

AUDIT REPORT

Emergency and Non-Emergency Telephone Number Calling System Fund

Annual Financial Statements and Independent Auditor's Reports
Fiscal Year 2024
OIG No. 24-1-15UC

January 31, 2025



DANIEL W. LUCAS
INSPECTOR GENERAL



OUR MISSION

We 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.

OUR VISION

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

OUR VALUES

Accountability: We recognize that our duty extends beyond oversight; it encompasses responsibility. By holding ourselves accountable, we ensure that every action we take contributes to the greater good of the District.

Continuous Improvement: We view challenges not as obstacles, but as opportunities for growth. Our commitment to continuous improvement drives us to evolve, adapt, and enhance our practices.

Excellence: Mediocrity has no place in our lexicon. We strive for excellence in every facet of our work.

Integrity: Our integrity is non-negotiable. We act with honesty, transparency, and unwavering ethics. Upholding the public's trust demands nothing less.

Professionalism: As stewards of oversight, we maintain the utmost professionalism. Our interactions, decisions, and conduct exemplify the dignity of our role.

Transparency: Sunlight is our ally. Transparency illuminates our processes, decisions, and outcomes. By sharing information openly, we empower stakeholders, promote understanding, and reinforce our commitment to accountability.






DISTRICT OF COLUMBIA | OFFICE OF THE INSPECTOR GENERAL

MEMORANDUM

To: The Honorable Muriel Bowser
Mayor of the District of Columbia

The Honorable Phil Mendelson
Chairman, Council of the District of Columbia

From: Daniel W. Lucas
Inspector General 

Date: January 31, 2025

Subject: **Emergency and Non-Emergency Telephone Number Calling
System Fund Annual Financial Statements**
OIG No. 24-1-15UC

This memorandum transmits the final *Emergency and Non-Emergency Telephone Number Calling System Fund Financial Statements and Independent Auditor's Reports* for fiscal year 2024. McConnell Jones, LLP (MJ) conducted the audit and submitted these reports as part of our overall contract for the audit of the District of Columbia's general-purpose financial statements for fiscal year 2024.

On January 3, 2025, 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 found no material weaknesses in internal control over financial reporting.

Should you have questions or concerns, please contact me or Dr. Slemo Warigon, Assistant Inspector General for Audits, at (202) 792-5684.

**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, 2024 and 2023

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

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INDEPENDENT AUDITOR'S REPORT

To the Mayor, Members of the Council of the Government of the District
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, 2024, and 2023, 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, 2024, and 2023, 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.

Emphasis of Matter

As described in Note 6 to the financial statements, the Agency transferred \$150,000 from the special purpose revenue fund to general fund, in accordance with the legislation passed by DC Council. Our opinion is not modified with respect to these matters.

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 GAAS, 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 3, 2025, 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, 2025

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

**Management Discussion and Analysis (Unaudited)
For the Years Ended September 30, 2024 and 2023**

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, 2024 and 2023. 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

2024

- **Pooled Cash** increased by \$1,796,897 or 22%. The increase was due to lower current year’s expenditures, such as payroll costs, IT assessment costs, and Professional Services costs compared to prior years.
- **Assets** increased by \$1,012,099 or 9%. The increase was due primarily to the pooled cash in the previous explanation where lower current year expenditure contributed to the increase.
- **Fund balance** increased by \$71,947 or 1%, which is consistent compared to 2023.
- **Liabilities** increased by \$940,151 or 109%. The increase was attributed to the higher vouchers payable accrued in 2024 compared to 2023.

Condensed Balance Sheets as of September 2024, 2023 and 2022

	2024	2023	2022	2024-2023		2023-2022	
				Variance	% Variance	Variance	% Variance
Total Assets	\$ 12,202,674	\$ 11,190,575	\$ 8,925,710	\$ 1,012,099	9%	\$ 2,264,865	25%
Total Liabilities	\$ 1,801,832	\$ 861,681	\$ 1,069,514	\$ 940,151	109%	\$ (207,833)	-19%
Fund Balance	\$ 10,400,842	\$ 10,328,895	\$ 7,856,195	\$ 71,947	1%	\$ 2,472,700	31%

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

**Management Discussion and Analysis (Unaudited)
For the Years Ended September 30, 2024 and 2023**

2023

- The fiscal year 2023 financial statements were restated as described in the Restatement of Financial Statements section of Note 6.
- **Pooled Cash** increased by \$1,825,467 or 29%. The increase was due to lower current year’s expenditures, such as payroll costs, IT assessment costs, and Professional Services costs compared to prior years.
- **Assets** increased by \$2,264,865 or 25%. The increase was due primarily to the pooled cash in the previous explanation where lower current year expenditure contributed to the increase.
- **Fund balance** increased by \$2,472,700 or 31%. 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 \$207,833 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 Statements of Revenues, Expenditures, and Changes in Fund Balance for the Years Ending September 30, 2024, 2023 and 2022

Revenue:				2024-2023		2023-2022	
	2024	2023	2022	Variance	% Variance	Variance	% Variance
User Fees	\$ 12,655,419	\$ 13,370,085	\$ 12,308,527	\$ (714,666)	-5%	\$ 1,061,558	9%
Total Revenue	\$ 12,655,419	\$ 13,370,085	\$ 12,308,527	\$ (714,666)	-5%	\$ 1,061,558	9%
Expenditures:							
Payroll	\$ 381,791	\$ 242,920	\$ 11,521,110	\$ 138,871	57%	\$ (11,278,190)	-98%
Telephone, Teletype, Telegram	6,541	44	2,717	6,497	14766%	(2,673)	-98%
Professional/Contractual Services	4,544,804	4,234,544	3,803,197	310,260	7%	431,347	11%
Information Technology	6,908,939	6,621,740	6,926,047	287,199	4%	(304,307)	-4%
Other*	1,011,041	496,851	653,669	514,190	103%	(156,818)	-24%
Total Expenditures	\$ 12,853,116	\$ 11,596,099	\$ 22,906,740	\$ 1,257,017	11%	\$ (11,310,640)	-49%
Other Financing Sources (Uses)							
Interest Income	419,644	848,713	218,839	\$ (429,069)	-51%	629,874	288%
Prior Year Cost Recovery	-	-	337,350	-	-	(337,350)	-100%
Transfer to other fund/DC Agencies	(150,000)	(150,000)	(171,775)	-	-	21,775	-13%
Total Other Financing Sources	\$ 269,644	\$ 698,713	\$ 384,414	\$ (429,069)	-61%	\$ 314,299	82%
Net Change in Fund Balance	71,947	2,472,698	(10,155,189)	(2,400,752)	-97%	12,686,498	-125%
Beginning Fund Balance Oct. 1	10,328,895	7,856,195	18,069,995				
Ending Fund Balance Sep. 30	\$ 10,400,842	\$ 10,328,894	\$ 7,914,805				

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

2024

- **Revenues** – The Fund assesses user fees to carriers, which is the main source of revenues for the fund. The fiscal year 2024 user fees totaled \$12,655,420 which was a decrease of \$714,666 or 5%. Revenues decreased year over year were due to the decreased number of providers that are no longer doing business in the District.
- **Expenditures** – Overall expenditures increased by \$1,257,017 or 11%. During fiscal year 2024, payroll expenditures increased due to COLA, and non-personnel costs increased due to higher costs for services provided by vendors.

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

**Management Discussion and Analysis (Unaudited)
For the Years Ended September 30, 2024 and 2023**

- **Interest Income** – Interest Income experienced a decline of \$429,069 or 51% bringing the total down to \$419,644. The decrease was attributed to lower interest rates and fluctuating bank balances during the fiscal year.

2023

- **Revenues** – The Fund assesses user fees to carriers, which is the main source of revenues 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 \$11,310,641 or 49%. 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 or 288% bringing the total up to 848,713. 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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
ASSETS		
Pooled Cash	\$ 10,024,938	\$ 8,228,041
Accounts Receivable	2,177,736	2,962,534
Total Assets	\$ 12,202,674	\$ 11,190,575
LIABILITIES AND FUND BALANCE		
LIABILITIES		
Vouchers Payable	\$ 1,763,991	\$ 799,819
Payroll Liabilities	23,921	20,343
Uninvoiced Receipts	13,920	41,519
Total Liabilities	\$ 1,801,832	\$ 861,681
FUND BALANCE		
Committed	\$ 21,998,224	\$ 22,148,224
Unassigned	(11,597,382)	(11,819,329)
Total Fund Balance	\$ 10,400,842	\$ 10,328,895
Total Liabilities and Fund Balance	\$ 12,202,675	\$ 11,190,575

**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, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Revenue:		
Wireline, Wireless, and VOIP User Fees	\$ 12,372,443	\$ 13,031,792
Prepaid Wireless and Internet User Fees	282,976	338,293
Total Revenue	<u>\$ 12,655,419</u>	<u>\$ 13,370,085</u>
Expenditures :		
Contractual Services	\$ 4,306,888	\$ 4,062,288
Advertising	-	1,373
Equipment and Machinery	92,825	600
Furniture and Fixtures	2,161	26,260
General	462,219	144,119
IT Consultants Contracts	264,890	286,402
IT Hardware Maintenance	318,419	46,285
IT Software Acquisitions	21,566	26,890
IT Software Maintenance	6,064,904	5,659,519
Maintenance & Repairs Auto	65,845	67,395
Maintenance & Repairs Machinery	15,780	20,000
Maintenance & Repairs Land & Building	-	1,449
Maintenance & Repairs Other	-	6,620
Miscellaneous	6,000	356
OCTO IT Assessment	239,160	602,645
Office Support	3,457	11,404
Payroll	381,791	242,920
Professional Services	237,916	172,256
Rentals Land & Structures	-	696
Supplies and Materials	-	6,353
Contractual Services-Non Budgetary	65,785	-
Telephone, Teletype, Telegram, ect.	6,541	44
Travel	30,019	7,147
Tuition Reimbursement	266,950	203,079
Total Expenditures	<u>\$ 12,853,116</u>	<u>\$ 11,596,099</u>
Excess (Deficiency) of Revenue Over(Under) Exp.	(197,697)	1,773,987
Other Financing Sources (Uses)		
Interest Income	419,644	848,713
Prior Year Cost Recovery	-	-
Transfer to the District's General Fund	(150,000)	(150,000)
Total Other Financing Sources (Uses)	<u>\$ 269,644</u>	<u>\$ 698,713</u>
Net Change in Fund Balance	\$ 71,947	\$ 2,472,699
Beginning Fund Balance	\$ 10,328,895	\$ 7,856,195
Ending Fund Balance	<u>\$ 10,400,842</u>	<u>\$ 10,328,895</u>

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

**Notes to the Financial Statements
As of September 30, 2024 and 2023**

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 of 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, 2024 and 2023**

Committed: This classification includes amounts that can be used only for specific purposes pursuant to constraints imposed by the 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.

Unassigned: This component of fund balance includes resources that cannot be classified into the other categories. When expenditures incurred for specific purposes exceed the amount restricted for the fund the negative residual amount should be reported as unassigned fund balance after all other fund restrictions, commitments, and assignments have been accounted for.

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 and Systems 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 2024, interest income allocated to the Fund totaled \$419,644. On September 30, 2024, and 2023, the Fund's pooled cash with the District totaled \$10,024,938 and \$8,228,041 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, 2024, and 2023, 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 represent the fees owed by carriers. On September 30, 2024 and 2023, accounts receivable was \$2,177,736 and \$2,962,534, respectively.

NOTE 5 SUBSEQUENT EVENTS

The District has evaluated subsequent events through the date this report was available for issuance, which is January 3, 2025. 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**

**Notes to the Financial Statements
As of September 30, 2024 and 2023**

NOTE 6 RESTATEMENT OF FINANCIAL STATEMENTS

During fiscal year 2023, the Agency transferred \$150,000 from the special purpose revenue fund to general fund, in accordance with the legislation passed by DC Council. This entry was done by Central Accounting after the audited financial statements were issued. The entry affected the pool cash, other financing uses, and fund balance. There was also a \$30 change in Accounts receivable and revenue, which is immaterial.

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

**Budgetary Comparison Schedule (Unaudited)
For the Year Ended September 30, 2024**

	Budget Adopted and Final	Actual	Variance
Revenues:			
User Fees	\$ 14,579,770	\$ 12,655,419	\$ 1,924,351
Total Revenues:	\$ 14,579,770	\$ 12,655,419	\$ 1,924,351
Expenditures:			
Clothing & Uniforms	\$ 15,000	\$ 9,583	\$ 5,417
Continuing Full Time	281,348	292,381	(11,033)
Contractual Services - Other	4,625,601	4,306,888	318,713
General	521,047	462,219	58,829
IT Consultant Contracts	641,905	264,890	377,015
IT Hardware Maintenance	374,417	318,419	55,998
IT Software Acquisitions	42,249	21,566	20,683
IT Software Maintenance	6,685,628	6,064,904	620,723
Maintenance & Repairs - Auto	84,343	65,845	18,498
Maintenance & Repairs - Machinery	50,000	15,780	34,220
Miscellaneous Fringe Benefits	63,585	79,828	(16,243)
OCTO IT Assessment	426,356	239,160	187,196
Office Support	10,000	3,457	6,543
Professional Service Fees & Contribution	319,292	237,915	81,376
Purchases Equipment & Machinery	100,000	92,825	7,175
Purchases Furniture & Fixtures	30,000	2,161	27,839
Contractual Services - Non-Budgetary	-	65,784	(65,784)
Sponsorship	-	6,000	(6,000)
Telephone, Teletype, Telegram, Etc.	-	6,541	(6,541)
Travel - Out of City	34,000	30,019	3,981
Tuition For Employee Training	275,000	266,950	8,050
Total Expenditures:	\$ 14,579,770	\$ 12,853,116	\$ 1,726,654
Excess of revenues over (under) Expenditures	\$ -	\$ (197,696)	\$ 197,696

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

**Notes to the Budgetary Comparison Schedule (Unaudited)
For the Year Ended September 30, 2024**

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 2024. 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, 2024, 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, 2025.

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, 2025

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REPORT WASTE, FRAUD, ABUSE, AND MISMANAGEMENT.

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