

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 23-1-15UC

January 31, 2024



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





DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

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 Emergency and Non-Emergency  
Number Telephone Calling Systems Fund | 23-1-15UC**

Dear Mayor Bowser and Chairman Mendelson:

Enclosed is the final report *Government of the District of Columbia Emergency and Non-Emergency Number Telephone Calling Systems Fund Financial Statements Together with Reports of Independent Auditors for the Years Ended September 30, 2023 and 2022* (OIG No. 23-1-15UC). 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 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**

Ms. Betsy Cavendish, General Counsel, Executive Office of the Mayor

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

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

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

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

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

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

Ms. Heather McGaffin, Director, Office of Unified Communications

The Honorable Brooke Pinto, Chairperson, Committee on the Judiciary and Public Safety  
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, Council of the District of Columbia

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. 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, 2023, and 2022**

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

**Table of Contents**

For the Years Ended September 30 2023, and 2022

---

<b>INDEPENDENT AUDITOR’S REPORT .....</b>	<b>1</b>
<b>MANAGEMENT’S DISCUSSION AND ANALYSIS .....</b>	<b>4</b>
<b>FINANCIAL STATEMENTS</b>	
Balance Sheets .....	7
Statements of Revenues, Expenditures, and Changes in Fund Balance .....	8
Notes to the Financial Statements .....	9
Budgetary Comparison Schedule .....	12
Notes to the Budgetary Comparison Schedule .....	13
<b>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 <i>GOVERNMENT AUDITING STANDARDS</i> .....</b>	<b>14</b>





## 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 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, 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.

## ***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





McConnell  
Jones

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.

**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

**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, 2023, and 2022

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) and financial performance for the fiscal years ended September 30, 2023 and 2022. 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.** Governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources. The financial statements consist of a balance sheet, a 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**

**2023**

- **Pooled Cash** increased by \$1,975,466 or 31%. The increase was due to lower current year expenditures such as payroll costs, IT assessment costs, and Professional Services costs compared to prior years.
- **Assets** increased by \$2,414,894 or 27%. The increase was due primarily to the pooled cash in the previous explanation where lower current year expenditures contributed to the increase.
- **Fund balance** increased by \$2,622,729 or 33%. The increase in fund balance was due to lower payroll costs, IT assessment costs, IT related charges, and Professional Services costs combined with additional revenue collected in fiscal 2023.
- **Liabilities** decreased by \$207,835 or 19%. The decrease was attributed to lower non-personnel service costs incurred in fiscal year 2023 compared to 2022 and more timely payment of goods and services in fiscal 2023.

**Condensed Balance Sheets as of September 30, 2023, 2022 and 2021**

	2023	2022	2021	2023-2022		2022-2021	
				Variance	%	Variance	%
Total Assets	\$11,340,604	\$8,925,710	\$19,480,393	\$2,414,894	27%	-\$10,554,683	-54%
Total Liabilities	\$861,681	\$1,069,514	\$1,410,398	-\$207,835	-19%	-\$340,884	-24%
Fund Balance	\$10,478,923	\$7,856,196	\$18,069,995	\$2,622,729	33%	-\$10,213,799	-57%

**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, 2023, and 2022

**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.
- **Assets** decreased in total by \$10,554,683 or 54% in fiscal year 2022 was attributed to assets being used to cover additional operating costs, such as IT maintenance, supplies and contractual labor.
- **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.
- **Liabilities** decreased in fiscal year 2022 by \$340,884 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.

**Condensed Statements of Revenues, Expenditures, and Changes in Fund for the Years Ending September 30, 2023, 2022 and 2021**

	2023-2022					2022-2021	
Revenue:	2023	2022	2021	Variance	% Variance	Variance	% Variance
User Fees	\$ 13,370,115	\$ 12,308,527	\$ 12,408,673	\$ 1,061,588	9%	\$ (100,146)	-1%
Total Revenue	\$ 13,370,115	\$ 12,308,527	\$ 12,408,673	\$ 1,061,588	9%	\$ (100,146)	-1%
Expenditures:							
Payroll	242,920	11,521,110	9,107,438	(11,278,190)	-98%	2,413,672	27%
Telephone, Teletype, Telegram	44	2,717	-	(2,673)	-98%	2,717	100%
Professional/Contractual Services	4,234,544	3,803,197	4,136,985	431,347	11%	(333,789)	-8%
Information Technology	6,621,741	6,926,047	4,335,229	(304,306)	-4%	2,590,818	60%
Other*	496,851	653,669	1,573,764	156,818	24%	(920,096)	-58%
Total Expenditures	\$ 11,596,100	\$ 22,906,740	\$ 19,153,418	\$ (10,997,004)	-48%	\$ 3,753,322	20%
Other Financing Sources (Uses)							
Interest Income	848,713	218,839	16,243	629,874	288%	202,596	1247%
Prior Year Cost Recovery	337,350	337,350	-	-	0%	337,350	100%
Transfer from other fund/DC Agencies	-	(171,775)	-	171,775	-100%	(171,775)	100%
Total Other Financing Sources (Uses)	\$ 1,186,063	\$ 384,414	\$ 16,243	\$ 801,649	209%	\$ 368,171	2267%
Net Change in Fund Balance	2,622,728	(10,213,799)	(6,728,502)	\$ 12,860,242	-126%	\$ (3,485,297)	52%
Beginning Fund Balance Oct. 1	7,856,195	18,069,995	24,798,497				
Ending Fund Balance Sep. 30	\$ 10,478,923	\$ 7,856,196	\$ 18,069,995				

\*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, 2023, and 2022

---

**2023**

- **Revenues** – The Fund assesses user fees to carriers, which is the main source of revenue for the fund. The fiscal year 2023 user fees totaled \$13,370,115 which was an increase of \$1,061,588 or 9%. Revenues increased year over year were due to the increased number of Wireless and Voice Over Internet Protocol (VOIP) lines collected and timely remittance from carriers.
- **Expenditures** – Overall expenditures decreased by \$10,997,004 or 48%. During fiscal year 2023, payroll expenditures were budgeted to local source dollars from the fund resulting in decreasing expenditures mainly from continuing fulltime employment category.
- **Interest Income** – Interest Income increased by \$629,874 to \$848,713. The increase was attributed to higher interest rates during the fiscal year.

**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 \$3,753,322 or 20%. During fiscal year 2022, more payroll expenditures were reclassified from local source dollars to the Fund resulting in increased expenditures mainly from continuing fulltime employment category.
- **Interest Income** – Interest Income increased by \$202,596 to \$218,839. The increase was attributed to higher interest rates during the fiscal year.

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

**Balance Sheets**

For the Years Ended September 30, 2023, and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Pooled Cash	\$ 8,378,040	\$ 6,402,574
Accounts Receivable	2,962,564	2,523,136
<b>Total Assets</b>	<b><u>\$ 11,340,604</u></b>	<b><u>\$ 8,925,710</u></b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>LIABILITIES</b>		
Vouchers Payable	\$ 799,819	\$ 402,266
Payroll Liabilities	20,343	667,248
Uninvoiced Receipts	41,519	-
<b>Total Liabilities</b>	<b><u>\$ 861,681</u></b>	<b><u>\$ 1,069,514</u></b>
<b>FUND BALANCE</b>		
Committed	\$ 22,298,224	\$ 22,298,224
Unassigned	(11,819,301)	(14,442,029)
<b>Total Fund Balance</b>	<b><u>\$ 10,478,923</u></b>	<b><u>\$ 7,856,195</u></b>
<b>Total Liabilities and Fund Balance</b>	<b><u>\$ 11,340,604</u></b>	<b><u>\$ 8,925,710</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, 2023, and 2022

	<u>2023</u>	<u>2022</u>
<b>Revenue:</b>		
Wireline, Wireless, and VOIP User Fees	13,031,822	\$ 11,925,340
Prepaid Wireless and Internet User Fees	338,293	383,188
<b>Total Revenue</b>	<b>\$ 13,370,115</b>	<b>\$ 12,308,528</b>
<b>Expenditures :</b>		
Contractual Services	\$ 4,062,288	\$ 3,489,889
Advertising	1,373	19,480
Equipment and Machinery	600	48,151
Furniture and Fixtures	26,260	57,349
General	144,119	328,457
IT Consultants Contracts	286,402	93,913
IT Hardware Acquisitions	-	58,610
IT Hardware Maintenance	46,285	48,761
IT Software Acquisitions	26,890	-
IT Software Maintenance	5,659,519	5,651,776
Maintenance & Repairs Auto	67,395	45,606
Maintenance & Repairs Machinery	20,000	-
Maintenance & Repairs Land & Building	1,449	-
Maintenance & Repairs Other	6,620	-
Miscellaneous	356	-
OCTO IT Assessment	602,645	1,072,988
Office Support	11,404	-
Payroll	242,920	11,521,110
Professional Services	172,256	313,308
Rentals Land & Structures	696	-
Supplies and Materials	6,353	-
Telephone, Teletype, Telegram, ect.	44	2,717
Travel	7,147	8,330
Tuition Reimbursement	203,079	146,297
<b>Total Expenditures</b>	<b>\$ 11,596,100</b>	<b>\$ 22,906,742</b>
<b>Excess (Deficiency) of Revenue Over (Under) Expenditure</b>	<b>\$ 1,774,015</b>	<b>(10,598,214)</b>
<b>Other Financing Sources (Uses)</b>		
Interest Income	\$ 848,713	\$ 218,839
Prior Year Cost Recovery	-	337,350
Transfer from the District's General Fund	-	(171,775)
<b>Total Other Financing Sources (Uses)</b>	<b>\$ 848,713</b>	<b>\$ 384,414</b>
<b>Net Change in Fund Balance</b>	<b>\$ 2,622,728</b>	<b>\$ (10,213,800)</b>
Beginning Fund Balance	\$ 7,856,195	\$ 18,069,995
<b>Ending Fund Balance</b>	<b>\$ 10,478,923</b>	<b>\$ 7,856,195</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, 2023, and 2022

---

**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 the financial position and the results of its operations. 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 economic resources measurement focus and the modified 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 recorded when the liability is incurred, regardless of the timing related to cash flow.

***Fund Balance***

The Fund’s financial statements present fund balances 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 specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the 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, 2023, and 2022

---

*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 with 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 deposit 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 2023, interest income allocated to the Fund totaled \$848,713. On September 30, 2023, and 2022, the Fund's pooled cash with the District totaled \$8,378,040 and \$6,402,574 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, 2023, and 2022, there was no exposure to interest rate, credit, concentration or foreign currency risks as the Fund held no investments.

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

**Notes to the Financial Statements**  
As of September 30, 2023, and 2022

---

**NOTE 4: ACCOUNTS RECEIVABLE**

Accounts receivable represent the fees owed by carriers. On September 30, 2023, and 2022, accounts receivable was \$2,962,564 and \$2,523,136 respectively.

**NOTE 5: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through the date this report was available for issuance, which is January 3, 2024. 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, 2023**

	<b>Budget Adopted and Final</b>	<b>Actual</b>	<b>Variance</b>
<b>Revenues:</b>			
User Fees	\$ 14,980,088	\$ 13,370,115	\$ 1,609,973
<b>Total Revenues:</b>	<b>\$ 14,980,088</b>	<b>\$ 13,370,115</b>	<b>\$ 1,609,973</b>
<b>Expenditures:</b>			
Advertising	\$ -	\$ 1,373	\$ (1,373)
Clothing & Uniforms	15,000	1,010	13,990
Continuing Full Time	308,125	195,255	112,870
Contractual Services - Other	5,318,766	4,062,288	1,256,477
DC Health Benefit Fees	-	1,119	(1,119)
Dental Plan	-	377	(377)
Equipment and Machinery	-	600	(600)
General	534,000	144,119	389,881
Group Life Insurance	-	88	(88)
Health Benefits	-	26,974	(26,974)
Holiday Pay	52,697	-	52,697
IT Consultant Contracts	402,321	286,402	115,919
IT Hardware Maintenance	130,000	46,285	83,715
IT Software Acquisitions	35,000	26,890	8,110
IT Software Maintenance	6,137,099	5,659,519	477,580
Maintenance & Repairs - Auto	79,616	67,395	12,221
Maintenance & Repairs - Machinery	25,000	20,000	5,000
Maintenance & Repairs Land & Building	-	1,449	(1,449)
Maintenance & Repairs Other	-	6,620	(6,620)
Medicare Contribution	-	2,725	(2,725)
Miscellaneous	-	356	(356)
Miscellaneous Fringe Benefits	69,636	-	69,636
OCTO IT Assessment	1,087,642	602,645	484,997
Office Support	-	11,404	(11,404)
Optical Plan	-	146	(146)
Overtime Pay	41,562	286	41,276
Professional Service Fees & Contribution	328,480	172,256	156,224
Purchases Furniture & Fixtures	40,000	26,260	13,740
Rentals Land & Structures	-	696	(696)
Retirement	-	4,297	(4,297)
Retirement Contribution - FICA	-	11,653	(11,653)
Shift Differential	52,697	-	52,697
Supplies and Materials	-	5,343	(5,343)
Sunday Pay	52,697	-	52,697
Telephone, Teletype, Telegram, Etc.	-	44	(44)
Travel - Out of City	30,000	7,147	22,853
Tuition For Employee Training	239,750	203,079	36,671
<b>Total Expenditures:</b>	<b>\$ 14,980,088</b>	<b>\$ 11,596,100</b>	<b>\$ 3,383,987</b>
<b>Excess of Revenues Over Expenditures</b>	<b>\$ -</b>	<b>\$ 1,774,015</b>	<b>\$ (1,774,015)</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, 2023

---

**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 2023. The budgetary comparison schedule has been prepared in accordance with the accounting principles generally accepted in the United States of America.



**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 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, 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](mailto:oig@dc.gov)

