

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER



Jeffrey S. DeWitt
Chief Financial Officer

MAR 17 2015

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 306
Washington, D.C. 20004

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue, N.W., Suite 504
Washington, D.C. 20004

**SUBJECT: Report of Variances between Actual Agency Expenditures and Obligations
and Approved Spending Plans through the First Quarter of FY 2015**

Dear Mayor Bowser and Chairman Mendelson:

Pursuant to D.C. Code §47-355.05(a), I am providing this summary report on the variances between actual agency expenditures and obligations and their approved spending plans through the first quarter of Fiscal Year 2015. This summary report is divided into two sections: the Operating Budget and the Capital Improvements Program. Each section includes observations of the Chief Financial Officer and Agency Fiscal Officers, jointly reported as “OCFO Observations.” The enclosed data reports similarly cover the Operating Budget and the Capital Improvements Program, and agencies in each report are grouped by Council committee, to comport with §47-355.05 (a-1).

A. Operating Budget

The enclosed FY 2015 First Quarter Anti-Deficiency Operating Budget Data Report includes a detailed comparison of each agency’s actual expenditures, obligations and commitments to their approved spending plan, by appropriated fund.

There are two types of potential violations:

Type 1

Year-to-date expenditures, obligations and commitments exceed their spending plans by more than the thresholds:

- a. Variance is greater than 5 percent, and/or
- b. Variance is greater than \$1 million

The thresholds are defined in the Anti-Deficiency Act for determining possible anti-deficiency violations that the Chief Financial Officer refers to the Board of Review for Anti-Deficiency Violations (BRADV).

Type 2

The total spending plan is not aligned with the revised budget in SOAR, the District's system of record.

The enclosed report shows a "1" on rows in the next-to-last column "Deficient" for those agency appropriated funds that were considered a type 1 violation. The last column of the enclosed report "SPIN" will have a "2" on rows of those agency appropriated funds that were considered a type 2 violation.

OCFO Observations

These observations are of spending and obligation patterns and steps being taken to assure spending remains within the approved budget.

The report covered 128 agencies; however, 8 agencies are excluded because they do not use SOAR as their system of record. A total of 13 agencies had potential violations, as follows:

- Ten agencies' actual expenditures, obligations and commitments exceeded their spending plan by more than \$1 million or the 5 percent threshold for one or more funds, a type 1 violation;
- Two agencies' total spending plans did not agree to their total revised budget in SOAR, a type 2 violation; and
- One agency exceeded the thresholds and its spending plan did not align with its revised budget in SOAR (type 1 and type 2).

All agencies expect their spending to remain within the approved budget by year-end. In all cases of potential violation, the OCFO reviewed corrective actions and confirmed that the actions were completed.

The OCFO notified BRADV of these findings and corrective actions taken by the agencies.

B. Capital Improvements Program

The enclosed data report for the Capital Improvements Program includes a detailed comparison of each agency's actual expenditures compared to their approved spending plan, but by project rather than by appropriated fund. Otherwise, the format of the report and the variance calculations follow those of the Operating Budget.

OCFO Observations

The report on the Capital Improvements Program covers 439 current capital projects (which includes Highway Trust fund and capital intra-Districts) across 30 agencies that had expenditures in the first quarter of FY 2015. The actual year-to-date expenditures, obligations, and commitments of all 439 reported projects were within their year-to-date approved spending plan or exceeded the spending plan by less than the threshold amounts.

Members of my staff are always available to assist you with any questions about this report. For further information, please contact Gordon McDonald, Deputy Chief Financial Officer for Budget and Planning, at 727-1239.

Sincerely,



Jeffrey S. DeWitt
Chief Financial Officer

Enclosures

- cc: Rashad M. Young, City Administrator
Matthew Brown, Director, Office of Budget and Finance, Office of the City Administrator
Jennifer Budoff, Budget Director, Council of the District of Columbia
Angell Jacobs, Deputy Chief Financial Officer and Chief of Staff, Office of the Chief Financial Officer
David Tseng, General Counsel, Office of the Chief Financial Officer
Gordon McDonald, Deputy Chief Financial Officer, Office of Budget and Planning
Jeffrey Barnette, Deputy Chief Financial Officer and Treasurer
Bill Slack, Deputy Chief Financial Officer, Office of Financial Operations and Systems