

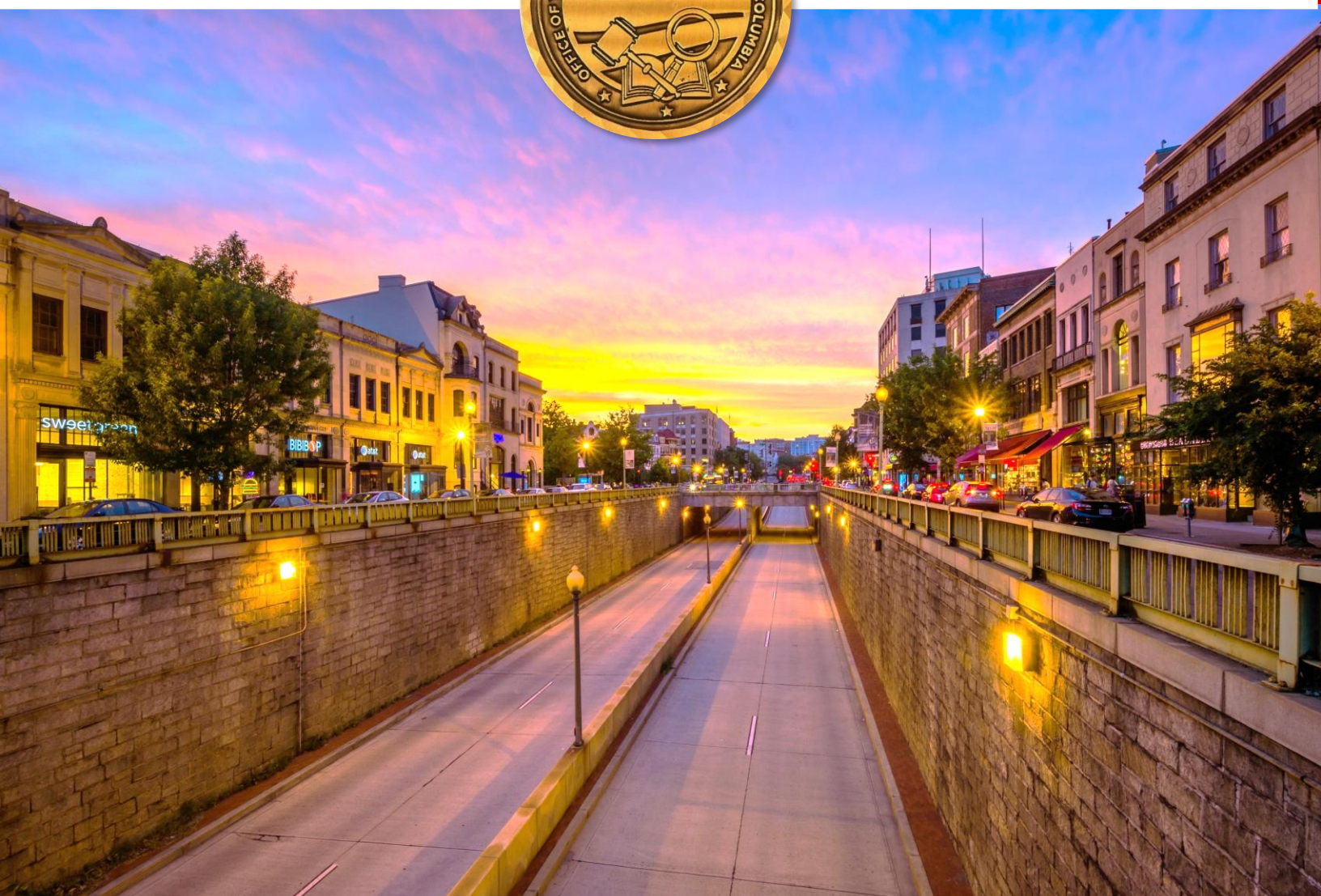
AUDIT REPORT

Community Vision, Inc.

Statement of Net Position with Reports of Independent Public Accountants
Fiscal Year 2024

OIG No. 24-2-28HY

April 15, 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: Keith Pettigrew
Executive Director
District of Columbia Housing Authority

Heather Mueller
Chief Financial Officer
District of Columbia Housing Authority

Raymond Skinner
Board Chair
Stabilization and Reform Board of Commissioners

From: Daniel W. Lucas
Inspector General 

Date: April 15, 2025

Subject: **Community Vision, Inc., Statement of Net Position**
OIG No. 24-2-28HY

This memorandum transmits the final *Community Vision, Inc. Statement of Net Position with Reports of Independent Public Accountants* for fiscal year 2024. SB & Company (SBC) conducted the audit and submitted these reports as part of our overall contract for the audit of the District of Columbia Housing Authority's basic financial statements for fiscal year 2024.

We received SBC's report on April 11, 2025. In this report, SBC noted one material internal control weakness over financial reporting and issued one recommendation for corrective action. Due to the significance of this issue, SBC did not express an opinion on the agency's financial statements.

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

COMMUNITY VISION, INC.
(A Component Unit of the District of Columbia Housing Authority)

**Statement of Net Position with
Reports of Independent Public Accountants**

As of September 30, 2024

COMMUNITY VISION, INC.

**Statement of Net Position Together with
Reports of Independent Public Accountants**

SEPTEMBER 30, 2024

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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

To the Mayor, Members of the Council of the Government of the District of Columbia, the Inspector General of the Government of the District of Columbia, and the Board of Commissioners of the District of Columbia Housing Authority and Community Vision, Inc.
Washington, D.C.

Disclaimer of Opinion

We were engaged to audit the statement of net position of Community Vision, Inc. (CVI) as of September 30, 2024, and the related notes to the statement of net position.

We do not express an opinion on the accompanying statement of financial position of CVI. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the accompanying statement of net position.

Basis for Disclaimer of Opinion

During the year ended September 30, 2024, CVI implemented a new computerized accounting system. Because of the implementation of the new accounting system and other issues, we could not obtain sufficient audit evidence to verify amounts in the accompanying statement of net position. As of the date of our audit report, management has not rectified its system deficiencies, or provided support for certain balances related to assets, liabilities, and net position.

Responsibilities of Management for the Statement of Net Position

Management is responsible for the preparation and fair presentation of the statement of net position in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of the statement of net position that is free from material misstatement, whether due to fraud or error.

In preparing the statement of net position, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about CVI's ability to continue as a going concern for one year after the date that the statement of net position is issued.



Auditor's Responsibilities for the Audit of the Statement of Net Position

Our responsibility was to conduct an audit of CVI's statement of net position in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on the statement of net position.

We are required to be independent of CVI and to meet other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 7, 2025, on our consideration of CVI's internal controls 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 controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering CVI's internal controls over financial reporting and compliance.

Washington, D.C.
April 7, 2025

SB + Company, LLC

COMMUNITY VISION, INC.

**Statement of Net Position
As of September 30, 2024**

ASSETS	
CURRENT ASSETS	
Cash	<u>\$ 416,551</u>
Total Assets	<u>\$ 416,551</u>
 LIABILITIES AND NET POSITION	
CURRENT LIABILITIES	
Held for others	<u>\$ 416,551</u>
Total Liabilities	<u>416,551</u>
 NET POSITION	
Unrestricted	<u>-</u>
Total Liabilities and Net Position	<u>\$ 416,551</u>

The accompanying notes to the statement of net position is an integral part of this statement.

COMMUNITY VISION, INC.

Notes to the Statement of Net Position September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Community Vision, Inc. (CVI) supports the District of Columbia Housing Authority (DCHA) by engaging in activities that may include, without limitation, financing, managing, monitoring, and engaging in social service programming; and providing technical assistance to social service governmental and nongovernmental agencies that provide social service and other types of assistance that will enhance, expand, and foster self-sufficiency for low- and moderate-income individuals and families residing in DCHA properties.

Basis of Presentation and Accounting

CVI's financial transactions are accounted for as a blended component unit in DCHA's financial statements. CVI is presented as a blended component unit in the DCHA financial statements because of the fiscal dependency and because of common members of the Board of Commissioners/Directors who serve on the respective boards. The accompanying statement of net position is only those of CVI and are not intended to present the financial position of DCHA taken as a whole.

CVI uses the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP) for not-for-profit organizations.

Use of Estimates

The preparation of the statement of net position in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the statement of net position. Actual results could differ from those estimates.

Income Taxes

CVI is a District of Columbia limited liability company and is treated as a disregarded entity for tax purposes. Because CVI is not a taxpaying entity for federal or state income tax purposes, no income tax expense or provision has been recorded in the statement of net position. Income of CVI is passed through to its sole member, DCHA.

COMMUNITY VISION, INC.

Notes to the Statement of Net Position September 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Cash

Cash includes all monies in the bank and on hand. The cash is held for tenant organizations.

Net Position

Net Position is displayed in two components:

Restricted

This component of net position consists of restricted assets when constraints are placed on the asset by creditors (such as debt covenants), grantors, contributors, laws, regulations, etc.

Unrestricted

This component consists of net position that does not meet the definition of “Net Investment in Capital Assets,” or “Restricted Net Position.”



**REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS ON INTERNAL CONTROLS
OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF STATEMENT OF NET POSITION PERFORMED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Mayor, Members of the Council of the Government of the District of Columbia,
the Inspector General of the Government of the District of Columbia, and the
Board of Commissioners of the District of Columbia Housing Authority and
Community Vision, Inc.
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 (*Government Auditing Standards*), the statement of net position of Community Vision, Inc. (CVI) as of September 30, 2024, and the related notes to the statement of net position, and have issued our disclaimer of an opinion dated April 7, 2025. Our report disclaims an opinion on such statement of net position because we were not able to obtain sufficient audit evidence on certain assets, liabilities and net position to form an opinion.

Report on Internal Controls Over Financial Reporting

In connection with our engagement to audit the statement of net position of CVI, we considered CVI's internal controls over financial reporting (internal controls) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the statement of net position, but not for the purpose of expressing an opinion on the effectiveness of CVI's internal controls. Accordingly, we do not express an opinion on the effectiveness of CVI's internal controls.

Our consideration of internal controls was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal controls that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying schedule of finding and response, we identified a deficiency in internal controls that we consider to be a material weakness. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal controls that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

A *deficiency in internal controls* 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 controls, such that there is a reasonable possibility that a material misstatement of CVI's statement of net position will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of finding and response to be a material weakness.

Report on Compliance and Other Matters

In connection with our engagement to audit the statement of net position of CVI, 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 statement of net position. However, providing an opinion on compliance with those provisions was not an objective of our engagement, 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*. However, if the scope of our work had been sufficient to enable us to express an opinion on the statement of net position, other instances of noncompliance or other matters may have been identified and reported herein.

CVI's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on CVI's response to the findings identified in our engagement and described in the accompanying schedule of finding and response. CVI's response was not subjected to the other auditing procedures applied in the engagement to audit the statement of net position and, accordingly, we express no opinion on the responses.

Purpose of This Report

The purpose of this 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 CVI's internal controls or on compliance. This report is an integral part of an engagement to perform an audit in accordance with *Government Auditing Standards* in considering CVI's internal controls and compliance. Accordingly, this communication is not suitable for any other purpose.

Washington, D.C.
April 7, 2025

SBC + Company, LLC

COMMUNITY VISION, INC.

Schedule of Finding and Response For the Year Ended September 30, 2024

Finding: 2024-01

Type of Finding: Material Weakness – Financial Closing Process and Verification of Balances

Condition:

SBC noted that CVI lacks an adequate closing process. Additionally, there was no validation to ensure that all material account balances in the general ledger were supported and accurate. The deficiencies in the close process resulted in SBC being unable to obtain sufficient audit evidence to verify or determine the proper accounting for balances related to the statement of net position.

Criteria:

Management must implement a formal financial statement closing process that ensures all material account balances are verified to guarantee the accuracy and completeness of the statement of net position. The process should ensure all transactions of the entity are properly recorded and charged to the correct entity during the year.

Cause:

Management lacked adequate controls over the statement of net position closing process and the verification process for account balances to ensure the year end balances are accurate and all transactions during the year were properly recorded.

Effect:

There was a disclaimer of opinion issued on the statement of net position as of September 30, 2024, because the necessary support to identify incorrect or unsupported account balances was not in place or could not be found. There was also no assurance that all and only transactions related to the entity were properly recorded during the year.

Recommendation:

SBC recommends that management establish a formal closing process that reconciles and analyzes all material account balances. This process should include specific timelines, defined responsibilities, appropriate supervisory reviews, and the necessary standard journal entries. This process should also ensure all transactions of the entity was properly included in the year end balances.

Management's Response:

Management acknowledges the recommendation. The management team went through several changes in the last few years and there have been delays in producing financial statements in a timely manner. Additionally, there was a financial and payroll software conversion completed in FY24. Management is working on developing a new closing process.

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