Advisory Neighborhood Commission

December 16, 2021

Audit Team
Hussein Aden, Senior Financial Auditor
Julie Lebowitz, Deputy Auditor

Kathleen Patterson, District of Columbia Auditor
www.dcauditor.org
Purpose

As required by law\(^1\), the Office of the District of Columbia Auditor presents the Advisory Neighborhood Commission (ANC) Security Fund Annual Financial Report for Fiscal Year 2021. This report was drafted, reviewed, and approved in accordance with the standards outlined in ODCA’s Audit Policies and Procedures.

Historical Background of the Fund

The Advisory Neighborhood Commission Security Fund (Fund) was established to insure ANCs against unauthorized expenditures or loss of funds. 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). The Executive Director of the Office of Advisory Neighborhood Commissions serves as a non-voting Trustee.\(^2\)

An ANC is eligible to participate in the Fund if the Treasurer and the Chairperson of the ANC agree in writing 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 ANC monies. An ANC becomes a participant of the Fund and is eligible to recover losses upon payment to the Fund of an annual contribution … in an amount to be determined by the Trustees\(^3\).

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 Trust Board of Trustees because the ANC had that amount in outstanding, unpaid operating expenses. On December 7, 2011, the Board approved the request and authorized the transfer of $15,467.67 from the Fund to ANC 5B.

Related to this earlier action, on December 19, 2011, a settlement agreement between the District government and the former Chairman of ANC 5B ordered the former Chairman to pay the sum of $28,878.46 to the D.C. Treasurer. A total of $14,818.94 has been repaid to the Fund since the settlement agreement was executed including $100 paid in FY 2021.

\(^1\) D.C. Code § 1-309.14(f).
\(^2\) D.C. Code § 1-309.14(a).
\(^3\) D.C. Code § 1-309.14(b).
\(^4\) D.C. Code § 1-309.14(e).
\(^5\) D.C. Code § 1-309.14(f).
Results


<table>
<thead>
<tr>
<th>Description</th>
<th>FY 2021</th>
<th>FY 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance</td>
<td>$71,992.70</td>
<td>$70,126.75</td>
</tr>
<tr>
<td>Deposits</td>
<td>925.00</td>
<td>1,661.88</td>
</tr>
<tr>
<td>Interest</td>
<td>75.07</td>
<td>204.07</td>
</tr>
<tr>
<td>Withdrawal/Adjustment</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Total Fund Balance</td>
<td>$72,992.77</td>
<td>$71,992.70</td>
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</table>

Source: ODCA, SOAR and bank statements

On October 1, 2020, the beginning balance of the Advisory Neighborhood Commission Security Fund was $71,992.70. Deposits totaling $1,000.07 and no disbursements during FY 2021 resulted in a Fund balance of $72,992.77, as of September 30, 2021.

The Fund is held by FVCbank which is insured by the Federal Depository Insurance Corporation for 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 reconciled and recorded all Fund activity and balances into the System of Accounting and Reporting (SOAR), the District of Columbia financial system.

Additionally, a quarterly and annual reconciliation/closing report of the Fund’s activity and balance was submitted to the District of Columbia’s Chief Financial Officer (see Appendix A).

6 The $1,000.07 includes: $825.00 ANC annual Security Fund participation fee ($25 per ANC), $75.07 earned interest, and $100.00 court mandated settlement payments to the Fund.
Appendix A
# TOPIC 3
AGENCY-CONTROLLED CASH AND INVESTMENT ACCOUNTS

## REQUIREMENT 1: ACCOUNT LISTING

**REPORTING DATE:** AS OF September 30, 2021

<table>
<thead>
<tr>
<th>Sequence Number</th>
<th>Institution Name</th>
<th>Street Address</th>
<th>City, State, ZIP</th>
<th>Institution Code</th>
<th>Account Code</th>
<th>Account Number Per Institution</th>
<th>SOAR Comptroller Account</th>
<th>SOAR Agency GL Account</th>
<th>SOAR Bank ID Assigned by OFT</th>
<th>SOAR GAAP Fund / Appropriated Fund / Detail Fund</th>
</tr>
</thead>
<tbody>
<tr>
<td>a</td>
<td>FVC BANK</td>
<td>11325 Random Hills Road</td>
<td>Fairfax, VA 22030</td>
<td>2</td>
<td>B</td>
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<td>0071AC</td>
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<td>0100/0100</td>
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</tbody>
</table>
## Bank Reconciliation

**Bank**

Bank Ending Balance as at 9/30/21: $72,992.77

Add: Deposits in Transit

Less: Outstanding Checks

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### Adjusted Balance (9/30/21)

$72,992.77

### SOAR

Book Balance as of 9/30/21: $72,992.77

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Deposits: -

Interest: -

### Adjusted Balance (9/30/21)

$72,992.77

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Prepared by: LaKesha Kelly  Date: 10/4/2021

Reviewed by: Joyakumar Selvaraj  Date: 10/4/2021
In these uncertain times, the Bank has temporarily suspended the six withdrawal maximum per statement cycle. Prior to reinstating the six withdrawal limitation, the bank will provide you 30 days' notice.

**STATEMENT SUMMARY**

**SAVINGS** 72,992.77

**FIRST BUSINESS SAVINGS**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Balance 9/01/21</td>
<td>72,961.77</td>
</tr>
<tr>
<td>Deposits / Misc Credits 2</td>
<td>31.00</td>
</tr>
<tr>
<td>Withdrawals / Misc Debits 0</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Ending Balance 9/30/21</strong></td>
<td>72,992.77</td>
</tr>
</tbody>
</table>

**Service Charge** 0.00

**Interest Earned** 6.00

**Interest Earned Year To Date** 54.32

**Annual Percentage Yield Earned** 1.08%

**Number of Days For A.P.Y.** 30

**Average Balance for A.P.Y.** 72,970.93

**Minimum Balance** 72,941

**DEPOSITS AND OTHER CREDITS**

<table>
<thead>
<tr>
<th>Date</th>
<th>Deposits</th>
<th>Activity Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/20</td>
<td>25.00</td>
<td>Deposit</td>
</tr>
<tr>
<td>9/30</td>
<td>6.00</td>
<td>Interest Earned</td>
</tr>
</tbody>
</table>

**DAILY BALANCE SUMMARY**

<table>
<thead>
<tr>
<th>Date</th>
<th>Balance</th>
<th>Date</th>
<th>Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>9/20</td>
<td>72,961.77</td>
<td>9/30</td>
<td>72,992.77</td>
</tr>
</tbody>
</table>
SUMMARY GENERAL LEDGER ACCOUNT INQUIRY

AGENCY: 10  OFFICE OF THE D.C. AUDITOR
COMPTROLLER GL: 1041  CASH - AGENCY CONTROL
AGENCY GL: 1071AC  OFFICE OF DC AUDITOR
STATE FUND GROUP: 0100  GENERAL FUND
APPR FUND: 0100  LOCAL FUND
FUND: ___
BANK ID: ___
ORG: ___
GRANT/PH: ___
DEBT/INV ISSUE #: ___
NAVBO FUND/SUBFUND: ___

INQ TYPE: MC  (MA, YA, MY, YY, MC, YC)  DETAIL/SUMMARY: S
INQ YEAR: 21  INQ MONTH: 11

BEGINNING BALANCE  DEBIT  CREDIT  ENDING BALANCE
__________________  ___________  ___________  ___________
00  248,415.05  175,422.28  72,992.77

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

SUMMARY GENERAL LEDGER ACCOUNT INQUIRY

AGENCY: 10  OFFICE OF THE D.C. AUDITOR
COMPTROLLER GL: 1041  OTHER MISCELLANEOUS LIABILITY
AGENCY GL: 156529  ANC SECURIT FND
STATE FUND GROUP: 0100  GENERAL FUND
APPR FUND: 0100  LOCAL FUND
FUND: ___
BANK ID: ___
ORG: ___
GRANT/PH: ___
DEBT/INV ISSUE #: ___
NAVBO FUND/SUBFUND: ___

INQ TYPE: MC  (MA, YA, MY, YY, MC, YC)  DETAIL/SUMMARY: S
INQ YEAR: 21  INQ MONTH: 12

BEGINNING BALANCE  DEBIT  CREDIT  ENDING BALANCE
__________________  ___________  ___________  ___________
00  193,734.74  266,727.51  72,992.77

F1-HELP  F5-NEXT  F9-INTERUPT  ENTER-INQUIRE  CLEAR-EXIT
**District of Columbia R*Stars 2.1**

**Summary General Ledger Account Inquiry**

**Agency:** AC0  
**Comptroller GL:** 0071  
**Agency GL:** 0071AC  
**State Fund Group:** ______  
**APPR Fund:** SPECIAL PURPOSE REVENUE FUNDS ('O'TYPE)  
**Fund:** LOCAL FUNDS  
**Bank ID:** 427  
**ORG:** ______  
**Grant/PH:** ______  
**Proj/PH:** ______  
**Debt/Inv Issue #:** ______  
**NACUBO Fund/Subfund:** ______  
**Inq Type:** MY (MA,YA,MY,YY,MC,YC)  
**Inq Year:** 21  
**Inq Month:** 13  
**Detail/Summary:** S

<table>
<thead>
<tr>
<th>Beginning Balance</th>
<th>Debit</th>
<th>Credit</th>
<th>Ending Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>71,992.70</td>
<td>1,000.07</td>
<td>.00</td>
<td>72,992.77</td>
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</tbody>
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F1-HELP  
F5-NEXT  
F9-INTERUPT  
ENTER-INQUIRE  
CLEAR-EXIT
About ODCA

The mission of the Office of the District of Columbia Auditor (ODCA) is to support the Council of the District of Columbia by making sound recommendations that improve the effectiveness, efficiency, and accountability of the District government.

To fulfill our mission, we conduct performance audits, non-audit reviews, and revenue certifications. The residents of the District of Columbia are one of our primary customers and we strive to keep the residents of the District of Columbia informed on how their government is operating and how their tax money is being spent.

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