

BASIC FINANCIAL STATEMENTS

The basic financial statements include the *Government-Wide Financial Statements* and the *Governmental Fund Financial Statements*. These financial statements present different views of the District.

Following the basic financial statements are the *Notes to the Basic Financial Statements* which explain some of the information in the financial statements and provide more detail.

Exhibit I-a

District of Columbia
Statement of Net Assets
September 30, 2007
(With Comparative Totals at September 30, 2006)
(\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2007	2006 Restated	
ASSETS					
Cash and cash equivalents (unrestricted)	\$ 602,923	\$ 18,224	\$ 621,147	\$ 392,825	\$ 260,878
Investments (unrestricted)	-	7,277	7,277	8,279	84,935
Accrued interest receivable, net	116	-	116	108	-
Due from federal government	415,716	-	415,716	440,001	19,827
Taxes receivable, net	288,700	-	288,700	274,748	-
Accounts receivable, net	151,851	17,524	169,375	240,898	50,094
Other receivables	-	-	-	-	33,427
Due from primary government	-	-	-	-	64,037
Due from component units	10,003	-	10,003	8,536	-
Due from fiduciary funds	57,482	-	57,482	-	-
Internal balances	11,043	(11,043)	-	-	-
Inventories	17,113	-	17,113	14,623	7,260
Other current assets	3,435	729	4,164	24,560	822
Cash and cash equivalents (restricted)	2,427,863	405,244	2,833,107	2,443,553	468,556
Investments (restricted)	-	51,157	51,157	329,780	881,083
Other long term assets	113,961	-	113,961	21,625	581,332
Deferred charges	81,267	-	81,267	85,180	-
Depreciable capital assets, net	4,067,216	15,947	4,083,163	4,022,561	2,597,709
Non-depreciable capital assets	2,072,682	1,264	2,073,946	1,541,685	670,298
Total assets	10,321,371	506,323	10,827,694	9,848,962	5,720,258
LIABILITIES					
Accounts payable	624,418	30,665	655,083	616,779	89,657
Compensation payable	119,530	2,304	121,834	147,950	23,972
Due to primary government	-	-	-	-	10,003
Due to component units	64,037	-	64,037	20,535	-
Due to fiduciary funds	-	-	-	2,809	-
Unearned revenues	284,220	149	284,369	217,668	51,516
Accrued liabilities	175,408	7,809	183,217	201,438	34,950
Accrued interest payable	66,365	-	66,365	60,506	-
Other current liabilities	11,956	332	12,288	35,581	158,844
Long-term liabilities:					
Due within one year	406,177	8,631	414,808	380,606	136,661
Due in more than one year	6,009,932	38,094	6,048,026	5,656,621	3,524,761
Total liabilities	7,762,043	87,984	7,850,027	7,340,493	4,030,364
NET ASSETS					
Invested in capital assets, net of related debt	1,197,275	17,211	1,214,486	976,102	1,174,207
Restricted for:					
Expendable					
Debt service	343,590	-	343,590	262,640	-
Benefit payments	-	375,148	375,148	347,938	-
Capital projects	-	-	-	36,597	-
Grants and contributions	118,838	-	118,838	161,310	-
Emergency reserves	309,383	-	309,383	293,649	-
Other	497,897	-	497,897	233,454	228,445
Nonexpendable	-	-	-	-	7,242
Unrestricted	92,345	25,980	118,325	196,779	280,000
Total net assets	\$ 2,559,328	\$ 418,339	\$ 2,977,667	\$ 2,508,469	\$ 1,689,894

The accompanying notes are an integral part of this statement.

Exhibit 1-b

District of Columbia
Statement of Activities
For the Year Ended September 30, 2007
(With Comparative Totals for the Year Ended September 30, 2006)
(\$000s)

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				Component Units
		Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Totals	
						Business-type Activities	2007		
Primary government:									
Governmental activities:									
Governmental direction and support	\$ 787,392	\$ 19,068	\$ 135,162	\$ 4,950	\$ (628,212)	\$ (628,212)	\$ (440,616)		
Economic development and regulation	509,874	102,230	121,719	-	(285,925)	(285,925)	(171,113)		
Public safety and justice	1,264,715	55,634	280,526	-	(928,555)	(928,555)	(823,427)		
Public education system	1,589,652	66	286,654	-	(1,302,932)	(1,302,932)	(1,225,465)		
Human support services	2,992,805	6,022	1,461,418	70	(1,525,295)	(1,525,295)	(1,546,853)		
Public works	481,702	151,957	24,016	125,537	(180,192)	(180,192)	(87,960)		
Public transportation	198,484	-	-	-	(198,484)	(198,484)	(187,615)		
Interest on long-term debt	281,918	-	-	-	(281,918)	(281,918)	(269,725)		
Total governmental activities	8,106,542	334,977	2,309,495	130,557	(5,331,513)	(5,331,513)	(4,752,774)		
Business-type activities:									
Lottery and Games	192,336	256,824	-	-		\$ 64,488	64,488	72,484	
Unemployment compensation	99,920	-	18,358	-		(81,562)	(81,562)	(87,924)	
Nursing home services	37,556	31,849	-	-		(5,707)	(5,707)	(6,280)	
Total business-type activities	329,812	288,673	18,358	-		(22,781)	(22,781)	(21,720)	
Total primary government	\$ 8,436,354	\$ 623,650	\$ 2,327,853	\$ 130,557	(5,331,513)	(22,781)	(5,354,294)	(4,774,494)	
Component units:									
Water and sewer authority	\$ 305,707	\$ 303,722	\$ -	\$ 25,083					\$ 23,098
Convention center	95,855	16,151	-	-					(79,704)
Sports commission	24,136	13,136	-	-					(11,000)
Housing finance	86,410	45,735	-	-					(40,675)
University	119,388	16,640	27,266	2,836					(72,646)
Anacostia waterfront corporation	13,788	-	11,017	15,264					12,493
National capital revitalization	36,238	6,728	-	(279)					(29,789)
Economic development finance	9	-	-	-					(9)
Total component units	\$ 681,531	\$ 402,112	\$ 38,283	\$ 42,904					(198,232)
General revenues:									
Taxes:									
Property taxes					1,545,325	-	1,545,325	1,272,998	-
Sales and use taxes					1,056,780	-	1,056,780	1,004,471	-
Income and franchise taxes					1,736,361	-	1,736,361	1,591,483	-
Gross receipts taxes					302,768	-	302,768	278,453	-
Other taxes					498,198	90,117	588,315	486,430	-
Investment earnings					124,420	20,841	145,261	92,528	67,435
Miscellaneous					456,425	1,095	457,520	431,892	40,607
Subsidy from primary government					-	-	-	-	145,948
Special item-real property loss					(8,838)	-	(8,838)	-	-
Transfer in (out)					65,376	(65,376)	-	-	-
Total general revenues and transfers					5,776,815	46,677	5,823,492	5,158,255	253,990
Change in net assets					445,302	23,896	469,198	383,761	55,758
Net assets at October 1, as restated					2,114,026	394,443	2,508,469	2,124,708	1,634,136
Net assets at September 30					\$ 2,559,328	\$ 418,339	\$ 2,977,667	\$ 2,508,469	\$ 1,689,894

The accompanying notes are an integral part of this statement.

Exhibit 2-a

District of Columbia
Balance Sheet
Governmental Funds
September 30, 2007
(With Comparative Totals at September 30, 2006)
(\$000s)

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2007	2006
ASSETS							
Cash and cash equivalents (unrestricted)	\$ 602,923	\$ -	\$ -	\$ -	\$ -	\$ 602,923	\$ 363,480
Investments (unrestricted)	-	-	-	-	-	-	5,000
Accrued interest receivable	-	-	-	-	116	116	108
Due from federal government	18,317	357,619	39,780	-	-	415,716	440,001
Taxes receivable, net	288,700	-	-	-	-	288,700	274,748
Accounts receivable, net	29,670	84,689	2,548	122	34,822	151,851	222,594
Due from component units	5,165	-	1,073	3,678	87	10,003	8,536
Due from other funds	368,507	12,268	845	-	69,513	451,133	675,159
Inventories	15,998	1,115	-	-	-	17,113	14,623
Other current assets	3,435	-	-	-	-	3,435	24,246
Cash and cash equivalents (restricted)	947,030	-	1,045,481	184,385	250,967	2,427,863	2,063,305
Investments (restricted)	-	-	-	-	-	-	274,984
Other long term assets	6,704	14,296	-	-	92,961	113,961	21,621
Total assets	\$ 2,286,449	\$ 469,987	\$ 1,089,727	\$ 188,185	\$ 448,466	\$ 4,482,814	\$ 4,388,405
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	402,870	84,115	128,024	176	9,233	624,418	584,426
Compensation payable	109,645	8,014	1,656	-	215	119,530	146,236
Due to other funds	30,409	52,057	251,315	47,982	845	382,608	665,260
Due to component units	15,785	21,267	-	26,985	-	64,037	20,535
Deferred revenue	111,120	107,764	2,814	-	93,579	315,277	255,116
Accrued liabilities	115,363	59,977	-	-	68	175,408	191,629
Other current liabilities	7,257	2,544	2,155	-	-	11,956	35,581
Total liabilities	792,449	335,738	385,964	75,143	103,940	1,693,234	1,898,783
Fund balances:							
Reserved for:							
General fund purposes	1,135,459	-	-	-	-	1,135,459	1,045,560
Special revenue funds purposes	-	134,249	-	-	326,307	460,556	321,878
Capital project purposes	-	-	703,763	113,042	18,219	835,024	732,602
Unreserved, designated, reported in:							
General fund	277,299	-	-	-	-	277,299	389,582
Unreserved, undesignated reported in:							
General fund	81,242	-	-	-	-	81,242	-
Total fund balances	1,494,000	134,249	703,763	113,042	344,526	2,789,580	2,489,622
Total liabilities and fund balances	\$ 2,286,449	\$ 469,987	\$ 1,089,727	\$ 188,185	\$ 448,466		\$ 4,388,405

Amounts reported for governmental activities in the statement of net assets (Exhibit 1a) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	6,139,898
Certain long term assets are not available to pay current period expenditures and are therefore deferred in the funds.	31,057
Adjustment for deferred charges.	81,267
Certain liabilities (such as bonds payable and accrued expenses) are not due and payable in the current period:	
General obligation bonds	4,140,133
Tobacco settlement bonds	737,069
TIF bonds & notes	105,229
Ballpark bonds	528,490
QZAB	4,788
Accrued interest payable	66,365
Capital leases	59,869
Other long-term liabilities	840,531
	(6,482,474)
Net assets of governmental activities	<u>\$ 2,559,328</u>

The accompanying notes are an integral part of this statement.

Exhibit 2-b

District of Columbia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2007
(With Comparative Totals for the Year Ended September 30, 2006)
(\$000s)

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2007	2006
REVENUES							
Taxes:							
Property taxes	\$ 1,551,900	\$ -	\$ -	\$ -	\$ -	\$ 1,551,900	\$ 1,241,482
Sales and use taxes	1,056,780	-	-	-	-	1,056,780	970,885
Income and franchise taxes	1,736,361	-	-	-	-	1,736,361	1,591,483
Gross receipts taxes	302,768	-	-	-	-	302,768	278,453
Other taxes	498,198	-	-	-	-	498,198	390,542
Fines and forfeitures	101,971	-	-	-	-	101,971	112,919
Licenses and permits	89,072	-	-	-	-	89,072	81,222
Charges for services	141,883	2,051	-	-	-	143,934	131,273
Investment earnings	89,425	(6,709)	2,915	24,985	13,804	124,420	73,206
Miscellaneous	315,477	3,372	65,948	4,433	55,032	444,262	489,067
Federal contributions	-	433,042	7,920	-	-	440,962	362,075
Operating grants	2,539	1,873,914	122,637	-	-	1,999,090	1,912,675
Total revenues	5,886,374	2,305,670	199,420	29,418	68,836	8,489,718	7,635,282
EXPENDITURES							
Current:							
Governmental direction and support	532,140	119,674	-	-	160	651,974	611,620
Economic development and regulation	323,267	121,241	-	-	-	444,508	348,091
Public safety and justice	960,766	280,918	-	-	-	1,241,684	1,133,800
Public education system	1,250,769	290,425	-	-	-	1,541,194	1,439,510
Human support service	1,512,095	1,463,726	-	-	-	2,975,821	2,952,637
Public works	223,891	27,640	-	-	78,411	329,942	184,200
Public transportation	198,484	-	-	-	-	198,484	187,615
Debt service:							
Principal	216,198	-	-	-	16,191	232,389	205,654
Interest	193,808	-	-	-	64,961	258,769	225,195
Fiscal charges	15,002	-	-	-	93	15,095	31,958
Capital outlay	-	-	742,499	237,620	44,422	1,024,541	901,204
Total expenditures	5,426,420	2,303,624	742,499	237,620	204,238	8,914,401	8,221,484
Excess (deficiency) of revenues over expenditures	459,954	2,046	(543,079)	(208,202)	(135,402)	(424,683)	(586,202)
OTHER FINANCING SOURCES (USES)							
Debt issuance	256,595	-	605,140	-	-	861,735	1,459,087
Premium on sale of bonds	16,063	-	-	-	-	16,063	39,944
Payment to refunded bond escrow agent	(264,334)	-	-	-	-	(264,334)	(136,137)
Equipment financing program	-	-	42,471	-	-	42,471	30,167
Transfers in	88,759	-	251,411	-	354,059	694,229	685,206
Transfers out	(501,509)	(29,107)	(49,000)	(7,337)	(41,900)	(628,853)	(611,406)
Sale of capital assets	12,168	-	-	-	-	12,168	-
Total other financing sources (uses)	(392,258)	(29,107)	850,022	(7,337)	312,159	733,479	1,466,861
Special item-real property loss	(8,838)	-	-	-	-	(8,838)	-
Net change in fund balances	58,858	(27,061)	306,943	(215,539)	176,757	299,958	880,659
Fund balances at October 1	1,435,142	161,310	396,820	328,581	167,769	2,489,622	1,608,963
Fund balances at September 30	\$ 1,494,000	\$ 134,249	\$ 703,763	\$ 113,042	\$ 344,526	\$ 2,789,580	\$ 2,489,622

The accompanying notes are an integral part of this statement.

Exhibit 2-c

District of Columbia
Reconciliation of the Statement of Revenues, Expenditures
and Changes in Fund Balances of Governmental Funds
to the Statement of Activities
For the Year Ended September 30, 2007
(\$000s)

Net change in fund balances - total governmental funds	\$	299,958
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation expense in the current period.		593,157
Deferred property tax revenues which were earned but whose current financial resources are not available for the purpose of recognition in the governmental funds were recognized in the government-wide financial statements. This is the amount deferred property taxes increased in the governmental funds between 2006 and 2007.		(6,575)
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This is the amount by which bond proceeds exceeded repayments.		(388,971)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. This is the amount that other long term liabilities decreased in the current period.		(52,267)
Change in net assets of governmental activities	\$	<u>445,302</u>

The accompanying notes are an integral part of this statement.

Exhibit 2-d

District of Columbia
 Budgetary Comparison Statement
 For the Year Ended September 30, 2007
 (\$000s)

	General Fund				Federal and Private Resources				Totals			
	Budget		Actual	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)
	Original	Revised			Original	Revised			Original	Revised		
Revenues and Sources:												
Taxes:												
Property taxes	\$ 1,366,247	\$ 1,421,903	\$ 1,500,996	\$ 79,093	\$ -	\$ -	\$ -	\$ -	\$ 1,366,247	\$ 1,421,903	\$ 1,500,996	\$ 79,093
Sales and use taxes	824,998	789,174	787,125	(2,049)	-	-	-	-	824,998	789,174	787,125	(2,049)
Income and franchise taxes	1,593,814	1,636,428	1,736,361	99,933	-	-	-	-	1,593,814	1,636,428	1,736,361	99,933
Other taxes	690,683	657,623	763,289	105,666	-	-	-	-	690,683	657,623	763,289	105,666
Total taxes	4,475,742	4,505,128	4,787,771	282,643	-	-	-	-	4,475,742	4,505,128	4,787,771	282,643
Licenses and permits	70,845	72,141	78,283	6,142	-	-	-	-	70,845	72,141	78,283	6,142
Fines and forfeits	107,336	111,920	101,436	(10,484)	-	-	-	-	107,336	111,920	101,436	(10,484)
Charges for services	53,218	49,846	52,421	2,575	-	-	-	-	53,218	49,846	52,421	2,575
Miscellaneous	102,458	103,654	191,735	88,081	-	-	-	-	102,458	103,654	191,735	88,081
Other sources	525,614	446,201	366,511	(79,690)	-	-	-	-	525,614	446,201	366,511	(79,690)
General obligation bonds	30,000	30,000	6,335	(23,665)	-	-	-	-	30,000	30,000	6,335	(23,665)
Federal contributions	-	-	-	-	82,618	86,850	82,261	(4,589)	82,618	86,850	82,261	(4,589)
Operating grant	-	-	-	-	2,008,371	1,891,816	1,794,807	(97,009)	2,008,371	1,891,816	1,794,807	(97,009)
Fund balance released from restrictions	176,330	344,287	122,412	(221,875)	-	17,837	17,837	-	176,330	362,124	140,249	(221,875)
Interfund transfer-from lottery and games	72,100	72,100	65,376	(6,724)	-	-	-	-	72,100	72,100	65,376	(6,724)
Interfund transfer-from baseball project	-	-	14,871	14,871	-	-	-	-	-	-	14,871	14,871
Total revenues and other sources	5,613,643	5,735,277	5,787,151	51,874	2,090,989	1,996,503	1,894,905	(101,598)	7,704,632	7,731,780	7,682,056	(49,724)
Expenditures and Other Uses:												
Governmental direction and support	433,758	432,526	366,258	66,268	157,746	122,744	114,983	7,761	591,504	555,270	481,241	74,029
Economic development and regulation	409,394	437,945	380,623	57,322	133,741	140,539	121,852	18,687	543,135	578,484	502,475	76,009
Public safety and justice	943,293	977,060	961,429	15,631	7,386	9,657	8,052	1,605	950,679	986,717	969,481	17,236
Public education system	1,223,971	1,174,460	1,155,629	18,831	249,970	263,342	217,280	46,062	1,473,941	1,437,802	1,372,909	64,893
Public education AY08 expenditure	-	85,047	85,047	-	-	-	-	-	-	85,047	85,047	-
Human support services	1,423,138	1,533,234	1,505,889	27,345	1,501,766	1,426,708	1,377,498	49,210	2,924,904	2,959,942	2,883,387	76,555
Write off mental health receivable	-	-	6,813	(6,813)	-	-	-	-	-	-	6,813	(6,813)
Public works	405,318	447,792	429,971	17,821	40,380	28,822	27,653	1,169	445,698	476,614	457,624	18,990
Emergency planning and security costs	-	-	-	-	-	4,691	4,691	-	-	-	4,691	-
Workforce investments	38,500	7,873	-	7,873	-	-	-	-	38,500	7,873	-	7,873
Wilson building	4,211	3,961	3,763	198	-	-	-	-	4,211	3,961	3,763	198
Repay bonds and interest	405,114	389,016	386,245	2,771	-	-	-	-	405,114	389,016	386,245	2,771
Repay revenue bonds and interest	6,000	4,750	-	4,750	-	-	-	-	6,000	4,750	-	4,750
Bond fiscal charge	30,000	30,000	6,406	23,594	-	-	-	-	30,000	30,000	6,406	23,594
Interest on short term borrowing	8,000	8,460	8,455	5	-	-	-	-	8,000	8,460	8,455	5
Certificates of participation	31,225	30,575	30,448	127	-	-	-	-	31,225	30,575	30,448	127
Settlements and judgments fund	15,655	25,047	25,029	18	-	-	-	-	15,655	25,047	25,029	18
Real property tax loss	-	-	8,838	(8,838)	-	-	-	-	-	-	8,838	(8,838)
Equipment lease operating	43,955	22,028	21,893	135	-	-	-	-	43,955	22,028	21,893	135
Pay-go capital	87,987	118,861	118,861	-	-	-	-	-	87,987	118,861	118,861	-
Schools modernization fund	1,650	-	-	-	-	-	-	-	1,650	-	-	-
District retiree health contribution	4,700	4,700	4,700	-	-	-	-	-	4,700	4,700	4,700	-
Cash reserve	50,000	500	-	500	-	-	-	-	50,000	500	-	500
Non-departmental agency	45,942	946	-	946	-	-	-	-	45,942	946	-	946
Total expenditures and other uses	5,611,811	5,734,781	5,506,297	228,484	2,090,989	1,996,503	1,872,009	124,494	7,702,800	7,731,284	7,378,306	352,978
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES -- BUDGETARY BASIS												
	\$ 1,832	\$ 496	\$ 280,854	\$ 280,358	\$ -	\$ -	\$ 22,896	\$ 22,896	\$ 1,832	\$ 496	\$ 303,750	\$ 303,254

The accompanying notes are an integral part of this statement.

Exhibit 3-a

District of Columbia
Statement of Net Assets
Proprietary Funds
September 30, 2007
(With Comparative Totals at September 30, 2006)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2007	2006 Restated
ASSETS					
Current assets:					
Cash and cash equivalents (unrestricted)	\$ 8,824	\$ -	\$ 9,400	\$ 18,224	\$ 29,345
Investments (unrestricted)	-	-	7,277	7,277	3,279
Accounts receivable, net	5,728	7,127	4,669	17,524	18,304
Due from other funds	-	1,245	151	1,396	921
Other current assets	7	-	722	729	314
Cash and cash equivalents (restricted)	-	405,244	-	405,244	380,248
Total current assets	14,559	413,616	22,219	450,394	432,411
Noncurrent assets:					
Investments (restricted)	46,725	-	4,432	51,157	54,796
Capital assets, net	311	-	16,900	17,211	17,505
Other	-	-	-	-	4
Total noncurrent assets	47,036	-	21,332	68,368	72,305
Total assets	61,595	413,616	43,551	518,762	504,716
LIABILITIES					
Current liabilities					
Accounts payable	2,625	26,029	2,011	30,665	32,353
Accrued compensated absences	559	-	1,745	2,304	1,714
Due to other funds	-	12,439	-	12,439	13,629
Deferred revenue	149	-	-	149	184
Accrued liabilities	7,784	-	25	7,809	9,809
Other current liabilities	-	-	332	332	-
Long term liabilities due within one year	8,631	-	-	8,631	8,631
Total current liabilities	19,748	38,468	4,113	62,329	66,320
Noncurrent liabilities					
Long term liabilities due in more than one year	38,094	-	-	38,094	43,953
Total noncurrent liabilities	38,094	-	-	38,094	43,953
Total liabilities	57,842	38,468	4,113	100,423	110,273
NET ASSETS					
Invested in capital assets, net of related debt	311	-	16,900	17,211	17,505
Restricted - expendable	-	375,148	-	375,148	347,938
Unrestricted	3,442	-	22,538	25,980	29,000
Total net assets	\$ 3,753	\$ 375,148	\$ 39,438	\$ 418,339	\$ 394,443

The accompanying notes are an integral part of this statement.

Exhibit 3-b

District of Columbia
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended September 30, 2007
(With Comparative Totals for the Year Ended September 30, 2006)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2007	2006 Restated
Operating revenues:					
Employer taxes	\$ -	\$ 90,117	\$ -	\$ 90,117	\$ 95,888
Charges for services	256,824	-	31,849	288,673	295,545
Benefit contributions	-	18,358	-	18,358	14,825
Miscellaneous	-	-	1,095	1,095	710
Total operating revenues	<u>256,824</u>	<u>108,475</u>	<u>32,944</u>	<u>398,243</u>	<u>406,968</u>
Operating expenses:					
Benefits	-	99,920	-	99,920	102,749
Prizes	166,689	-	-	166,689	168,470
Personnel services	11,653	-	5,523	17,176	16,055
Contractual services	13,794	-	24,156	37,950	35,373
Materials and supplies	-	-	-	-	5,416
Depreciation	200	-	2,069	2,269	2,244
Miscellaneous	-	-	5,808	5,808	1,783
Total operating expenses	<u>192,336</u>	<u>99,920</u>	<u>37,556</u>	<u>329,812</u>	<u>332,090</u>
Operating income (loss)	<u>64,488</u>	<u>8,555</u>	<u>(4,612)</u>	<u>68,431</u>	<u>74,878</u>
Nonoperating revenues:					
Interest and investment revenue	940	18,655	1,246	20,841	19,321
Total nonoperating revenue	<u>940</u>	<u>18,655</u>	<u>1,246</u>	<u>20,841</u>	<u>19,321</u>
Income (loss) before transfers	<u>65,428</u>	<u>27,210</u>	<u>(3,366)</u>	<u>89,272</u>	<u>94,199</u>
Transfer out	(65,376)	-	-	(65,376)	(73,800)
Change in net assets	<u>52</u>	<u>27,210</u>	<u>(3,366)</u>	<u>23,896</u>	<u>20,399</u>
Total net assets at October 1, as restated	3,701	347,938	42,804	394,443	374,044
Total net assets at September 30	\$ <u>3,753</u>	\$ <u>375,148</u>	\$ <u>39,438</u>	\$ <u>418,339</u>	\$ <u>394,443</u>

The accompanying notes are an integral part of this statement.

Exhibit 3-c

District of Columbia
Statement of Cash Flows
Proprietary Funds
For the Year Ended September 30, 2007
(With Comparative Totals for the Year Ended September 30, 2006)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2007	2006 Restated
Operating activities:					
Cash receipts from customers/employers	\$ 255,271	\$ 109,690	\$ 30,361	\$ 395,322	\$ 405,831
Other cash receipts	885	-	605	1,490	916
Cash payments to vendors	(24,735)	-	(33,228)	(57,963)	(55,635)
Cash payments to employees/claimants	(6,114)	(103,349)	-	(109,463)	(113,804)
Other cash payments, including prizes	(163,329)	-	212	(163,117)	(160,781)
Net cash provided by (used in) operating activities	<u>61,978</u>	<u>6,341</u>	<u>(2,050)</u>	<u>66,269</u>	<u>76,527</u>
Noncapital financing activities:					
Interfund transfers out	(65,376)	-	-	(65,376)	(73,800)
Net cash used in noncapital financing activities	<u>(65,376)</u>	<u>-</u>	<u>-</u>	<u>(65,376)</u>	<u>(73,800)</u>
Capital and related financing activities:					
Acquisitions of capital assets	(128)	-	(1,513)	(1,641)	(3,565)
Net cash used in capital and related financing activities	<u>(128)</u>	<u>-</u>	<u>(1,513)</u>	<u>(1,641)</u>	<u>(3,565)</u>
Investing activities:					
Receipts of interest and dividends	940	18,655	1,246	20,841	19,321
Sales/(purchases) of investments	-	-	(6,218)	(6,218)	18,222
Net cash provided by (used in) investing activities	<u>940</u>	<u>18,655</u>	<u>(4,972)</u>	<u>14,623</u>	<u>37,543</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(2,586)	24,996	(8,535)	13,875	36,705
Cash and cash equivalents at October 1	11,410	380,248	17,935	409,593	372,888
Cash and cash equivalents at September 30	\$ 8,824	\$ 405,244	\$ 9,400	\$ 423,468	\$ 409,593
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 64,488	\$ 8,555	\$ (4,612)	\$ 68,431	\$ 74,878
Depreciation	200	-	2,069	2,269	2,358
Decrease (increase) in assets:					
Accounts receivable	(635)	1,216	(1,388)	(807)	1,049
Allowance for uncollectible	-	-	1,266	1,266	369
Other current assets	2	-	(411)	(409)	111
Increase (decrease) in liabilities:					
Accounts payable	(129)	(3,430)	617	(2,942)	(4,248)
Accrued liabilities	(2,000)	-	409	(1,591)	2,266
Deferred revenue	(35)	-	-	(35)	(266)
Other current liabilities	87	-	-	87	10
Net cash provided by (used in) operating activities:	\$ 61,978	\$ 6,341	\$ (2,050)	\$ 66,269	\$ 76,527

The accompanying notes are an integral part of this statement.

Exhibit 4-a

District of Columbia
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2007
(\$000s)

	Pension Trust Funds	Other Postemployment Benefit Trust Fund (OPEB)	Private Purpose Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents - restricted	\$ 148,521	\$ 2,718	\$ -	\$ 156,848
Investments - restricted:				
Equities	3,571,130	146,148	69,806	-
Fixed income securities	682,799	71,592	31,435	-
Cash collateral for securities lending transactions	478,716	-	-	-
Interest and dividends receivables	-	-	13	-
Accounts receivable	-	-	187	-
Benefit contribution receivables	2,471	-	-	-
Due from other funds	-	-	-	4,694
Other receivables	7,475	-	-	303
Other current assets	6	-	-	-
Capital assets	24	-	-	-
Total assets	<u>4,891,142</u>	<u>220,458</u>	<u>101,441</u>	<u>\$ 161,845</u>
LIABILITIES				
Accounts payable	35,153	-	197	10,358
Securities lending collateral	478,716	-	-	-
Due to other fund	5,900	56,277	-	-
Other current liabilities	-	-	13	151,487
Total liabilities	<u>519,769</u>	<u>56,277</u>	<u>210</u>	<u>\$ 161,845</u>
NET ASSETS				
Held in trust for pension and OPEB benefits and other purposes	<u>\$ 4,371,373</u>	<u>\$ 164,181</u>	<u>\$ 101,231</u>	

The accompanying notes are an integral part of this statement.

Exhibit 4-b

District of Columbia
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended September 30, 2007
(\$000s)

	Pension Trust Funds	Other Postemployment Benefit Trust Fund (OPEB)	Private Purpose Trust Fund
ADDITIONS			
Contributions:			
Employer	\$ 154,700	\$ 147,199	\$ -
Plan members	54,282	-	24,912
Total contributions	<u>208,982</u>	<u>147,199</u>	<u>24,912</u>
Investment earnings:			
<i>From investment activities</i>			
Net increase in fair value of investments	518,230	6,151	9,639
Interest and dividends	110,822	11,528	1,782
Total investment earnings	629,052	17,679	11,421
Less - investment expenses	(12,543)	(697)	(1,048)
Net income from investing activities	<u>616,509</u>	<u>16,982</u>	<u>10,373</u>
<i>From securities lending activities</i>			
Securities lending income	26,764	-	-
Less: securities lending expenses	(25,109)	-	-
Net income from securities lending activities	<u>1,655</u>	<u>-</u>	<u>-</u>
Net investment earnings	<u>618,164</u>	<u>16,982</u>	<u>10,373</u>
Total additions	<u>827,146</u>	<u>164,181</u>	<u>35,285</u>
DEDUCTIONS			
Benefits	46,389	-	-
Administrative expenses	6,198	-	286
Distributions to participants	-	-	6,278
Total deductions	<u>52,587</u>	<u>-</u>	<u>6,564</u>
Change in net assets	<u>774,559</u>	<u>164,181</u>	<u>28,721</u>
Net assets at October 1, as restated	<u>3,596,814</u>	<u>-</u>	<u>72,510</u>
Net assets at September 30	<u>\$ 4,371,373</u>	<u>\$ 164,181</u>	<u>\$ 101,231</u>

The accompanying notes are an integral part of this statement.

District of Columbia
Discretely Presented Component Units
Combining Statement of Net Assets
September 30, 2007
(With Comparative Totals at September 30, 2006)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Anacostia Waterfront	National Capital Revitalization	Economic Development	Totals	
									2007	2006 Restated
ASSETS										
Current Assets:										
Cash and cash equivalents (unrestricted)	\$ 162,611	\$ 2,819	\$ 8,989	\$ 26,895	\$ 35,551	\$ 10,874	\$ 9,830	\$ 3,309	\$ 260,878	\$ 142,230
Investments (unrestricted)	29,632	55,303	-	-	-	-	-	-	84,935	185,474
Receivables, net:										
Accounts	37,862	1,028	4,536	-	6,244	207	217	-	50,094	46,581
Other	13,546	-	-	8,668	3,324	1,495	6,394	-	33,427	54,097
Due from federal government	19,827	-	-	-	-	-	-	-	19,827	20,113
Due from primary government	6,564	7,184	26,985	-	2,037	-	21,267	-	64,037	20,535
Inventories	7,260	-	-	-	-	-	-	-	7,260	7,369
Other current assets	278	9	198	-	119	100	118	-	822	1,314
Restricted cash	313,829	-	3,950	26,066	-	116,205	8,506	-	468,556	146,989
Restricted investments	19,751	55,971	-	764,235	39,065	-	2,061	-	881,083	938,359
Total current assets	611,160	122,314	44,658	825,864	86,340	128,881	48,393	3,309	1,870,919	1,563,061
Noncurrent assets:										
Loans receivable	-	-	-	492,416	144	-	15,997	3,025	511,582	461,777
Other	6,130	6,563	-	41,641	299	6,387	4,187	4,543	69,750	34,271
Total long term assets	6,130	6,563	-	534,057	443	6,387	20,184	7,568	581,332	496,048
Capital assets, net										
Property and equipment	1,830,246	676,317	22,163	1,908	56,205	10,575	295	-	2,597,709	2,466,353
Non-depreciable capital assets	493,505	42,718	-	573	7,531	5,276	120,695	-	670,298	669,369
Total assets	2,941,041	847,912	66,821	1,362,402	150,519	151,119	189,567	10,877	5,720,258	5,194,831
LIABILITIES										
Current Liabilities:										
Payables:										
Accounts	71,353	2,864	2,998	1,070	8,617	1,706	884	165	89,657	111,751
Compensation	10,601	309	319	288	12,314	141	-	-	23,972	18,662
Due to primary government	1,017	-	7,913	-	1,073	-	-	-	10,003	8,536
Accrued liabilities	15,800	11,614	2,511	-	4,734	280	11	-	34,950	30,232
Deferred revenue	24,553	4,684	105	12,677	7,474	1,282	741	-	51,516	42,125
Current maturities	13,956	11,690	-	105,595	-	2,820	2,600	-	136,661	52,590
Other current liabilities	7,660	10,259	26,984	95,526	12,037	5,018	1,360	-	158,844	137,024
Total current liabilities	144,940	41,420	40,830	215,156	46,249	11,247	5,596	165	505,603	400,920
Noncurrent Liabilities:										
Long term debt:										
Bonds payable	1,039,924	477,082	-	1,056,403	-	108,730	44,300	-	2,726,439	2,356,863
Other long-term liabilities	-	14,089	-	1,863	-	-	4,150	-	20,102	56,215
Refundable advances	-	-	-	-	466	1,905	562	-	2,933	1,501
Deferred revenue	775,287	-	-	-	-	-	-	-	775,287	745,196
Total long term liabilities	1,815,211	491,171	-	1,058,266	466	110,635	49,012	-	3,524,761	3,159,775
Total liabilities	1,960,151	532,591	40,830	1,273,422	46,715	121,882	54,608	165	4,030,364	3,560,695
NET ASSETS										
Invested in capital assets, net of related debt	777,968	213,314	22,163	670	63,736	10,850	85,506	-	1,174,207	1,055,729
Restricted - expendable	53,972	55,970	2,053	57,939	472	14,265	39,982	3,792	228,445	266,009
Restricted - nonexpendable	-	-	-	-	7,242	-	-	-	7,242	7,242
Unrestricted	148,950	46,037	1,775	30,371	32,354	4,122	9,471	6,920	280,000	305,156
Total net assets	\$ 980,890	\$ 315,321	\$ 25,991	\$ 88,980	\$ 103,804	\$ 29,237	\$ 134,959	\$ 10,712	\$ 1,689,894	\$ 1,634,136

The accompanying notes are an integral part of this statement.

Exhibit 5-b

District of Columbia
Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended September 30, 2007
(With Comparative Totals for the Year Ended September 30, 2006)
(\$000s)

Functions/Programs	Expenses <u>Total</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
		Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Totals	
					2007	2006 Restated
Water and sewer authority	\$ 305,707	\$ 303,722	\$ -	\$ 25,083	\$ 23,098	\$ 34,154
Convention center	95,855	16,151	-	-	(79,704)	(85,065)
Sports commission	24,136	13,136	-	-	(11,000)	(3,233)
Housing finance	86,410	45,735	-	-	(40,675)	(39,307)
University	119,388	16,640	27,266	2,836	(72,646)	(63,842)
Anacostia waterfront corporation	13,788	-	11,017	15,264	12,493	3,202
National capital revitalization	36,238	6,728	-	(279)	(29,789)	(20,687)
Economic development	9	-	-	-	(9)	(36)
Total component units	<u>\$ 681,531</u>	<u>\$ 402,112</u>	<u>\$ 38,283</u>	<u>\$ 42,904</u>	<u>(198,232)</u>	<u>(174,814)</u>
General revenues:						
					67,435	56,220
					40,607	29,753
					145,948	140,974
					<u>253,990</u>	<u>226,947</u>
					55,758	52,133
					1,634,136	1,582,003
					<u>\$ 1,689,894</u>	<u>\$ 1,634,136</u>

The accompanying notes are an integral part of this statement.