



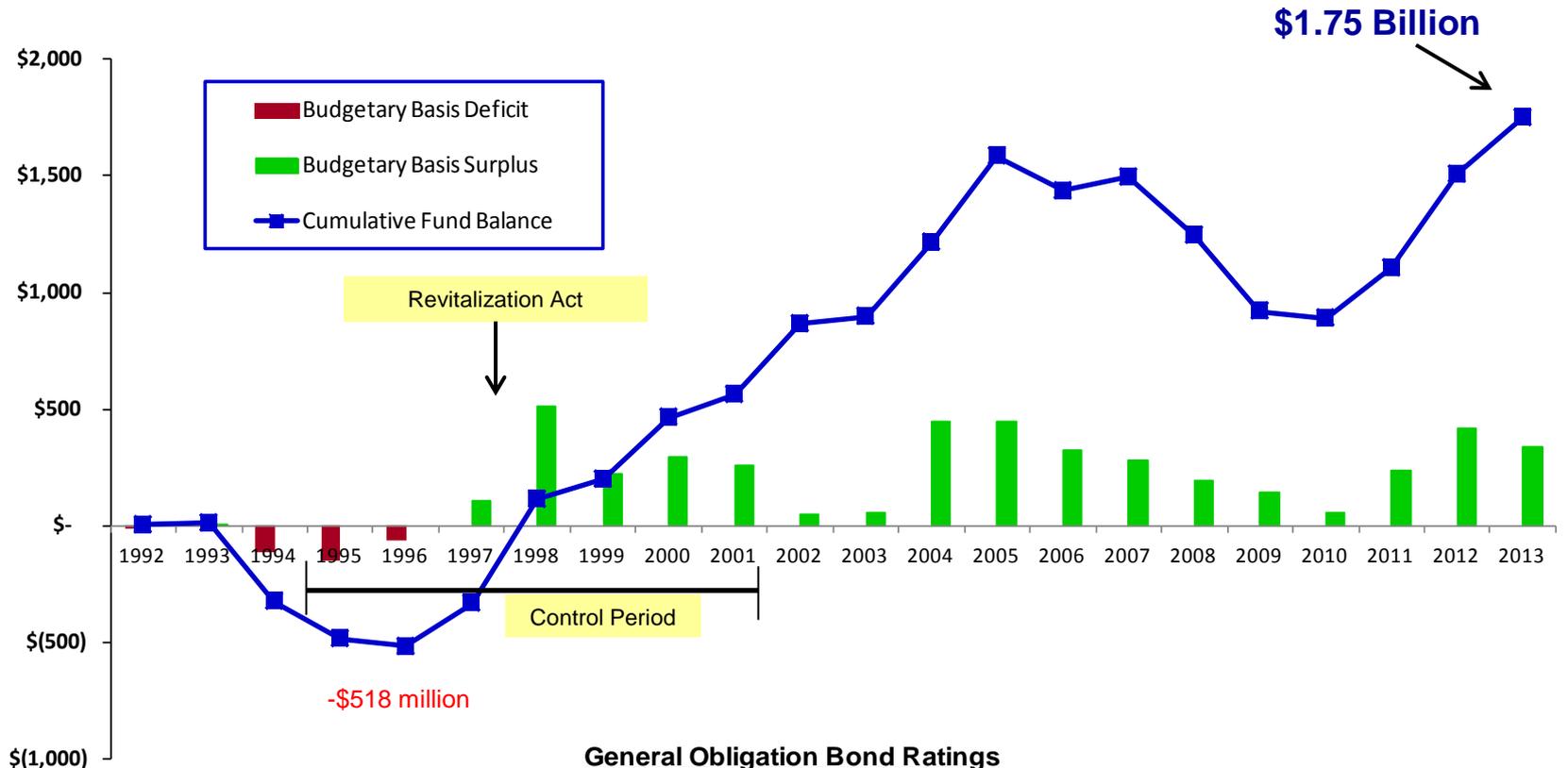
# ***FY 2013 Comprehensive Annual Financial Report***

*January 2014*



District of Columbia

## District of Columbia Surplus and Bond Rating History



	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	
<b>S&amp;P:</b>	A-	A-	A-	B	B	B	BB	BBB	BBB	BBB+	BBB+	A-	A-	A	A+	AA-							
<b>Moody's:</b>	Baa	Baa	Baa	Ba	Ba	Ba2	Ba1	Baa3	Baa3	Baa1	Baa1	Baa1	A2	A2	A2	A1	A1	A1	A1	Aa2	Aa2	Aa2	Aa2
<b>Fitch:</b>		A-	A-	BB	BB	BB	BB+	BBB	BBB	BBB+	BBB+	A-	A-	A	A	A+	A+	A+	A+	AA-	AA-	AA-	AA-

**Income Tax Secured Revenue Bonds: S&P: AAA Moody's: Aa1 Fitch: AA+**



# FY 2013 CAFR Highlights

- **Clean Audit Opinion (17<sup>th</sup> Consecutive)**
- **General Fund revenues and sources exceeded expenditures by \$321 million on a budgetary basis**
  - *Revenues 2.7% or \$168 million above revised estimate*
  - *Expenditures 2.2% or \$153 million below revised budget*
- **\$1.75 Billion Cumulative General Fund Balance**
  - *Increase of \$242 million over FY 2012 fund balance (GAAP)\**
  - *\$2.267 billion above lowest level of -\$518 million in FY 1996 during Control period*

**\* General Fund Balance is required to be reported on the basis of Generally Accepted Accounting Principles, which require adjustments to the budgetary surplus.**



# Explanation of the \$321 Million Surplus

Excess Revenue	Amount (\$ millions)
Property Taxes	\$76
Miscellaneous Revenue	66
Deed Taxes	63
Individual Income Taxes	62
O-type Surplus	36
Other Revenue	3
Business Taxes	(16)
Gross Receipts	(29)
Sales Taxes	(43)
Traffic Fines	(50)
<b>Total</b>	<b>\$168</b>
<b>Underderspending</b>	
Special Purpose (O-type)	\$82
Other Local Funds	46
Washington Metropolitan Area Transit Authority	7
Settlements and Judgments	5
Child and Family Services Agency	5
Repayment of Loans and Interest	4
Department of Human Services	4
<b>Total</b>	<b>\$153</b>
<b>Grand Total, Surplus</b>	<b>\$321</b>



# Required Accounting Adjustments to Budget Surplus

(\$ in Millions)	
<b>Budgetary Surplus</b>	<b>\$321.0</b>
Less: New Accounting Standards for Loan Repayments (GASB 63 & 65)	(37.2)
Accounting Changes to Reclassifying Fund Balance to Capital (e.g. Tobacco Fund Interest)	(26.7)
Other Required Accounting Adjustments	<u>(14.6)</u>
<b>GAAP Surplus</b>	<b><u>\$242.0</u></b>

Note: Numbers may not add due to rounding



# Composition of General Fund Balance

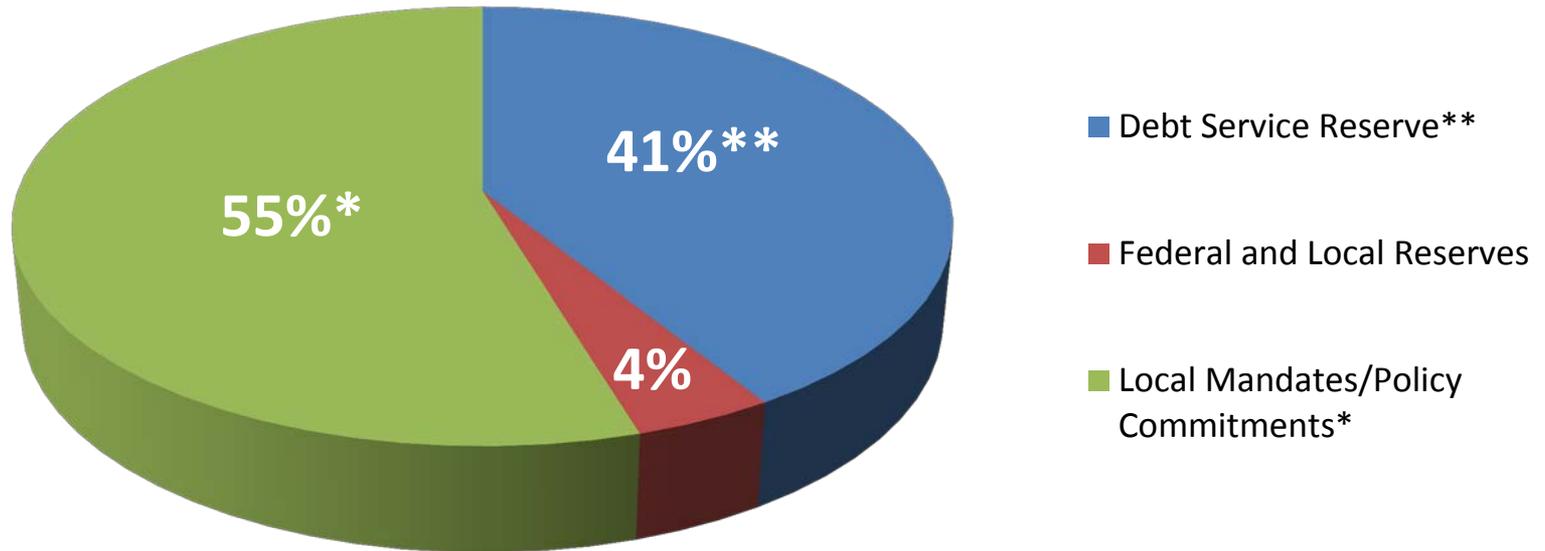
## FY 2007 – FY 2013

(\$ in millions)





# Where the Surplus Went



## \*Examples of Reserve Increases

- O-type Funds
- Fixed Cost Reserve (utilities, rent, etc.)
- WMATA
- Adult Training
- Workers' Compensation Fund
- Bike Sharing Fund
- Sustainable Transportation Fund
- Storm Water Fund
- Youth Jobs Fund
- Revenues Set Aside for Use in 2014

\*\*Relates to Debt Service for financing Public Schools, Parks & Recreation, Transit and Economic Development.



# Discussion of Reserve Requirements



# Locally and Congressionally Mandated Reserves

<b>Reserves</b>	<b>% of Expenditure/ Budget</b>	<b>Amount (\$ in Millions)</b>	<b>Status</b>
<b>Emergency</b>	2%	\$ 112.1	Full
<b>Contingency</b>	4%	227.4	Full
<b>Fiscal Stabilization</b>	2.34%	156.1	Full
<b>Cash Flow</b>	8.33%	295.4	52%
<b>Total</b>		<b>\$791</b>	



# Summary FY 2013 CAFR

## District Maintains and Enhances Strong Financial Position

- Clean/Unqualified Audit Opinion
- General Fund Balance Increased to \$1.75 Billion
- Federal and Local Reserves Increased to \$791 Million
- Continued Strong and Enhanced Credit Ratings