

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



Jeffrey S. DeWitt
Chief Financial Officer

January 27, 2016

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

Dear Mayor Bowser:

I am pleased to present the District of Columbia's Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended September 30, 2015. As required by District law, the city's FY 2015 financial statements were examined by independent auditors. Based on the outcome of their audit, SB & Company, LLC issued an unqualified (clean) opinion (currently termed as an unmodified opinion) on the District's FY 2015 financial statements. This is the 19th consecutive year in which the District has received such an opinion on its annual financial statements.

The District's financial position and economic condition remained strong during FY 2015. Job growth continued to be on the rise as the population and number of households within the District grew. In fact, during FY 2015, the District's unemployment rate decreased from 7.9% in the prior year to 6.7%.

The District was also able to strengthen its financial reserves. As of September 30, 2015, the District's "rainy day" funds increased by \$121 million and our cumulative General Fund balance was \$2.17 billion, up from \$1.87 billion in FY 2014. The District's healthy financial position in FY 2015 was also evidenced by its strong bond ratings, which in FY 2015, were as follows: General Obligation (GO) Bonds: AA (Fitch Ratings), Aa1 (Moody's Investors Service), and AA (Standard & Poor's Rating Service) and Income Tax Secured (ITS) Revenue Bonds: AA+ (Fitch Ratings), Aa1 (Moody's Investors Service) and AAA (Standard & Poor's Rating Service). With these strong ratings, the District was able to access the credit markets and issue \$1.05 billion in GO Bonds and \$216 million in ITS revenue bonds at very low interest rates, which allowed more funding to be available for needed programs and services for District residents. The proceeds of these bonds were used to finance economic development, infrastructure improvements and other capital projects.

As we move forward, the District's ability to continue to benefit from having "healthy finances" will require that we continue to utilize sound financial management practices and maintain fiscal discipline. As such, the Office of the Chief Financial Officer (OCFO) will continue to develop balanced budgets to ensure that the District stays on a path of financial success. We will manage the District's financial resources wisely by using sound business practices that incorporate effective systems of accountability and internal controls. In addition, we will make every effort to maximize operational efficiency by producing accurate and reliable financial information, complying with applicable laws and regulations and providing quality service to District residents.

The District's financial success is due, in large part, to the dedication and hard work of its elected officials and their staffs, as well as agency financial staff and OCFO central office personnel. I would like to thank all who have contributed to the successful management of and accounting for the city's financial resources during the past year. Through our collaborative efforts, the District was able to operate within budgetary constraints and timely issue its FY 2015 CAFR with a clean audit opinion.

Sincerely,



Jeffrey S. DeWitt
Chief Financial Officer