

# Comprehensive Annual Financial Report 2000

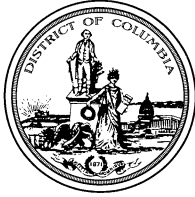


*Government of the  
District of Columbia*

*Office of the  
Chief Financial Officer*

YEAR ENDED  
September 30, 2000





ANTHONY A. WILLIAMS  
MAYOR

January 26, 2001

Dear Citizens of District of Columbia:

With immense pride, I present the District of Columbia's Fiscal Year 2000 Comprehensive Annual Financial Report. This audit shows that the city's finances are in order, our budget is balanced and we completed Fiscal Year 2000 with a surplus of \$240.7 million.

For our citizens, this means that in four short years we have moved from financial crisis to financial stability. We are able to invest in citizens' priorities: strong schools, safe streets, clean communities, affordable housing, reliable transportation and access to health care. Most importantly, the District has met the major requirement for ending the Congressionally mandated control period: four years of balanced budgets. The District now begins its return to normal government – a city where the elected officials have full authority to govern.

I would like to acknowledge the leadership and oversight of the District of Columbia Council in the financial recovery of the city. In addition, this important milestone in the District's return to self-government would not have been possible without the leadership of Financial Authority Chairs Alice M. Rivlin and Andrew F. Brimmer; Financial Authority members Constance B. Newman, Robert P. Watkins, Eugene Kinlow; and former members Stephen D. Harlan, Joyce Ladner, Edward D. Singletary, and Darius Mans. On behalf of the citizens of the District of Columbia, I would like to take this opportunity to thank these committed individuals for their tireless service to the District.

Finally, the District's financial turnaround would not have been possible without the hard work and dedication of all the employees of the Office of the Chief Financial Officer. The financial managers, auditors, accountants, budget analysts, and customer service representatives set a high standard of professionalism and integrity that is to be commended. I am proud of each and every employee working in the financial sector of this government.

The citizens of the District have set an ambitious agenda for our great city. I am proud to report we have the financial stability to support this agenda.

Sincerely,

A handwritten signature in black ink that reads "Anthony A. Williams".

Anthony A. Williams  
Mayor

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
Office of the Chief Financial Officer

Natwar M. Gandhi  
Chief Financial Officer



January 26, 2001.

The Honorable Anthony A. Williams  
Mayor of the District of Columbia  
441 4th Street, N.W.  
Washington, D.C. 20001

Dear Mayor Williams:

I am pleased to present the District of Columbia's Fiscal Year 2000 Comprehensive Annual Financial Report. The District ended FY 2000 with General Fund revenues exceeding expenses by \$240.7 million and received an unqualified audit opinion from its independent auditors. The District's General Fund balance at the close of FY 2000 stood at \$464.9 million. This compares to a negative fund balance of \$518 million at the end of FY 1996, a turnaround of nearly a billion dollars over the past four years.

This represents the fourth consecutive year of financial recovery for the District of Columbia in which we have ended the fiscal year with a budget surplus and an unqualified audit opinion, setting the stage for the end of the financial control period started in 1995. Last year, the University of the District of Columbia and the District of Columbia Health and Hospitals Public Benefit Corporation failed to receive unqualified opinions on their respective individual financial reports. This fiscal year, both of these organizations and all other District of Columbia Government component units received an unqualified opinion on their individual financial reports, a further sign of financial improvement.

I believe we are well positioned to continue this progress. From a financial systems standpoint, we have instituted monthly closings and reconciliation of cash, which will give us a much better picture of our financial posture as we go through the year. As regards to financial management, we are building an emergency cash reserve and expect to have approximately \$100 million in this account by the end of FY 2001. These steps, along with a FY 2000 ending fund balance of \$464.9 million, should positively affect the District's bond rating, contributing to lower borrowing costs in the future.

I would like to commend the many employees, both financial and program staff, who have worked diligently to assure a successful closure of the District's books and ensure that our records met the high standards required for an unqualified audit opinion. As we further refine our financial systems and processes, it is my firm expectation that this recurring audit requirement will become a routine event in the overall financial management of the District of Columbia.

Sincerely,

A handwritten signature in black ink, appearing to read 'Ngandhi', with a long horizontal flourish extending to the right.

Natwar M. Gandhi  
Chief Financial Officer

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**Government of the District of Columbia  
Comprehensive Annual Financial Report  
Year Ended September 30, 2000**

**Prepared by:**

**Office of the Chief Financial Officer  
Office of Financial Operations and Systems**

**Anthony F. Pompa  
Deputy Chief Financial Officer  
810 First Street, NE  
Washington, D.C. 20001**

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