

BASIC FINANCIAL STATEMENTS

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

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, 2004
(With Comparative Totals at September 30, 2003)
(\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2004	2003	
ASSETS					
Cash and cash equivalents (unrestricted)	\$ 552,697	\$ 24,592	\$ 577,289	\$ 713,515	\$ 84,478
Investments (unrestricted)	8,615	12,074	20,689	54,772	104,665
Accrued interest receivable, net	19	-	19	-	-
Due from federal government	473,756	6,978	480,734	423,134	26,893
Taxes receivable, net	231,174	-	231,174	226,189	-
Accounts receivable, net	106,842	29,778	136,620	124,139	48,192
Other receivables	47,938	-	47,938	31,083	21,544
Due from primary government	-	-	-	-	28,209
Due from component units	13,372	-	13,372	957	-
Due from fiduciary funds	-	-	-	742	-
Internal balances	25,717	(25,717)	-	-	-
Inventories	12,255	485	12,740	14,905	6,984
Other current assets	16,071	471	16,542	19,274	614
Cash and cash equivalents (restricted)	993,935	321,697	1,315,632	917,799	295,521
Investments (restricted)	-	66,481	66,481	64,906	748,762
Other long term assets	9,150	22	9,172	11,834	4,151
Notes and loans receivable, net	-	-	-	-	348,874
Deferred charges	-	-	-	-	53,531
Depreciable capital assets, net	3,179,181	16,663	3,195,844	3,025,516	2,150,269
Non-depreciable capital assets	1,537,357	1,264	1,538,621	1,357,877	569,070
Total assets	7,208,079	454,788	7,662,867	6,986,642	4,491,757
LIABILITIES					
Accounts payable	654,716	30,947	685,663	592,882	124,895
Compensation payable	165,025	1,595	166,620	157,659	10,752
Due to primary government	-	-	-	-	13,372
Due to component units	28,209	-	28,209	24,961	-
Due to fiduciary funds	701	-	701	-	-
Deferred revenues	188,242	306	188,548	172,394	41,528
Accrued liabilities	153,542	8,575	162,117	183,267	83,222
Accrued interest payable	47,342	-	47,342	46,753	-
Other current liabilities	48,241	15	48,256	41,644	10,137
Long-term liabilities:					
Due within one year	305,916	8,631	314,547	240,678	37,479
Due in more than one year	4,404,247	57,850	4,462,097	4,430,739	2,849,503
Total liabilities	5,996,181	107,919	6,104,100	5,890,977	3,170,888
NET ASSETS					
Invested in capital assets, net of related debt	774,533	17,927	792,460	519,577	902,204
Restricted for:					
Expendable					
Debt service	239,225	-	239,225	213,217	-
Benefit payments	-	294,476	294,476	297,563	-
Capital projects	43,914	-	43,914	27,483	-
Grants and contributions	239,291	-	239,291	150,220	-
Emergency reserves	285,409	-	285,409	334,365	-
Other	-	-	-	109,584	171,152
Nonexpendable	-	-	-	-	7,242
Unrestricted	(370,474)	34,466	(336,008)	(556,344)	240,271
Total net assets	\$ 1,211,898	\$ 346,869	\$ 1,558,767	\$ 1,095,665	\$ 1,320,869

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, 2004
(With Comparative Totals for the Year Ended September 30, 2003)
(\$000s)

Functions/Programs Primary government:	Net (Expense) Revenue and Changes in Net Assets						Component Units
	Program Revenues		Primary Government		Totals		
	Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	2004	
Governmental activities:							
Governmental direction and support	\$ 554,614	\$ 68,663	\$ 8,102	\$ (454,488)	\$ -	\$ (454,488)	\$ (416,032)
Economic development and regulation	253,311	87,523	-	(81,922)	-	(81,922)	(77,909)
Public safety and justice	1,007,755	233,438	8,969	(711,115)	-	(711,115)	(666,303)
Public education system	1,301,807	245,355	53	(1,056,323)	-	(1,056,323)	(940,921)
Human support services	2,537,195	1,420,011	4,607	(1,108,878)	-	(1,108,878)	(1,311,258)
Public works	313,580	5,983	129,603	(43,119)	-	(43,119)	(23,622)
Public transportation	162,602	-	-	(162,602)	-	(162,602)	(272,726)
Interest on long-term debt	189,697	-	-	(189,697)	-	(189,697)	(178,301)
Total governmental activities	6,320,561	2,060,973	151,334	(3,808,144)	-	(3,808,144)	(3,887,072)
Business-type activities:							
Lottery and Games	167,938	-	-	-	\$ 73,195	73,195	71,705
Unemployment compensation	113,888	26,588	-	-	(87,300)	(87,300)	(109,689)
Nursing home services	33,023	-	15,464	-	12,985	12,985	(563)
Total business-type activities	314,849	26,588	15,464	-	(1,120)	(1,120)	(38,547)
Total primary government	\$ 6,635,410	\$ 2,087,561	\$ 166,798	(3,808,144)	(1,120)	(3,809,264)	(3,925,619)
Component units:							
Water and sewer	\$ 270,526	\$ -	\$ 31,455	-	-	-	\$ 22,836
Convention center	92,966	12,441	-	-	-	-	(80,525)
Sports commission	9,719	6,255	-	-	-	-	(3,464)
Housing finance	69,299	53,636	-	-	-	-	(15,663)
University	96,381	14,249	8,012	-	-	-	(50,379)
Total component units	\$ 538,891	\$ 23,741	\$ 39,467	-	-	-	(127,195)
General revenues:							
Taxes:							
Property taxes				1,017,653	-	1,017,653	899,665
Sales and use taxes				828,391	-	828,391	779,920
Income and franchise taxes				1,299,009	-	1,299,009	1,167,452
Gross receipts taxes				271,897	-	271,897	261,643
Other taxes				379,521	103,448	482,969	355,817
Grants and contributions not restricted to specific programs				24,543	-	24,543	25,070
Investment earnings				16,211	16,847	33,058	32,673
Miscellaneous				314,596	250	314,846	325,790
Subsidy from primary government				-	-	-	15,973
Transfer from lottery and games				-	-	-	21,407
Total general revenues and transfers				73,500	(73,500)	-	113,061
Change in net assets				4,223,321	47,045	4,272,366	3,848,030
Net assets at October 1, as restated				417,177	45,925	463,102	(77,589)
Net assets at September 30				794,721	300,944	1,095,665	1,173,254
				\$ 1,211,898	\$ 346,869	\$ 1,558,767	\$ 1,093,665

The accompanying notes are an integral part of this statement.

Exhibit 2-a

District of Columbia
Balance Sheet
Governmental Funds
September 30, 2004
(With Comparative Totals at September 30, 2003)
(\$000s)

	Federal & Private Resources		General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
	General				2004	2003
ASSETS						
Cash and cash equivalents (unrestricted)	\$ 436,041	\$ 109,954	\$ -	\$ 6,702	\$ 552,697	\$ 689,795
Investments (unrestricted)	-	-	-	8,615	8,615	46,141
Accrued interest receivable	-	-	-	19	19	14
Due from federal government	-	392,998	80,758	-	473,756	416,306
Taxes receivable, net	227,988	-	-	3,186	231,174	226,189
Accounts receivable, net	60,486	12,146	5,536	28,674	106,842	89,171
Other receivables	-	47,938	-	-	47,938	42,903
Due from component units	13,372	-	-	-	13,372	957
Due from other funds	574,425	27,266	-	707	602,398	289,156
Inventories	9,999	2,256	-	-	12,255	14,258
Other current assets	-	-	16,071	-	16,071	4,529
Cash and cash equivalents (restricted)	629,068	29,673	252,152	83,042	993,935	620,236
Other long term assets	5,546	3,604	-	-	9,150	11,834
Total assets	\$ 1,956,925	\$ 625,835	\$ 354,517	\$ 130,945	\$ 3,068,222	\$ 2,451,489
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	361,203	143,795	140,986	8,732	654,716	559,734
Compensation payable	146,142	16,632	2,239	12	165,025	155,798
Due to other funds	2,952	169,767	404,663	-	577,382	263,885
Due to component units	28,209	-	-	-	28,209	24,961
Deferred revenue	98,147	81,568	34,789	1,815	216,319	210,636
Accrued liabilities	79,262	74,212	-	68	153,542	174,518
Other current liabilities	25,995	254	21,992	-	48,241	31,846
Total liabilities	741,910	486,228	604,669	10,627	1,843,434	1,421,378
Fund balances:						
Reserved for:						
General fund expenditures	607,903	-	-	-	607,903	568,243
Special revenue funds expenditures	-	139,607	-	99,684	239,291	249,434
Capital project expenditures	-	-	23,280	20,634	43,914	52,607
Unreserved, reported in:						
General fund	607,112	-	-	-	607,112	329,114
Capital projects funds	-	-	(273,432)	-	(273,432)	(169,287)
Total fund balances (deficit)	1,215,015	139,607	(250,152)	120,318	1,224,788	1,030,111
Total liabilities and fund balances	\$ 1,956,925	\$ 625,835	\$ 354,517	\$ 130,945		\$ 2,451,489

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 4,716,538

Certain long term assets are not available to pay current period expenditures and are therefore deferred in the funds 28,077

Certain liabilities (such as bonds payable and accrued expenses) are not due and payable in the current period

General obligation bonds	3,418,933
Tobacco settlement bonds	502,740
TIF bonds & notes	124,009
QZAB	3,071
Accrued interest payable	47,342
Capital leases	84,456
Other long-term liabilities	576,954
	<u>(4,757,505)</u>

Net assets of governmental activities \$ 1,211,898

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, 2004
(With Comparative Totals for the Year Ended September 30, 2003)
(\$000s)

	General	Federal & Private Resources	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	
					2004	2003
REVENUES						
Taxes:						
Property taxes	\$ 1,027,976	\$ -	\$ -	\$ 112	\$ 1,028,088	\$ 901,887
Sales and use taxes	826,169	-	-	2,222	828,391	779,920
Income and franchise taxes	1,299,009	-	-	-	1,299,009	1,167,452
Gross receipts taxes	271,897	-	-	-	271,897	261,643
Other taxes	379,521	-	-	-	379,521	273,191
Fines and forfeitures	102,828	-	-	-	102,828	90,238
Licenses and permits	62,968	-	-	-	62,968	62,189
Charges for services	130,789	3,525	-	-	134,314	170,736
Investment earnings	12,016	976	530	2,689	16,211	13,341
Miscellaneous	211,842	16,386	38,505	38,306	305,039	320,460
Federal contributions	-	384,958	8,970	-	393,928	380,100
Operating grants	1,291	1,699,267	142,364	-	1,842,922	1,555,404
Total revenues	4,326,306	2,105,112	190,369	43,329	6,665,116	5,976,561
EXPENDITURES						
Current:						
Governmental direction and support	405,015	77,976	-	194	483,185	415,591
Economic development and regulation	145,453	90,767	-	-	236,220	224,811
Public safety and justice	747,769	236,293	-	-	984,062	907,670
Public education system	1,029,624	254,824	-	-	1,284,448	1,155,297
Human support service	1,119,360	1,444,286	-	-	2,563,646	2,445,336
Public works	152,580	11,579	-	72	164,231	164,753
Public transportation	162,602	-	-	-	162,602	272,726
Debt service:						
Principal	146,761	-	-	5,325	152,086	149,792
Interest	152,720	-	-	36,977	189,697	178,301
Fiscal charges	13,721	-	-	-	13,721	15,338
Capital outlay	-	-	635,208	31,441	666,649	762,145
Total expenditures	4,075,605	2,115,725	635,208	74,009	6,900,547	6,691,760
Excess (deficiency) of revenues over expenditures	250,701	(10,613)	(444,839)	(30,680)	(235,431)	(715,199)
OTHER FINANCING SOURCES (USES)						
Proceeds from sale of bonds	10,057	-	315,669	-	325,726	1,019,873
Proceeds from bond escrow restructuring	-	-	-	9,557	9,557	-
Payment to refunded bond escrow agent	-	-	-	-	-	(234,179)
Proceeds from capital lease	503	-	-	-	503	-
Equipment financing program	-	-	20,822	-	20,822	17,094
Transfers in	83,057	-	-	26,660	109,717	77,119
Transfers out	(26,660)	-	-	(9,557)	(36,217)	(34,476)
Total other financing sources (uses)	66,957	-	336,491	26,660	430,108	845,431
Net change in fund balances	317,658	(10,613)	(108,348)	(4,020)	194,677	130,232
Fund balances (deficit) at October 1, as restated	897,357	150,220	(141,804)	124,338	1,030,111	899,879
Fund balances (deficit) at September 30	\$ 1,215,015	\$ 139,607	\$ (250,152)	\$ 120,318	\$ 1,224,788	\$ 1,030,111

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, 2004
(\$000s)**

Net change in fund balances - total governmental funds	\$	194,677
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.		337,178
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 decreased in the governmental funds between 2003 and 2004.		(10,435)
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.		(157,984)
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.		53,741
Change in net assets of governmental activities	\$	417,177

The accompanying notes are an integral part of this statement.

Exhibit 2-4

District of Columbia
 Budgetary Comparison Statement
 Year Ended September 30, 2004
 (\$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	\$ 999,468	\$ 976,837	\$ 1,027,976	\$ 51,139	\$ -	\$ -	\$ -	\$ -	\$ 999,468	\$ 976,837	\$ 1,027,976	\$ 51,139
Sales and use taxes	738,777	756,425	737,309	(19,116)	-	-	-	-	738,777	756,425	737,309	(19,116)
Income and franchise taxes	1,176,419	1,207,694	1,299,009	91,315	-	-	-	-	1,176,419	1,207,694	1,299,009	91,315
Other taxes	458,708	530,261	600,901	70,640	-	-	-	-	458,708	530,261	600,901	70,640
Total taxes	3,373,372	3,471,217	3,665,195	193,978	-	-	-	-	3,373,372	3,471,217	3,665,195	193,978
Licenses and permits	63,462	62,075	61,505	(570)	-	-	-	-	63,462	62,075	61,505	(570)
Fines and forfeits	100,439	86,299	99,478	13,179	-	-	-	-	100,439	86,299	99,478	13,179
Charges for services	51,421	50,953	53,705	2,752	-	-	-	-	51,421	50,953	53,705	2,752
Miscellaneous	79,179	87,345	109,011	21,666	-	-	-	-	79,179	87,345	109,011	21,666
Other sources	172,506	168,027	240,253	72,226	-	-	-	-	172,506	168,027	240,253	72,226
Federal contributions	-	-	-	-	85,094	143,607	116,207	(27,400)	85,094	143,607	116,207	(27,400)
Operating grant	-	-	794	794	-	-	-	-	-	-	794	794
Fund balance released from restrictions	149,093	169,337	129,128	(40,209)	1,894,684	1,894,684	1,620,893	(273,791)	1,561,929	1,894,684	1,620,893	(273,791)
Interfund transfer	70,200	70,200	73,500	3,300	-	32,472	-	-	149,093	201,899	161,600	(40,209)
Total revenues and other sources	4,059,672	4,165,453	4,432,569	267,116	1,647,023	2,070,763	1,769,572	(301,191)	5,706,695	6,236,216	6,202,141	(34,075)
Expenditures and Other Uses:												
Governmental direction and support	226,975	246,639	231,364	15,275	50,235	210,176	67,347	142,829	277,210	456,815	298,711	158,104
Economic development and regulation	185,445	189,275	148,949	40,326	91,201	161,199	90,769	70,430	276,646	350,474	239,718	110,756
Public safety and justice	735,659	764,186	746,066	18,120	12,088	27,918	22,994	4,924	747,747	792,104	769,060	23,044
Public education system	970,581	979,362	975,995	3,367	197,648	242,171	198,124	44,047	1,168,229	1,221,533	1,174,119	47,414
Public school AYOS expenditure	-	53,198	53,198	-	-	-	-	-	-	53,198	53,198	-
Human support services	1,109,607	1,132,128	1,117,035	15,093	1,271,192	1,389,944	1,347,795	42,149	2,380,799	2,522,072	2,464,830	57,242
Public works	321,772	322,423	314,620	7,803	13,724	29,066	11,579	17,487	335,496	351,489	326,199	25,290
Emergency planning and security costs	-	-	-	-	10,935	10,289	10,289	-	10,935	10,289	10,289	-
Workforce investments	22,308	1,240	-	1,240	-	-	-	-	22,308	1,240	-	1,240
Wilson building	3,704	3,704	3,518	186	-	-	-	-	3,704	3,704	3,518	186
Repay bonds and interest	311,504	303,500	303,397	103	-	-	-	-	311,504	303,500	303,397	103
Interest on short term borrowing	3,000	2,904	2,570	334	-	-	-	-	3,000	2,904	2,570	334
Certificates of participation	4,911	4,911	4,752	159	-	-	-	-	4,911	4,911	4,752	159
Settlements and judgments fund	22,522	21,922	18,890	3,032	-	-	-	-	22,522	21,922	18,890	3,032
One-time expenditures	11,267	1,107	1,107	1,107	-	-	-	-	11,267	1,107	1,107	-
Tax increment financing	1,940	1,940	1,940	-	-	-	-	-	1,940	1,940	1,940	-
Grant disallowance	57,000	65,896	65,896	-	-	-	-	-	57,000	65,896	65,896	-
Cash reserve	50,000	302	-	302	-	-	-	-	50,000	302	-	302
Non-departmental agency	19,639	4,548	-	4,548	-	-	-	-	19,639	4,548	-	4,548
Total expenditures and other uses	4,057,834	4,099,185	3,988,190	110,995	1,647,023	2,070,763	1,748,897	321,866	5,704,857	6,169,948	5,737,087	432,861
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES -- BUDGETARY BASIS	\$ 1,838	\$ 66,268	\$ 444,379	\$ 378,111	\$ -	\$ -	\$ 20,675	\$ 20,675	\$ 1,838	\$ 66,268	\$ 465,054	\$ 398,786

Reconcile Budgetary Basis to GAAP Basis:

Inventory												
Proceeds from debt restructuring			(3,148)				1,184					
Accounts receivable allowance			9,557				-					
Operating cost from enterprise funds			5,371				-					
Fund balance released from restrictions			(11,068)				-					
All other, net			(129,128)				(32,472)					
			1,695				-					
EXCESS OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES -- GAAP BASIS			\$ 317,658				\$ (10,613)					

The accompanying notes are an integral part of this statement

Exhibit 3-a

District of Columbia
Statement of Net Assets
Proprietary Funds
September 30, 2004
 (With Comparative Totals at September 30, 2003)
 (\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Funds	Totals	
				2004	2003
ASSETS					
Current assets:					
Cash and cash equivalents (unrestricted)	\$ 9,701	\$ -	\$ 14,891	\$ 24,592	\$ 23,720
Investments (unrestricted)	-	-	12,074	12,074	-
Due from federal government	-	6,612	366	6,978	6,828
Accounts receivable, net	4,362	18,658	6,758	29,778	23,134
Due from other funds	-	1,551	-	1,551	-
Inventories	485	-	-	485	647
Other current assets	14	-	457	471	14,745
Cash and cash equivalents (restricted)	-	321,697	-	321,697	297,563
Total current assets	14,562	348,518	34,546	397,626	366,637
Investments (restricted)	66,481	-	-	66,481	73,537
Capital assets, net	1,030	-	16,897	17,927	4,032
Other	-	-	22	22	-
Total noncurrent assets	67,511	-	16,919	84,430	77,569
Total assets	82,073	348,518	51,465	482,056	444,206
LIABILITIES					
Current liabilities					
Accounts payable	2,950	26,759	1,238	30,947	33,148
Accrued compensated absences	894	-	701	1,595	1,861
Due to other funds	-	27,268	-	27,268	24,529
Deferred revenue	306	-	-	306	271
Accrued liabilities	7,866	-	709	8,575	8,749
Other current liabilities	-	15	-	15	1,167
Total current liabilities	12,016	54,042	2,648	68,706	69,725
Noncurrent liabilities					
Due within one year	8,631	-	-	8,631	8,631
Due in more than one year	57,850	-	-	57,850	64,906
Total noncurrent liabilities	66,481	-	-	66,481	73,537
Total liabilities	78,497	54,042	2,648	135,187	143,262
NET ASSETS					
Invested in capital assets, net of related debt	1,030	-	16,897	17,927	4,032
Restricted - expendable	-	294,476	-	294,476	262,148
Unrestricted	2,546	-	31,920	34,466	34,764
Total net assets	\$ 3,576	\$ 294,476	\$ 48,817	\$ 346,869	\$ 300,944

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, 2004
(With Comparative Totals for the Year Ended September 30, 2003)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Funds	Totals	
				2004	2003
Operating revenues:					
Employer taxes	\$ -	\$ 103,448	\$ -	\$ 103,448	\$ 82,626
Charges for services	241,133	-	30,544	271,677	272,014
Benefit contributions					
Benefit contributions	-	11,168	-	11,168	24,885
Miscellaneous	-	-	250	250	261
Total operating revenues	<u>241,133</u>	<u>114,616</u>	<u>30,794</u>	<u>386,543</u>	<u>379,786</u>
Operating expenses:					
Benefits	-	113,888	-	113,888	165,045
Prizes	137,326	-	-	137,326	138,256
Personnel services	10,281	-	5,700	15,981	15,587
Contractual services	14,342	-	-	14,342	12,676
Depreciation	406	-	1,998	2,404	848
Miscellaneous	5,583	-	25,325	30,908	33,505
Total operating expenses	<u>167,938</u>	<u>113,888</u>	<u>33,023</u>	<u>314,849</u>	<u>365,917</u>
Operating income (loss)	<u>73,195</u>	<u>728</u>	<u>(2,229)</u>	<u>71,694</u>	<u>13,869</u>
Nonoperating revenues:					
Interest and investment revenue	319	16,180	348	16,847	19,332
Intergovernmental	-	15,420	-	15,420	30,471
Total nonoperating revenue	<u>319</u>	<u>31,600</u>	<u>348</u>	<u>32,267</u>	<u>49,803</u>
Income (loss) before capital contribution and transfers	<u>73,514</u>	<u>32,328</u>	<u>(1,881)</u>	<u>103,961</u>	<u>63,672</u>
Capital contributions	-	-	15,464	15,464	-
Transfers in	-	-	-	-	34,476
Transfers out	(73,500)	-	-	(73,500)	(72,050)
Change in net assets	<u>14</u>	<u>32,328</u>	<u>13,583</u>	<u>45,925</u>	<u>26,098</u>
Total net assets at October 1	3,562	262,148	35,234	300,944	274,846
Total net assets at September 30	\$ <u>3,576</u>	\$ <u>294,476</u>	\$ <u>48,817</u>	\$ <u>346,869</u>	\$ <u>300,944</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, 2004
(With Comparative Totals for the Year Ended September 30, 2003)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Funds	Totals	
				2004	2003
Operating Activities:					
Cash receipts from customers/employers	\$ 239,520	\$ 108,462	\$ 16,293	\$ 364,275	\$ 383,064
Other cash receipts	506	-	161	667	655
Cash payments to vendors	(23,070)	-	(10,604)	(33,674)	(62,760)
Cash payments to employees/claimants	(6,826)	(115,928)	(5,927)	(128,681)	(171,417)
Other cash payments, including prizes	(137,783)	-	58	(137,725)	(137,311)
Net cash provided by (used in) operating activities	<u>72,347</u>	<u>(7,466)</u>	<u>(19)</u>	<u>64,862</u>	<u>12,231</u>
Noncapital Financing Activities:					
Intergovernmental grants	-	15,420	-	15,420	30,471
Interfund transfers out	(73,500)	-	-	(73,500)	(72,050)
Net cash provided by (used for) noncapital financing activities	<u>(73,500)</u>	<u>15,420</u>	<u>-</u>	<u>(58,080)</u>	<u>(41,579)</u>
Capital and Related Financing Activities:					
Acquisitions of capital assets	(82)	-	(754)	(836)	(1,095)
Net cash provided by (used for) capital and related financing activities	<u>(82)</u>	<u>-</u>	<u>(754)</u>	<u>(836)</u>	<u>(1,095)</u>
Investing Activities:					
Receipts of interest and dividends	319	16,180	348	16,847	20,725
(Purchases)/sales of investments	-	-	2,213	2,213	-
Net cash provided by (used for) in investing activities	<u>319</u>	<u>16,180</u>	<u>2,561</u>	<u>19,060</u>	<u>20,725</u>
INCREASE (DECREASE) IN CASH	(916)	24,134	1,788	25,006	(9,718)
Cash and cash equivalents at October 1	<u>10,617</u>	<u>297,563</u>	<u>13,103</u>	<u>321,283</u>	<u>331,001</u>
Cash and cash equivalents at September 30	<u>\$ 9,701</u>	<u>\$ 321,697</u>	<u>\$ 14,891</u>	<u>\$ 346,289</u>	<u>\$ 321,283</u>
Reconciliation of Operating Income (Loss) to					
Net Cash Provided by (used for) Operating Activities:					
Operating income (loss)	\$ 73,195	\$ 728	\$ (2,229)	\$ 71,694	\$ 13,869
Depreciation	406	-	1,998	2,404	1,489
Miscellaneous nonoperating revenues	-	-	36	36	63
Decrease (increase) in assets:					
Accounts receivable	(1,141)	(6,154)	529	(6,766)	2,669
Inventories	162	-	-	162	36
Other current assets	(2)	-	(234)	(236)	(196)
Increase (decrease) in liabilities:					
Accounts payable	198	(889)	105	(586)	(7,276)
Accrued liabilities	(79)	-	57	(22)	736
Deferred revenue	35	-	-	35	140
Other current liabilities	(427)	(1,151)	(281)	(1,859)	701
Net Cash Provided by (used for) Operating Activities:	<u>\$ 72,347</u>	<u>\$ (7,466)</u>	<u>\$ (19)</u>	<u>\$ 64,862</u>	<u>\$ 12,231</u>
Noncash Investing, Capital, and Financing Activities:					
Contributions of capital assets	\$ -	-	15,464	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, 2004
(\$000s)

	Pension Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents - restricted	\$ 290,768	\$ -	\$ 115,870
Investments - restricted			-
Equities	1,625,072	31,194	
Fixed income securities	712,741	-	
Cash collateral for securities lending transactions	321,697	-	-
Interest and dividends receivables	-	18	-
Accounts receivable	-	8	-
Benefit contribution receivables	1,564	-	-
Due from other funds	-	-	1,401
Other receivables	1,816	-	1,087
Total assets	<u>2,953,658</u>	<u>31,220</u>	<u>118,358</u>
LIABILITIES			
Accounts payable	17,946	12	10,124
Securities lending collateral	321,697	-	-
Due to other fund	700	-	-
Other current liabilities	-	4	108,234
Total liabilities	<u>340,343</u>	<u>16</u>	<u>\$ 118,358</u>
NET ASSETS			
Restricted for pension benefits and other purposes	<u>\$ 2,613,315</u>	<u>\$ 31,204</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, 2004
(\$000s)

	Pension Trust Funds	Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	\$ 96,700	\$ -
Plan members	47,130	17,847
Total contributions	143,830	17,847
Investment earnings:		
Net increase in fair value of investments	210,263	859
Interest and dividends	67,276	529
Total investment earnings	277,539	1,388
Less - investment expenses	(9,275)	(160)
Net investment earnings	268,264	1,228
Total additions	412,094	19,075
DEDUCTIONS		
Benefits	16,503	-
Administrative expenses	2,479	48
Distributions to participants	-	1,595
Total deductions	18,982	1,643
Change in net assets	393,112	17,432
Net assets at October 1	2,220,203	13,772
Net assets at September 30	\$ 2,613,315	\$ 31,204

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, 2004
(With Comparative Totals at September 30, 2003)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals	
						2004	2003
ASSETS							
Current Assets:							
Cash and cash equivalents (unrestricted)	\$ 48,405	\$ 2,002	\$ 890	\$ 16,773	\$ 16,408	\$ 84,478	\$ 170,024
Investments (unrestricted)	99,747	3,572	1,346	-	-	104,665	21,807
Receivables, net:							
Accounts	41,497	979	908	-	4,808	48,192	51,270
Other	20,907	299	-	300	38	21,544	34,506
Due from federal government	24,888	-	-	-	2,005	26,893	43,614
Due from primary government	19,180	5,735	-	-	3,294	28,209	24,962
Inventories	6,984	-	-	-	-	6,984	6,913
Other current assets	296	-	153	-	165	614	407
Restricted cash	281,213	3,035	-	11,273	-	295,521	62,028
Restricted investments	44,818	63,922	4,990	607,133	27,899	748,762	767,305
Total current assets	587,935	79,544	8,287	635,479	54,617	1,365,862	1,182,836
Noncurrent assets:							
Loans receivable	-	-	-	348,502	372	348,874	431,497
Deferred charges	30,169	8,545	-	14,817	-	53,531	57,883
Other	-	-	-	4,151	-	4,151	11,426
Total long term assets	30,169	8,545	-	367,470	372	406,556	500,806
Capital assets, net							
Property and equipment	1,297,715	783,453	10,786	2,317	55,998	2,150,269	2,152,730
Non-depreciable capital assets	552,898	7,510	557	573	7,532	569,070	384,234
Total assets	2,468,717	879,052	19,630	1,005,839	118,519	4,491,757	4,220,606
LIABILITIES							
Current Liabilities:							
Payables:							
Accounts	77,225	38,616	776	1,438	6,840	124,895	143,150
Compensation	9,042	1,229	249	232	-	10,752	9,546
Due to primary government	12,610	-	762	-	-	13,372	957
Accrued liabilities	19,495	12,747	252	31,384	19,344	83,222	102,207
Deferred revenue	28,052	7,004	222	1,881	4,369	41,528	39,660
Current maturities	16,134	10,685	-	10,660	-	37,479	37,827
Other current liabilities	-	1,051	-	9,086	-	10,137	17,019
Total current liabilities	162,558	71,332	2,261	54,681	30,553	321,385	350,366
Noncurrent Liabilities:							
Long term debt:							
Bonds payable	785,111	497,952	-	863,088	-	2,146,151	1,927,077
Other long-term liabilities	15,802	12,331	-	2,218	-	30,351	61,484
Refundable advances	-	-	-	-	463	463	681
Deferred revenue	672,538	-	-	-	-	672,538	583,375
Total long term liabilities	1,473,451	510,283	-	865,306	463	2,849,503	2,572,617
Total liabilities	1,636,009	581,615	2,261	919,987	31,016	3,170,888	2,922,983
NET ASSETS							
Invested in capital assets, net of related debt	622,515	222,744	11,343	(4,604)	50,206	902,204	949,133
Restricted - expendable	39,117	66,957	4,990	59,775	313	171,152	166,721
Restricted - nonexpendable	-	-	-	-	7,242	7,242	7,242
Unrestricted	171,076	7,736	1,036	30,681	29,742	240,271	174,527
Total net assets	\$ 832,708	\$ 297,437	\$ 17,369	\$ 85,852	\$ 87,503	\$ 1,320,869	\$ 1,297,623

The accompanying notes are an integral part of this statement.

Exhibit 5-b

District of Columbia
Discretely Presented Component Units
Combining Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended September 30, 2004
(With Comparative Totals for the Year Ended September 30, 2003)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	Univer- sity	Totals	
						2004	2003
Operating Revenues:							
Charges for services:							
Public	\$ 159,165	\$ 12,441	\$ 6,255	\$ 53,636	\$ 14,249	\$ 245,746	\$ 297,542
Intergovernmental	102,742	-	-	-	-	102,742	42,956
Federal & local grants & contributions	-	-	-	-	23,741	23,741	20,538
Miscellaneous	2,427	395	-	13,340	4,430	20,592	14,517
Total operating revenues	<u>264,334</u>	<u>12,836</u>	<u>6,255</u>	<u>66,976</u>	<u>42,420</u>	<u>392,821</u>	<u>375,553</u>
Operating Expenses:							
Personnel services	62,449	13,016	3,027	3,381	61,784	143,657	144,240
Contractual services	65,446	11,532	3,297	3,809	13,675	97,759	96,765
Supplies	17,384	787	219	-	5,646	24,036	20,687
Occupancy	22,217	4,391	663	5,064	3,314	35,649	35,114
Scholarships	-	-	-	-	7,678	7,678	7,045
Depreciation	40,500	29,165	1,866	267	4,284	76,082	60,734
Miscellaneous	20,692	1,081	647	21,025	-	43,445	34,719
Total operating expenses	<u>228,688</u>	<u>59,972</u>	<u>9,719</u>	<u>33,546</u>	<u>96,381</u>	<u>428,306</u>	<u>399,304</u>
OPERATING INCOME (LOSS)	<u>35,646</u>	<u>(47,136)</u>	<u>(3,464)</u>	<u>33,430</u>	<u>(53,961)</u>	<u>(35,485)</u>	<u>(23,751)</u>
Nonoperating Revenues:							
Intergovernmental	-	62,200	-	-	50,861	113,061	109,449
Interest revenue	3,472	2,037	85	7,962	2,417	15,973	15,250
Other revenue	-	-	-	-	815	815	715
Total nonoperating revenue	<u>3,472</u>	<u>64,237</u>	<u>85</u>	<u>7,962</u>	<u>54,093</u>	<u>129,849</u>	<u>125,414</u>
Nonoperating Expenses:							
Interest expense	26,060	26,080	-	34,555	-	86,695	67,969
Other expenses	15,778	6,914	-	1,198	-	23,890	22,765
Total nonoperating expense	<u>41,838</u>	<u>32,994</u>	<u>-</u>	<u>35,753</u>	<u>-</u>	<u>110,585</u>	<u>90,734</u>
Total nonoperating revenues (expenses)	<u>(38,366)</u>	<u>31,243</u>	<u>85</u>	<u>(27,791)</u>	<u>54,093</u>	<u>19,264</u>	<u>34,680</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	(2,720)	(15,893)	(3,379)	5,639	132	(16,221)	10,929
Capital contributions	31,455	-	-	-	8,012	39,467	49,525
Total contributions	<u>31,455</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,012</u>	<u>39,467</u>	<u>49,525</u>
Change in net assets	<u>28,735</u>	<u>(15,893)</u>	<u>(3,379)</u>	<u>5,639</u>	<u>8,144</u>	<u>23,246</u>	<u>60,454</u>
Net assets at October 1	<u>803,973</u>	<u>313,330</u>	<u>20,748</u>	<u>80,213</u>	<u>79,359</u>	<u>1,297,623</u>	<u>1,237,169</u>
Net assets at September 30	<u>\$ 832,708</u>	<u>\$ 297,437</u>	<u>\$ 17,369</u>	<u>\$ 85,852</u>	<u>\$ 87,503</u>	<u>\$ 1,320,869</u>	<u>\$ 1,297,623</u>

The accompanying notes are an integral part of this statement.