



Office of Integrity & Oversight

**Government of the District
of Columbia, Office of the
Chief Financial Officer**

February 7, 2017

**Audit of the New Columbia
Statehood Fund Revenues
and Expenditures Report
for Fiscal Year Ended
September 30, 2016**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Office of Integrity and Oversight

February 7, 2017

The Honorable Paul Strauss, U.S. Senator
John A. Wilson Building
1350 Pennsylvania Avenue, N.W. – Suite C-09
Washington, DC 20004

The Honorable Michael Brown, U.S. Senator
John A. Wilson Building
1350 Pennsylvania Avenue, N.W. – Suite C-09
Washington, DC 20004

The Honorable Franklin Garcia, U.S. Representative
John A. Wilson Building
1350 Pennsylvania Avenue, N.W. – Suite C-09
Washington, DC 20004

Mohamed Mohamed, Associate Chief Financial Officer
Government Operations Cluster
441 4th Street, N.W., Suite 890-N
Washington, DC 20001

Dear Senator Strauss, Senator Brown, Representative Garcia, and Mr. Mohamed:

The Office of the Chief Financial Officer (OCFO)'s Office of Integrity and Oversight (OIO) has completed an audit of the Revenues and Expenditures Report of the New Columbia Statehood Fund (NCF) for the Fiscal Year ended September 30, 2016. (OIO No. 17-02-05 NCF)

Our audit included a review of the NCF's internal controls over revenues and expenditures for the purpose of expressing an opinion on the revenues and expenditures, and determining the nature, timing, and extent of substantive tests required. The review was not intended to be an exhaustive examination of the NCF's internal controls to assess its effectiveness, and would not have necessarily disclosed all weaknesses in the system. Additionally, we tested the NCF compliance with certain provisions of applicable laws and regulations. However, the objective of our audit was not to provide an opinion on overall compliance with such provisions.

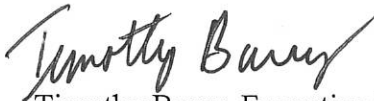
Unmodified Opinion on the Revenues and Expenditures Report of the Fund

In our opinion, the NCF Revenues and Expenditures Report for the Fiscal Year Ended September 30, 2016, is presented fairly, in accordance with accounting principles generally accepted in the United States of America.

We did not identify any deficiencies in internal controls over the NCF Revenues and Expenditures for FY 2016.

We appreciate the cooperation and courtesies extended to our staff during this audit. Should you have any questions, please call me at (202) 442-6433, or Tisha Edwards, Internal Audit Director, at (202) 442-6446.

Sincerely,



Timothy Barry, Executive Director
Office of Integrity and Oversight

cc: See Distribution List

DISTRIBUTION:

The Honorable Muriel Bowser, Mayor, District of Columbia
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
The Honorable Jack Evans, Chairperson, Committee on Finance and Revenue, Council of the
District of Columbia
Ms. Nyasha Smith, Secretary to the Council of the District of Columbia
Mr. Rashad Young, City Administrator, District of Columbia
Mr. Jeffrey DeWitt, Chief Financial Officer, District of Columbia Government
Ms. Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, OCFO
Mr. Bill Slack, Deputy CFO, Office of Financial Operations and Systems, OCFO
Mr. David Tseng, General Counsel, OCFO
Ms. Marshelle Richardson, Chief Risk Officer, OCFO

**AUDIT OF THE NEW COLUMBIA STATEHOOD FUND REVENUES AND
EXPENDITURES REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

TABLE OF CONTENTS

INTRODUCTION 3

INDEPENDENT AUDITOR’S REPORT 4

FINANCIAL REPORT

 REVENUES AND EXPENDITURES REPORT 6

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE..... 7

**AUDIT OF THE NEW COLUMBIA STATEHOOD FUND REVENUES AND
EXPENDITURES REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

ACRONYMS

ACFO	Associate Chief Financial Officer
NCF	New Columbia Statehood Fund
OCFO	Office of the Chief Financial Officer
OIO	Office of Integrity and Oversight

**AUDIT OF THE NEW COLUMBIA STATEHOOD FUND REVENUES AND
EXPENDITURES REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2016**

INTRODUCTION

Pursuant to D.C. Act 20-615 Subtitle C, Section 32(h), the Office of the Chief Financial Officer (OCFO), Office of Integrity and Oversight (OIO), has audited the Revenues and Expenditures Report of the New Columbia Statehood Fund (NCF) for the Fiscal Year 2016.

D.C. Act 20-615 Subtitle C, Section 32(h) states:

“All revenues and expenses of the Fund shall be audited annually by the Chief Financial Officer, who shall transmit the audit to the Mayor and Council. The expenses of the annual audit shall be defrayed by the Fund.”

D.C. Act 20-615, Subtitle C, Section 31 states, in pertinent part, that the New Columbia Statehood Commission is established as an independent Agency within the D.C. Government and shall educate, advocate, promote, and advance the proposition of statehood and voting rights for District residents.

D.C. Act 20-615, Subtitle C, Section 31(b)(2) states, in pertinent part, that the New Columbia Statehood Commission shall: solicit financial and in-kind contributions; grants; allocations; gifts; bequests; and appropriations, from public and private sources to be deposited in the Fund.

D.C. Act 20-615, Subtitle C, Section 32(b)(1) states that revenues from the following sources shall be deposited into the Fund:

- (1) An annual appropriation;
- (2) Any contributions to, and grants for, the benefit of the New Columbia Statehood Fund received from public and private sources; and
- (3) Net receipts pursuant to the income tax check-off provided in D.C. Code § 47-1812.11c.

Furthermore, D.C. Act 20-615, Subtitle C, Section 32(e)(1) states that the money deposited into the Fund, and interest earned, shall not revert to the unrestricted fund balance of the General Fund of the District of Columbia at the end of any fiscal year or at any other time.

D.C. Act 20-615, Subtitle C, Section 32(c) establishes that the Fund shall be used to support the Statehood Delegation, each of the members thereof, the Commission, and efforts to promote statehood and voting rights for the citizens of the District.

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Office of Integrity and Oversight

Independent Auditor's Report

The Honorable Paul Strauss
U.S. Senator

The Honorable Michael Brown
U.S. Senator

The Honorable Franklin Garcia
U.S. Representative

Mohamed Mohamed, Associate Chief Financial Officer (ACFO)
Office of the Chief Financial Officer

Report on New Columbia Statehood Fund Revenues and Expenditures Report

We have audited the accompanying Revenues and Expenditures Report of the New Columbia Statehood Fund (NCF), for the Fiscal Year ended September 30, 2016.

Management's Responsibility for the Revenues and Expenditures Report

Management is responsible for the preparation and fair presentation of the Revenues and Expenditures Report in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the revenues and expenditures that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the Revenues and Expenditures Report based on our audit. We conducted our audit in accordance with the auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in the *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the NCF revenues and expenditures are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts in the revenues and expenditures accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the revenues and expenditures, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls

relevant to the entity's preparation and fair presentation of the revenues and expenditures 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 revenues and expenditures.


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 Revenues and Expenditures Report present fairly, in all material respects, the result of operations of the New Columbia Statehood Fund for the fiscal year ended September 30, 2016, in accordance with accounting principles generally accepted in the United States of America.

Report on Other Legal and Regulatory Requirements

In accordance with Government Auditing Standards, we have also issued our report dated February 7, 2017, on our consideration of the NCF's internal control over revenues and expenditures and on our tests of its compliance with certain provisions of laws and regulations. The purpose of that report is to describe the scope of our testing of internal control over revenues and expenditures and compliance and the results of that testing, and not to provide an opinion on the internal control over revenues and expenditures 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.


Timothy Barry, Executive Director
Office of Integrity and Oversight

February 7, 2017

FINANCIAL REPORT

Revenues and Expenditures Report For the Fiscal Year Ended September 30, 2016

Revenues

Appropriation	\$	318,344.00
Revenue from Income Tax Check-Off		33,871.18
Interest Income		<u>458.57</u>

Total Revenues **\$352,673.75**

Expenditures

Personnel	\$	159,545.29
Non-Personnel		<u>130,142.60</u>

Total Expenditures **\$289,687.89**

Excess (deficiency) of Revenues over (under) Expenditures **\$ 62,985.86**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Chief Financial Officer



Office of Integrity and Oversight

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE

The Honorable Paul Strauss
U.S. Senator

The Honorable Michael Brown
U.S. Senator

The Honorable Franklin Garcia
U.S. Representative

Mohamed Mohamed, Associate Chief Financial Officer (ACFO)
Office of the Chief Financial Officer

We have audited the Revenues and Expenditures Report of the New Columbia Statehood Fund (NCF) for the Fiscal Year ended September 30, 2016, and have issued our report thereon dated February 7, 2017. We conducted our 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the NCF's internal control over revenues and expenditures as a basis for designing our auditing procedures for the purpose of expressing our opinion on the revenues and expenditures, but not for the purpose of expressing an opinion on the effectiveness of the NCF's internal control over revenues and expenditures. Accordingly, we do not express an opinion on the effectiveness of the NCF's internal control over revenues and expenditures.

A *deficiency in internal control* exists when the design of 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 misstatement on a timely basis. A *significant deficiency* is a deficiency, or 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. A *material weakness* is a deficiency, or 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. We did not identify any deficiencies in internal control over NCF's revenues and expenditures for the Fiscal Year 2016.

Compliance

As part of obtaining reasonable assurance about whether the NCF's Revenues and Expenditures Report is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, 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.



Timothy Barry, Executive Director
Office of Integrity and Oversight

February 7, 2017