

## **BASIC FINANCIAL STATEMENTS**

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

These financial statements also include the Notes to the Basic Financial Statements that explain some of the information in the financial statements and provide more detail.

## Exhibit 1-a

**District of Columbia**  
**Statement of Net Assets**  
**September 30, 2005**  
 (With Comparative Totals at September 30, 2004)  
 (\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2005	2004	
<b>ASSETS</b>					
Cash and cash equivalents (unrestricted)	\$ 580,546	\$ 13,031	\$ 593,577	\$ 577,289	\$ 135,629
Investments (unrestricted)	6,592	7,255	13,847	20,689	85,690
Accrued interest receivable, net	66	-	66	19	-
Due from federal government	484,397	649	485,046	480,734	19,301
Taxes receivable, net	258,672	-	258,672	231,174	-
Accounts receivable, net	113,750	19,115	132,865	130,731	42,239
Other receivables	-	-	-	47,938	17,619
Due from primary government	-	-	-	-	26,753
Due from component units	5,876	-	5,876	13,372	-
Due from fiduciary funds	4,071	-	4,071	-	-
Internal balances	22,962	(22,962)	-	-	-
Inventories	14,476	369	14,845	12,740	7,097
Other current assets	-	279	279	16,542	1,821
Cash and cash equivalents (restricted)	1,271,038	359,857	1,630,895	1,315,632	242,073
Investments (restricted)	-	75,907	75,907	66,481	808,807
Other long term assets	16,450	41	16,491	9,172	56,547
Notes and loans receivable, net	-	-	-	-	372,127
Deferred charges	4,770	-	4,770	-	-
Depreciable capital assets, net	3,672,326	14,919	3,687,245	3,195,844	2,719,812
Non-depreciable capital assets	1,346,613	1,264	1,347,877	1,538,621	147,978
<b>Total assets</b>	<b>7,802,605</b>	<b>469,724</b>	<b>8,272,329</b>	<b>7,656,978</b>	<b>4,683,493</b>
<b>LIABILITIES</b>					
Accounts payable	589,208	26,659	615,867	685,663	91,131
Compensation payable	107,127	466	107,593	166,620	18,494
Due to primary government	-	-	-	-	5,876
Due to component units	26,753	-	26,753	28,209	-
Due to fiduciary funds	930	-	930	701	-
Unearned revenues	188,461	450	188,911	188,548	37,438
Accrued liabilities	196,019	8,650	204,669	162,117	31,419
Accrued interest payable	50,394	-	50,394	47,342	-
Other current liabilities	31,019	6	31,025	48,256	70,527
Long-term liabilities:					
Due within one year	337,570	8,631	346,201	314,547	28,601
Due in more than one year	4,524,460	50,818	4,575,278	4,462,097	3,000,294
<b>Total liabilities</b>	<b>6,051,941</b>	<b>95,680</b>	<b>6,147,621</b>	<b>6,104,100</b>	<b>3,283,780</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	1,069,731	16,183	1,085,914	792,460	1,035,966
Restricted for:					
Expendable					
Debt service	253,548	-	253,548	239,225	-
Benefit payments	-	322,893	322,893	288,224	-
Capital projects	65,799	-	65,799	43,914	-
Grants and contributions	115,052	-	115,052	239,291	-
Emergency reserves	253,437	-	253,437	285,409	-
Other	242,185	-	242,185	-	168,801
Nonexpendable	-	-	-	-	7,242
Unrestricted	(249,088)	34,968	(214,120)	(335,645)	187,704
<b>Total net assets</b>	<b>\$ 1,750,664</b>	<b>\$ 374,044</b>	<b>\$ 2,124,708</b>	<b>\$ 1,552,878</b>	<b>\$ 1,399,713</b>

The accompanying notes are an integral part of this statement.

District of Columbia  
Statement of Activities  
For the Year Ended September 30, 2005  
(With Comparative Totals for the Year Ended September 30, 2004)  
(\$000s)

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			
					Governmental Activities	Business-type Activities	Totals	
<b>Primary government:</b>								
<b>Governmental activities:</b>								
Governmental direction and support	\$ 641,964	\$ 38,995	\$ 112,165	\$ 14,136	\$ (476,668)	\$ 70,865	\$ (454,488)	
Economic development and regulation	283,186	92,198	88,368	-	(102,620)	(76,021)	(81,922)	
Public safety and justice	1,036,120	57,474	228,557	-	(750,089)	(2,882)	(711,115)	
Public education system	1,374,538	138	262,184	150	(1,112,066)	(8,038)	(1,056,323)	
Human support services	2,663,536	5,824	1,402,579	-	(1,255,153)	(8,038)	(1,108,878)	
Public works	307,247	-	4,870	98,418	(71,426)	(8,038)	(43,119)	
Public transportation	167,783	-	-	-	(167,783)	(8,038)	(162,602)	
Interest on long-term debt	201,882	-	-	-	(201,882)	(8,038)	(189,697)	
<b>Total governmental activities</b>	<b>6,676,276</b>	<b>327,162</b>	<b>2,098,723</b>	<b>112,704</b>	<b>(4,137,687)</b>	<b>(8,038)</b>	<b>(3,808,144)</b>	
<b>Business-type activities:</b>								
Lottery and Games	164,066	234,931	-	-	-	\$ 70,865	\$ 73,195	
Unemployment compensation	92,728	-	16,707	-	(76,021)	(76,021)	(93,552)	
Nursing home services	35,066	32,184	-	-	(2,882)	(2,882)	13,348	
<b>Total business-type activities</b>	<b>291,860</b>	<b>267,115</b>	<b>16,707</b>	<b>-</b>	<b>(8,038)</b>	<b>(8,038)</b>	<b>(7,109)</b>	
<b>Total primary government</b>	<b>6,968,136</b>	<b>594,277</b>	<b>2,115,430</b>	<b>112,704</b>	<b>(4,137,687)</b>	<b>(8,038)</b>	<b>(3,815,153)</b>	
<b>Component units:</b>								
Water and sewer authority	\$ 271,913	\$ 268,377	\$ -	\$ 34,578	-	-	\$ 31,042	
Convention center	101,844	16,350	-	-	-	-	(85,494)	
Sports commission	22,319	17,892	-	22,406	-	-	17,979	
Housing finance	72,325	47,590	-	-	-	-	(24,735)	
University	94,419	14,951	25,177	5,599	295,819	92,985	(48,692)	
Anacostia waterfront corporation	1,443	-	4,300	-	377,213	470,198	2,857	
<b>Total component units</b>	<b>564,263</b>	<b>365,160</b>	<b>29,477</b>	<b>62,583</b>	<b>1,150,672</b>	<b>1,150,672</b>	<b>(107,043)</b>	
<b>General revenues:</b>								
<b>Taxes:</b>								
Property taxes					1,150,672	-	1,017,653	
Sales and use taxes					957,394	-	828,391	
Income and franchise taxes					1,472,432	-	1,299,009	
Gross receipts taxes					295,819	-	271,897	
Other taxes					377,213	-	482,969	
Grants and contributions not restricted to specific programs					-	-	24,543	
Investment earnings					39,811	18,887	33,058	32,437
Miscellaneous					311,662	680	312,342	22,208
Subsidy from primary government					-	-	-	129,071
Transfer in (out)					71,450	(71,450)	-	-
<b>Total general revenues and transfers</b>					<b>4,676,453</b>	<b>41,102</b>	<b>4,717,555</b>	<b>183,716</b>
<b>Change in net assets</b>					<b>538,766</b>	<b>33,064</b>	<b>571,830</b>	<b>76,673</b>
<b>Net assets at October 1, as restated</b>					<b>1,211,898</b>	<b>340,980</b>	<b>1,552,878</b>	<b>1,323,040</b>
<b>Net assets at September 30</b>					<b>1,750,664</b>	<b>374,044</b>	<b>2,124,708</b>	<b>1,399,713</b>

The accompanying notes are an integral part of this statement.

Exhibit 2-a

District of Columbia  
Balance Sheet  
Governmental Funds  
September 30, 2005  
(With Comparative Totals at September 30, 2004)  
(\$000s)

					Total	
	General	Federal & Private Resources	General Capital Improvements	Nonmajor Governmental Funds	Governmental Funds	
					2005	2004
<b>ASSETS</b>						
Cash and cash equivalents (unrestricted)	\$ 492,533	\$ 76,825	\$ -	\$ 11,188	\$ 580,546	\$ 552,697
Investments (unrestricted)	-	-	-	6,592	6,592	8,615
Accrued interest receivable	-	-	-	66	66	19
Due from federal government	9,328	432,573	42,496	-	484,397	473,756
Taxes receivable, net	256,779	-	-	1,893	258,672	231,174
Accounts receivable, net	75,258	9,786	2,677	26,029	113,750	106,842
Other receivables	-	-	-	-	-	47,938
Due from component units	5,846	-	-	30	5,876	13,372
Due from other funds	873,788	23,947	29	3,956	901,720	602,398
Inventories	11,613	2,863	-	-	14,476	12,255
Other current assets	-	-	-	-	-	16,071
Cash and cash equivalents (restricted)	632,950	33,328	493,921	110,839	1,271,038	993,935
Other long term assets	7,872	8,578	-	-	16,450	9,150
<b>Total assets</b>	<b>\$ 2,365,967</b>	<b>\$ 587,900</b>	<b>\$ 539,123</b>	<b>\$ 160,593</b>	<b>\$ 3,653,583</b>	<b>\$ 3,068,222</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	416,580	89,376	79,889	3,363	589,208	654,716
Compensation payable	91,897	13,090	2,128	12	107,127	165,025
Due to other funds	4,887	200,814	668,764	1,152	875,617	577,382
Due to component units	23,630	-	-	3,123	26,753	28,209
Deferred revenue	98,403	89,756	30,546	172	218,877	216,319
Accrued liabilities	120,315	75,628	-	76	196,019	153,542
Other current liabilities	25,572	1,289	4,158	-	31,019	48,241
<b>Total liabilities</b>	<b>781,284</b>	<b>469,953</b>	<b>785,485</b>	<b>7,898</b>	<b>2,044,620</b>	<b>1,843,434</b>
<b>Fund balances:</b>						
<b>Reserved for:</b>						
General fund purposes	1,110,770	-	-	-	1,110,770	607,903
Special revenue funds purposes	-	117,947	-	131,964	249,911	239,291
Capital project purposes	-	-	65,799	20,731	86,530	43,914
<b>Unreserved, reported in:</b>						
General fund	473,913	-	-	-	473,913	607,112
Capital projects funds	-	-	(312,161)	-	(312,161)	(273,432)
<b>Total fund balances (deficit)</b>	<b>1,584,683</b>	<b>117,947</b>	<b>(246,362)</b>	<b>152,695</b>	<b>1,608,963</b>	<b>1,224,788</b>
<b>Total liabilities and fund balances</b>	<b>\$ 2,365,967</b>	<b>\$ 587,900</b>	<b>\$ 539,123</b>	<b>\$ 160,593</b>	<b>\$ 3,653,583</b>	<b>\$ 3,068,222</b>

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	5,018,939
Certain long term assets are not available to pay current period expenditures	30,416
Adjustment for deferred charges	4,770
Certain liabilities (such as bonds payable and accrued expenses) are not due and payable in the current period	
General obligation bonds	3,632,198
Tobacco settlement bonds	498,740
TIF bonds & notes	117,525
QZAB	2,815
Accrued interest payable	50,394
Capital leases	76,390
Other long-term liabilities	534,362
	(4,912,424)
Net assets of governmental activities	<u>\$ 1,750,664</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, 2005**  
**(With Comparative Totals for the Year Ended September 30, 2004)**  
**(\$000s)**

	General	Federal & Private Resources	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
					2005	2004
<b>REVENUES</b>						
Taxes:						
Property taxes	\$ 1,148,333	\$ -	\$ -	\$ -	\$ 1,148,333	\$ 1,028,088
Sales and use taxes	957,394	-	-	-	957,394	828,391
Income and franchise taxes	1,472,432	-	-	-	1,472,432	1,299,009
Gross receipts taxes	295,819	-	-	-	295,819	271,897
Other taxes	377,213	-	-	-	377,213	379,521
Fines and forfeitures	111,146	-	-	-	111,146	102,828
Licenses and permits	82,093	-	-	-	82,093	62,968
Charges for services	132,969	954	-	-	133,923	134,314
Investment earnings	34,867	1,343	292	3,309	39,811	16,211
Miscellaneous	232,193	5,821	37,383	36,176	311,573	305,039
Federal contributions	-	361,751	21,215	-	382,966	393,928
Operating grants	-	1,736,972	91,489	-	1,828,461	1,842,922
<b>Total revenues</b>	<b>4,844,459</b>	<b>2,106,841</b>	<b>150,379</b>	<b>39,485</b>	<b>7,141,164</b>	<b>6,665,116</b>
<b>EXPENDITURES</b>						
Current:						
Governmental direction and support	472,984	117,172	-	188	590,344	483,185
Economic development and regulation	175,664	91,671	-	-	267,335	236,220
Public safety and justice	805,903	228,553	-	-	1,034,456	984,062
Public education system	1,082,129	258,638	-	-	1,340,767	1,284,448
Human support service	1,259,122	1,398,726	-	-	2,657,848	2,563,646
Public works	164,012	11,247	-	41	175,300	164,231
Public transportation	165,303	2,480	-	-	167,783	162,602
Debt service:						
Principal	173,361	-	-	10,484	183,845	152,086
Interest	164,980	-	-	37,407	202,387	189,697
Fiscal charges	9,277	-	-	-	9,277	13,721
Capital outlay	-	-	578,088	37,001	615,089	666,649
<b>Total expenditures</b>	<b>4,472,735</b>	<b>2,108,487</b>	<b>578,088</b>	<b>85,121</b>	<b>7,244,431</b>	<b>6,900,547</b>
<b>Excess (deficiency) of revenues over expenditures</b>	<b>371,724</b>	<b>(1,646)</b>	<b>(427,709)</b>	<b>(45,636)</b>	<b>(103,267)</b>	<b>(235,431)</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Debt issuance	4,935	-	381,435	-	386,370	325,726
Premium on sale of bonds	-	-	14,478	-	14,478	-
Proceeds from bond escrow restructuring	-	-	-	89	89	9,557
Proceeds from capital lease	19	-	-	-	19	503
Equipment financing program	-	-	15,036	-	15,036	20,822
Transfers in	91,553	-	20,550	81,336	193,439	109,717
Transfers out	(98,563)	(20,014)	-	(3,412)	(121,989)	(36,217)
<b>Total other financing sources (uses)</b>	<b>(2,056)</b>	<b>(20,014)</b>	<b>431,499</b>	<b>78,013</b>	<b>487,442</b>	<b>430,108</b>
<b>Net change in fund balances</b>	<b>369,668</b>	<b>(21,660)</b>	<b>3,790</b>	<b>32,377</b>	<b>384,175</b>	<b>194,677</b>
Fund balances (deficit) at October 1	1,215,015	139,607	(250,152)	120,318	1,224,788	1,030,111
Fund balances (deficit) at September 30	\$ 1,584,683	\$ 117,947	\$ (246,362)	\$ 152,695	\$ 1,608,963	\$ 1,224,788

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, 2005  
(\$000s)**

Net change in fund balances - total governmental funds \$ 384,175

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. 302,401

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 2004 and 2005. 2,339

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. (199,000)

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. 48,851

Change in net assets of governmental activities \$ 538,766

*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, 2005  
(\$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		
<b>Revenues and Sources:</b>												
Taxes:												
Property taxes	\$ 1,068,108	\$ 1,148,310	\$ 1,145,796	\$ (2,514)	\$ -	\$ -	\$ -	\$ -	\$ 1,068,108	\$ 1,148,310	\$ 1,145,796	\$ (2,514)
Sales and use taxes	809,326	840,991	838,075	(2,916)	-	-	-	-	809,326	840,991	838,075	(2,916)
Income and franchise taxes	1,284,753	1,409,526	1,472,432	62,906	-	-	-	-	1,284,753	1,409,526	1,472,432	62,906
Other taxes	540,468	536,444	595,784	59,340	-	-	-	-	540,468	536,444	595,784	59,340
Total taxes	3,702,655	3,935,271	4,052,087	116,816	-	-	-	-	3,702,655	3,935,271	4,052,087	116,816
Licenses and permits	68,457	69,074	74,010	4,936	-	-	-	-	68,457	69,074	74,010	4,936
Fines and forfeits	116,933	110,015	108,012	(2,003)	-	-	-	-	116,933	110,015	108,012	(2,003)
Charges for services	57,621	57,661	51,344	(6,317)	-	-	-	-	57,621	57,661	51,344	(6,317)
Miscellaneous	99,493	101,585	119,061	17,476	-	-	-	-	99,493	101,585	119,061	17,476
Other sources	217,112	318,110	311,789	(6,321)	-	-	-	-	217,112	318,110	311,789	(6,321)
General obligations bonds	-	15,000	4,935	(10,065)	-	-	-	-	-	15,000	4,935	(10,065)
Federal contributions	-	-	-	-	80,035	77,294	89,166	11,872	80,035	77,294	89,166	11,872
Operating grant	-	-	-	-	1,700,869	1,639,083	1,639,083	(313,247)	1,700,869	1,639,083	1,639,083	(313,247)
Fund balance released from restrictions	165,015	80,781	80,781	-	-	-	-	-	165,015	80,781	80,781	-
Interfund transfer	73,100	73,100	71,450	(1,650)	43,420	43,420	-	-	73,100	73,100	71,450	(1,650)
Total revenues and other sources	4,500,386	4,760,597	4,873,460	112,872	1,780,904	2,073,044	1,771,669	(301,375)	6,281,290	6,833,641	6,645,138	(188,503)
<b>Expenditures and Other Uses:</b>												
Governmental direction and support	315,813	336,147	294,778	(41,369)	108,851	274,923	120,489	154,434	416,664	611,070	415,267	195,803
Economic development and regulation	241,571	272,688	193,456	(79,232)	93,176	173,342	91,671	81,671	334,747	446,030	285,127	160,903
Public safety and justice	790,815	800,567	805,471	15,096	14,514	14,514	9,724	4,790	798,713	835,081	815,195	18,886
Public education system	1,067,666	1,045,456	1,018,959	26,497	214,886	221,765	200,469	21,296	1,282,252	1,267,221	1,219,428	47,793
Public education AY06 expenditure	-	63,218	63,218	-	-	-	-	-	-	63,218	63,218	-
Human support services	1,189,756	1,270,178	1,258,537	11,641	1,345,533	1,354,967	1,300,169	54,798	2,538,289	2,625,145	2,598,706	66,439
Public works	327,936	335,888	338,997	6,891	3,980	13,728	13,728	-	331,916	349,616	342,725	6,891
Emergency planning and security costs	-	-	-	-	14,880	19,805	16,697	3,108	14,880	19,805	16,697	3,108
Workforce investments	38,114	462	-	462	-	-	-	-	38,114	462	3,259	3,741
Wilson building	3,633	3,633	3,259	(374)	-	-	-	-	3,633	3,633	3,259	(374)
Contingency reserves - baseball	-	29,743	29,743	-	-	-	-	-	-	29,743	29,743	-
Contingency reserves - interest	347,700	342,900	342,683	(217)	-	-	-	-	347,700	342,900	342,683	(217)
Bond fiscal charge	-	15,000	4,935	(10,065)	-	-	-	-	-	15,000	4,935	(10,065)
Interest on short term borrowing	4,000	4,666	4,666	-	-	-	-	-	4,000	4,666	4,666	-
Certificates of participation	11,252	10,952	10,904	(48)	-	-	-	-	11,252	10,952	10,904	(48)
Settlements and judgments fund	20,270	19,370	19,323	(47)	-	-	-	-	20,270	19,370	19,323	(47)
Tax increment financing	-	5,557	5,557	-	-	-	-	-	-	5,557	5,557	-
Equipment lease operating	23,109	22,143	22,058	(85)	-	-	-	-	23,109	22,143	22,058	(85)
Pay-go contingency	43,137	364	364	-	-	-	-	-	43,137	364	364	-
Pay-go capital	6,531	20,581	20,550	(31)	-	-	-	-	6,531	20,581	20,550	(31)
Cash reserve	50,000	1,827	-	(1,827)	-	-	-	-	50,000	1,827	-	(1,827)
Non-departmental agency	13,946	1,114	-	(1,114)	-	-	-	-	13,946	1,114	-	(1,114)
Total expenditures and other uses	4,998,249	4,622,454	4,427,094	195,360	1,780,904	2,073,044	1,759,947	(320,097)	6,279,153	6,695,498	6,180,041	(515,457)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES - BUDGETARY BASIS</b>	<b>2,137</b>	<b>138,143</b>	<b>446,375</b>	<b>308,232</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>18,722</b>	<b>2,137</b>	<b>138,143</b>	<b>446,097</b>	<b>326,954</b>

Reconcile Budgetary Basis to GAAP Basis:

Changes in:	
Inventory	1,622
Proceeds from debt restructuring	89
Accounts receivable allowance	17,736
State education loan program	-
Operating cost from enterprise funds	(15,373)
Fund balance released from restrictions	(80,781)
<b>EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES -- GAAP BASIS</b>	<b>\$ 369,668</b>

The accompanying notes are an integral part of this statement

## Exhibit 3-a

**District of Columbia**  
**Statement of Net Assets**  
**Proprietary Funds**  
**September 30, 2005**  
 (With Comparative Totals at September 30, 2004)  
 (\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2005	2004
<b>ASSETS</b>					
Current assets:					
Cash and cash equivalents (unrestricted)	\$ 8,225	\$ -	\$ 4,806	\$ 13,031	\$ 24,592
Investments (unrestricted)	-	-	7,255	7,255	12,074
Due from federal government	-	385	264	649	6,978
Accounts receivable, net	4,783	9,236	5,096	19,115	23,889
Due from other funds	-	1,124	-	1,124	1,551
Inventories	369	-	-	369	485
Other current assets	20	-	259	279	471
Cash and cash equivalents (restricted)	-	359,857	-	359,857	321,697
<b>Total current assets</b>	<b>13,397</b>	<b>370,602</b>	<b>17,680</b>	<b>401,679</b>	<b>391,737</b>
Noncurrent assets:					
Investments (restricted)	59,449	-	16,458	75,907	66,481
Capital assets, net	771	-	15,412	16,183	17,927
Other	-	-	41	41	22
<b>Total noncurrent assets</b>	<b>60,220</b>	<b>-</b>	<b>31,911</b>	<b>92,131</b>	<b>84,430</b>
<b>Total assets</b>	<b>73,617</b>	<b>370,602</b>	<b>49,591</b>	<b>493,810</b>	<b>476,167</b>
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	2,218	23,617	824	26,659	30,947
Accrued compensated absences	466	-	-	466	1,595
Due to other funds	-	24,086	-	24,086	27,268
Deferred revenue	450	-	-	450	306
Accrued liabilities	7,392	-	1,258	8,650	8,575
Other current liabilities	-	6	-	6	15
Long term liabilities due within one year	8,631	-	-	8,631	8,631
<b>Total current liabilities</b>	<b>19,157</b>	<b>47,709</b>	<b>2,082</b>	<b>68,948</b>	<b>77,337</b>
Noncurrent liabilities					
Long term liabilities due in more than one year	50,818	-	-	50,818	57,850
<b>Total noncurrent liabilities</b>	<b>50,818</b>	<b>-</b>	<b>-</b>	<b>50,818</b>	<b>57,850</b>
<b>Total liabilities</b>	<b>69,975</b>	<b>47,709</b>	<b>2,082</b>	<b>119,766</b>	<b>135,187</b>
<b>NET ASSETS</b>					
Invested in capital assets, net of related debt	771	-	15,412	16,183	17,927
Restricted - expendable	-	322,893	-	322,893	288,224
Unrestricted	2,871	-	32,097	34,968	34,829
<b>Total net assets</b>	<b>\$ 3,642</b>	<b>\$ 322,893</b>	<b>\$ 47,509</b>	<b>\$ 374,044</b>	<b>\$ 340,980</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 Assets**  
**Proprietary Funds**  
**For the Year Ended September 30, 2005**  
**(With Comparative Totals for the Year Ended September 30, 2004)**  
**(\$000s)**

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2005	2004
<b>Operating revenues:</b>					
Employer taxes	\$ -	\$ 92,985	\$ -	\$ 92,985	\$ 97,196
Charges for services	234,931	-	32,184	267,115	272,040
<b>Benefit contributions</b>					
Benefit contributions	-	16,695	-	16,695	11,168
Miscellaneous	-	-	680	680	250
<b>Total operating revenues</b>	<u>234,931</u>	<u>109,680</u>	<u>32,864</u>	<u>377,475</u>	<u>380,654</u>
<b>Operating expenses:</b>					
Benefits	-	92,728	-	92,728	113,888
Prizes	139,904	-	-	139,904	137,326
Personnel services	9,684	-	5,231	14,915	15,981
Contractual services	14,078	-	24,093	38,171	14,342
Materials and supplies	-	-	717	717	-
Occupancy	-	-	1,804	1,804	-
Depreciation	400	-	1,963	2,363	2,404
Miscellaneous	-	-	1,258	1,258	30,908
<b>Total operating expenses</b>	<u>164,066</u>	<u>92,728</u>	<u>35,066</u>	<u>291,860</u>	<u>314,849</u>
<b>Operating income (loss)</b>	<u>70,865</u>	<u>16,952</u>	<u>(2,202)</u>	<u>85,615</u>	<u>65,805</u>
<b>Nonoperating revenues:</b>					
Interest and investment revenue	651	17,705	531	18,887	16,847
Intergovernmental	-	12	-	12	15,420
<b>Total nonoperating revenue</b>	<u>651</u>	<u>17,717</u>	<u>531</u>	<u>18,899</u>	<u>32,267</u>
<b>Income (loss) before capital contribution and transfers</b>	<u>71,516</u>	<u>34,669</u>	<u>(1,671)</u>	<u>104,514</u>	<u>98,072</u>
Capital contributions	-	-	-	-	15,464
Transfers out	(71,450)	-	-	(71,450)	(73,500)
<b>Change in net assets</b>	<u>66</u>	<u>34,669</u>	<u>(1,671)</u>	<u>33,064</u>	<u>40,036</u>
Total net assets at October 1, as restated	3,576	288,224	49,180	340,980	300,944
Total net assets at September 30	<u>\$ 3,642</u>	<u>\$ 322,893</u>	<u>\$ 47,509</u>	<u>\$ 374,044</u>	<u>\$ 340,980</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, 2005**  
**(With Comparative Totals for the Year Ended September 30, 2004)**  
**(\$000s)**

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2005	2004
<b>Operating Activities:</b>					
Cash receipts from customers/employers	\$ 233,155	\$ 119,077	\$ 32,874	\$ 385,106	\$ 364,275
Other cash receipts	1,500	-	645	2,145	667
Cash payments to vendors	(23,441)	-	(32,180)	(55,621)	(33,674)
Cash payments to employees/claimants	(6,336)	(98,634)	-	(104,970)	(128,681)
Other cash payments, including prizes	(135,414)	-	103	(135,311)	(137,725)
Net cash provided by operating activities	<u>69,464</u>	<u>20,443</u>	<u>1,442</u>	<u>91,349</u>	<u>64,862</u>
<b>Noncapital Financing Activities:</b>					
Intergovernmental grants	-	12	-	12	15,420
Interfund transfers out	(71,450)	-	-	(71,450)	(73,500)
Net cash provided by (used in) noncapital financing activities	<u>(71,450)</u>	<u>12</u>	<u>-</u>	<u>(71,438)</u>	<u>(58,080)</u>
<b>Capital and Related Financing Activities:</b>					
Acquisitions of capital assets	(141)	-	(477)	(618)	(836)
Net cash used in capital and related financing activities	<u>(141)</u>	<u>-</u>	<u>(477)</u>	<u>(618)</u>	<u>(836)</u>
<b>Investing Activities:</b>					
Receipts of interest and dividends	651	17,705	532	18,888	16,847
(Purchases)/sales of investments	-	-	(11,582)	(11,582)	2,213
Net cash provided by (used in) investing activities	<u>651</u>	<u>17,705</u>	<u>(11,050)</u>	<u>7,306</u>	<u>19,060</u>
<b>INCREASE (DECREASE) IN CASH</b>	(1,476)	38,160	(10,085)	26,599	25,006
<b>Cash and cash equivalents at October 1</b>	<u>9,701</u>	<u>321,697</u>	<u>14,891</u>	<u>346,289</u>	<u>321,283</u>
<b>Cash and cash equivalents at September 30</b>	<u>\$ 8,225</u>	<u>\$ 359,857</u>	<u>\$ 4,806</u>	<u>\$ 372,888</u>	<u>\$ 346,289</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities:</b>					
Operating income (loss)	\$ 70,865	\$ 16,952	\$ (2,202)	\$ 85,615	\$ 71,694
Depreciation	400	-	1,963	2,363	2,404
Miscellaneous nonoperating revenues	-	-	-	-	36
Decrease (increase) in assets:					
Accounts receivable	(421)	9,396	2,089	11,064	(6,766)
Inventories	116	-	-	116	162
Other current assets	(6)	-	159	153	(236)
Increase (decrease) in liabilities:					
Accounts payable	(732)	(5,896)	(574)	(7,202)	(586)
Accrued liabilities	(902)	-	42	(860)	(22)
Deferred revenue	144	-	-	144	35
Other current liabilities	-	(9)	(35)	(44)	(1,859)
<b>Net Cash Provided by Operating Activities:</b>	<u>\$ 69,464</u>	<u>\$ 20,443</u>	<u>\$ 1,442</u>	<u>\$ 91,349</u>	<u>\$ 64,862</u>
<b>Noncash Investing, Capital, and Financing Activities:</b>					
Contributions from capital assets	\$ -	\$ -	\$ -	\$ -	\$ 15,464

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, 2005**  
**(\$000s)**

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
<b>ASSETS</b>			
Cash and cash equivalents - restricted	\$ 329,173	\$ -	\$ 134,274
Investments - restricted			-
Equities	2,026,439	51,480	
Fixed income securities	786,020	-	
Cash collateral for securities lending transactions	354,912	-	-
Interest and dividends receivables	-	26	-
Accounts receivable	-	54	-
Due from other funds	-	-	930
Other receivables	1,882	-	839
Capital assets	136	-	-
Total assets	<u>3,498,562</u>	<u>51,560</u>	<u>\$ 136,043</u>
<b>LIABILITIES</b>			
Accounts payable	23,966	60	14,298
Securities lending collateral	354,912	-	-
Due to other fund	4,071	-	-
Other current liabilities	-	-	121,745
Total liabilities	<u>382,949</u>	<u>60</u>	<u>\$ 136,043</u>
<b>NET ASSETS</b>			
Held in trust for pension benefits and other purposes	<u>\$ 3,115,613</u>	<u>\$ 51,500</u>	

*The accompanying notes are an integral part of this statement.*

## Exhibit 4-b

**District of Columbia**  
**Statement of Changes in Fiduciary Fund Net Assets**  
**For the Year Ended September 30, 2005**  
(\$000s)

	<b>Pension Trust Funds</b>	<b>Private Purpose Trust Fund</b>
<b>ADDITIONS</b>		
Contributions:		
Employer	\$ 121,300	\$ -
Plan members	48,582	19,233
Total contributions	<u>169,882</u>	<u>19,233</u>
Investment earnings:		
Net increase in fair value of investments	288,986	2,420
Interest and dividends	100,940	1,050
Total investment earnings	389,926	3,470
Less - investment expenses	(17,078)	-
Net investment earnings	<u>372,848</u>	<u>3,470</u>
<b>Total additions</b>	<u>542,730</u>	<u>22,703</u>
<b>DEDUCTIONS</b>		
Benefits	34,433	-
Administrative expenses	5,999	288
Distributions to participants	-	2,119
<b>Total deductions</b>	<u>40,432</u>	<u>2,407</u>
<b>Change in net assets</b>	502,298	20,296
Net assets at October 1	<u>2,613,315</u>	<u>31,204</u>
Net assets at September 30	<u>\$ 3,115,613</u>	<u>\$ 51,500</u>

*The accompanying notes are an integral part of this statement.*

Exhibit 5-a

District of Columbia  
Discretely Presented Component Units  
Combining Statement of Net Assets  
September 30, 2005  
(With Comparative Totals at September 30, 2004)  
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	Univer- sity	Anacostia Waterfront	Totals	
							2005	2004
<b>ASSETS</b>								
<b>Current Assets:</b>								
Cash and cash equivalents (unrestricted)	\$ 89,331	\$ 2,970	\$ 10,565	\$ 11,814	\$ 18,033	\$ 2,916	\$ 135,629	\$ 84,478
Investments (unrestricted)	64,762	20,478	450	-	-	-	85,690	104,665
Receivables, net:								
Accounts	34,721	890	1,546	-	5,032	50	42,239	48,192
Other	12,653	392	-	449	4,125	-	17,619	21,544
Due from federal government	19,301	-	-	-	-	-	19,301	26,893
Due from primary government	15,494	6,536	3,123	-	1,600	-	26,753	28,209
Inventories	7,097	-	-	-	-	-	7,097	6,984
Other current assets	460	917	213	-	223	8	1,821	546
Restricted cash	217,538	-	-	24,535	-	-	242,073	295,521
Restricted investments	20,000	58,682	4,448	693,587	32,090	-	808,807	748,762
Total current assets	<u>481,357</u>	<u>90,865</u>	<u>20,345</u>	<u>730,385</u>	<u>61,103</u>	<u>2,974</u>	<u>1,387,029</u>	<u>1,365,794</u>
<b>Noncurrent assets:</b>								
Loans receivable	-	-	-	371,717	410	-	372,127	349,021
Deferred charges	-	-	-	-	-	-	-	53,531
Other	26,377	8,189	-	21,560	421	-	56,547	4,214
Total long term assets	<u>26,377</u>	<u>8,189</u>	<u>-</u>	<u>393,277</u>	<u>831</u>	<u>-</u>	<u>428,674</u>	<u>406,766</u>
<b>Capital assets, net</b>								
Property and equipment	1,885,647	735,148	31,073	2,129	65,647	168	2,719,812	2,128,373
Non-depreciable capital assets	147,405	-	-	573	-	-	147,978	561,538
<b>Total assets</b>	<b>2,540,786</b>	<b>834,202</b>	<b>51,418</b>	<b>1,126,364</b>	<b>127,581</b>	<b>3,142</b>	<b>4,683,493</b>	<b>4,462,471</b>
<b>LIABILITIES</b>								
<b>Current Liabilities:</b>								
<b>Payables:</b>								
Accounts	72,219	5,764	6,550	791	5,705	102	91,131	91,675
Compensation	13,123	1,079	555	292	3,445	-	18,494	10,752
Due to primary government	1,121	-	4,755	-	-	-	5,876	13,372
Accrued liabilities	12,563	12,492	3,912	-	2,340	112	31,419	83,377
Deferred revenue	29,874	1,993	129	739	4,703	-	37,438	41,735
Current maturities	13,390	11,190	-	4,000	-	21	28,601	37,479
Other current liabilities	8,560	719	-	48,485	12,763	-	70,527	10,676
Total current liabilities	<u>150,850</u>	<u>33,237</u>	<u>15,901</u>	<u>54,307</u>	<u>28,956</u>	<u>235</u>	<u>283,486</u>	<u>289,066</u>
<b>Noncurrent Liabilities:</b>								
<b>Long term debt:</b>								
Bonds payable	771,638	486,995	-	981,303	-	-	2,239,936	2,146,151
Other long-term liabilities	20,674	20,079	-	2,106	-	40	42,899	31,228
Refundable advances	-	-	-	-	563	-	563	448
Deferred revenue	716,896	-	-	-	-	-	716,896	672,538
Total long term liabilities	<u>1,509,208</u>	<u>507,074</u>	<u>-</u>	<u>983,409</u>	<u>563</u>	<u>40</u>	<u>3,000,294</u>	<u>2,850,365</u>
<b>Total liabilities</b>	<b>1,660,058</b>	<b>540,311</b>	<b>15,901</b>	<b>1,037,716</b>	<b>29,519</b>	<b>275</b>	<b>3,283,780</b>	<b>3,139,431</b>
<b>NET ASSETS</b>								
Invested in capital assets, net of related debt	713,470	224,717	31,072	952	65,647	108	1,035,966	935,646
Restricted - expendable	41,911	61,312	4,447	60,882	249	-	168,801	168,215
Restricted - nonexpendable	-	-	-	-	7,242	-	7,242	7,242
Unrestricted	125,347	7,862	(2)	26,814	24,924	2,759	187,704	211,937
<b>Total net assets</b>	<b>\$ 880,728</b>	<b>\$ 293,891</b>	<b>\$ 35,517</b>	<b>\$ 88,648</b>	<b>\$ 98,062</b>	<b>\$ 2,867</b>	<b>\$ 1,399,713</b>	<b>\$ 1,323,040</b>

The accompanying notes are an integral part of this statement.

Note: Some of the FY 2004 totals in this exhibit are different from the totals in the published FY 2004 CAFR. This is because the FY 2004 audited financial statements for the University were not available when the FY2004 CAFR was completed.

## Exhibit 5-b

District of Columbia  
Discretely Presented Component Units  
Combining Statement of Activities  
For the Year Ended September 30, 2005  
(With Comparative Totals for the Year Ended September 30, 2004)  
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	Univer- sity	Anacostia Waterfront	Totals	
							2005	2004
<b>Operating Revenues:</b>								
Charges for services:								
Public	\$ 166,045	\$ 16,350	\$ 17,892	\$ 47,590	\$ 14,951	\$ -	\$ 262,828	\$ 245,660
Intergovernmental	102,332	-	-	-	-	-	102,332	102,742
Federal & local grants & contributions	-	-	-	-	25,177	4,300	29,477	23,741
Miscellaneous	4,366	-	-	13,713	3,445	7	21,531	18,446
Total operating revenues	<u>272,743</u>	<u>16,350</u>	<u>17,892</u>	<u>61,303</u>	<u>43,573</u>	<u>4,307</u>	<u>416,168</u>	<u>390,589</u>
<b>Operating Expenses:</b>								
Personnel services	64,038	12,315	5,438	3,569	62,035	527	147,922	144,537
Contractual services	54,156	19,801	8,544	19,776	10,617	529	113,423	94,026
Supplies	22,062	514	1,678	-	4,735	70	29,059	22,350
Occupancy	25,562	5,594	3,618	5,052	3,503	76	43,405	35,543
Scholarships	-	-	-	-	8,179	-	8,179	7,833
Depreciation	41,069	27,795	2,236	257	5,350	15	76,722	75,434
Miscellaneous	23,304	773	805	6,053	-	226	31,161	42,794
Total operating expenses	<u>230,191</u>	<u>66,792</u>	<u>22,319</u>	<u>34,707</u>	<u>94,419</u>	<u>1,443</u>	<u>449,871</u>	<u>422,517</u>
OPERATING INCOME (LOSS)	<b>42,552</b>	<b>(50,442)</b>	<b>(4,427)</b>	<b>26,596</b>	<b>(50,846)</b>	<b>2,864</b>	<b>(33,703)</b>	<b>(31,928)</b>
<b>Nonoperating Revenues:</b>								
Intergovernmental	-	77,490	-	-	51,581	-	129,071	113,061
Interest revenue	12,612	1,844	169	13,818	3,991	3	32,437	15,973
Other revenue	-	-	-	-	677	-	677	707
Total nonoperating revenue	<u>12,612</u>	<u>79,334</u>	<u>169</u>	<u>13,818</u>	<u>56,249</u>	<u>3</u>	<u>162,185</u>	<u>129,741</u>
<b>Nonoperating Expenses:</b>								
Interest expense	25,415	26,332	-	37,534	-	-	89,281	86,989
Other expenses	16,307	8,720	-	84	-	-	25,111	24,874
Total nonoperating expense	<u>41,722</u>	<u>35,052</u>	<u>-</u>	<u>37,618</u>	<u>-</u>	<u>-</u>	<u>114,392</u>	<u>111,863</u>
<b>Total nonoperating revenues (expenses)</b>	<b>(29,110)</b>	<b>44,282</b>	<b>169</b>	<b>(23,800)</b>	<b>56,249</b>	<b>3</b>	<b>47,793</b>	<b>17,878</b>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	13,442	(6,160)	(4,258)	2,796	5,403	2,867	14,090	(14,050)
<b>Capital contributions</b>								
Capital contributions	34,578	-	22,406	-	5,599	-	62,583	39,467
Total contributions	<u>34,578</u>	<u>-</u>	<u>22,406</u>	<u>-</u>	<u>5,599</u>	<u>-</u>	<u>62,583</u>	<u>39,467</u>
<b>Change in net assets</b>	<b>48,020</b>	<b>(6,160)</b>	<b>18,148</b>	<b>2,796</b>	<b>11,002</b>	<b>2,867</b>	<b>76,673</b>	<b>25,417</b>
<b>Net assets</b>								
at October 1, as restated	832,708	300,051	17,369	85,852	87,060	-	1,323,040	1,297,623
at September 30	<u>\$ 880,728</u>	<u>\$ 293,891</u>	<u>\$ 35,517</u>	<u>\$ 88,648</u>	<u>\$ 98,062</u>	<u>\$ 2,867</u>	<u>\$ 1,399,713</u>	<u>\$ 1,323,040</u>

The accompanying notes are an integral part of this statement.

Note: Some of the FY 2004 totals in this exhibit are different from the totals in the published FY 2004 CAFR. This is because the FY 2004 audited financial statements for the University were not available when the FY2004 CAFR was completed.