



**Advisory Neighborhood Commission
Security Fund Annual Financial Report
for Fiscal Year 2016**

December 8, 2016

Report Team:

Hussein Aden, Senior Financial Auditor

Laura Hopman, Assistant Deputy Auditor

**A Report by the Office of the District of Columbia Auditor
Kathleen Patterson, District of Columbia Auditor**

Purpose

As required by law¹, the Office of the District of Columbia Auditor presents the Advisory Neighborhood Commission (ANC) Security Fund Annual Financial Report for Fiscal Year 2016.

Historical Background of the Fund

The Advisory Neighborhood Commission Security Fund (Fund) was established to insure Advisory Neighborhood Commissions against unauthorized expenditures or loss of funds.² The Fund does not cover any loss as the result of an expenditure authorized by a vote of a Commission. The Fund is held in the custody of a Board of Trustees (Trustees) composed of the Secretary of the District of Columbia, the General Counsel to the Council of the District of Columbia, and the District of Columbia Auditor (Auditor).

A Commission is eligible to participate in the Fund if the Treasurer and the Chairperson of the Commission agree, on a form provided by the Trustees, to be personally liable to the Fund for any sum paid out by the Fund as a result of the Treasurer or Chairperson's wrongful misappropriation or loss of Commission monies. An ANC becomes a participant of the Fund and is eligible to recover losses upon payment to the Fund of an annual contribution at the beginning of the fiscal year in an amount to be determined by the Trustees³.

D.C. law requires the assets of the Fund to be held in an interest bearing account located in the District of Columbia.⁴ In addition, the law requires that the Fund publish an annual report in the District of Columbia register no later than 90 days after the end of each fiscal year.⁵

ANC 5B lost approximately \$30,000 due to unauthorized expenditures made by their elected Chairman between August 2010 and April 2011. To recover the losses associated with the unauthorized expenditures, ANC 5B, a participant of the ANC Security Fund at the time, requested a reimbursement totaling \$15,467.67 from the ANC Security Fund Board of Trustees. On December 7, 2011, the Board approved the request and authorized the transfer of \$15,467.67 from the Fund to ANC 5B.

In a related action, a settlement agreement between the District government and the former Chairman of ANC 5B ordered the former Chairman to make payments to the Security Fund to reimburse it for the \$15,467.67 distributed to ANC 5B. These payments are ongoing and the total FY 2016 deposit was \$1,448.00.

¹ D.C. Code § 1-309.14(f) (2016)

² D.C. Code § 1-309.14(a) (2016)

³ D.C. Code § 1-309.14(b) (2016)

⁴ D.C. Code § 1-309.14(e) (2016)

⁵ D.C. Code § 1-309.14(f) (2016)

Results

Advisory Neighborhood Commission Security Fund Commercial Savings Account Fund Activities & Balance For Fiscal Year 2016

	FY 2016	FY 2015
Beginning Balance	\$62,967.51	61,586.30
Deposits	2,423.00	1,350.00
Interest	32.13	31.21
Withdrawal/Adjustment	0.00	00.00
Total Fund Balance	<u>\$65,422.64</u>	<u>62,967.51</u>

On October 1, 2015, the beginning balance of the Advisory Neighborhood Commission Security Fund was \$62,967.51. Deposits of \$2,455.13⁶ and no disbursements during FY 2016 resulted in a Fund balance of \$65,422.64, as of September 30, 2016.

The Fund is insured by Federal Depository Insurance up to \$250,000.

To document the Fund's activity, at the end of each quarter and after receiving the quarterly bank statement, the Auditor reconciles and records all Fund activity and balances into the District of Columbia Financial System. In addition, a quarterly and annual reconciliation/closing report of the Fund's activity and balance is submitted to the District of Columbia's Chief Financial Officer (see Attachment I).

002:17:HA:LH:cm:LP:KP

⁶ The \$2,455.13 includes: \$975.00 ANC annual security fund participation fee (\$25 per ANC), \$32.13 earned interest, and \$1,448.00 court mandated settlement payments to the Fund.

Attachment I

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER
GOVERNMENT OPERATIONS CLUSTER
OFFICE OF FINANCE AND RESOURCE MANAGEMENT



MEMORANDUM

TO: Bill Slack
Deputy Chief Financial Officer
Office of Financial Operations and Systems

THRU: Mohamed Mohamed
Associate CFO
Government Operations Cluster *M. Mohamed*

THRU: Belete Sitota
Cluster Controller
Government Operations Cluster *Belete Sitota*

FROM: Huda Sheikh-Ali
Controller
Office of Finance and Resource Management *Huda Sheikh-Ali*

DATE: October 13, 2016

SUBJECT: FY 2016 YEAR END CLOSE - CASH AND INVESTMENT ACCOUNTS -
REQUIREMENTS 1, 2 AND 3

Huda Sheikh-Ali, Controller, at 727-4697, huda.sheikh-ali@dc.gov is responsible for Topic 3, Cash and Investment Accounts, Requirements 1, 2 & 3 for Agency AC0, Office of the DC Auditor. Enclosed are the reports required for all of the cash and investment accounts controlled by Agency AC0, Office of the DC Auditor. All reports submitted with this Official Certification have been cross-referenced to the Sequence Numbers listed on the Topic 3 - 1 Form for this agency. Reports are submitted for the following fiscal periods as requested by OFOS: Fiscal month 1 through 12. I certify the following statements are true for each of these fiscal periods.

The Topic 3 - 1 Form lists all cash and investment accounts under this agency's control. A copy of the account reconciliation reports for the periods requested, and the related bank or investment account statements, are included for each account listed on the Topic 3 - 1 Form.

Additional information related to each of these accounts is provided on a Topic 3 - 3 Form.

CFO\$olve report, SOAR Screen 89 and bank statement are used to validate the accuracy of this certification.

AC0
SEQUENCE NUMBER 1

ADVISORY NEIGHBORHOOD COMMISSION - SECURITY FUND
Columbo Bank Reconciliation (██████████) Bank ID 427

Bank Reconciliation

	Amount
	\$
Bank	
Bank Ending Balance as at 09/30/16	\$ 65,422.64
Add: Deposits in Transit	
Less: Outstanding Checks	
Adjustments	
Adjusted Balance (09/30/16)	<u>65,422.64</u>
SOAR	
Book Balance as at 09/30/16	\$ 65,422.64
Adjusted Balance (09/30/16)	<u>\$ 65,422.64</u>

Prepared by: Jeddy. Mohammed Date: 10/5/2016
Reviewed by: [Signature] Date: 10/5/16

ColomboBank

ESTABLISHED 1914

www.ColomboBank.com
1600 East Gude Drive • Rockville, MD 20850
Corporate Office: (240) 268-2265
Telephone Banking: 1-800-338-5162
MEMBER FDIC

ACCOUNT: [REDACTED]

PAGE: 1
09/30/2016

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OFFICE OF THE DC AUDITOR

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ADVISORY NEIGHBORHOOD
COMMISSION SECURITY FUND
OFFICE OF THE DC AUDITOR
717 14TH ST NW STE 900
WASHINGTON DC 20005-3217

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SAVING ACCOUNT CUSTOMERS RECEIVING QUARTERLY STATEMENTS MAY RECEIVE A
MONTHLY STATEMENT IF THE ACCOUNT HAS REG E (DEBIT CARD/ATM CARD/ACH)
ACTIVITY. PLEASE CONTACT YOUR LOCAL BRANCH FOR MORE INFORMATION.

COMMERCIAL SAVINGS ACCOUNT [REDACTED]

DESCRIPTION	DEBITS	CREDITS	DATE	BALANCE
BALANCE LAST STATEMENT			06/30/16	64,939.45
INTEREST AT .0500 %		2.58	07/29/16	64,942.03
INTEREST AT .0501 %		2.94	08/31/16	64,944.97
DEPOSIT		475.00	09/22/16	65,419.97
INTEREST AT .0500 %		2.67	09/30/16	65,422.64
BALANCE THIS STATEMENT			09/30/16	65,422.64
TOTAL CREDITS (4)	483.19			
TOTAL DEBITS (0)	.00			
INTEREST THIS STATEMENT	8.19			
INTEREST PAID 2016	24.20			

- END OF STATEMENT -



NOTICE: SEE REVERSE SIDE FOR IMPORTANT INFORMATION

11:31:20 Wednesday, October 05, 2016

S089 V2.1 PRD DISTRICT OF COLUMBIA R*STARS 2.1 10/05/16 11:31 AM
LINK TO: _____ SUMMARY GENERAL LEDGER ACCOUNT INQUIRY DSNF

AGENCY: ACO OFFICE OF THE D.C. AUDITOR
COMPTROLLER GL: 1565 OTHER MISCELLANEOUS LIABILITY
AGENCY GL: _____

STATE FUND GROUP:
APPR FUND: 0100 LOCAL FUND
FUND:
BANK ID: 427
ORG: _____ TC: _____
GRANT/PH: _____ PROJ/PH: _____
DEBT/INV ISSUE #: _____ NACUBO FUND/SUBFUND: _____

INQ TYPE: MY (MA, YA, MX, YY, MC, YC) DETAIL/SUMMARY: S
INQ YEAR: 16 INQ MONTH: 12

BEGINNING BALANCE	DEBIT	CREDIT	ENDING BALANCE
62,967.51	.00	2,455.13	65,422.64

F1-HELP F5-NEXT F9-INTERRUPT ENTER-INQUIRE CLEAR-EXIT

TOPIC 3
 AGENCY-CONTROLLED CASH AND INVESTMENT ACCOUNTS
 REQUIREMENT 5: ACCOUNT INFORMATION FOR CASH ACCOUNTS
 REPORTING DATE: AS OF September 30, 2016

AGENCY IDENTIFICATION					
SOAR AGENCY CODE	ACD	AGENCY NAME:	OFFICE OF THE DC AUDITOR		
LISTING PREPARED BY	<small>PRINTED NAME</small> Teddy Mekonnen	<small>SIGNATURE</small> <i>Teddy Mekonnen</i>	<small>Date</small> 10/13/2016	<small>Telephone</small> (202) 727 - 2719	<small>Email</small> teddy.mekonnen@dc.gov
AGENCY CFO RESPONSIBLE	<small>PRINTED NAME</small> Huda Sheikh-Ali	<small>SIGNATURE</small> <i>Huda Sheikh-Ali</i>	<small>Date</small> 10/13/2016	<small>Telephone</small> (202) 727 - 4697	<small>Email</small> Huda_Sheikh-Ali@dc.gov

BANK ACCOUNT IDENTIFICATION			
<small>INSTITUTION NAME</small>	COLOMBO BANK	<small>SEQUENCE NUMBER FROM TOPIC 3 - 1 FORM</small>	1
<small>ACCOUNT NUMBER</small>	[REDACTED]	<small>DATE TOPIC 3 - 1 FORM PREPARED</small>	10/5/2016

BANK ACCOUNT INFORMATION																	
1	Source of Deposits: EACH ADVISORY NEIGHBORHOOD COMMISSION (ANC) MAY PARTICIPATE IN THE SECURITY FUND UPON PAYMENT OF AN ANNUAL CONTRIBUTION																
2	Use of Withdrawals: INSURING ANC AGAINST UNAUTHORIZED EXPENDITURES OR LOSS OF FUNDS																
3	Restrictions on Use of the Money: USE OF THE ANC SECURITY FUND DEPOSITS IS RESTRICTED TO THE ANCS																
4	Compensating Balance Requirements: N/A																
5	Credit Risk of Monies (Check One) <table style="width: 100%; border-collapse: collapse;"> <tr><td style="width: 20px;"><input checked="" type="checkbox"/></td><td>Insured by Federal depository insurance funds up to \$250,000</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities held by Agency</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities in the name of the District and held by agent of the agency</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities in the name of the District and held by the financial institution</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities in the name of the District and held by agent of the financial institution</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities not in the name of the District and held by the financial institution</td></tr> <tr><td><input type="checkbox"/></td><td>Collateralized with securities not in the name of the District and held by agent of the financial institution</td></tr> <tr><td><input type="checkbox"/></td><td>Uncollateralized</td></tr> </table>	<input checked="" type="checkbox"/>	Insured by Federal depository insurance funds up to \$250,000	<input type="checkbox"/>	Collateralized with securities held by Agency	<input type="checkbox"/>	Collateralized with securities in the name of the District and held by agent of the agency	<input type="checkbox"/>	Collateralized with securities in the name of the District and held by the financial institution	<input type="checkbox"/>	Collateralized with securities in the name of the District and held by agent of the financial institution	<input type="checkbox"/>	Collateralized with securities not in the name of the District and held by the financial institution	<input type="checkbox"/>	Collateralized with securities not in the name of the District and held by agent of the financial institution	<input type="checkbox"/>	Uncollateralized
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<input type="checkbox"/>	Collateralized with securities not in the name of the District and held by agent of the financial institution																
<input type="checkbox"/>	Uncollateralized																
6	Does the District have the right to liquidate the collateral in the event of default of the financial institution <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A																
7	Does the District have the right to additional collateral if the market value of the collateral falls below the required level? <input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> N/A																
8	Does a written custodial agreement exist? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No																
9	Market value of collateral at June 30 N/A																
10	Excess (deficiency) of collateral over (under) bank balance at June 30 N/A																