which constraints have been placed on the use of the resources either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or (b) imposed by law through constitutional provisions or enabling legislation.

**Government of the District of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Notes to the Financial Statements  
As of September 30, 2022 and 2021**

*Committed:* This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by ordinance of the District Council, the District's highest level of decision-making authority. These amounts cannot be used for any other purpose, unless the City removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first.

***Estimates***

The preparation of the financial statements in conformity GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities. These estimates also affect the contingent assets and liabilities at the date of the financial statements and the reported amounts of receivables and expenses during the period. Accordingly, actual results could differ from those estimates.

**NOTE 3 POOLED CASH**

Cash is deposited into the District's concentration account and reconciled by the Office of Finance Operations on a monthly basis. The cash balances are insured under the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and securities are insured up to \$500,000 under Securities Investor Protection Corporation (SIPC). At times, the balances on deposits and securities will exceed the balance insured by the FDIC and SIPC.

The Fund's cash is deposited into an invested pooled account with the District. As required by D.C. Law 34-1802, the District allocates to the Fund its share of interest income earned from the pooled account. In fiscal year 2022, interest income allocated to the Fund totaled \$ 218,839. At September 30, 2022 and 2021, the Fund's pooled cash with the District totaled \$6,402,574 and \$16,594,779, respectively.

In accordance with District policies, substantially all deposits were insured or collateralized with securities held by the District or by its agent in the name of the District. As of September 30, 2022 and 2021, there was no exposure to interest rate, credit, concentration or foreign currency risks as the Fund held no investments.

**NOTE 4 ACCOUNTS RECEIVABLE**

Accounts receivable represents the fees owed by carriers. At September 30, 2022 and 2021, accounts receivable were \$2,523,136 and \$2,885,614, respectively.

**NOTE 5 SUBSEQUENT EVENTS**

The District has evaluated subsequent events through the date this report was available for issuance, which is January 3, 2023. The review revealed no material events that would influence the financial statements.

**Government of the District Of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Budgetary Comparison Schedule  
For the Year Ended September 30, 2022**

	<b>Budget Adopted and Final</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
User Fees	\$ 23,130,889	\$ 12,308,528	\$ 10,822,361
Interest Income	-	218,839	(218,839)
Prior Year Cost Recovery	-	337,350	(337,350)
<b>Total Revenues</b>	<b>\$ 23,130,889</b>	<b>\$ 12,864,717</b>	<b>\$ 10,266,172</b>
<b>Expenditures:</b>			
Advertising	\$ 150,000	\$ 19,480	\$ 130,520
Contractual Services	4,103,538	3,489,889	613,649
Purchases - Equipment & Machinery	50,000	48,151	1,849
Purchases - Furniture & Fixtures	80,000	57,349	22,651
General	287,000	328,457	(41,457)
IT Consultants Contracts	75,000	93,913	(18,913)
IT Hardware Acquisitions	80,000	58,610	21,390
IT Hardware Maintenance	85,000	48,761	36,239
IT Software Maintenance	6,306,966	5,651,776	655,190
Maintenance & Repairs - Auto	65,000	45,606	19,394
Maintenance & Repairs - Machinery	5,000	-	5,000
OCTO IT Assessment	1,153,472	1,072,988	80,484
Payroll	9,984,977	11,521,110	(1,536,133)
Professional Services	425,686	313,308	112,378
Telephone, Teletype, Telegram, etc.	-	2,717	(2,717)
Travel-Out of City	35,000	8,330	26,670
Tuition Reimbursement	244,250	146,297	97,953
<b>Total Expenditures</b>	<b>\$ 23,130,889</b>	<b>\$ 22,906,742</b>	<b>\$ 224,147</b>
<b>Other Financing Sources (Uses)</b>			
Transfer to the District's General Fund	-	(171,775)	\$ 171,775
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>\$ (171,775)</b>	<b>\$ 171,775</b>
<b>Excess (Deficit) Revenue Over (Under) Expenditures and Other Financing Sources (Uses)</b>			
	<b>\$ -</b>	<b>\$ (10,213,800)</b>	<b>\$ 10,213,800</b>

**Government Of The District Of Columbia  
Emergency and Non-Emergency Number Telephone  
Calling Systems Fund**

**Notes to the Budgetary Comparison Schedule  
For the Year Ended September 30, 2022**

**NOTE 1 BUDGET BASIS**

The Fund has a legally adopted budget approved by the District's City Council. Pursuant to the Reprogramming Policy Act, the District may reallocate budget amounts within an appropriation title. No reallocations occurred within the Fund in fiscal year 2022. The budgetary comparison schedule has been prepared in accordance with the accounting principles generally accepted in the United States of America.



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

**INDEPENDENT AUDITOR'S REPORT**

The Mayor, Members of the Council of the Government of the District of Columbia and  
Inspector General of the Government of the District of Columbia  
Washington D.C.

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Government of the District of Columbia's Emergency and Non-Emergency Number Telephone Calling Systems Fund (the Fund), a part of the General Fund of the Government of the District of Columbia as of and for the year ended September 30, 2022, and the related notes to the financial statements, which collectively comprise the Fund's basic financial statements and have issued our report thereon dated January 3, 2023.

***Report on Internal Control over Financial Reporting***

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

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

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



***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of this Report***

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

Washington D.C.  
January 3, 2023

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(202) 724-TIPS (8477) and (800) 521-1639



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