

**GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE INSPECTOR GENERAL**

---

**DISTRICT OF COLUMBIA  
E911/E311 FUND**

**Financial Statements  
(Together With Independent Auditor's Report)  
Fiscal Years Ended September 30, 2014, and 2013**



**DANIEL W. LUCAS  
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Inspector General

Inspector General



March 23, 2015

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

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

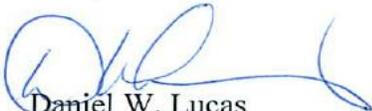
Dear Mayor Bowser and Chairman Mendelson:

I am issuing the enclosed final report on the District of Columbia E911/E311 Fund (Fund) financial statements for the years ended September 30, 2014, and 2013 (OIG No. 15-1-13UC). Bert Smith & Company (BS&C) submitted the report as part of our contract for the audit of the District of Columbia's general purpose financial statements for fiscal year (FY) 2014.

BS&C opined that the financial statements present fairly in all material respects, in conformity with accounting principles generally accepted in the United States of America. BS&C identified no weaknesses in internal control.

If you have questions or need additional information, please contact Ronald W. King, Assistant Inspector General for Audits, or me at (202) 727-2540.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/ws

Enclosure

cc: See Distribution List

**DISTRIBUTION:**

Mr. Rashad M. Young, City Administrator, District of Columbia (via email)  
Ms. Susan Longstreet, Interim Deputy Mayor for Planning and Economic Development,  
District of Columbia (via email)  
The Honorable Jack Evans, Chairperson, Committee on Finance and Revenue, Council of the  
District of Columbia (via email)  
Ms. Betsy Cavendish, General Counsel to the Mayor (via email)  
The Honorable Jack Evans, Chairperson, Committee on Finance and Revenue, Council of the  
District of Columbia (via email)  
Mr. John Falcicchio, Chief of Staff, Office of the Mayor (via email)  
Mr. Judah Gluckman, Director, Office of Policy and Legislative Affairs (via email)  
Mr. Michael Czin, Director, Office of Communications, (via email)  
Mr. Matthew Brown, Budget Director, Mayor's Office of Budget and Finance  
Ms. Nyasha Smith, Secretary to the Council (1 copy and via email)  
The Honorable Karl Racine, Attorney General for the District of Columbia (via email)  
Mr. Jeffrey DeWitt, Chief Financial Officer, Office of the Chief Financial Officer (1 copy  
and via email)  
Mr. Timothy Barry, Executive Director, Office of Integrity and Oversight, Office of the  
Chief Financial Officer (via email)  
Ms. Kathy Patterson, D.C. Auditor  
Mr. Phillip Lattimore, Director and Chief Risk Officer, Office of Risk Management (via email)  
Mr. Steve Sebastian, Managing Director, FMA, GAO, (via email)  
The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives,  
Attention: Bradley Truding (via email)  
The Honorable Jason Chaffetz, Chairman, House Committee on Oversight and Government  
Reform, Attention: Howie Denis (via email)  
The Honorable Elijah Cummings, Ranking Member, House Committee on Oversight and  
Government Reform, Attention: Marianna Boyd (via email)  
The Honorable Ron Johnson, Chairman, Senate Committee on Homeland Security and  
Governmental Affairs, Attention: Patrick Bailey (via email)  
The Honorable Thomas Carper, Ranking Member, Senate Committee on Homeland Security  
and Governmental Affairs, Attention: Holly Idelson (via email)  
The Honorable Mark Begich, Chairman, Senate Subcommittee on Emergency Management,  
Intergovernmental Relations and the District of Columbia, Attention: Jason Smith (via email)  
The Honorable Rand Paul, Ranking Member, Senate Subcommittee on Emergency  
Management, Intergovernmental Relations and the District of Columbia  
The Honorable Harold Rogers, Chairman, House Committee on Appropriations,  
Attention: Amy Cushing (via email)  
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriations,  
Attention: Shalanda Young (via email)  
The Honorable Ander Crenshaw, Chairman, House Subcommittee on Financial Services and  
General Government, Attention: Amy Cushing (via email)

Mayor Bowser and Council Chairman  
Mendelson  
D.C. E911/E311 for Fiscal Years 2014 and  
2013 (Together With Independent  
Auditors' Report)  
OIG No. 15-1-13UC – Final Report  
March 23, 2015  
Page 3 of 3

The Honorable José E. Serrano, Ranking Member, House Subcommittee on Financial  
Services and General Government, Attention: Shalanda Young (via email)

The Honorable Thad Cochran, Chairman, Senate Committee on Appropriations,  
Attention: Dana Wade (via email)

The Honorable Barbara Mikulski, Ranking Member, Senate Committee on Appropriations,  
Attention: Kali Matalon (via email)

The Honorable John Boozman, Chairman, Senate Subcommittee on Financial Services and  
General Government, Attention: Dale Cabaniss (via email)

The Honorable Chris Coons, Ranking Member, Senate Subcommittee on Financial Services  
and General Government, Attention: Marianne Upton (via email)

Mr. Paul Geraty, CPA, Public Sector Audit Division KPMG LLP (1 copy)

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**  
*(Together With Independent Auditor's Report)*

**BERT SMITH**  
**& Co.**

---

*Certified Public Accountants and Management Consultants*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013**

**TABLE OF CONTENTS**

Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (Unaudited) .....	3
<b><i>Fund Financial Statements</i></b>	
Balance Sheets .....	7
Statements of Revenues, Expenditures, and Changes in Fund Balance .....	8
Notes to the Financial Statements .....	9
Budgetary Comparison Schedule.....	11
Note to Budgetary Comparison Schedule.....	12
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> .....	13



## INDEPENDENT AUDITOR'S REPORT

To the Mayor and Council of the  
Government of the District of Columbia

We have audited the accompanying financial statements of the Government of the District of Columbia (the District) E911/E31 Fund (the Fund) as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statement.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Fund as of September 30, 2014 and 2013, and the changes in the financial position for the years then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States require that the management's discussion and analysis on pages 3 through 6 and budgetary comparison schedule on page 11, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Government Accounting Standards Boards, who considers it to be an essential part of the financial reporting for placing the basic financial statement in an appropriate operational, economic or historic context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other*

As discussed in Note 2, the financial statements present only the E911/E311 Fund and do not purport to, and do not present fairly the financial position of the District as of September 30, 2014 and 2013 and the changes in its financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated January 28, 2015 on our consideration of the District'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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

A handwritten signature in black ink that reads "Bert Smith" followed by a stylized flourish.

Washington, D.C.  
January 28, 2015

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**SEPTEMBER 30, 2014 AND 2013**  
**(UNAUDITED)**

---

The following discussion and analysis presents an overview of the Government of the District of Columbia (the District) E911/E311 Fund's (the Fund) financial performance for the fiscal years ended September 30, 2014 and 2013. The Office of Unified Communications, which is an independent District agency, is responsible for the administration of the Fund. The financial statements and accompanying notes on pages 7 through 10 should be read in conjunction with this discussion.

**Basic Financial Statements**

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

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

**Financial Highlights**

**2014**

- Pooled Cash increased by \$963,262 or 8.07%.
- Vouchers Payable decreased by \$1,790,379 or 58.84%.
- User Fees decreased by \$717,386 or 5.98%.
- Overall Expenditures decreased by \$604,633 or 5.84%.

**2013**

- Pooled Cash increased by \$3,507,902 or 41.61%.
- Vouchers Payable increased by \$1,743,193 or 134.13%.
- User Fees decreased by \$73,807 or -.61%.
- Overall Expenditures increased by \$1,546,212 or 17.55%.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
SEPTEMBER 30, 2014 AND 2013  
(UNAUDITED)

**Condensed Balance Sheets as of September 30, 2014, 2013, and 2012**

	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2014-2013</u>		<u>2013-2012</u>	
				<u>Variance</u>	<u>% Variance</u>	<u>Variance</u>	<u>% Variance</u>
<b>Total Assets</b>	\$15,961,311	\$15,148,141	\$11,751,970	\$ 813,170	5.37%	\$3,396,171	28.90%
<b>Total Liabilities</b>	<u>1,252,430</u>	<u>3,042,809</u>	<u>1,299,616</u>	<u>(1,790,379)</u>	<u>-58.84%</u>	<u>1,743,193</u>	<u>134.13%</u>
<b>Net Assets</b>	<u>\$14,708,881</u>	<u>\$12,105,332</u>	<u>\$10,452,354</u>	<u>\$ 2,603,549</u>	<u>21.51%</u>	<u>\$ 1,652,978</u>	<u>15.81%</u>

**2014**

- **Assets** – An increase in total assets by \$813,170 or 5.37% over fiscal year 2013 is attributed to the timing of payable payments.
- **Liabilities** – The liabilities decreased in fiscal year 2014 over fiscal year 2013 \$1,790,379 or 58.84% due to more timely receipt of vendor invoices.

**2013**

- **Assets** – An increase in total assets by \$3,396,171 or 28.90% over fiscal year 2012 attributed to the directly charging and reclassification of charges from the special purpose revenue fund to local and capital funds and federal grants.
- **Liabilities** – The liabilities increased in fiscal year 2013 over fiscal year 2012 due to the late receipt of vendor invoices.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (Continued)  
SEPTEMBER 30, 2014 AND 2013  
(UNAUDITED)

**Condensed Statements of Revenues, Expenditures, and Changes in Fund Balance for the Years Ended September 30, 2014, 2013, and 2012**

	2014	2013	2012	2014-2013		2013-2012	
				Variance	% Variance	Variance	% Variance
<b>Revenue</b>							
User Fees	\$11,273,749	\$11,991,135	\$12,064,942	\$ (717,386)	-5.98%	\$ (73,807)	-0.61%
<b>Total Revenue</b>	<u>11,273,749</u>	<u>11,991,135</u>	<u>12,064,942</u>	<u>(717,386)</u>	<u>-5.98%</u>	<u>(73,807)</u>	<u>-0.61%</u>
<b>Expenditures</b>							
Telephone, Teletype, Telegram	1,239,859	1,036,811	31,251	203,048	19.58%	1,005,560	100.00%
Professional Fees	3,263,501	3,034,619	3,496,005	228,882	7.54%	(461,386)	-13.20%
Contractual Services	1,358,331	1,455,983	1,637,653	(97,652)	-6.71%	(181,670)	-11.09%
Information Technology	3,751,850	4,461,904	3,578,693	(710,054)	-15.91%	883,211	24.68%
Other	136,785	365,642	65,145	(228,857)	-62.59%	300,497	461.27%
<b>Total Expenditures</b>	<u>9,750,326</u>	<u>10,354,959</u>	<u>8,808,747</u>	<u>(604,633)</u>	<u>-5.84%</u>	<u>1,546,212</u>	<u>17.55%</u>
<b>Transfer from Other Fund</b>	1,071,455	-	-	1,071,455	100.00%	-	-
<b>Interest Income</b>	<u>8,671</u>	<u>16,802</u>	<u>14,222</u>	<u>(8,131)</u>	<u>-48.39%</u>	<u>2,580</u>	<u>18.14%</u>
<b>Change in Fund Balance</b>	<u>\$ 2,603,549</u>	<u>\$ 1,652,978</u>	<u>\$ 3,270,417</u>	<u>\$ 950,571</u>	<u>57.51%</u>	<u>\$ (1,617,439)</u>	<u>49.46%</u>

**2014**

**Revenue**

- *User Fees:* The Fund assesses user fees to carriers. The fiscal year 2014 user fees totaled \$11,273,749, which was a decrease of \$717,386 or 5.98%. The decrease in user fees is mainly attributed to a reduction in the number of (wireless and wireline) landlines as more consumers are only using wireless telephones. User fees are based on the number of landlines in a home.
- *Transfer from Other Fund:* The transfer represents funds received from the Correctional Treatment Facility Steam Fund. In accordance with D.C Law 34-1803.03, all revenues deposited in that fund since October 1, 2007 shall be deposited into the Fund.

**Expenditures**

- *Telephone, Teletype, and Telegram:* The Fund had increase expenditures of \$203,048 from fiscal year 2013. The increase is due to higher cost related to Requests for Telephone Service (RTS) and reoccurring telecommunications charges from the Fund.
- *Information and Technology:* During fiscal year 2014, the Fund recognized increased expenditures due to acquisition of new IT equipment. As a result of the IT upgrade, the fund recognized a decrease in IT maintenance cost. The net of the current year activity led to at 44.24% reduction in overall cost.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
MANAGEMENT'S DISCUSSION AND ANALYSIS (*Continued*)  
SEPTEMBER 30, 2014 AND 2013  
(UNAUDITED)

---

- *Other Cost:* Other Costs reflected a decrease in expenditures of \$228,857. During fiscal year 2013, furniture and equipment was purchased for \$283,599. In fiscal year 2014, only \$40,397 in furniture and equipment was purchased. This created a reduction of \$243,202. The fund also showed an increase in office support, travel and supplies of approximately \$14,500. The net of the two creates the overall decrease in expenditures.

## 2013

### *Expenditures*

- *Telephone, Teletype, and Telegram:* Fiscal year 2013 was the first year that the District was authorized to pay both Requests for Telephone Service (RTS) and reoccurring telecommunications charges from the Fund. The charges in fiscal year 2012 represent RTS expenditures of the agency only. The reoccurring telecommunications charges for fiscal year 2012 were charged to local funds within the District's city-wide fixed cost account.
- *Professional Fees:* The decrease is due to the reclassification of expenditures from the Fund to the local fund and federal grants with the District Homeland Security and Emergency Management Agency.
- *Information and Technology and Other:* Due to the expiration/unavailability of other funding sources such as capital and grant funds in fiscal year 2013, the District purchased additional communications equipment associated with the P25 radio system upgrade from the Fund. In fiscal year 2012, the District was able to utilize other funding sources for P25, thus limiting the expenditure to the Fund. In addition, the District purchased replacement operations floor furniture and computer equipment from the Fund.

This report is designed to provide a general financial overview of the Government of the District of Columbia's Government E911/E311 Fund. If you have any questions regarding this report, please contact Angelique Hayes, Associate Chief Financial Officer for Public Safety and Justice Cluster.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
**BALANCE SHEETS**  
**SEPTEMBER 30, 2014 AND 2013**

	<b>2014</b>	<b>2013</b>
<b>ASSETS</b>		
Pooled Cash	\$ 12,899,834	\$ 11,936,542
Accounts Receivable	2,589,477	2,722,797
Due from District's General Fund	472,000	472,000
Interest Receivable	-	16,802
<b>Total Assets</b>	<b>\$ 15,961,311</b>	<b>\$ 15,148,141</b>
 <b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Vouchers Payable	\$ 1,252,430	\$ 3,042,809
<b>Total Liabilities</b>	<b>1,252,430</b>	<b>3,042,809</b>
 <b>Fund Balance</b>		
Reserved	14,708,881	12,105,332
<b>Total Fund Balance</b>	<b>14,708,881</b>	<b>12,105,332</b>
 <b>Total Liabilities and Fund Balance</b>	 <b>\$ 15,961,311</b>	 <b>\$ 15,148,141</b>

*The accompanying notes are an integral part of the financial statements.*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE YEARS ENDED SEPTEMBER 30, 2014 AND 2013

	<u>2014</u>	<u>2013</u>
<b>Revenue</b>		
Wireline, Wireless, and VOIP User Fees	\$ 10,697,938	\$ 11,421,463
Prepaid Wireless	575,811	569,672
<b>Total Revenue</b>	<u>11,273,749</u>	<u>11,991,135</u>
<b>Expenditures</b>		
Supplies	78,209	76,618
Telephone, Teletype, Telegram	1,239,859	1,036,811
Travel	10,406	5,425
Professional Services	3,263,501	3,034,619
Contractual Services	1,358,331	1,455,983
IT Training	31,622	51,783
IT Hardware Maintenance	16,625	857,733
IT Software Maintenance	891,448	1,474,686
IT Assessment	256,156	281,544
IT Hardware Acquisitions	2,538,426	1,796,158
IT Software Acquisitions	17,573	-
Furniture and Fixtures	40,397	153,480
Equipment and Machinery	7,773	130,119
<b>Total Expenditures</b>	<u>9,750,326</u>	<u>10,354,959</u>
<b>Excess of Revenue over Expenditures</b>	1,523,423	1,636,176
<b>Other Financing Sources</b>		
Transfer from Other Fund	1,071,455	-
Interest Income	8,671	16,802
<b>Total Other Financing Sources</b>	<u>1,080,126</u>	<u>16,802</u>
<b>Net Change in Fund Balance</b>	2,603,549	1,652,978
<b>Fund Balance, at October 1</b>	<u>12,105,332</u>	<u>10,452,354</u>
<b>Fund Balance, at September 30</b>	<u>\$ 14,708,881</u>	<u>\$ 12,105,332</u>

*The accompanying notes are an integral part of the financial statements.*

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
NOTES TO FINANCIAL STATEMENTS  
SEPTEMBER 30, 2014 AND 2013

**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 Communication (OUC), an independent District agency, is responsible for the administration of the Fund.

Under the Act, none of the monies from the Fund can be used to defray personnel costs and non-personnel costs related to overhead, including energy, rentals, janitorial services, or occupancy costs. These costs are funded by local appropriated funds. The Fund can be used to defray technology and equipment costs directly incurred in providing a 911 system and direct costs incurred by wireless carriers in providing wireless E-911 service.

**NOTE 2      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

- ***Reporting Entity***  
The Fund is part of the General Fund of the District. 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 accounted for using the flow of current financial resources measurement focus and the modified basis of accounting. Revenue is recognized when it is both measurable and available. Revenues are considered to be available when collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, any revenues collected within 60 days after year-end is considered available to pay liabilities of the Fund. Expenditures are recorded when the liability is incurred.
- ***Estimates***  
The preparation of the financial statement in conformity with accounting principles generally accepted in the United States of America 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**

The Fund's cash is deposited into an invested pooled account with the District. In accordance with District policies, substantially all of its deposits were insured or collateralized with securities held by the District or by its agent in the name of 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 2014 and 2013, interest income allocated to the Fund totaled \$8,671 and \$16,802 respectively. At September 30, 2014 and 2013, the Fund's pooled cash with the District totaled \$12,899,834 and \$11,936,542, respectively.

**NOTE 4 ACCOUNTS RECEIVABLE**

Accounts Receivable represents an estimate of fourth quarter fees owed by carriers. At September 30, 2014 and 2013, accounts receivable was estimated at \$2,589,477 and \$2,722,797, respectively.

**NOTE 5 DUE FROM DISTRICT'S LOCAL FUND**

The fiscal year 2011 Transfer of Special Purpose Funds Act of 2010 (Act) authorized the transfer of \$472,000 from the Fund to the District's Local Fund. The District made the transfer of \$472,000 in the prior fiscal year. However, because the Fund's use is restricted for the purchase of E911 equipment and it does not have any unrestricted funds, the transfer should not have been made. As a result, a due from the District's Local Fund is reflected at September 30, 2014 and 2013 of \$472,000.

**NOTE 6 TRANSFER FROM OTHER FUND**

Pursuant to D.C Law 34.1803.03, all revenues from the Steam for Correctional Treatment Facility Fund received since October 1, 2007 shall be deposited in the Fund. In fiscal year 2004, the Fund received a transfer of \$1,071,455.

**NOTE 7 SUBSEQUENT EVENTS**

The District has evaluated any subsequent events through the date this report was available for issuance which is January 28, 2015. The review revealed no material events that would have an effect on the financial statements.

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
 BUDGETARY COMPARISON SCHEDULE  
 FOR THE YEAR ENDED SEPTEMBER 30, 2014

	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
<b>Revenues</b>			
User Fees	\$11,527,785	\$11,273,749	\$ 254,036
<b>Total Revenues</b>			
 <b>Expenditures</b>			
Supplies	92,928	78,209	14,719
Telephone, Teletype, Telegram	1,196,041	1,239,859	(43,818)
Travel	-	10,406	(10,406)
Professional Services	1,790,074	3,263,501	(1,473,427)
Contractual Services	1,436,265	1,358,331	77,934
IT Training	31,622	31,622	-
IT Hardware Maintenance	938,805	16,625	922,180
IT Software Maintenance	2,400,214	891,448	1,508,766
IT Assessment	388,597	256,156	132,441
IT Hardware Acquisitions	3,247,539	2,538,426	709,113
IT Software Acquisitions	-	17,573	(17,573)
Equipment and Machinery	-	40,397	(40,397)
Office Support	5,700	7,773	(2,073)
<b>Total Expenditures</b>	<u>11,527,785</u>	<u>9,750,326</u>	<u>1,777,459</u>
 <b>Excess of Revenue Over Expenditures</b>	<u>\$ -</u>	<u>\$ 1,523,423</u>	<u>\$ (1,523,423)</u>

**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**E911/E311 FUND**  
NOTE TO BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED SEPTEMBER 30, 2014

**NOTE 1      BUDGET BASIS**

The Fund has a legal 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 2014. 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 and Council of the  
Government of the District of Columbia

We have audited, in accordance with the 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 (the District) E911/E311 Fund (the Fund), as of and for the years ended September 30, 2014 and 2013, and the related notes to the financial statements, and have issued our report thereon dated January 28, 2015.

**Internal Control over Financial Reporting**

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

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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 determination of financial statement amounts. 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 the Other Reporting Required by *Government Auditing Standards***

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

A handwritten signature in cursive script that reads "Bert Smith & Co".

Washington, D.C.  
January 28, 2015