

DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 23-1-06KA

January 31, 2024



Government of the District of Columbia Highway Trust Fund

Financial Statements Together with
Reports of Independent Auditors for
the Years Ended September 30, 2023
and 2022

GUIDING PRINCIPLES

ACCOUNTABILITY * INTEGRITY * PROFESSIONALISM

TRANSPARENCY * CONTINUOUS IMPROVEMENT * EXCELLENCE



OUR MISSION

We independently audit, inspect, and investigate matters pertaining to the District of Columbia government 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.

OUR 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!

OUR GUIDING PRINCIPLES

- Accountability
- Continuous Improvement
- Excellence
- Integrity
- Professionalism
- Transparency





January 31, 2024

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

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
John A. Wilson Building
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

Subject: **Government of the District of Columbia Highway Trust Fund | 23-1-06KA**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report *Government of the District of Columbia Highway Trust Fund Financial Statements Together with Reports of Independent Auditors for the Years Ended September 30, 2023 and 2022* (OIG No. 23-1-06KA). McConnell & Jones, LLP (MJ) conducted the audit and submitted this capital projects fund report as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2023.

On January 3, 2024, 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 Eileen Shanklin-Andrus, Acting Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in blue ink, appearing to read "D. Lucas".

Daniel W. Lucas
Inspector General

DWL/ws

Enclosure

DISTRIBUTION LIST

Mr. Michael Porcello, Deputy General Counsel to the Mayor, District of Columbia

Ms. Erika Satterlee, Deputy General Counsel to the Mayor, District of Columbia

Mr. Kevin Donahue, City Administrator for the District of Columbia

Mr. Barry Kreiswirth, General Counsel, Office of the City Administrator, District of Columbia

Mr. Eugene Adams, Director, Mayor's Office of Legal Counsel

Ms. Lindsey V. Parker, Chief of Staff, Executive Office of the Mayor

Mr. Keith Anderson, Deputy Mayor for Operations and Infrastructure

Ms. Nina Albert, Acting Deputy Mayor for Planning and Economic Development, District of Columbia

Ms. Sharon Kershbaum, Interim Director, District Department of Transportation

The Honorable Charles Allen, Chairperson,
Committee on Transportation and the Environment
Council of the District of Columbia

The Honorable Anita Bonds, Chairperson, Committee on Executive Administration and Labor
Council of the District of Columbia

Ms. Susana Castillo, Director of Communications, Office of Communications
Executive Office of the Mayor

Ms. Jennifer Reed, Director, Office of Budget and Performance Management
Office of the City Administrator

Ms. Nyasha Smith, Secretary to the Council

The Honorable Brian L. Schwalb, Attorney General for the District of Columbia

Mr. Glen Lee, Chief Financial Officer, Office of the Chief Financial Officer

Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight
Office of the Chief Financial Officer

The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor

Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management

Ms. Beryl H. Davis, Director, Financial Management and Assurance, Government
Accountability Office, Attention: Mary Morning Washburn

The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives, Attention:
Bradley Truding

The Honorable James Comer, Chairman, House Committee on Oversight and Accountability,
Attention: Ashlee Vinyard

The Honorable Jamie Raskin, Ranking Member, House Committee on Oversight and
Accountability, Attention: Julie Tagen

The Honorable Kay Granger, Chairwoman, House Committee on Appropriations, Attention:
Valeria Nelson

The Honorable Rosa DeLauro, Ranking Member, House Committee on Appropriations,
Attention: Merone Kahassai

The Honorable Patrick McHenry, Chairman, House Committee on Financial Services,
Attention: Nicholle Vo

The Honorable Maxine Waters, Ranking Member, House Committee on Financial Services,
Attention: Faith Morgan

The Honorable Steve Womack, Chairman, House Subcommittee on Financial Services and
General Government, Attention: Naomi Walker

The Honorable Steny Hoyer, Ranking Member, House Subcommittee on Financial Services
and General Government, Attention: James Deatley

The Honorable Patty Murray, Chair, Senate Committee on Appropriations, Attention: Maria
Calderon

The Honorable Susan Collins, Vice Chairman, Senate Committee on Appropriations,
Attention: Steve Abbott

The Honorable Ron Wyden, Chairman, Senate Committee on Finance, Attention: Jeff Michels

The Honorable Mike Crapo, Chairman, Senate Committee on Finance, Attention: Courtney
Connell

The Honorable Gary C. Peters, Chairman, Senate Committee on Homeland Security and
Governmental Affairs, Attention: Chelsea Davis

The Honorable Rand Paul, Ranking Member, Senate Committee on Homeland Security and
Governmental Affairs, Attention: William Henderson

The Honorable Kyrsten Sinema, Chairman, Senate Subcommittee on Government
Operations and Border Management, Attention: Anthony Papian

The Honorable James Lankford, Ranking Member, Senate Subcommittee on Government
Operations and Border Management, Attention: James Mann

Mr. Wayne McConnell, Managing Partner, McConnell & Jones LLP

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

**Financial Statements Together with
Reports of Independent Auditors**

**For the Years Ended
September 30, 2023 and 2022**

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

September 30, 2023 and 2022

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INDEPENDENT AUDITOR'S REPORT

To 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

Opinion

We have audited the accompanying financial statements of the District of Columbia Highway Trust Fund (“the Fund”), a capital project fund of the Government of the District of Columbia, as of and for the years ended September 30, 2023, and 2022, 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 respective financial position of the Fund as of September 30, 2023, and 2022, and the respective 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 Opinion

We conducted our audit 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 audit. 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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 as of September 30, 2023 and 2022, or the changes in its financial position for the years then ended, in conformity with U.S. generally accepted accounting principles. Our opinion is not modified with respect to the matter.



Other Matters

Required Supplementary Information

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2024, 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.

McConnell Jones LLP

Washington, D.C.
January 3, 2024

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

Balance Sheets

As of September 30, 2023 and 2022

	2023	2022
ASSETS		
Cash		
Cash and Cash Equivalents	\$ 12,955,930	\$ 16,212,800
Total Cash	12,955,930	16,212,800
 Receivables and Other Assets		
Taxes Receivable, net	2,807,133	2,978,158
Other Assets	13	57,886
Total Assets	\$ 15,763,076	\$ 19,248,844
 LIABILITIES & FUND BALANCE		
Liabilities		
Accounts Payable, accrued expenses and other liabilities	\$ 9,112,031	\$ 8,754,866
Due to Other Funds	868,583	871,143
Retainage	1,374,918	1,240,539
Total Liabilities	\$ 11,355,533	\$ 10,866,548
 Fund Balance:		
Restricted	4,407,543	8,382,296
Total Liabilities & Fund Balance	\$ 15,763,076	\$ 19,248,844

The accompanying notes are an integral part of these financial statements

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

**Statements of Revenues, Expenditures and Changes in Fund Balance
For the Years Ended September 30, 2023 and 2022**

Revenues	<u>2023</u>	<u>2022</u>
Motor Fuel Tax	\$ 22,484,996	\$ 22,927,652
Right of Way Fees	9,824,997	-
Interest and Other Income	282,828	13,491
Utility Financed Revenue	550,172	-
Total Revenue	<u>\$ 33,142,993</u>	<u>\$ 22,941,143</u>
Expenditures		
Capital Appropriated Expenditures		
Design, Site, Construction, and Equipment Costs	31,106,726	33,166,137
Project Mgmt Costs	6,240,531	6,171,736
Non-Participating Costs	(229,511)	1,023,543
Total Net Expenditures	<u>\$ 37,117,747</u>	<u>\$ 40,361,416</u>
Excess of Revenues over Expenses	(3,974,753)	(17,420,272)
Fund Balance, Beginning	<u>8,382,296</u>	<u>25,802,569</u>
Fund Balance, Ending	<u>\$ 4,407,543</u>	<u>\$ 8,382,296</u>

The accompanying notes are an integral part of these financial statements

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

Notes to the Financial Statements

September 30, 2023 and 2022

NOTE 1: DESCRIPTION OF THE HIGHWAY TRUST FUND

The Government of the District of Columbia (the District) established the District of Columbia Highway Trust Fund (the Fund) under the District of Columbia Emergency Highway Relief Act (the Act). The Fund was established as a dedicated highway fund to be comprised, at a minimum, of amounts equivalent to receipts from motor fuel taxes and, if necessary, motor vehicle taxes and fees collected by the District to pay the cost-sharing requirements established under Title 23 of the United States Code. The Fund is required to be separate from the general fund of the District.

The Fund is managed within the District's Office of the Chief Financial Officer. The Fund is a capital projects fund of the District, restricted for the purpose of executing Federal highway projects.

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).

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

The financial statements of the Fund are intended to present only the financial position and changes in financial position of the Fund and do not purport to, and do not present the financial position or changes in financial position of the District. Additionally, the Fund's accompanying financial statements are not indicative of the Fund as if it were a stand-alone entity.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The Fund's financial statements are prepared using the current financial resources measurement focus and the modified accrual basis of accounting.

Under the modified accrual basis of accounting, revenues are recognized when they become 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. Those revenues susceptible to accrual are motor fuel excise taxes and interest. Expenditures are generally recorded when a fund liability is incurred, regardless of the timing of related cash flows.

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**
Notes to the Financial Statements
September 30, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Fund adopted the financial reporting model, as required by GAAP as set by GASB. GAAP does not require stand-alone financial statements of a governmental fund, which are part of the general government, but are not a component unit or separate legal entity of the general government to present required supplementary information (RSI), including management's discussion and analysis. While GAAP does not preclude the presentation of RSI from the separate financial statements of a governmental fund, GAAP does not require RSI to be presented. The Fund has elected to not present a management's discussion and analysis.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein, as of the date of the financial statements. Actual results could differ from these estimates.

Cash

The Fund's cash is deposited in a trust fund account with an eligible financial institution. The bank account is an interest-bearing, demand deposit account. Interest is earned on the account balance with interest compounded daily and paid monthly.

The Fund does not have a separate investment account.

Receivables and Payables

Taxes receivable include motor fuel excise tax levied by the District (including interest and penalties on delinquent taxes that have not been collected, canceled, or abated), less the portion of the receivables estimated not to be collectible.

Accounts payable are the Fund's share of amounts owed to vendors for goods or services purchased and received. Retainage payables represent the Fund's share of amounts owed to contractors upon completion of project task, or project completion as surety for contractor performance

Other Assets

Other assets are advances made to other District agencies for work performed on capital projects under an intra-District agreement. FY 2023 other assets balance includes remaining balance of intra-district advances to the seller agency in the amount of \$13. Final payments for the work performed by the agency under this project will be completed in FY 2024. FY 2022 "Other Assets" balances also included balances associated with an intra-district advance to agency. The seller agency completed the scope of work for this project, all payments have been finalized.

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

Notes to the Financial Statements

September 30, 2023 and 2022

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Fund Balance

The Fund balance is restricted for the District's cost-sharing requirements for eligible Federal-aid highway projects. The Fund balance must be sufficient to cover the cost sharing requirements established under Title 23, United States Code, based on the 6-year projected Fund's performance.

Revenue Recognition

The dedicated revenues consisted of excise taxes earned on motor fuel sold in the District, at the wholesale level, and interest income earned on the Fund's bank balances. Taxes are recognized as revenue when the sale takes place. Revenue also consists of public right-of-way (ROW) fees. The ROW fees supplement local matching fund obligations and are recognized when received from the District. ROW fees were received for fiscal year 2023, but no such fees were collected in fiscal year 2022.

Payroll-related expenditures

The Fund does not have any direct employees. Instead, direct labor costs are allocated from the District based on actual hours worked at the rate for salary and fringe benefits. Indirect labor costs are also allocated to the capital projects. Non-participating costs include direct and indirect labor for certain projects that support the District Department of Transportation (DDOT) capital programs, which are not part of the eligible Federal-aid highway projects reimbursable cost.

NOTE 3: CASH

The Fund's cash is held in accounts established and approved by the District's Office of the Chief Financial Officer, Office of Finance and Treasury for the District of Columbia. The Fund Account is an agency-controlled bank account used to receive dedicated revenues transferred from the District for the payment of the District's share of Federal highway projects and other related expenditures and for the receipt of interest revenue earned. The Primary Government accounts are dedicated accounts used to record revenues for motor fuel tax revenues and reimbursements, prior to transfer from the District, and to record expenditures for capital program costs, including vendor payments, payroll, and intra-District transfers until reimbursed to the District by the Fund.

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 deposit and securities will exceed the balance insured by the FDIC and SIPC. The total deposits held are collateralized at 102% with securities held by the District or by its agent in the name of the District.

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**

Notes to the Financial Statements

September 30, 2023 and 2022

Interest earned in the account for the years ended September 30, 2023 and 2022 was \$282,828 and \$13,491, respectively. Based on current domestic microeconomic and market conditions, there has been a steady increase in the interest earned by the fund in the past two years. During FY 2021, the interest rate on the Fund account was cut to 0% during the COVID-19 pandemic. Since July 2022, the Funds interest rate has steadily increased.

As of September 30, 2023, and 2022, there was no exposure to interest rate, credit, concentration, or foreign currency risks as the Fund held no investments.

NOTE 4: EXPENDITURES

Participating Expenditures

Participating expenditures are project associated costs eligible for Federal funding, for the District's matching share of the Federal-aid highway project cost.

Non-Participating Expenditures

Non-participating expenditures are project associated costs not eligible for Federal funding, which are undertaken for the benefit of the District and are included in the project funding plan in addition to federally funded items. Major initiatives of DDOT may be financed from other local funding sources without funding from FHWA grants once current year matching of the Federal obligation is satisfied. These initiatives will limit the amount of non-participating funding that will be needed from the fund.

Federal Cost Adjustments and Grant Disallowances

Federal grant disallowances occur when the FHWA determines that costs incurred are ineligible for Federal participation based on FHWA program limitations or the scope of the capital projects. There were no grant disallowances for the years ended September 30, 2023 and 2022.

Because the Fund shares in the matching of Federal awards received by the District for highway projects, the Fund is also subject to various compliance requirements. Federal cost adjustments are based on finalization reviews completed by the DDOT before completing the FHWA required certification of final costs, which must be submitted to the FHWA for each completed Federal-aid highway project. Any cost adjustments resulting from such reviews could become a liability of the District. Management believes such cost adjustments, if any, would be immaterial.

**DISTRICT OF COLUMBIA
HIGHWAY TRUST FUND**
Notes to the Financial Statements
September 30, 2023 and 2022

Reimbursable from DC Water for Construction Costs

DC Water shares responsibility in capital projects when road or bridge construction provides an opportunity to maintain, improve, or construct infrastructure supporting DC Water's services. DC Water reimburses the District for costs and construction engineering oversight. DC Water is billed as construction draw payments are made to third-party vendors. During FY 2023 payments were made from DC Water for open and closed projects. The reimbursement for closed projects was treated as utility financed revenue and reimbursement for open projects was treated as a reduction to the projects non-participating expenditures.

FY 2023 net negative balance in non-participating expenditures is explained by DC Water reimbursement of prior year costs associated with work performed by DDOT for DC Water component of the projects. Reimbursement amount exceeded FY 2023 non-participating costs.

NOTE 5: SUBSEQUENT EVENTS

The Fund's management has evaluated subsequent events through the date this report was available for issuance, which was January 3, 2024. There are no material events that would have an effect on the financial statements.



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

To 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 were engaged to audit, 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 District of Columbia Highway Trust Fund (“the Fund”), a capital project fund of the Government of the District of Columbia, as of and for the year ended September 30, 2023, 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, 2024.

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) as a basis for designing 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.

McConnell Jones LLP

Washington, D.C.
January 3, 2024

REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.

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

 <https://oig.dc.gov>

 oig@dc.gov

