

## BASIC FINANCIAL STATEMENTS

The basic financial statements include the *Government-Wide Financial Statements*, *Governmental Fund Financial Statements*, *Proprietary Fund Financial Statements*, *Fiduciary Fund Financial Statements* and the *Component Unit 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 1-a

**District of Columbia**  
**Statement of Net Position**  
**September 30, 2016**  
 (With Comparative Totals at September 30, 2015)  
 (\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2016	2015	
<b>ASSETS</b>					
Cash and cash equivalents	\$ 1,493,011	\$ 12,375	\$ 1,505,386	\$ 1,740,119	\$ 181,671
Investments	-	-	-	-	158,445
Due from federal government	459,030	600	459,630	555,834	-
Taxes receivable, net	380,407	-	380,407	324,997	-
Accounts receivable, net	251,602	13,677	265,279	202,257	34,084
Other receivables	-	-	-	-	18,598
Due from primary government	-	-	-	-	20,108
Due from component units	25,793	-	25,793	17,502	-
Due from fiduciary funds	2,017	-	2,017	1,595	349
Internal balances	21,476	(21,476)	-	-	-
Inventories	11,633	-	11,633	16,486	1,717
Other current assets	4,281	4	4,285	3,476	71,795
Derivative instrument assets	513	-	513	605	-
Cash and cash equivalents (restricted)	1,569,038	406,596	1,975,634	2,069,833	176,914
Investments (restricted)	123,032	2,336	125,368	95,604	371,766
Other long-term assets	270,438	-	270,438	264,067	1,031,776
Net pension assets	279,069	-	279,069	78,585	-
Depreciable capital assets, net	10,263,569	330	10,263,899	9,657,740	840,441
Non-depreciable capital assets	2,168,320	-	2,168,320	2,259,453	36,116
<b>Total assets</b>	<b>17,323,229</b>	<b>414,442</b>	<b>17,737,671</b>	<b>17,288,153</b>	<b>2,943,780</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Derivative instrument - hedge	51,806	-	51,806	53,571	-
Pension	401,591	-	401,591	533,423	-
Advance refunding loss	5,747	-	5,747	6,375	14,729
<b>Total deferred outflows of resources</b>	<b>459,144</b>	<b>-</b>	<b>459,144</b>	<b>593,369</b>	<b>14,729</b>
<b>Total assets and deferred outflows of resources</b>	<b>17,782,373</b>	<b>414,442</b>	<b>18,196,815</b>	<b>17,881,522</b>	<b>2,958,509</b>
<b>LIABILITIES</b>					
Accounts payable	760,548	33,504	794,052	817,563	41,649
Compensation payable	136,106	241	136,347	205,825	17,134
Due to primary government	-	-	-	-	25,793
Due to component units	20,108	-	20,108	37,419	-
Unearned revenues	227,111	81	227,192	223,273	14,807
Accrued liabilities	282,759	9,086	291,845	468,582	16,614
Accrued interest payable	147,329	-	147,329	142,447	-
Other current liabilities	63,999	-	63,999	58,614	153,824
Derivative instrument liabilities	51,806	-	51,806	53,571	-
Net pension liabilities	242,189	-	242,189	280,173	-
Long-term liabilities:					
Due within one year	564,378	807	565,185	534,372	88,688
Due in more than one year	10,579,057	1,972	10,581,029	10,600,390	1,681,660
<b>Total liabilities</b>	<b>13,075,390</b>	<b>45,691</b>	<b>13,121,081</b>	<b>13,422,229</b>	<b>2,040,169</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Capital lease gain	31,735	-	31,735	33,712	-
Pension	228,581	-	228,581	9,210	-
<b>Total deferred inflows of resources</b>	<b>260,316</b>	<b>-</b>	<b>260,316</b>	<b>42,922</b>	<b>-</b>
<b>Total liabilities and deferred inflows of resources</b>	<b>13,335,706</b>	<b>45,691</b>	<b>13,381,397</b>	<b>13,465,151</b>	<b>2,040,169</b>
<b>NET POSITION</b>					
Net investment in capital assets	2,835,463	330	2,835,793	2,639,238	488,411
Restricted for:					
Expendable					
Pension	209,890	-	209,890	322,625	-
Debt service	498,030	-	498,030	397,557	-
Benefit payments	-	364,237	364,237	312,483	-
Capital projects	68,324	-	68,324	102,320	-
Grants and special purposes	160,142	-	160,142	167,215	-
Budget reserves	21,664	-	21,664	24,598	-
Purpose restriction	95,774	-	95,774	144,146	-
Emergency reserves	387,065	-	387,065	366,249	-
FEMS Settlement	-	-	-	47,000	-
Other	-	-	-	23,099	229,356
Nonexpendable	-	-	-	-	15,866
Unrestricted (deficit)	170,315	4,184	174,499	(130,159)	184,707
<b>Total net position</b>	<b>\$ 4,446,667</b>	<b>\$ 368,751</b>	<b>\$ 4,815,418</b>	<b>\$ 4,416,371</b>	<b>\$ 918,340</b>

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, 2016  
(With Comparative Totals for the Year Ended September 30, 2015)  
(\$000s)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position				
	Expenses	Charges for Services, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Component Units		
					Governmental Activities	Business-Type Activities		Totals	
						2016	2015		
<b>Governmental activities:</b>									
Governmental direction and support	\$ 1,228,553	\$ 76,358	\$ 36,903	\$ -	\$ (1,115,292)	\$ (1,115,292)	\$ (1,005,807)		
Economic development and regulation	548,314	172,898	63,129	-	(312,287)	(312,287)	(246,151)		
Public safety and justice	1,799,670	157,997	443,222	-	(1,198,451)	(1,198,451)	(1,145,016)		
Public education system	2,271,561	1,281	359,976	-	(1,910,304)	(1,910,304)	(1,935,304)		
Human support services	4,507,123	6,621	2,648,291	32,252	(1,819,959)	(1,819,959)	(1,974,541)		
Public works	701,559	183,592	25,570	135,696	(356,701)	(356,701)	(316,288)		
Public transportation	359,097	-	-	-	(359,097)	(359,097)	(335,703)		
Interest on long-term debt	392,638	-	-	-	(392,638)	(392,638)	(404,130)		
<b>Total governmental activities</b>	<b>11,808,515</b>	<b>598,747</b>	<b>3,577,091</b>	<b>167,948</b>	<b>(7,464,729)</b>	<b>(7,464,729)</b>	<b>(7,362,940)</b>		
<b>Business-type activities:</b>									
Lottery and games	174,882	228,183	-	-	\$ 53,301	53,301	55,733		
Unemployment compensation	114,633	-	12,028	-	(102,605)	(102,605)	(104,706)		
<b>Total business-type activities</b>	<b>289,515</b>	<b>228,183</b>	<b>12,028</b>	<b>-</b>	<b>(49,304)</b>	<b>(49,304)</b>	<b>(48,973)</b>		
<b>Total primary government</b>	<b>\$ 12,098,030</b>	<b>\$ 826,930</b>	<b>\$ 3,589,119</b>	<b>\$ 167,948</b>	<b>(7,464,729)</b>	<b>(7,514,033)</b>	<b>(7,411,913)</b>		
<b>Component units:</b>									
Health benefit exchange	\$ 33,106	\$ -	\$ 31,191	\$ -				\$ (1,915)	
Convention center	131,334	30,430	-	-				(100,904)	
Not-for-profit hospital corporation	125,589	118,622	1,300	20,113				14,446	
Housing finance	63,113	37,591	-	-				(25,522)	
University	149,668	34,230	26,151	15,357				(73,930)	
<b>Total component units</b>	<b>\$ 502,810</b>	<b>\$ 220,873</b>	<b>\$ 58,642</b>	<b>\$ 35,470</b>				<b>(187,825)</b>	
<b>General revenues:</b>									
Taxes:									
Property taxes					2,504,617	-	2,504,617	2,315,693	-
Sales and use taxes					1,451,441	-	1,451,441	1,425,525	-
Income and franchise taxes					2,417,206	-	2,417,206	2,316,727	-
Gross receipts taxes					365,305	-	365,305	361,293	-
Other taxes					498,161	145,887	644,048	677,755	-
Investment earnings					11,601	8,532	20,133	13,521	8,744
Miscellaneous					510,330	-	510,330	406,914	98,178
Subsidy from primary government					-	-	-	-	205,493
Transfer in (out)					53,287	(53,287)	-	-	-
<b>Total general revenues and transfers</b>					<b>7,811,948</b>	<b>101,132</b>	<b>7,913,080</b>	<b>7,517,428</b>	<b>312,415</b>
<b>Change in net position</b>					<b>347,219</b>	<b>51,828</b>	<b>399,047</b>	<b>105,515</b>	<b>124,590</b>
Net position at October 1, as restated					4,099,448	316,923	4,416,371	4,310,856	793,750
Net position at September 30					<b>\$ 4,446,667</b>	<b>\$ 368,751</b>	<b>\$ 4,815,418</b>	<b>\$ 4,416,371</b>	<b>\$ 918,340</b>

The accompanying notes are an integral part of this statement.

Exhibit 2-a

**District of Columbia  
Balance Sheet  
Governmental Funds  
September 30, 2016  
(With Comparative Totals at September 30, 2015)  
(\$000s)**

	Federal & Private Resources		Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
	General					2016	2015
<b>ASSETS</b>							
Cash and cash equivalents	\$ 1,493,011	\$ -	\$ -	\$ -	\$ -	\$ 1,493,011	\$ 1,729,830
Due from federal government	7,143	398,579	-	53,308	-	459,030	555,039
Taxes receivable, net	376,562	-	-	-	3,845	380,407	324,997
Accounts receivable, net	205,200	8,473	258	-	37,671	251,602	186,547
Due from component units	24,596	-	-	-	1,197	25,793	17,502
Due from other funds	348,942	21,666	5,581	-	7,785	383,974	315,736
Inventories	11,631	2	-	-	-	11,633	16,486
Other current assets	3,154	1,107	-	-	20	4,281	3,474
Cash and cash equivalents (restricted)	885,217	115,880	242,326	25,387	300,228	1,569,038	1,711,930
Investments (restricted)	109,730	-	2,147	-	11,155	123,032	92,182
Other long-term assets	104,852	100,038	54,872	10,676	-	270,438	264,067
<b>Total assets</b>	<b>\$ 3,570,038</b>	<b>\$ 645,745</b>	<b>\$ 305,184</b>	<b>\$ 89,371</b>	<b>\$ 361,901</b>	<b>\$ 4,972,239</b>	<b>\$ 5,217,790</b>
<b>LIABILITIES</b>							
Accounts payable	\$ 445,782	\$ 116,252	\$ -	\$ 165,931	\$ 2,182	\$ 730,147	\$ 749,584
Compensation payable	124,628	9,959	-	1,445	74	136,106	204,680
Due to other funds	21,725	195,398	-	131,543	11,815	360,481	289,174
Due to component units	16,874	1,026	-	1,464	744	20,108	37,419
Unearned revenue	61,587	100,476	54,873	10,175	-	227,111	223,239
Accrued liabilities	220,100	62,492	-	-	167	282,759	461,332
Other current liabilities	55,021	-	-	7,183	1,795	63,999	58,614
<b>Total liabilities</b>	<b>945,717</b>	<b>485,603</b>	<b>54,873</b>	<b>317,741</b>	<b>16,777</b>	<b>1,820,711</b>	<b>2,024,042</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenues	235,232	-	-	500	1,546	237,278	201,062
<b>FUND BALANCE</b>							
Nonspendable	11,631	2	-	-	-	11,633	16,486
Restricted	1,030,895	160,140	250,311	-	343,578	1,784,924	1,848,268
Committed	1,325,895	-	-	-	-	1,325,895	1,047,105
Assigned	20,668	-	-	-	-	20,668	80,827
Unassigned	-	-	-	(228,870)	-	(228,870)	-
<b>Total fund balances</b>	<b>2,389,089</b>	<b>160,142</b>	<b>250,311</b>	<b>(228,870)</b>	<b>343,578</b>	<b>2,914,250</b>	<b>2,992,686</b>
<b>Total liabilities, deferred inflow of resources and fund balances</b>	<b>\$ 3,570,038</b>	<b>\$ 645,745</b>	<b>\$ 305,184</b>	<b>\$ 89,371</b>	<b>\$ 361,901</b>		<b>\$ 5,217,790</b>

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds	12,431,889
Certain long-term assets are not available to pay current period expenditures and are therefore not recognized as revenues in the funds:	
Unavailable Tax revenue (Exhibit A-1)	\$ 93,083
Other General Fund unavailable revenues (Exhibit A-1)	142,149
Unavailable revenues - General Capital Improvements (Exhibit 2-a)	500
Unavailable revenues - Nonmajor Funds (Exhibit 2-a)	1,546
	237,278
Deferred inflow of resources - Capital lease gain (Exhibit 1-a)	(31,735)
Deferred inflow of resources - pension (Exhibit 1-a)	(228,581)
Deferred outflow of resources - pension (Exhibit 1-a)	401,591
Net pension asset (Exhibit 1-a)	279,069
Retainage liability not to be paid with current resources	(30,401)
Advanced refunding loss (Exhibit 1-a)	5,747
Derivative instrument asset (Exhibit 1-a)	513
Certain liabilities are not due and payable in the current period:	
General obligation bonds (Note 8, Table N27)	\$ 3,829,305
Income tax revenue bonds (Note 8, Table N27)	4,240,155
Tobacco settlement bonds (Note 8, Table N27)	600,974
TIF bonds (Note 8, Table N27)	96,822
Net pension liabilities (Exhibit 1-a)	242,189
Ballpark bonds (Note 8, Table N27)	371,305
QZAB (Note 8, Table N27)	3,845
Accrued interest payable (Exhibit 1-a)	147,329
Capital leases (Note 8, Table N27)	1,837
Other long-term liabilities (Note 8, Table N27)	1,999,192
	(11,532,953)
Net position of governmental activities	<u>\$ 4,446,667</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, 2016**  
**(With Comparative Totals for the Year Ended September 30, 2015)**

	(\$000s)					Total	
	General	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	2016	2015
<b>REVENUES</b>							
Taxes:							
Property taxes	\$ 2,470,004	\$ -	\$ -	\$ -	\$ 33,887	\$ 2,503,891	\$ 2,356,327
Sales and use taxes	1,401,058	-	-	-	50,383	1,451,441	1,425,525
Income and franchise taxes	2,464,330	-	-	-	-	2,464,330	2,316,727
Gross receipts taxes	322,150	-	-	-	43,155	365,305	361,293
Other taxes	442,283	-	55,878	-	-	498,161	528,866
Fines and forfeitures	202,314	-	-	-	-	202,314	129,283
Licenses and permits	123,029	-	-	-	-	123,029	119,658
Charges for services	269,998	3,406	-	-	-	273,404	290,020
Investment earnings	7,732	897	84	33	2,855	11,601	5,855
Miscellaneous	370,958	26,555	5,577	7,968	46,105	457,163	414,500
Federal contributions	-	521,828	-	-	-	521,828	554,342
Operating grants	-	3,055,263	-	167,948	-	3,223,211	3,135,295
<b>Total revenues</b>	<b>8,073,856</b>	<b>3,607,949</b>	<b>61,539</b>	<b>175,949</b>	<b>176,385</b>	<b>12,095,678</b>	<b>11,637,691</b>
<b>EXPENDITURES</b>							
Current:							
Governmental direction and support	957,151	40,297	-	-	70,805	1,068,253	1,027,473
Economic development and regulation	404,313	69,149	86,903	-	-	560,365	448,244
Public safety and justice	1,227,558	444,246	-	-	-	1,671,804	1,521,196
Public education system	1,947,968	361,810	-	-	-	2,309,778	2,246,209
Human support services	1,860,387	2,654,260	-	-	-	4,514,647	4,438,448
Public works	339,856	25,581	-	-	-	365,437	354,686
Public transportation	359,097	-	-	-	-	359,097	335,703
Debt service:							
Principal	228,793	-	-	6,975	125,607	361,375	301,001
Interest	362,860	18,361	-	4,795	63,331	449,347	421,549
Fiscal charges	3,588	-	-	-	144	3,732	8,311
Capital outlay	-	-	-	1,083,694	23,545	1,107,239	1,196,394
<b>Total expenditures</b>	<b>7,691,571</b>	<b>3,613,704</b>	<b>86,903</b>	<b>1,095,464</b>	<b>283,432</b>	<b>12,771,074</b>	<b>12,299,214</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>382,285</b>	<b>(5,755)</b>	<b>(25,364)</b>	<b>(919,515)</b>	<b>(107,047)</b>	<b>(675,396)</b>	<b>(661,523)</b>
<b>OTHER FINANCING SOURCES (USES)</b>							
Debt issuance	2,600	-	-	429,215	-	431,815	1,034,252
Refunding debt issuance	95,575	-	-	-	-	95,575	231,255
Premium on sale of bonds	-	-	-	84,235	-	84,235	155,540
Payment to refunded bond escrow agent	(95,120)	-	-	-	-	(95,120)	(256,765)
Equipment finance program	-	-	-	11,368	-	11,368	25,590
Transfers in	80,503	-	90,179	144,104	145,676	460,462	358,736
Transfers out	(259,616)	(1,318)	-	(14,082)	(132,159)	(407,175)	(303,150)
Sale of capital assets	15,800	-	-	-	-	15,800	-
<b>Total other financing sources (uses)</b>	<b>(160,258)</b>	<b>(1,318)</b>	<b>90,179</b>	<b>654,840</b>	<b>13,517</b>	<b>596,960</b>	<b>1,245,458</b>
<b>Net change in fund balances</b>	<b>222,027</b>	<b>(7,073)</b>	<b>64,815</b>	<b>(264,675)</b>	<b>(93,530)</b>	<b>(78,436)</b>	<b>583,935</b>
Fund balances at October 1	2,167,062	167,215	185,496	35,805	437,108	2,992,686	2,408,751
Fund balances at September 30	<b>\$ 2,389,089</b>	<b>\$ 160,142</b>	<b>\$ 250,311</b>	<b>\$ (228,870)</b>	<b>\$ 343,578</b>	<b>\$ 2,914,250</b>	<b>\$ 2,992,686</b>

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, 2016**  
**(\$000s)**

Net change in fund balances - total governmental funds \$ (78,436)

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 that are capitalized exceeded depreciation expense in the current period.

Capital outlay capitalized (Note 5, Table N15)	\$ 894,154	
Depreciation expense (Note 5, Table N15)	(413,125)	
Capital asset additions (Note 5, Table N15)	42,806	
Transfers/Dispositions (Note 5, Table N15)	<u>(8,970)</u>	
		514,865

Deferred inflows of resources, including property tax revenues which were earned but were not available for the purpose of recognition in the governmental funds were recognized in the government-wide financial statements.

Current year deferred inflows of resources reported in Exhibit 2-a	237,278	
Prior year deferred inflows of resources	<u>(201,062)</u>	
		36,216

Proceeds from long-term liabilities provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which long-term liabilities additions exceeded reductions. (Note 8, Table N44)

Long-term liabilities additions	(830,416)	
Long-term liabilities reductions	<u>817,882</u>	
		(12,534)

Pension expense reported in statement of activities was adjusted to reflect the difference between the actuarial assumptions and actual performance of the District retirement funds.

Increase in net pension liabilities - Teachers (Note 9, Table N53)	37,984	
Decrease in net pension assets - Police & Firefighters (Note 9, Table N53)	200,484	
Change in deferred outflows of resources - Teachers (Change in Note 9, Table N55)	(35,224)	
Change in deferred outflows of resources - Police & Firefighters (Change in Note 9, Table N55)	(96,608)	
Change in deferred inflows of resources - Teachers (Change in Note 9, Table N55)	(33,348)	
Change in deferred inflows of resources - Police & Firefighters (Change in Note 9, Table N55)	<u>(186,023)</u>	
		(112,735)

Other adjustments include:

Advance refunding loss amortization	(628)	
Realized capital lease gain	1,977	
Increase in long-term accrued interest liabilities	(4,877)	
Decrease in retainage payables	3,470	
Other	<u>(7)</u>	

Investment income from investment derivative instruments		(65)
Change in net position of governmental activities		<u>(92)</u>
		<u>\$ 347,219</u>

The accompanying notes are an integral part of this statement.

**District of Columbia  
Budgetary Comparison Statement  
For the Year Ended September 30, 2016  
(\$000s)**

	General Fund				Federal and Private Resources				Totals			
	Budget		Actual	Variance	Budget		Actual	Variance	Budget		Actual	Variance
	Original	Revised			Original	Revised			Original	Revised		
<b>Revenues and Sources:</b>												
Taxes:												
Property taxes	\$ 2,363,018	\$ 2,406,376	\$ 2,423,103	\$ 16,727	\$ -	\$ -	\$ -	\$ -	\$ 2,363,018	\$ 2,406,376	\$ 2,423,103	\$ 16,727
Sales and use taxes	1,370,105	1,353,065	1,400,462	47,397	-	-	-	-	1,370,105	1,353,065	1,400,462	47,397
Income and franchise taxes	2,307,388	2,281,628	2,464,330	182,702	-	-	-	-	2,307,388	2,281,628	2,464,330	182,702
Gross receipts and other taxes	716,083	677,433	762,389	84,956	-	-	-	-	716,083	677,433	762,389	84,956
Total taxes	6,756,594	6,718,502	7,050,284	331,782	-	-	-	-	6,756,594	6,718,502	7,050,284	331,782
Licenses and permits	77,667	85,960	90,432	4,472	-	-	-	-	77,667	85,960	90,432	4,472
Fines and forfeitures	136,616	151,536	197,439	45,903	-	-	-	-	136,616	151,536	197,439	45,903
Charges for services	75,429	78,365	80,251	1,886	-	-	-	-	75,429	78,365	80,251	1,886
Miscellaneous	95,375	106,221	140,886	34,665	-	-	-	-	95,375	106,221	140,886	34,665
Other sources	587,345	463,547	533,557	70,010	-	-	-	-	587,345	463,547	533,557	70,010
Bond proceeds	6,000	6,000	2,600	(3,400)	-	-	-	-	6,000	6,000	2,600	(3,400)
Federal contributions	-	-	-	-	95,900	84,406	60,900	(23,506)	95,900	84,406	60,900	(23,506)
Operating grants	-	-	-	-	3,159,158	3,024,983	2,957,956	(67,027)	3,159,158	3,024,983	2,957,956	(67,027)
Fund balance released from restrictions	121,079	402,830	63,812	(339,018)	-	2,863	2,863	-	121,079	405,693	66,675	(339,018)
Interfund transfer-from lottery and games	62,500	55,000	53,287	(1,713)	-	-	-	-	62,500	55,000	53,287	(1,713)
Interfund transfer-others	66,410	80,492	27,216	(53,276)	-	-	-	-	66,410	80,492	27,216	(53,276)
Total revenues and other sources	7,985,015	8,148,453	8,239,764	91,311	3,255,058	3,112,252	3,021,719	(90,533)	11,240,073	11,260,705	11,261,483	778
<b>Expenditures and Other Uses:</b>												
Governmental direction and support	756,798	775,065	761,189	13,876	29,666	28,917	27,035	1,882	786,464	803,982	788,224	15,758
Economic development and regulation	440,032	493,807	470,338	23,469	100,718	77,552	69,840	7,712	540,750	571,359	540,178	31,181
Public safety and justice	1,158,185	1,231,093	1,227,294	3,799	150,404	83,044	80,112	2,932	1,308,589	1,314,137	1,307,406	6,731
Public education system	1,908,453	1,684,623	1,668,885	15,738	319,839	314,268	261,867	52,401	2,228,292	1,998,891	1,930,752	68,139
Public education AY17 expenditure	-	264,257	264,257	-	-	-	-	-	-	264,257	264,257	-
Human support services	1,913,748	1,877,617	1,855,731	21,886	2,588,645	2,533,203	2,522,614	10,589	4,502,393	4,410,820	4,378,345	32,475
Public works	735,893	710,223	698,217	12,006	34,524	27,678	25,612	2,066	770,417	737,901	723,829	14,072
Workforce investments	17,815	-	-	-	-	-	-	-	17,815	-	-	-
Wilson building	4,745	4,503	4,289	214	-	-	-	-	4,745	4,503	4,289	214
Repayment of loans and interest	596,741	560,211	560,211	-	18,262	18,361	18,361	-	615,003	578,572	578,572	-
Repayment of revenue bonds	7,832	7,822	7,822	-	-	-	-	-	7,832	7,822	7,822	-
Debt service - issuance costs	6,000	6,000	2,945	3,055	-	-	-	-	6,000	6,000	2,945	3,055
Interest expense on short-term borrowing	3,750	922	922	-	-	-	-	-	3,750	922	922	-
Settlements and judgments fund	21,292	33,292	32,953	339	-	-	-	-	21,292	33,292	32,953	339
Convention center transfer	125,054	132,304	131,916	388	-	-	-	-	125,054	132,304	131,916	388
Highway transportation fund	22,504	25,332	25,332	-	-	-	-	-	22,504	25,332	25,332	-
Emergency planning and security fund	-	-	-	-	13,000	29,229	14,281	14,948	13,000	29,229	14,281	14,948
Operating lease-equipment	48,413	38,914	38,914	-	-	-	-	-	48,413	38,914	38,914	-
Pay-as-you-go capital fund	72,466	144,105	144,105	-	-	-	-	-	72,466	144,105	144,105	-
Schools modernization fund	14,276	14,276	14,276	-	-	-	-	-	14,276	14,276	14,276	-
D.C. retiree health contribution	95,400	29,000	29,000	-	-	-	-	-	95,400	29,000	29,000	-
Non-departmental	21,286	11,003	-	11,003	-	-	-	-	21,286	11,003	-	11,003
Total expenditures and other uses	7,970,683	8,044,369	7,938,596	105,773	3,255,058	3,112,252	3,019,722	92,530	11,225,741	11,156,621	10,958,318	198,303
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS</b>	\$ 14,332	\$ 104,084	\$ 301,168	\$ 197,084	\$ -	\$ -	\$ 1,997	\$ 1,997	\$ 14,332	\$ 104,084	\$ 303,165	\$ 199,081

The accompanying notes are an integral part of this statement.

## Exhibit 3-a

**District of Columbia**  
**Statement of Net Position**  
**Proprietary Funds**  
**September 30, 2016**  
**(With Comparative Totals for the Year Ended September 30, 2015)**  
**(\$000s)**

	Lottery and Games	Unemployment Compensation	Totals	
			2016	2015
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 12,375	\$ -	\$ 12,375	\$ 10,289
Due from federal government	-	600	600	795
Accounts receivable, net	3,770	9,907	13,677	15,710
Due from other funds	-	419	419	536
Other current assets	4	-	4	2
Cash and cash equivalents (restricted)	-	406,596	406,596	357,903
<b>Total current assets</b>	<b>16,149</b>	<b>417,522</b>	<b>433,671</b>	<b>385,235</b>
Noncurrent assets:				
Investments (restricted)	2,336	-	2,336	3,422
Capital assets, net	330	-	330	169
<b>Total noncurrent assets</b>	<b>2,666</b>	<b>-</b>	<b>2,666</b>	<b>3,591</b>
<b>Total assets</b>	<b>18,815</b>	<b>417,522</b>	<b>436,337</b>	<b>388,826</b>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	2,114	31,390	33,504	34,110
Accrued compensated absences	241	-	241	1,145
Due to other funds	-	21,895	21,895	25,503
Unearned revenues	81	-	81	34
Accrued liabilities	9,086	-	9,086	7,250
Long-term liabilities due within one year	807	-	807	1,160
<b>Total current liabilities</b>	<b>12,329</b>	<b>53,285</b>	<b>65,614</b>	<b>69,202</b>
Noncurrent liabilities:				
Long-term liabilities due in more than one year	1,972	-	1,972	2,701
<b>Total noncurrent liabilities</b>	<b>1,972</b>	<b>-</b>	<b>1,972</b>	<b>2,701</b>
<b>Total liabilities</b>	<b>14,301</b>	<b>53,285</b>	<b>67,586</b>	<b>71,903</b>
<b>NET POSITION</b>				
Net investment in capital assets	330	-	330	169
Restricted - expendable	-	364,237	364,237	312,483
Unrestricted	4,184	-	4,184	4,271
<b>Total net position</b>	<b>\$ 4,514</b>	<b>\$ 364,237</b>	<b>\$ 368,751</b>	<b>\$ 316,923</b>

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 Position**  
**Proprietary Funds**  
**For the Year Ended September 30, 2016**  
**(With Comparative Totals for the Year Ended September 30, 2015)**  
**(\$000s)**

	Lottery and Games	Unemployment Compensation	Totals	
			2016	2015
<b>Operating revenues:</b>				
Employer taxes	\$ -	\$ 145,887	\$ 145,887	\$ 148,889
Charges for services	228,183	-	228,183	212,495
Benefit contributions	-	12,028	12,028	14,561
<b>Total operating revenues</b>	<b>228,183</b>	<b>157,915</b>	<b>386,098</b>	<b>375,945</b>
<b>Operating expenses:</b>				
Benefits	-	114,633	114,633	119,267
Prizes and other expenses	141,310	-	141,310	125,296
Personnel services	7,249	-	7,249	7,009
Contractual services	26,234	-	26,234	24,323
Depreciation	89	-	89	134
<b>Total operating expenses</b>	<b>174,882</b>	<b>114,633</b>	<b>289,515</b>	<b>276,029</b>
<b>Operating income</b>	<b>53,301</b>	<b>43,282</b>	<b>96,583</b>	<b>99,916</b>
<b>Nonoperating revenues:</b>				
Interest and investment	60	8,472	8,532	7,666
<b>Total nonoperating revenues</b>	<b>60</b>	<b>8,472</b>	<b>8,532</b>	<b>7,666</b>
<b>Income before transfers</b>	<b>53,361</b>	<b>51,754</b>	<b>105,115</b>	<b>107,582</b>
Transfer out	(53,287)	-	(53,287)	(55,586)
<b>Change in net position</b>	<b>74</b>	<b>51,754</b>	<b>51,828</b>	<b>51,996</b>
<b>Net position at October 1</b>	<b>4,440</b>	<b>312,483</b>	<b>316,923</b>	<b>264,927</b>
<b>Net position at September 30</b>	<b>\$ 4,514</b>	<b>\$ 364,237</b>	<b>\$ 368,751</b>	<b>\$ 316,923</b>

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, 2016**  
**(With Comparative Totals for the Year Ended September 30, 2015)**  
**(\$000s)**

	Lottery and Games	Unemployment Compensation	Totals	
			2016	2015
<b>Cash flows from operating activities:</b>				
Cash receipts from customers/employers	\$ 229,730	\$ 158,680	\$ 388,410	\$ 376,092
Other cash receipts	80	-	80	98
Cash payments to vendors	(20,803)	-	(20,803)	(19,914)
Cash payments to employees	(7,207)	(2,173)	(9,380)	(14,856)
Cash payments to claimants	-	(116,286)	(116,286)	(123,359)
Other cash payments, including prizes	(146,237)	-	(146,237)	(128,406)
Net cash provided by operating activities	55,563	40,221	95,784	89,655
<b>Cash flows from noncapital financing activities:</b>				
Interfund transfers out	(53,287)	-	(53,287)	(55,586)
Net cash used in noncapital financing activities	(53,287)	-	(53,287)	(55,586)
<b>Cash flows from capital and related financing activities:</b>				
Acquisition of capital assets	(250)	-	(250)	(33)
Net cash used in capital and related financing activities	(250)	-	(250)	(33)
<b>Cash flows from investing activities:</b>				
Receipts of interest and dividends	60	8,472	8,532	7,666
Net cash provided by investing activities	60	8,472	8,532	7,666
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	2,086	48,693	50,779	41,702
<b>Cash and cash equivalents at October 1</b>	10,289	357,903	368,192	326,490
<b>Cash and cash equivalents at September 30</b>	\$ 12,375	\$ 406,596	\$ 418,971	\$ 368,192
<b>Reconciliation of operating income to net cash provided by operating activities:</b>				
Operating income	\$ 53,301	\$ 43,282	\$ 96,583	\$ 99,916
Depreciation	89	-	89	134
Decrease (increase) in assets:				
Accounts receivable	1,580	570	2,150	266
Other current assets	(2)	195	193	61
Increase (decrease) in liabilities:				
Accounts payable	(388)	(3,826)	(4,214)	(11,534)
Accrued liabilities	767	-	767	651
Unearned revenues	47	-	47	(32)
Other current liabilities	169	-	169	193
<b>Net cash provided by operating activities:</b>	\$ 55,563	\$ 40,221	\$ 95,784	\$ 89,655

The accompanying notes are an integral part of this statement.

Exhibit 4-a

District of Columbia  
Statement of Fiduciary Net Position  
Fiduciary Funds  
September 30, 2016  
(\$000s)

	Pension/OPEB Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents (restricted)	\$ 88,512	\$ 1	\$ 61,225
Investments (restricted):			
Equities	4,732,140	308,852	-
Fixed income securities	2,255,957	150,465	-
Real estate	479,380	-	-
Private equity	393,368	-	-
Commodities	41,679	-	-
Accounts receivable	-	180	-
Due from federal government	2,884	-	20,612
Benefit contributions receivable	4,855	-	-
Other receivables	-	-	7,864
Other current assets	23,397	-	-
Total assets	<u>8,022,172</u>	<u>459,498</u>	<u>\$ 89,701</u>
<b>LIABILITIES</b>			
Accounts payable	36,408	234	\$ 741
Due to component units	-	-	349
Due to other funds	1,866	-	151
Other current liabilities	9,877	-	88,460
Total liabilities	<u>48,151</u>	<u>234</u>	<u>\$ 89,701</u>
<b>NET POSITION</b>			
Held in trust for pension, OPEB benefits and other purposes	<u>\$ 7,974,021</u>	<u>\$ 459,264</u>	

The accompanying notes are an integral part of this statement.

## Exhibit 4-b

District of Columbia  
Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year Ended September 30, 2016  
(\$000s)

	Pension/OPEB Trust Funds	Private Purpose Trust Fund
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 209,584	\$ -
Plan members	66,806	64,753
Total contributions	276,390	64,753
Investment earnings:		
<i>From investment activities</i>		
Net increase in fair value of investments	605,477	31,486
Other revenue	3,435	-
Interest and dividends	80,177	7,593
Total investment gain	689,089	39,079
Less - investment expenses	(19,874)	(3,783)
Net gain from investing activities	669,215	35,296
Net investment gain	669,215	35,296
Other Income	3,843	-
<b>Total additions</b>	949,448	100,049
<b>DEDUCTIONS</b>		
Benefits	166,658	-
Administrative expenses	17,956	1,020
Distributions to participants	-	25,321
<b>Total deductions</b>	184,614	26,341
<b>Change in net position</b>	764,834	73,708
Net position at October 1	7,209,187	385,556
Net position at September 30	\$ 7,974,021	\$ 459,264

The accompanying notes are an integral part of this statement.

Exhibit 5-a

District of Columbia  
Discretely Presented Component Units  
Combining Statement of Net Position  
September 30, 2016  
(With Comparative Totals at September 30, 2015)  
(\$000s)

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Not-for- Profit Hospital Corporation	Housing Finance Agency	University of the District of Columbia	Totals	
						2016	2015, as restated
<b>ASSETS</b>							
<b>Current assets:</b>							
Cash and cash equivalents	\$ 58,262	\$ 10,501	\$ 37,611	\$ 51,036	\$ 24,261	\$ 181,671	\$ 138,346
Investments	-	119,329	-	3,349	35,767	158,445	134,175
Receivables, net:							
Accounts	5,926	2,287	17,372	-	8,499	34,084	23,175
Other	6,077	397	-	6,279	5,845	18,598	14,203
Due from primary government	446	13,161	-	-	6,501	20,108	37,419
Due from fiduciary fund	-	-	241	-	108	349	314
Inventories	-	-	1,717	-	-	1,717	1,460
Other current assets	-	357	2,634	68,090	714	71,795	38,808
Restricted cash	11,878	8,204	-	150,291	6,541	176,914	177,595
Restricted investments	-	231,782	-	117,545	22,439	371,766	312,515
Total current assets	82,589	386,018	59,575	396,590	110,675	1,035,447	878,010
<b>Noncurrent assets:</b>							
Loans receivable	-	-	-	984,210	-	984,210	846,923
Other	-	47,000	262	197	107	47,566	48,091
Total long-term assets	-	47,000	262	984,407	107	1,031,776	895,014
<b>Capital assets, net</b>							
Property and equipment	69,102	521,522	53,600	1,369	194,848	840,441	835,981
Non-depreciable capital assets	-	8,370	14,545	573	12,628	36,116	32,964
<b>Total assets</b>	<b>151,691</b>	<b>962,910</b>	<b>127,982</b>	<b>1,382,939</b>	<b>318,258</b>	<b>2,943,780</b>	<b>2,641,969</b>
<b>Deferred Outflows of Resources</b>	<b>-</b>	<b>14,504</b>	<b>-</b>	<b>225</b>	<b>-</b>	<b>14,729</b>	<b>15,919</b>
<b>LIABILITIES</b>							
<b>Current liabilities:</b>							
Payables:							
Accounts	20,022	6,273	7,992	625	6,737	41,649	48,545
Compensation	-	1,141	7,483	193	8,317	17,134	19,691
Due to primary government	1,011	2,051	-	-	22,731	25,793	17,502
Accrued liabilities	728	15,884	-	-	2	16,614	16,956
Unearned revenue	-	2,365	-	-	12,442	14,807	15,705
Current maturities	-	19,760	120	68,808	-	88,688	53,733
Other current liabilities	253	8,061	2,789	136,689	6,032	153,824	141,321
Total current liabilities	22,014	55,535	18,384	206,315	56,261	358,509	313,453
<b>Noncurrent liabilities:</b>							
Long-term debt:							
Bonds payable	-	593,439	-	1,072,113	-	1,665,552	1,539,052
Other long-term liabilities	-	4,919	11,189	-	-	16,108	11,633
Total long-term liabilities	-	598,358	11,189	1,072,113	-	1,681,660	1,550,685
<b>Total liabilities</b>	<b>22,014</b>	<b>653,893</b>	<b>29,573</b>	<b>1,278,428</b>	<b>56,261</b>	<b>2,040,169</b>	<b>1,864,138</b>
<b>NET POSITION</b>							
Net investment in capital assets	69,102	142,344	67,989	1,942	207,034	488,411	465,278
Restricted - expendable	-	157,294	23,860	36,008	12,194	229,356	177,972
Restricted - nonexpendable	-	-	-	-	15,866	15,866	15,534
Unrestricted	60,575	23,883	6,560	66,786	26,903	184,707	134,966
<b>Total net position</b>	<b>\$ 129,677</b>	<b>\$ 323,521</b>	<b>\$ 98,409</b>	<b>\$ 104,736</b>	<b>\$ 261,997</b>	<b>\$ 918,340</b>	<b>\$ 793,750</b>

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, 2016  
(With Comparative Totals for the Year Ended September 30, 2015)  
(\$000s)

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Not-for-Profit Hospital Corporation	Housing Finance Agency	University of the District of Columbia	Totals	
						2016	2015, as restated
<b>Expenses</b>	\$ 33,106	\$ 131,334	\$ 125,589	\$ 63,113	\$ 149,668	\$ 502,810	\$ 490,255
<b>Program revenues:</b>							
Charges for services, fees, fines & forfeits	-	30,430	118,622	37,591	34,230	220,873	190,885
Operating grants and contributions	31,191	-	1,300	-	26,151	58,642	81,355
Capital grants and contributions	-	-	20,113	-	15,357	35,470	42,779
<b>Net expense</b>	(1,915)	(100,904)	14,446	(25,522)	(73,930)	(187,825)	(175,236)
<b>General revenues:</b>							
Investment earnings	4	970	-	1,151	6,619	8,744	6,719
Miscellaneous	30,261	22,128	-	31,985	13,804	98,178	105,436
Subsidy from primary government	-	123,551	10,000	-	71,942	205,493	217,698
<b>Total general revenues</b>	30,265	146,649	10,000	33,136	92,365	312,415	329,853
<b>Change in net position</b>	28,350	45,745	24,446	7,614	18,435	124,590	154,617
<b>Net position at October 1, as restated</b>	101,327	277,776	73,963	97,122	243,562	793,750	639,133
<b>Net position at September 30</b>	\$ 129,677	\$ 323,521	\$ 98,409	\$ 104,736	\$ 261,997	\$ 918,340	\$ 793,750

The accompanying notes are an integral part of this statement.