

BASIC FINANCIAL STATEMENTS

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

This section also includes 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, 2006
 (With Comparative Totals at September 30, 2005)
 (\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2006	2005	
ASSETS					
Cash and cash equivalents (unrestricted)	\$ 363,480	\$ 29,345	\$ 392,825	\$ 593,577	\$ 126,589
Investments (unrestricted)	5,000	3,279	8,279	13,847	183,820
Accrued interest receivable, net	108	-	108	66	-
Due from federal government	527,031	-	527,031	485,046	20,113
Taxes receivable, net	274,748	-	274,748	258,672	-
Accounts receivable, net	135,564	18,304	153,868	132,865	41,322
Other receivables	-	-	-	-	21,065
Due from primary government	-	-	-	-	20,535
Due from component units	8,536	-	8,536	5,876	-
Due from fiduciary funds	-	-	-	4,071	-
Internal balances	12,708	(12,708)	-	-	-
Inventories	14,623	-	14,623	14,845	7,369
Other current assets	24,246	314	24,560	279	743
Cash and cash equivalents (restricted)	2,063,305	380,248	2,443,553	1,630,895	120,738
Investments (restricted)	274,984	54,796	329,780	75,907	935,632
Other long term assets	21,621	4	21,625	16,491	35,047
Notes and loans receivable, net	-	-	-	-	426,447
Deferred charges	85,180	-	85,180	4,770	-
Depreciable capital assets, net	4,006,320	16,127	4,022,447	3,687,245	2,880,222
Non-depreciable capital assets	1,540,421	1,264	1,541,685	1,347,877	149,112
Total assets	9,357,875	490,973	9,848,848	8,272,329	4,968,754
LIABILITIES					
Accounts payable	584,426	32,353	616,779	615,867	110,534
Compensation payable	146,236	1,714	147,950	107,593	18,662
Due to primary government	-	-	-	-	8,536
Due to component units	20,535	-	20,535	26,753	-
Due to fiduciary funds	2,809	-	2,809	930	-
Unearned revenues	217,484	184	217,668	188,911	40,125
Accrued liabilities	191,629	9,809	201,438	204,669	29,914
Accrued interest payable	60,506	-	60,506	50,394	-
Other current liabilities	35,581	-	35,581	31,025	131,730
Long-term liabilities:					
Due within one year	371,975	8,631	380,606	346,201	52,590
Due in more than one year	5,612,668	43,953	5,656,621	4,575,278	3,106,600
Total liabilities	7,243,849	96,644	7,340,493	6,147,621	3,498,691
NET ASSETS					
Invested in capital assets, net of related debt	958,597	17,391	975,988	1,085,914	1,055,729
Restricted for:					
Expendable					
Debt service	262,640	-	262,640	253,548	-
Benefit payments	-	347,938	347,938	322,893	-
Capital projects	36,597	-	36,597	65,799	-
Grants and contributions	161,310	-	161,310	115,052	-
Emergency reserves	293,649	-	293,649	253,437	-
Other	233,454	-	233,454	242,185	172,557
Nonexpendable	-	-	-	-	7,242
Unrestricted	167,779	29,000	196,779	(214,120)	234,535
Total net assets	\$ 2,114,026	\$ 394,329	\$ 2,508,355	\$ 2,124,708	\$ 1,470,063

The accompanying notes are an integral part of this statement.

District of Columbia
Statement of Activities
For the Year Ended September 30, 2006
(With Comparative Totals for the Year Ended September 30, 2005)
(\$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		Totals	
					Governmental Activities	Business-type Activities		
	2006	2005	2006	2005	2006	2005		
Primary government:								
Governmental activities:								
Governmental direction and support	\$ 574,097	\$ 17,056	\$ 111,276	\$ 5,149	\$ (440,616)	\$ (476,668)		
Economic development and regulation	391,203	94,487	125,603	-	(171,113)	(102,620)		
Public safety and justice	1,124,896	64,306	237,163	-	(823,427)	(750,089)		
Public education system	1,486,112	101	260,546	-	(1,225,465)	(1,112,066)		
Human support services	2,967,372	2,835	1,416,429	1,255	(1,546,853)	(1,255,153)		
Public works	351,917	146,628	4,018	113,311	(87,960)	(71,426)		
Public transportation	187,615	-	-	-	(187,615)	(167,783)		
Interest on long-term debt	269,725	-	-	-	(269,725)	(201,882)		
Total governmental activities	7,352,937	325,413	2,155,035	119,715	(4,752,774)	(4,137,687)		
Business-type activities:								
Lottery and Games	191,907	266,391	-	-	72,484	70,865		
Unemployment compensation	102,749	-	14,825	-	(87,924)	(76,021)		
Nursing home services	35,548	29,154	-	-	(6,394)	(2,882)		
Total business-type activities	332,204	295,545	14,825	-	(21,834)	(8,038)		
Total primary government	\$ 7,685,141	\$ 620,958	\$ 2,169,860	\$ 119,715	(4,774,608)	(4,145,725)		
Component units:								
Water and sewer authority	\$ 280,461	\$ 289,688	\$ -	\$ 24,927		\$ 34,154		
Convention center	100,683	15,618	-	-	(87,924)	(85,065)		
Sports commission	17,519	13,006	-	1,280	(6,394)	(3,233)		
Housing finance	86,170	46,863	-	-	(21,834)	(39,307)		
University	110,703	16,031	26,648	4,182		(63,842)		
Anacostia waterfront corporation	8,793	-	11,995	-		3,202		
Total component units	\$ 604,329	\$ 381,206	\$ 38,643	\$ 30,389		(154,091)		
General revenues:								
Taxes:								
Property taxes			1,272,998		-	1,272,998		
Sales and use taxes			1,004,471		-	1,004,471		
Income and franchise taxes			1,591,483		-	1,591,483		
Gross receipts taxes			278,453		-	278,453		
Other taxes			390,542		95,888	486,430		
Investment earnings			73,207		19,321	92,528		
Miscellaneous			431,182		710	431,892		
Subsidy from primary government			-		(73,800)	-		
Transfer in (out)			79,800		42,119	121,919		
Total general revenues and transfers			5,116,136		5,158,255	4,717,555		
Change in net assets			363,362		20,285	383,647		
Net assets at October 1			1,750,664		374,044	2,124,708		
Net assets at September 30			2,114,026		394,329	2,508,355		

The accompanying notes are an integral part of this statement.

Exhibit 2-a

**District of Columbia
Balance Sheet
Governmental Funds
September 30, 2006
(With Comparative Totals at September 30, 2005)
(\$000s)**

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2006	2005
ASSETS							
Cash and cash equivalents (unrestricted)	\$ 362,193	\$ -	\$ -	\$ -	\$ 1,287	\$ 363,480	\$ 580,546
Investments (unrestricted)	5,000	-	-	-	-	5,000	6,592
Accrued interest receivable	-	-	-	-	108	108	66
Due from federal government	9,966	470,316	46,749	-	-	527,031	484,397
Taxes receivable, net	274,748	-	-	-	-	274,748	258,672
Accounts receivable, net	96,696	6,107	1,941	-	30,820	135,564	113,750
Due from component units	4,762	-	1,561	1,723	490	8,536	5,876
Due from other funds	645,351	13,278	4,649	-	11,881	675,159	901,720
Inventories	9,640	4,983	-	-	-	14,623	14,476
Other current assets	2,612	-	21,418	89	127	24,246	-
Cash and cash equivalents (restricted)	783,705	18,301	597,091	529,514	134,694	2,063,305	1,271,038
Investments (restricted)	28,782	-	246,202	-	-	274,984	-
Other long term assets	8,177	13,444	-	-	-	21,621	16,450
Total assets	\$ 2,231,632	\$ 526,429	\$ 919,611	\$ 531,326	\$ 179,407	\$ 4,388,405	\$ 3,653,583
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	400,617	85,994	90,090	45	7,680	584,426	589,208
Compensation payable	133,113	11,023	1,967	-	133	146,236	107,127
Due to other funds	11,668	72,541	374,813	202,700	3,538	665,260	875,617
Due to component units	20,535	-	-	-	-	20,535	26,753
Deferred revenue	109,983	114,446	30,468	-	219	255,116	218,877
Accrued liabilities	113,047	78,514	-	-	68	191,629	196,019
Other current liabilities	7,527	2,601	25,453	-	-	35,581	31,019
Total liabilities	796,490	365,119	522,791	202,745	11,638	1,898,783	2,044,620
Fund balances:							
Reserved for:							
General fund purposes	1,045,560	-	-	-	-	1,045,560	1,110,770
Special revenue funds purposes	-	161,310	-	-	160,568	321,878	249,911
Capital project purposes	-	-	396,820	328,581	7,201	732,602	86,530
Unreserved, reported in:							
General fund	389,582	-	-	-	-	389,582	473,913
Capital projects funds	-	-	-	-	-	-	(312,161)
Total fund balances	1,435,142	161,310	396,820	328,581	167,769	2,489,622	1,608,963
Total liabilities and fund balances	\$ 2,231,632	\$ 526,429	\$ 919,611	\$ 531,326	\$ 179,407		\$ 3,653,583

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	5,546,741
Certain long term assets are not available to pay current period expenditures and are therefore deferred in the funds	37,632
Adjustment for deferred charges	85,180
Certain liabilities (such as bonds payable and accrued expenses) are not due and payable in the current period	
General obligation bonds	3,773,863
Tobacco settlement bonds	742,284
TIF bonds & notes	124,302
QZAB	5,221
Accrued interest payable	60,506
Capital leases	67,942
Other long-term liabilities	1,271,031
	(6,045,149)
Net assets of governmental activities	\$ 2,114,026

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, 2006
(With Comparative Totals for the Year Ended September 30, 2005)
(\$000s)

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2006	2005
REVENUES							
Taxes:							
Property taxes	\$ 1,241,482	\$ -	\$ -	\$ -	\$ -	\$ 1,241,482	\$ 1,148,333
Sales and use taxes	970,885	-	-	-	-	970,885	957,394
Income and franchise taxes	1,591,483	-	-	-	-	1,591,483	1,472,432
Gross receipts taxes	278,453	-	-	-	-	278,453	295,819
Other taxes	390,542	-	-	-	-	390,542	377,213
Fines and forfeitures	112,919	-	-	-	-	112,919	111,146
Licenses and permits	81,222	-	-	-	-	81,222	82,093
Charges for services	131,079	194	-	-	-	131,273	133,923
Investment earnings	63,655	1,073	936	407	7,135	73,206	39,811
Miscellaneous	290,352	55,327	91,461	2,146	49,781	489,067	311,573
Federal contributions	-	353,709	8,366	-	-	362,075	382,966
Operating grants	-	1,801,326	111,349	-	-	1,912,675	1,828,461
Total revenues	5,152,072	2,211,629	212,112	2,553	56,916	7,635,282	7,141,164
EXPENDITURES							
Current:							
Governmental direction and support	499,289	112,173	-	-	158	611,620	590,344
Economic development and regulation	218,210	129,881	-	-	-	348,091	267,335
Public safety and justice	896,460	237,340	-	-	-	1,133,800	1,034,456
Public education system	1,177,362	262,148	-	-	-	1,439,510	1,340,767
Human support service	1,532,296	1,420,341	-	-	-	2,952,637	2,657,848
Public works	176,027	7,068	-	-	1,105	184,200	175,300
Public transportation	187,615	-	-	-	-	187,615	167,783
Debt service:							
Principal	193,715	-	-	-	11,939	205,654	183,845
Interest	181,590	-	-	-	43,605	225,195	202,387
Fiscal charges	18,514	-	-	-	13,444	31,958	9,277
Capital outlay	-	-	652,198	203,486	45,520	901,204	615,089
Total expenditures	5,081,078	2,168,951	652,198	203,486	115,771	8,221,484	7,244,431
Excess (deficiency) of revenues over expenditures	70,994	42,678	(440,086)	(200,933)	(58,855)	(586,202)	(103,267)
OTHER FINANCING SOURCES (USES)							
Debt issuance	133,937	-	528,090	529,514	267,546	1,459,087	386,370
Premium on sale of bonds	18,232	-	13,398	-	8,314	39,944	14,478
Proceeds from bond escrow restructuring	-	-	-	-	-	-	89
Payment to refunded bond escrow agent	(117,925)	-	-	-	-	(117,925)	-
Other charges	(4,216)	-	-	-	(13,996)	(18,212)	-
Proceeds from capital lease	-	-	-	-	-	-	19
Equipment financing program	-	-	30,167	-	-	30,167	15,036
Transfers in	91,675	685	511,613	-	81,233	685,206	193,439
Transfers out	(342,238)	-	-	-	(269,168)	(611,406)	(121,989)
Total other financing sources (uses)	(220,535)	685	1,083,268	529,514	73,929	1,466,861	487,442
Net change in fund balances	(149,541)	43,363	643,182	328,581	15,074	880,659	384,175
Fund balances (deficit) at October 1	1,584,683	117,947	(246,362)	-	152,695	1,608,963	1,224,788
Fund balances at September 30	\$ 1,435,142	\$ 161,310	\$ 396,820	\$ 328,581	\$ 167,769	\$ 2,489,622	\$ 1,608,963

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, 2006
(\$000s)**

Net change in fund balances - total governmental funds \$ 880,659

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. 527,803

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 2005 and 2006. 7,216

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. (1,117,206)

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. 64,890

Change in net assets of governmental activities \$ 363,362

The accompanying notes are an integral part of this statement.

District of Columbia
Budgetary Comparison Statement
For the Year Ended September 30, 2006
(\$000s)

	General Fund				Federal and Private Resources				Totals		Variance Positive (Negative)	
	Budget		Actual	Budget		Actual	Budget		Actual			
	Original	Revised		Original	Revised		Original	Revised				
Revenues and Sources:												
Taxes:												
Property taxes	\$ 1,222,165	\$ 1,163,667	\$ 1,207,691	\$ 44,024	\$ -	\$ -	\$ -	\$ -	\$ 1,222,165	\$ 1,163,667	\$ 1,207,691	\$ 44,024
Sales and use taxes	866,129	862,159	845,992	(16,167)	-	-	-	-	866,129	862,159	845,992	(16,167)
Income and franchise taxes	1,391,345	1,565,704	1,591,483	25,779	-	-	-	-	1,391,345	1,565,704	1,591,483	25,779
Other taxes	577,255	565,344	593,784	28,440	-	-	-	-	577,255	565,344	593,784	28,440
Total taxes	4,056,894	4,156,874	4,238,950	82,076	-	-	-	-	4,056,894	4,156,874	4,238,950	82,076
Licenses and permits	66,470	68,408	72,184	3,776	-	-	-	-	66,470	68,408	72,184	3,776
Fines and forfeits	114,901	110,637	112,456	1,819	-	-	-	-	114,901	110,637	112,456	1,819
Charges for services	44,173	50,513	47,646	(2,867)	-	-	-	-	44,173	50,513	47,646	(2,867)
Miscellaneous	88,276	85,668	129,665	43,997	-	-	-	-	88,276	85,668	129,665	43,997
Other sources	268,009	422,414	375,389	(47,025)	-	-	-	-	268,009	422,414	375,389	(47,025)
General obligation bonds	40,000	40,000	10,494	(29,506)	-	-	-	-	40,000	40,000	10,494	(29,506)
Federal contributions	-	-	-	-	45,738	76,997	70,421	(6,576)	45,738	76,997	70,421	(6,576)
Operating grant	646,037	528,432	528,432	-	1,922,053	1,943,372	1,715,872	(227,500)	1,922,053	1,943,372	1,715,872	(227,500)
Fund balance released from restrictions	73,100	72,000	73,800	1,800	-	-	-	-	73,100	72,000	73,800	1,800
Interfund transfer	5,397,860	5,534,946	5,589,016	54,070	1,967,791	2,020,369	1,786,293	(234,076)	7,365,651	7,555,315	7,375,309	(180,006)
Total revenues and other sources	340,858	350,238	333,547	16,691	171,975	188,640	107,977	80,663	512,833	538,878	441,524	97,354
Expenditures and Other Uses:												
Governmental direction and support	328,158	361,724	251,762	109,962	118,312	165,559	130,444	35,115	446,470	527,283	382,206	145,077
Economic development and regulation	827,036	903,046	894,748	8,298	10,578	14,489	11,668	2,821	837,614	917,535	906,416	11,119
Public safety and justice	1,189,303	1,120,488	1,101,639	18,849	252,732	216,009	201,650	14,359	1,442,035	1,336,497	1,303,289	33,208
Public education system	-	69,064	69,064	-	-	-	-	-	-	69,064	69,064	-
Public education AY07 expenditure	1,307,530	1,413,855	1,389,575	24,280	1,405,819	1,423,053	1,321,035	102,018	2,713,349	2,836,908	2,710,610	126,298
Human support services	366,101	374,077	363,798	10,279	8,375	8,423	7,068	1,355	374,476	382,500	370,866	11,634
Public works	-	-	-	-	-	4,196	4,196	-	-	4,196	4,196	-
Emergency planning and security costs	61,110	9,562	-	9,562	-	-	-	-	61,110	9,562	-	9,562
Workforce investments	3,740	4,050	3,830	220	-	-	-	-	3,740	4,050	3,830	220
Wilson building	370,778	370,163	370,128	35	-	-	-	-	370,778	370,163	370,128	35
Repay bonds and interest	40,000	40,000	9,196	30,804	-	-	-	-	40,000	40,000	9,196	30,804
Bond fiscal charge	5,500	6,650	6,650	-	-	-	-	-	5,500	6,650	6,650	-
Interest on short term borrowing	11,000	11,000	10,941	59	-	-	-	-	11,000	11,000	10,941	59
Certificates of participation	20,655	29,956	29,956	-	-	-	-	-	20,655	29,956	29,956	-
Settlements and judgments fund	-	1,468	1,423	45	-	-	-	-	-	1,468	1,423	45
Tax increment financing	27,441	26,090	24,574	1,516	-	-	-	-	27,441	26,090	24,574	1,516
Equipment lease operating	260,883	265,023	265,023	-	-	-	-	-	260,883	265,023	265,023	-
Pay-go capital	12,208	8	-	8	-	-	-	-	12,208	8	-	8
Schools modernization fund	138,000	138,000	138,000	-	-	-	-	-	138,000	138,000	138,000	-
District retiree health contribution	50,000	2,269	-	2,269	-	-	-	-	50,000	2,269	-	2,269
Cash reserve	36,286	3,266	-	3,266	-	-	-	-	36,286	3,266	-	3,266
Non-departmental agency	-	-	-	-	-	-	-	-	-	-	-	-
Total expenditures and other uses	5,396,587	5,499,997	5,263,854	236,143	1,967,791	2,020,369	1,784,038	236,331	7,364,378	7,520,366	7,047,892	472,474
EXCESS OF REVENUES AND OTHER SOURCES OVER EXPENDITURES AND OTHER USES - BUDGETARY BASIS	\$ 1,273	\$ 34,949	\$ 325,162	\$ 290,213	\$ -	\$ -	\$ 2,255	\$ 2,255	\$ 1,273	\$ 34,949	\$ 327,417	\$ 292,468

The accompanying notes are an integral part of this statement.

Exhibit 3-a

**District of Columbia
Statement of Net Assets
Proprietary Funds
September 30, 2006
(With Comparative Totals at September 30, 2005)
(\$000s)**

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2006	2005
ASSETS					
Current assets:					
Cash and cash equivalents (unrestricted)	\$ 11,410	\$ -	\$ 17,935	\$ 29,345	\$ 13,031
Investments (unrestricted)	-	-	3,279	3,279	7,255
Due from federal government	-	-	-	-	649
Accounts receivable, net	5,094	8,765	4,445	18,304	19,115
Due from other funds	-	766	155	921	1,124
Inventories	-	-	-	-	369
Other current assets	9	-	305	314	279
Cash and cash equivalents (restricted)	-	380,248	-	380,248	359,857
Total current assets	16,513	389,779	26,119	432,411	401,679
Noncurrent assets:					
Investments (restricted)	52,584	-	2,212	54,796	75,907
Capital assets, net	382	-	17,009	17,391	16,183
Other	-	-	4	4	41
Total noncurrent assets	52,966	-	19,225	72,191	92,131
Total assets	69,479	389,779	45,344	504,602	493,810
LIABILITIES					
Current liabilities					
Accounts payable	2,754	28,212	1,387	32,353	26,659
Accrued compensated absences	458	-	1,256	1,714	466
Due to other funds	-	13,629	-	13,629	24,086
Deferred revenue	184	-	-	184	450
Accrued liabilities	9,798	-	11	9,809	8,650
Other current liabilities	-	-	-	-	6
Long term liabilities due within one year	8,631	-	-	8,631	8,631
Total current liabilities	21,825	41,841	2,654	66,320	68,948
Noncurrent liabilities					
Long term liabilities due in more than one year	43,953	-	-	43,953	50,818
Total noncurrent liabilities	43,953	-	-	43,953	50,818
Total liabilities	65,778	41,841	2,654	110,273	119,766
NET ASSETS					
Invested in capital assets	382	-	17,009	17,391	16,183
Restricted - expendable	-	347,938	-	347,938	322,893
Unrestricted	3,319	-	25,681	29,000	34,968
Total net assets	\$ 3,701	\$ 347,938	\$ 42,690	\$ 394,329	\$ 374,044

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, 2006
(With Comparative Totals for the Year Ended September 30, 2005)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2006	2005
Operating revenues:					
Employer taxes	\$ -	\$ 95,888	\$ -	\$ 95,888	\$ 92,985
Charges for services	266,391	-	29,154	295,545	267,115
Benefit contributions					
Benefit contributions	-	14,825	-	14,825	16,695
Miscellaneous	-	-	710	710	680
Total operating revenues	<u>266,391</u>	<u>110,713</u>	<u>29,864</u>	<u>406,968</u>	<u>377,475</u>
Operating expenses:					
Benefits	-	102,749	-	102,749	92,728
Prizes	168,470	-	-	168,470	139,904
Personnel services	10,638	-	5,417	16,055	14,915
Contractual services	14,410	-	20,963	35,373	38,171
Materials and supplies	-	-	5,416	5,416	717
Occupancy	-	-	-	-	1,804
Depreciation	389	-	1,969	2,358	2,363
Miscellaneous	-	-	1,783	1,783	1,258
Total operating expenses	<u>193,907</u>	<u>102,749</u>	<u>35,548</u>	<u>332,204</u>	<u>291,860</u>
Operating income (loss)	<u>72,484</u>	<u>7,964</u>	<u>(5,684)</u>	<u>74,764</u>	<u>85,615</u>
Nonoperating revenues:					
Interest and investment revenue	1,375	17,081	865	19,321	18,887
Intergovernmental	-	-	-	-	12
Total nonoperating revenue	<u>1,375</u>	<u>17,081</u>	<u>865</u>	<u>19,321</u>	<u>18,899</u>
Income (loss) before transfers	<u>73,859</u>	<u>25,045</u>	<u>(4,819)</u>	<u>94,085</u>	<u>104,514</u>
Transfers out	(73,800)	-	-	(73,800)	(71,450)
Change in net assets	<u>59</u>	<u>25,045</u>	<u>(4,819)</u>	<u>20,285</u>	<u>33,064</u>
Total net assets at October 1	3,642	322,893	47,509	374,044	340,980
Total net assets at September 30	\$ <u>3,701</u>	\$ <u>347,938</u>	\$ <u>42,690</u>	\$ <u>394,329</u>	\$ <u>374,044</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, 2006
(With Comparative Totals for the Year Ended September 30, 2005)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2006	2005
Operating activities:					
Cash receipts from customers/employers	\$ 265,625	\$ 111,569	\$ 28,637	\$ 405,831	\$ 385,106
Other cash receipts	188	-	728	916	2,145
Cash payments to vendors	(23,820)	-	(31,815)	(55,635)	(55,621)
Cash payments to employees/claimants	(5,545)	(108,259)	-	(113,804)	(104,970)
Other cash payments, including prizes	(160,838)	-	57	(160,781)	(135,311)
Net cash provided by (used in) operating activities	<u>75,610</u>	<u>3,310</u>	<u>(2,393)</u>	<u>76,527</u>	<u>91,349</u>
Noncapital financing activities:					
Intergovernmental grants	-	-	-	-	12
Interfund transfers out	(73,800)	-	-	(73,800)	(71,450)
Net cash used in noncapital financing activities	<u>(73,800)</u>	<u>-</u>	<u>-</u>	<u>(73,800)</u>	<u>(71,438)</u>
Capital and related financing activities:					
Acquisitions of capital assets	-	-	(3,565)	(3,565)	(618)
Net cash used in capital and related financing activities	<u>-</u>	<u>-</u>	<u>(3,565)</u>	<u>(3,565)</u>	<u>(618)</u>
Investing activities:					
Receipts of interest and dividends	1,375	17,081	865	19,321	18,888
Sales/(purchases) of investments	-	-	18,222	18,222	(11,582)
Net cash provided by investing activities	<u>1,375</u>	<u>17,081</u>	<u>19,087</u>	<u>37,543</u>	<u>7,306</u>
INCREASE IN CASH AND CASH EQUIVALENTS	3,185	20,391	13,129	36,705	26,599
Cash and cash equivalents at October 1	8,225	359,857	4,806	372,888	346,289
Cash and cash equivalents at September 30	\$ <u>11,410</u>	\$ <u>380,248</u>	\$ <u>17,935</u>	\$ <u>409,593</u>	\$ <u>372,888</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 72,484	\$ 7,964	\$ (5,684)	\$ 74,764	\$ 85,615
Depreciation	389	-	1,969	2,358	2,363
Decrease (increase) in assets:					
Accounts receivable	(311)	857	617	1,163	11,064
Inventories	369	-	-	369	116
Other current assets	12	-	99	111	153
Increase (decrease) in liabilities:					
Accounts payable	536	(5,505)	721	(4,248)	(7,202)
Accrued liabilities	2,381	-	(115)	2,266	(860)
Deferred revenue	(266)	-	-	(266)	144
Other current liabilities	16	(6)	-	10	(44)
Net cash provided by (used in) operating activities:	\$ <u>75,610</u>	\$ <u>3,310</u>	\$ <u>(2,393)</u>	\$ <u>76,527</u>	\$ <u>91,349</u>

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, 2006
(\$000s)

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents - restricted	\$ 147,585	\$ -	\$ 279,095
Investments - restricted:			
Equities	2,861,447	72,495	-
Fixed income securities	608,009	-	-
Cash collateral for securities lending transactions	428,228	-	-
Interest and dividends receivables	-	33	-
Accounts receivable	-	23	-
Benefit contribution receivables	2,585	-	-
Due from other funds	170	-	2,639
Other receivables	-	-	523
Capital assets	81	-	-
Total assets	<u>4,048,105</u>	<u>72,551</u>	<u>\$ 282,257</u>
LIABILITIES			
Accounts payable	30,527	32	152,554
Securities lending collateral	428,228	-	-
Other current liabilities	-	9	129,703
Total liabilities	<u>458,755</u>	<u>41</u>	<u>\$ 282,257</u>
NET ASSETS			
Held in trust for pension benefits and other purposes	<u>\$ 3,589,350</u>	<u>\$ 72,510</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, 2006
(\$000s)

	Pension Trust Funds	Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 133,000	\$ -
Plan members	50,949	20,311
Total contributions	183,949	20,311
Investment earnings:		
<i>From investment activities</i>		
Net increase in fair value of investments	234,259	3,946
Interest and dividends	107,836	1,139
Total investment earnings	342,095	5,085
Less - investment expenses	(10,828)	(813)
Net income from investing activities	331,267	4,272
<i>From securities lending activities</i>		
Securities lending income	20,164	-
Less: securities lending expenses	(19,228)	-
Net income from securities lending activities	936	-
Net investment earnings	332,203	4,272
Total additions	516,152	24,583
DEDUCTIONS		
Benefits	39,588	-
Administrative expenses	2,827	199
Distributions to participants	-	3,374
Total deductions	42,415	3,573
Change in net assets	473,737	21,010
Net assets at October 1	3,115,613	51,500
Net assets at September 30	\$ 3,589,350	\$ 72,510

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, 2006
(With Comparative Totals at September 30, 2005)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	Univer- sity	Anacostia Waterfront	Totals	
							2006	2005
ASSETS								
Current Assets:								
Cash and cash equivalents (unrestricted)	\$ 44,980	\$ 14,849	\$ 8,027	\$ 19,939	\$ 30,405	\$ 8,389	\$ 126,589	\$ 135,629
Investments (unrestricted)	146,978	36,406	436	-	-	-	183,820	85,690
Receivables, net:								
Accounts	33,693	937	749	-	5,943	-	41,322	42,239
Other	9,987	336	-	6,613	4,129	-	21,065	17,619
Due from federal government	20,113	-	-	-	-	-	20,113	19,301
Due from primary government	9,119	6,832	-	-	4,344	240	20,535	26,753
Inventories	7,369	-	-	-	-	-	7,369	7,097
Other current assets	232	12	266	-	161	72	743	1,821
Restricted cash	83,479	-	14,534	22,725	-	-	120,738	242,073
Restricted investments	48,834	62,820	4,665	784,931	34,382	-	935,632	808,807
Total current assets	404,784	122,192	28,677	834,208	79,364	8,701	1,477,926	1,387,029
Noncurrent assets:								
Loans receivable	-	-	-	426,250	197	-	426,447	370,852
Other	7,998	7,833	-	19,216	-	-	35,047	56,547
Total long term assets	7,998	7,833	-	445,466	197	-	461,494	427,399
Capital assets, net								
Property and equipment	2,043,522	741,798	26,892	2,493	65,374	143	2,880,222	2,719,812
Non-depreciable capital assets	149,112	-	-	-	-	-	149,112	147,978
Total assets	2,605,416	871,823	55,569	1,282,167	144,935	8,844	4,968,754	4,682,218
LIABILITIES								
Current Liabilities:								
Payables:								
Accounts	79,120	7,039	14,704	944	7,300	1,427	110,534	91,131
Compensation	7,726	326	309	302	9,999	-	18,662	18,494
Due to primary government	1,192	-	5,780	-	1,561	3	8,536	5,876
Accrued liabilities	12,312	12,226	1,878	-	3,212	286	29,914	31,419
Deferred revenue	24,766	2,672	180	5,612	6,395	500	40,125	37,438
Current maturities	7,555	11,720	-	33,315	-	-	52,590	28,601
Other current liabilities	6,916	31,219	-	80,195	13,378	22	131,730	70,527
Total current liabilities	139,587	65,202	22,851	120,368	41,845	2,238	392,091	283,486
Noncurrent Liabilities:								
Long term debt:								
Bonds payable	763,987	475,509	-	1,070,467	-	-	2,309,963	2,239,936
Other long-term liabilities	21,828	27,151	-	1,989	-	18	50,986	42,899
Refundable advances	-	-	-	-	455	-	455	563
Deferred revenue	745,196	-	-	-	-	-	745,196	716,896
Total long term liabilities	1,531,011	502,660	-	1,072,456	455	18	3,106,600	3,000,294
Total liabilities	1,670,598	567,862	22,851	1,192,824	42,300	2,256	3,498,691	3,283,780
NET ASSETS								
Invested in capital assets, net of related debt	749,965	212,542	26,892	853	65,374	103	1,055,729	1,035,966
Restricted - expendable	44,888	62,820	4,571	59,981	297	-	172,557	168,801
Restricted - nonexpendable	-	-	-	-	7,242	-	7,242	7,242
Unrestricted	139,965	28,599	1,255	28,509	29,722	6,485	234,535	186,429
Total net assets	\$ 934,818	\$ 303,961	\$ 32,718	\$ 89,343	\$ 102,635	\$ 6,588	\$ 1,470,063	\$ 1,398,438

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, 2006
(With Comparative Totals for the Year Ended September 30, 2005)
(\$000s)

Functions/Programs	Expenses		Program Revenues			Net (Expense) Revenue and Changes in Net Assets	
	Operating	Nonoperating	Total	Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Totals
	2006	2005	2006	2006	2006	2005	2006
Water and sewer authority	\$ 242,657	\$ 37,804	\$ 280,461	\$ 289,688	\$ -	\$ 24,927	\$ 34,154
Convention center	58,596	42,087	100,683	15,618	-	-	(85,065)
Sports commission	15,389	2,130	17,519	13,006	-	1,280	(3,233)
Housing finance	32,147	54,023	86,170	46,863	-	-	(39,307)
University	110,703	-	110,703	16,031	26,648	4,182	(63,842)
Anacostia waterfront corporation	8,793	-	8,793	-	11,995	-	3,202
Total component units	\$ 468,285	\$ 136,044	\$ 604,329	\$ 381,206	\$ 38,643	\$ 30,389	\$ (154,091)
General revenues:							
Investment earnings							51,564
Miscellaneous							33,178
Subsidy from primary government							140,974
Total general revenues and transfers							225,716
Change in net assets							71,625
Net assets at October 1, as restated							1,398,438
Net assets at September 30							\$ 1,470,063
							\$ 1,398,438

The accompanying notes are an integral part of this statement.