

MANAGEMENT'S DISCUSSION AND ANALYSIS**September 30, 2009**

(Dollar amounts expressed in thousands)

The following is a discussion and analysis of the District of Columbia's (the District's) financial performance for the fiscal year ended September 30, 2009, which includes a narrative overview and analysis of the District's financial activities. This information should be read in conjunction with the transmittal letter, located in the Introductory Section of this report, and the District's basic financial statements and note disclosures, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- The District's assets exceeded its liabilities as of September 30, 2009 by \$2,848,112. The District had negative unrestricted net assets totaling \$(479,940) at the end of fiscal year 2009.
- The District's total net assets decreased by \$(113,223). This decrease is attributable primarily to a significant increase in expenses of about \$743 million in 2009 compared to a much smaller increase in revenue and other sources of approximately \$513 million.
- As of September 30, 2009, the District's governmental funds reported combined ending fund balances of \$1,845,373, a decrease of \$(494,383) in comparison with the prior year.
- The District's total long-term liabilities increased by \$410,624, or 5.73% during fiscal year 2009. This increase resulted, in large part, from the District's issuance of Income Tax Secured Revenue Bonds. Although the District's general obligation bonds decreased by \$825,890, this decrease was offset by the issuance of \$1,071,785 in Income Tax Secured Revenue Bonds. Other contributing factors included: increases in liabilities for disability compensation totaling \$36,565; equipment financing totaling \$28,294; and accreted interest totaling \$23,580.

OVERVIEW OF THE FINANCIAL STATEMENTS**Basic Financial Statements**

In general, the purpose of financial reporting is to provide users of financial statements with information that will help them make decisions or reach conclusions about a reporting entity. Many parties use the District's financial statements; however, they do not always use them for the same specific purpose. In order to address the needs of as many financial statement users as reasonably possible, the District, in accordance with required reporting standards, presents: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements.

Government –Wide Financial Statements

Government-wide financial statements focus on the District's overall financial position and activities, and include a *statement of net assets* and a *statement of activities*. The District's government-wide financial statements report on the primary government and its component units. The primary government is further divided into governmental activities and business-type activities.

The purpose of the *statement of net assets* is to report all of the assets held and the liabilities owed by the District at the end of the fiscal year. The difference between the District's total assets and total liabilities is classified as net assets. Total net assets is comprised of three components: 1) *net assets invested in capital assets, net of related debt*; 2) *restricted net assets*; and 3) *unrestricted net assets (deficit)*. Although the District does not operate with the primary purpose of accumulating net assets, in general, increases or decreases in this amount is one of the measures of the District's financial position over time. Nonetheless, other factors, such as changes in population, the property tax base, infrastructure conditions, and other non-financial matters, must also be considered when assessing the District's overall financial health.

The purpose of the *statement of activities* is to present the District's revenues and expenses. The difference between revenues and expenses is reported as the change in net assets. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement also include items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The *statement of activities* summarizes both the gross and net cost of the governmental activities and business-type activities. Governmental activities show the District's basic functional services which are generally financed through taxes, intergovernmental revenues and other revenues. Business-type activities reflect enterprise operations where fees for services are expected to cover all or most of the costs of operations, including depreciation. Program or functional expenses are reduced by program-specific earned revenues, and by grants and contributions.

The District's government-wide financial statements are presented on pages 42 and 43 of this report.

Fund Financial Statements

Unlike the government-wide financial statements, fund financial statements focus on specific District activities rather than the District as a whole. Specific funds are established to maintain managerial control over resources or to comply with legal requirements established by external parties, governmental statutes, or regulations. The District's fund financial statements are divided into three categories: (1) governmental funds; (2) proprietary funds; and (3) fiduciary funds.

Governmental fund financial statements consist of a balance sheet and a schedule of revenues, expenditures, and changes in fund balances. These statements are prepared using a basis of accounting which differs from that used to prepare the government-wide statements. Fund financial statements focus primarily on the sources, uses, and balances of current financial resources and use the modified accrual basis of accounting. However, government-wide financial statements focus on all of the District's economic resources and use the full accrual basis of accounting. Governmental fund financial statements have a short-term emphasis, and generally measure and account for cash and other assets that can easily be converted to cash. As such, these statements present the District's financial position at the end of the fiscal year and how the governmental activities were financed during the year.

The balances and activities accounted for in governmental funds are also reported in the governmental activities columns of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements and government-wide financial statements, there are often significant differences in the totals presented in these statements. Therefore, an analysis is presented at the bottom of the balance sheet that reconciles the total fund balances to the amount of net assets presented in the governmental activities column of the statement of net assets. In addition, there is an analysis following the statement of revenues, expenditures, and changes in fund balances that reconciles the total change in fund balances for all governmental funds to the change in net assets as reported in the governmental activities column of the statement of activities.

The District presents funds that are significant to the District (major funds) in separate columns and all other governmental funds are aggregated and reported in a single column (nonmajor funds).

The District's governmental fund financial statements are presented on pages 44 and 45 of this report.

Proprietary fund financial statements consist of a statement of net assets; statement of revenues, expenses, and changes in fund net assets; and statement of cash flows. These statements are prepared using the full accrual basis of accounting similar to that used to prepare the government-wide financial statements. The District's proprietary funds account for the activities of District entities that charge customers fees for services provided. The District's proprietary fund financial statements present the changes in financial position and condition of the District's two major proprietary funds, the D.C. Lottery & Charitable Games Board and the Unemployment Compensation Fund, and its one non-major proprietary fund, Nursing Home Services.

The District's proprietary fund financial statements are presented on pages 48 thru 50 of this report.

Fiduciary fund financial statements consist of a statement of fiduciary net assets and a statement of changes in fiduciary net assets. Assets held by the District for other parties (either as a trustee or as an agent), that cannot be used to finance the District's operating programs, are reported in the fiduciary funds. The District is responsible for ensuring that the activities reported in the fiduciary funds are consistent with each fund's intended purpose.

The District's fiduciary fund financial statements are presented on pages 51 and 52 of this report.

Component Units

Combining financial statements, presented on pages 53 and 54, report the financial data for the District's discretely presented component units.

Notes to the Basic Financial Statements

Notes to the Basic Financial Statements, beginning on page 55, present additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress in funding its obligation to provide pension and other postemployment benefits to District employees. Required supplementary information can be found on pages 119 thru 121 of this report.

Individual fund and combining statements in connection with nonmajor governmental funds and supporting schedules are presented immediately following the required supplementary information on postemployment benefits. Individual fund and combining statements and schedules can be found in the other supplementary information presented on pages 123 thru 149 of this report.

OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND OPERATIONS

An indicator of the District's satisfactory financial performance during fiscal year 2009 is that expenditures were within budget. The District's overall financial position and operations for the past two years are summarized in **Tables 1 and 2** based on the information included in the government-wide financial statements presented on pages 42 and 43 of this report.

Table 1 - Net Assets as of September 30, 2009

	Governmental activities		Business-type activities		Totals	
	2009	2008	2009	2008	2009	2008
Current and other assets	\$ 3,483,849	\$ 4,016,319	\$ 451,471	\$ 501,051	\$ 3,935,320	\$ 4,517,370
Capital assets	8,114,819	7,243,637	16,012	16,747	8,130,831	7,260,384
Total assets	11,598,668	11,259,956	467,483	517,798	12,066,151	11,777,754
Long-term liabilities	7,545,839	7,128,989	35,153	41,379	7,580,992	7,170,368
Other liabilities	1,551,366	1,585,434	85,681	60,617	1,637,047	1,646,051
Total Liabilities	9,097,205	8,714,423	120,834	101,996	9,218,039	8,816,419
Net assets:						
Invested in capital assets,						
net of related debt	2,155,206	1,794,279	16,012	16,747	2,171,218	1,811,026
Restricted	852,061	1,156,213	304,773	374,282	1,156,834	1,530,495
Unrestricted	(505,804)	(404,959)	25,864	24,773	(479,940)	(380,186)
Total net assets	\$ 2,501,463	\$ 2,545,533	\$ 346,649	\$ 415,802	\$ 2,848,112	\$ 2,961,335

Table 2 - Change in Net Assets for the year ended September 30, 2009

	Governmental activities		Business-type activities		Total		
	2009	2008	2009	2008	2009	2008	Variance
Revenues:							
Program revenues:							
Charges for services	\$ 399,478	\$ 379,149	\$ 288,794	\$ 290,156	\$ 688,272	\$ 669,305	\$ 18,967
Operating grants and contributions	2,813,568	2,178,275	36,985	21,191	2,850,553	2,199,466	651,087
Capital grants and contributions	180,602	175,841	-	-	180,602	175,841	4,761
General revenues:							
Property taxes	1,951,345	1,787,365	-	-	1,951,345	1,787,365	163,980
Income and franchise taxes	1,478,068	1,755,894	-	-	1,478,068	1,755,894	(277,826)
Sales and use taxes	1,052,011	1,101,859	-	-	1,052,011	1,101,859	(49,848)
Other taxes	577,885	716,274	94,622	92,733	672,507	809,007	(136,500)
Non tax revenues	559,089	554,316	171,222	37,672	730,311	591,988	138,323
Total revenues	9,012,046	8,648,973	591,623	441,752	9,603,669	9,090,725	512,944
Expenses:							
Governmental direction and support	878,219	834,694	-	-	878,219	834,694	43,525
Economic development and regulation	470,567	499,644	-	-	470,567	499,644	(29,077)
Public safety and justice	1,407,166	1,384,517	-	-	1,407,166	1,384,517	22,649
Public education system	1,937,238	1,787,635	-	-	1,937,238	1,787,635	149,603
Human support services	3,598,570	3,285,325	-	-	3,598,570	3,285,325	313,245
Public works	553,233	586,649	-	-	553,233	586,649	(33,416)
Public transportation	230,499	214,905	-	-	230,499	214,905	15,594
Interest on long-term debt	336,536	293,339	-	-	336,536	293,339	43,197
Lottery and games	-	-	176,625	182,981	176,625	182,981	(6,356)
Unemployment compensation	-	-	370,775	150,237	370,775	150,237	220,538
Nursing home services	-	-	44,601	40,837	44,601	40,837	3,764
Total expenses	9,412,028	8,886,708	592,001	374,055	10,004,029	9,260,763	743,266
Special item	287,137	153,640	-	-	287,137	153,640	133,497
Transfer from lottery and games	68,775	70,300	(68,775)	(70,300)	-	-	-
Change in net assets	(44,070)	(13,795)	(69,153)	(2,603)	(113,223)	(16,398)	(96,825)
Net assets - Oct 1	2,545,533	2,559,328	415,802	418,405	2,961,335	2,977,733	(16,398)
Net assets - Sept 30	\$ 2,501,463	\$ 2,545,533	\$ 346,649	\$ 415,802	\$ 2,848,112	\$ 2,961,335	\$ (113,223)

Please refer to Note 1W – *Reconciliation of Government-Wide and Fund Financial Statements*, on page 68, for additional information on the differences between the two bases of accounting that the District used in this report.

Financial Analysis of the Government as a Whole (Government-Wide Financial Statements)

- The District's combined net assets (government and business-type activities) decreased by \$(113,223) or -3.82%, from \$ 2,961,335 in fiscal year 2008 to \$2,848,112 in fiscal year 2009. This decrease in net assets resulted mainly from an increase of \$743,266 in expenses for governmental direction and support, public education, human support services, and unemployment compensation; and a lesser increase of \$512,944 in revenues.
- *Restricted net assets* are assets that are subject to use-constraints imposed either: (a) externally by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or (b) by law, through constitutional provisions or by enabling legislation. Restricted net assets totaled \$ 1,156,834 in fiscal year 2009 and \$ 1,530,495 in fiscal year 2008, representing a decrease of \$ (373,661), or -24.41%. The decrease is the result of several factors. Due to continued economic declines in fiscal year 2009, the District paid \$220,538 more in unemployment benefits than in the prior year. Consequently, net assets restricted for future benefits decreased by \$69,509. Restricted net assets for other purposes, such as inventory, subsequent year's expenditures, and unexpended but available budget, decreased by \$345,151. These significant decreases were offset by smaller increases in other areas.
- Total net assets for governmental activities was \$2,501,463 in fiscal year 2009, which was \$(44,070), or -1.73% less than total net assets of governmental activities in fiscal year 2008. Although expenses increased by \$525,320 over the prior year, revenues increased by a lesser amount of \$363,073. There was a \$1,525 decrease in the amount transferred to the General Fund from the Lottery. In addition, in fiscal year 2009, the District received a Federal capital contribution of \$287,137. In the prior year, three component units were dissolved and the net assets of these entities were transferred to the District and recorded as a special item in the amount of \$153,640.
- As a result of the District using additional current resources to finance capital projects, absorption of Medicaid disallowances, and the use of available net assets to finance operations, there was a negative unrestricted net asset amount of \$(505,804) for governmental activities for fiscal year 2009. This amount, combined with the unrestricted net assets for business-type activities totaling \$25,864, resulted in negative total unrestricted net assets for fiscal year 2009 of \$(479,940). Compared to the prior year, total net assets decreased by \$(113,223) and the unrestricted deficit increased by \$(99,754).

The Lottery and Charitable Games Control Board (the Lottery), an enterprise fund of the primary government, transfers substantially all of its net income to the District at the end of each fiscal year. In fiscal years 2009 and 2008, the Lottery transferred \$ 68,775 and \$ 70,300 to the District's General Fund, respectively.

Chart 1 graphically depicts the District's sources of revenues as presented in Table 2, *Change in Net Assets* for the year ended September 30, 2009, found on page 24.

Chart 1 – Revenues by Source – Governmental Activities

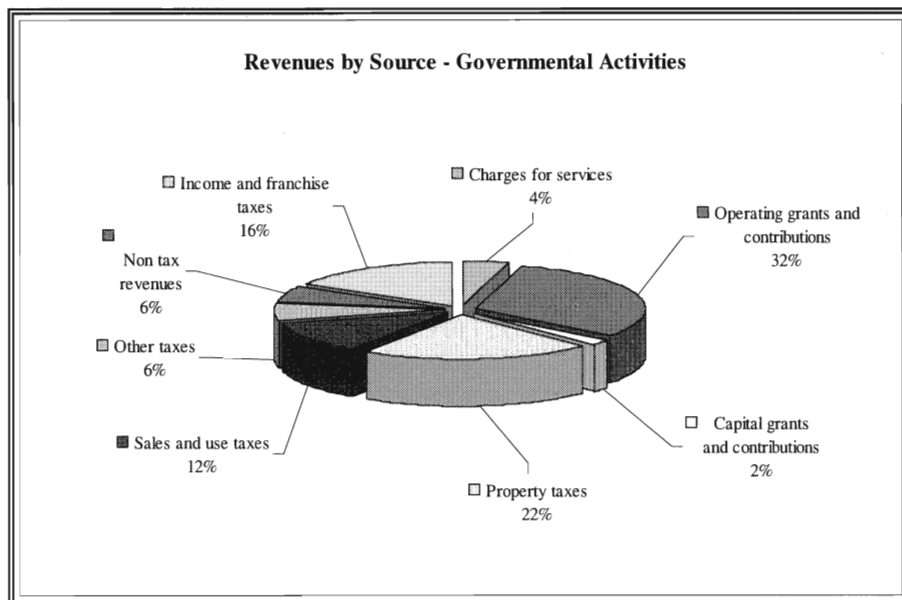
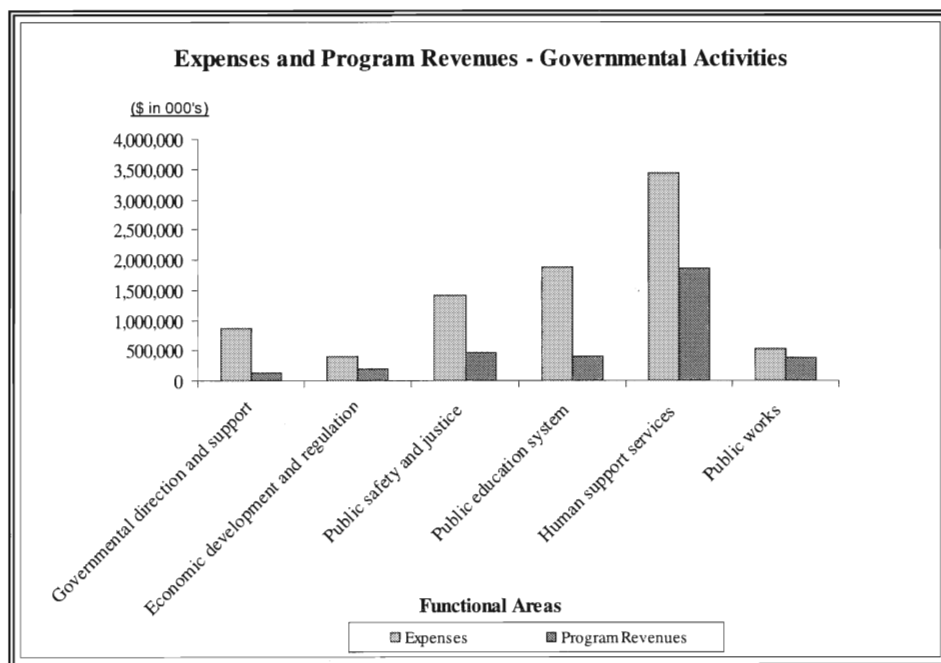


Chart 2 displays both expenses and program revenues of selected governmental activities for the fiscal year. The governmental activities are: governmental direction and support, economic development and regulation, public safety and justice, public education system, human support services and public works.

Chart 2 – Governmental Activities Expenses and Program Revenues



Reporting on the District's Most Significant Funds

Fund financial statements focus on major funds, instead of fund types. A governmental fund is classified as a major fund if the fund has revenues, expenditures/expenses, assets, or liabilities (excluding extraordinary items) that are at least 10% of the corresponding totals for all governmental or enterprise funds and at least 5% of the aggregate amount for all governmental and enterprise funds for the same item. Major funds, as required by generally accepted accounting principles, are presented individually with nonmajor governmental funds combined in a single column. Detailed information for individual nonmajor governmental funds can be found in Other Supplementary Information, Exhibits B-1 and B-2, presented on pages 134 and 135 of this report.

Governmental Funds

The District's governmental funds provide information that is useful when assessing the District's financing needs, such as data pertaining to near-term inflows, outflows, and balances of spendable resources. For instance, the amount of unreserved fund balance may serve as a useful measure of the government's net resources that are available for spending at the end of the fiscal year.

Most basic services are reported in the governmental funds, and are further classified as General, Federal and Private Resources, General Capital Improvements, Baseball Capital Project, and Nonmajor Governmental Funds. Please refer to Exhibits 2-a and 2-b presented on pages 44 and 45, for more detailed information about these funds.

- **Fund Balances:** The governmental funds reported a combined fund balance of \$1,845,373 in fiscal year 2009 and \$2,339,756 in fiscal year 2008, which represents a decrease of \$(494,383), or -21.1% over the prior year. The components of the combined fund balance are as follows:

Table 3 – Comparison of FY 2009 and FY 2008 Fund Balance

Governmental Fund	FY 2009 Balance	FY 2008 Balance	Dollar Variance	Percentage Variance
General	\$ 920,483	\$ 1,244,722	\$ (324,239)	-26.0%
Federal and Private Sources	142,566	83,794	58,772	70.1%
General Capital Improvements	406,854	586,934	(180,080)	-30.7%
Baseball capital project	3,549	19,602	(16,053)	-81.9%
Nonmajor governmental funds	371,921	404,704	(32,783)	-8.1%
Total Fund Balance	\$ 1,845,373	\$ 2,339,756	\$ (494,383)	-21.1%

- **Revenues:** Revenues of the general fund decreased by \$(217,277) in fiscal year 2009. The collection of taxes and other revenues decreased as a result of the decline in the economy. Property taxes increased by \$175,432, while sales and use and income and franchise taxes decreased moderately.

Table 4 – Changes in Major General Fund Revenues (Taxes)

Tax Category	Fiscal Year 2009	Fiscal Year 2008	Dollar Variance	Percentage Variance
Property	\$ 1,934,523	\$ 1,759,091	\$ 175,432	10.0%
Sales and Use	1,052,011	1,101,859	(49,848)	-4.5%
Income and Franchise	1,478,068	1,755,894	(277,826)	-15.8%
Total (These Categories)	\$ 4,464,602	\$ 4,616,844	\$ (152,242)	-3.3%

Property tax. There is a two year lag between the time real property values are assessed and when the revenue from the increased assessments is realized. Therefore, the increase in real property tax revenue in FY 2009 reflects the strength of the D.C. real estate market and higher assessments in 2007.

Sales and use. The decrease in the sales and use tax was attributable to the economic decline. All sales tax components – general sales, restaurants and bars, parking, off-premise liquor and accommodations declined in fiscal year 2009. Cigarette excise tax revenues increased because the tax rate increased; however, motor vehicle excise tax revenues decreased due to a sharp slowdown in the purchase of automobiles.

Income and franchise. Income tax collections through withholdings increased by \$17 million over the prior year. However, the District experienced sharp declines in corporate franchise tax revenues and deed recordation and deed transfer taxes. These declines were directly attributable to economic events, such as the collapse of major financial institutions, which severely affected capital markets and reduced corporate profits. In addition, the general slow down in the real estate market lowered prices and sharply lowered sales volume.

Dedicated Revenues

Portions of the District's tax revenue streams are dedicated for specific purposes. The dedicated portion of tax revenues is transferred out of the local fund, and is not available for general budgeting. In fiscal year 2009, the District dedicated a total of \$413,393 in tax revenues to fund the projects shown in **Tables 5a** and **5b**. There were \$197,730 non-budgetary dedicated tax revenues and \$215,663 budgetary dedicated tax revenues.

Table 5a – Dedicated Local Tax Revenues

<u>Tax Revenue</u>		<u>Non-Budgetary Dedicated Taxes</u>				
Source	Gross Collection	TIF	DDOT	Convention Center	Highway Trust Fund	Net Collection
Real Property	\$ 1,822,693	\$ (7,864)	\$ -	\$ -	\$ -	\$ 1,814,829
Public Space Rental	32,612	-	(32,612)	-	-	-
General Sales	973,410	(18,121)	(23,765)	(91,538)	-	839,986
Motor Fuel Tax	23,830	-	-	-	(23,830)	-
Total	\$ 2,852,545	\$ (25,985)	\$ (56,377)	\$ (91,538)	\$ (23,830)	\$ 2,654,815

Table 5b – Dedicated Local Tax Revenues

<u>Budgetary Dedicated Taxes</u>								
Source	Local Collection	Neighborhood Investment	Ballpark Fund	Nursing Facility Fund	School Modernization	HPTF	Healthy DC Fund	Available for General Fund Use
Personal Property	\$ 69,163	\$ (10,000)	-	-	-	-	\$ -	\$ 59,163
General Sales	839,986	-	(9,434)	-	(106,000)	-	-	724,552
Public Utility	151,046	-	(10,091)	-	-	-	-	140,955
Toll	-	-	-	-	-	-	-	-
Telecommunications	66,586	-	(2,949)	-	-	-	-	63,637
Insurance companies	57,417	-	-	-	-	-	(8,653)	48,764
Healthcare Provider	12,088	-	-	(12,088)	-	-	-	-
Baseball gross receipts	28,204	-	(28,204)	-	-	-	-	-
Deed Recordation	100,764	-	-	-	-	(15,958)	-	84,806
Deed Transfer	78,262	-	-	-	-	(12,286)	-	65,976
Total	\$ 1,403,516	\$ (10,000)	\$ (50,678)	\$ (12,088)	\$ (106,000)	\$ (28,244)	\$ (8,653)	\$ 1,187,853

- **Expenditures:** The District's general fund expenditures, excluding debt service, decreased by \$(139,426) over the previous year. Variances by program or function were as follows:

Table 6 – General Fund Expenditure Variances by Function

Program/ Functional Area	Fiscal Year 2009	Fiscal Year 2008	Dollar Variance	Percentage Variance
Governmental direction and support	\$ 589,492	\$ 663,674	\$ (74,182)	-11.2%
Economic development and regulation	339,783	361,866	(22,083)	-6.1%
Public safety and justice	984,892	1,044,456	(59,564)	-5.7%
Public education system	1,497,302	1,457,941	39,361	2.7%
Human support services	1,643,779	1,718,912	(75,133)	-4.4%
Public works	298,625	262,044	36,581	14.0%
Public transportation	230,499	214,905	15,594	7.3%
Total Functional Expenditures	\$ 5,584,372	\$ 5,723,798	\$ (139,426)	-2.4%

Explanations for significant variances are discussed further in the General Fund Budgetary Highlights section presented on pages 33 thru 39.

Capital Expenditures and Financing

The District's investments in capital improvements are based on need rather than available current year revenues. It is the District's financial policy to issue general obligation bonds to support the expenditures associated with its Capital Improvements Program. In order to minimize the cost of carrying debt, the District has instituted the practice of issuing bonds based on actual expenditures, in some cases, as well as based on the annual amount budgeted. In practice, agencies are authorized to spend their annual appropriated capital budget in advance of financing. The General Fund advances the amount of the funding, and is repaid with the proceeds from the bonds when issued. This allows the District to determine when it will enter the market to issue bonds, based upon cash flow needs, favorable market rates, and the total amount of municipal debt financing and the types of credits that are available. This flexibility helps to minimize borrowing costs and maximize the pool of potential investors for the District's debt issuances.

The District spent \$1,054,505 on general capital improvements which exceeded the general capital improvements revenues of \$182,789 by \$(871,716), which is reported as a deficiency in the capital projects fund. This deficiency was subsequently financed with a total of \$691,636 from bond proceeds and other financing sources. The net change in the general capital improvements fund balance was a decrease of \$(180,080).

Proprietary Funds

The District currently has two major Proprietary Funds: the D.C. Lottery & Charitable Games Board (Lottery), and the Unemployment Compensation Fund (Unemployment). There is one nonmajor proprietary fund, Nursing Home Services, which includes the operations of the Washington Center for Aging Services, the Washington Center for Aging Services Center Care, and the JB Johnson Nursing Center.

The total assets for the Lottery decreased by \$5,806, 10.3%, over the prior year, due to scheduled payments to long-term prize winners. Total assets for Unemployment decreased by \$35,534, or 8.3% due to increased payments of unemployment compensation benefits to eligible recipients. Total assets of Nursing Home Services decreased by \$343, or 0.80% over the prior year as a result of increased payments for contractual services. Overall total net assets of the District's proprietary funds decreased by \$69,153, or 16.6% over the prior year, due in large part, to these factors. Exhibits 3-a, 3-b, and 3-c on pages 48 thru 50 present the Statement of Net Assets – Proprietary Funds, Statement of Revenues, Expenses, and Changes in Fund Net Assets – Proprietary Funds, and the Statement of Cash Flows, respectively.

Charts 3 and 4 graphically present comparisons of the revenues and expenses of the two major proprietary funds: [Lottery & Games and Unemployment Compensation] and the one nonmajor proprietary fund [Nursing Home Services], based on information contained in the Statement of Revenues, Expenses and Changes in Fund Net Assets - Proprietary Funds, shown on page 49 of this report.

Chart 3 – Expenses and Program Revenues – Business-type Activities

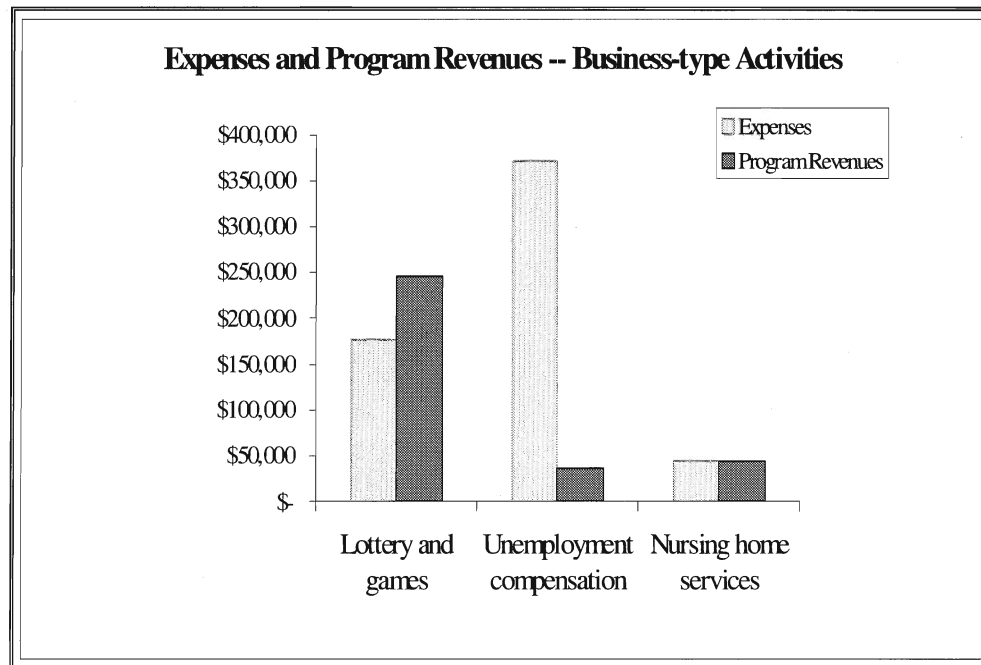
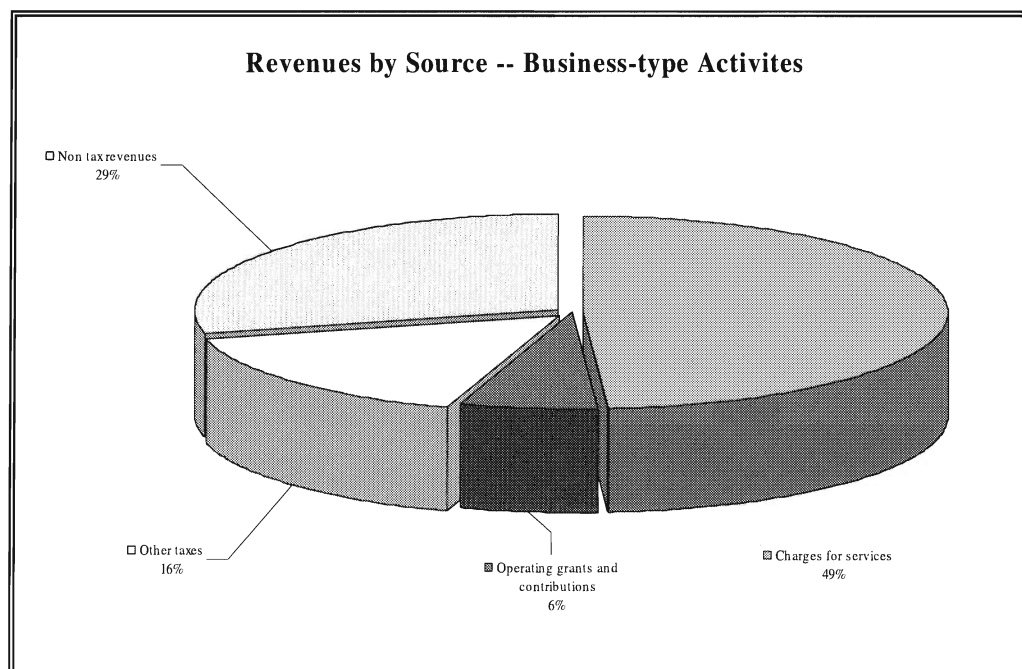


Chart 4 – Revenues by Source – Business-type Activities



Fiduciary Funds

The *Trust and Agency Funds* are used to account for assets held by the District as trustee for individuals, private organizations, or other governments. The District is the *trustee* or *fiduciary* for its employees' pension plans and other postemployment benefits (OPEB). All fiduciary activities are reported in Exhibit 4-a, *Statement of Fiduciary Net Assets* and Exhibit 4-b, *Statement of Changes in Fiduciary Net Assets* on pages 51 and 52, respectively. Exhibits C-1 and C-2, presented on pages 138 and 139 respectively, provide additional information. These activities are excluded from the District's governmental and business-type activities because these resources are restricted and are not available to support the District's operations.

Private-purpose trust funds are used to report any trust arrangement not reported in the pension or investment trust funds under which principal and income benefit specific individuals, private organizations, or other governments. For instance, the District's 529 College Savings Investment Plan, which is designed to help families save for the higher education expenses of designated beneficiaries, is reported in the Private-Purpose Trust Fund.

The changes in the net assets of the Pension Trust Funds and OPEB Trust Fund are as follows:

Table 7 – Variances in Net Assets of Pension and OPEB Trust Funds

Trust Fund	Fiscal Year 2009	Fiscal Year 2008	Dollar Variance	Percentage Variance
Police and Firefighters Pension	\$ 2,524,994	\$ 2,476,726	\$ 48,268	1.9%
Teachers Pension	1,204,391	1,257,754	(53,363)	-4.2%
Other Postemployment Benefits	309,136	219,685	89,451	40.7%
Total Net Assets (End of Year)	\$ 4,038,521	\$ 3,954,165	\$ 84,356	2.1%

Although the value of equity investments decreased as a result of the precipitous decline in the stock market during the first quarter of fiscal year 2009, net assets of the fiduciary funds increased because of contributions and an increase in cash and cash equivalents. In addition, there were significant reductions in accounts payable and other current liabilities in these funds.

Component Units

Component units are legally separate organizations for which the District is financially accountable. The District has five discretely presented component units: (1) Housing Finance Agency; (2) D.C. Sports and Entertainment Commission; (3) University of the District of Columbia; (4) Washington Convention Center Authority; and (5) D.C. Water and Sewer Authority. The District is financially accountable because the Mayor, with the consent of the Council, appoints the governing bodies of these organizations. In addition, the District has an obligation to provide financial support to the Washington Convention Center Authority, and the University of the District of Columbia.

Other component units have operations that are so intertwined with those of the primary government that they function, for all practical purposes, as an integral part of the primary government. These are reported as blended component units. A component unit should also be blended when the primary government and the component unit share a common governing body or when the component unit either: (1) provides service entirely or almost entirely to the primary government; or (2) otherwise exclusively or almost exclusively benefits the primary government although it does not provide services directly to it. The District has one blended component unit, the Tobacco Settlement Financing Corporation (Tobacco Corporation). The Tobacco Corporation is a blended component unit because it provides services exclusively to the District.

Each of the component units prepares its own independently audited financial statements, which are accompanied by their respective MD&A. Exhibits 5-a and 5-b on pages 53 and 54, respectively, present more detailed financial information on the District's component units.

Short-Term Debt

The District issues short-term debt primarily to finance seasonal cash flow needs. This need occurs due to time lags between the receipt of taxes, grants and other revenues and the outflow of funds for governmental operations and required disbursements. The District issued \$400,000 in Tax Revenue Anticipation Notes (TRANs) on December 2, 2008, at an interest rate of 2.50%, priced to yield 1.09%. By law, the District must repay any short-term debt in its entirety by September 30 of the fiscal year in which the debt was incurred. Accordingly, the District repaid the TRANs on September 30, 2009.

Long-Term Debt

On March 19, 2009, the District issued its Series 2009A and 2009B bonds in the principal amount of \$801,330, comprised of \$491,645 Income Tax Secured Revenue Bonds, Series 2009A and \$309,685 Income Tax Secured Revenue Refunding Bonds, Series 2009B. These bonds are special obligations of the District payable solely from the Trust Estate pledged under the Indenture. The bonds are without recourse to the District, and are not a pledge of, and do not involve, the faith and credit or the taxing power of the District (other than the pledge of the available tax revenues made by the Indenture and the Act), do not constitute a debt of the District, and do not constitute lending of the public credit for private undertakings as prohibited by District law. The Series 2009A and 2009B bonds were issued with interest rates ranging from 4.00% to 5.50% with a yield rate ranging from 1.32% to 5.32%.

On September 3, 2009, the District issued \$270,455 in Income Tax Secured Revenue Refunding Bonds, Series 2009C. The purpose of the issuance of the Series 2009C Bonds was to refund the District's Series 1999A and Series 1999B bonds. Like the Series 2009A and 2009B Bonds, the Series 2009C bonds are special obligations of the District payable solely from the Trust Estate pledged under the indenture. The bonds are without recourse to the District, and are not a pledge of, and do not involve, the faith and credit or the taxing power of the District (other than the pledge of the available tax revenues made by the indenture and the Act), do not constitute a debt of the District, and do not constitute lending of the public credit for private undertakings as prohibited by District law. The Series 2009C bonds were issued with interest rates ranging from 3.00% to 5.00% with a yield rate ranging from 1.04% to 4.44%.

The District's bond ratings have significantly improved over the years. As a result, the District has been able to either refinance (refund) outstanding debt or to issue new debt at more favorable rates. Lower interest rates translate into reduced debt service payments, resulting in a greater percentage of the District's budget being available for the provision of services and programs to District residents.

At September 30, 2009, the District had a total of \$6,173,643 in General Obligation Bonds, TIF Bonds, Ballpark Bonds, Qualified Zone Academy Bonds (QZAB), Tobacco Bonds, and Income Tax Secured Bonds outstanding. This represents an increase of \$222,849 over the prior year. The District's borrowing has been increasing over the past few years because of the continuing need and demand for infrastructure improvements, such as roads, streets, and bridges. **Table 8** presents the District's outstanding bonds as of September 30, 2009 and 2008.

Table 8 – Outstanding Bonds at September 30, 2009 and 2008

Long-Term Debt					
		2009	2008	Dollar Variance	Percentage Variance
General Obligation Bonds	\$	3,766,628	\$ 4,592,518	\$ (825,890)	-18.0%
Ballpark Bonds		521,750	526,415	(4,665)	-0.9%
TIF Bonds		96,197	100,664	(4,467)	-4.4%
Qualified Zone Academy Bonds		6,044	6,713	(669)	-10.0%
Tobacco Bonds		711,239	724,484	(13,245)	-1.8%
Income Tax Secured Bonds		1,071,785	-	1,071,785	100.0%
Total	\$	6,173,643	\$ 5,950,794	\$ 222,849	3.7%

The total debt per capita (D.C. residents) as of September 30, 2009 was \$11,081. This represents an increase of \$176, or 1.61% over the prior year. The result is due to the District's issuance of Income Tax Secured Revenue Bonds, refunding of outstanding debt, and population increases. Exhibit S-3C, on page 167, presents ratios of total outstanding debt for the last ten fiscal years. (**Note:** The debt per capita figure that was provided in the FY 2008 CAFR does not correspond to the per capita data presented in the FY 2009 CAFR because population estimates for Washington, D.C. have been adjusted).

Capital Assets

The general capital improvements fund is used to account for the purchase or construction of capital assets financed by transfers, capital grants, and debt. Capital assets include, but are not limited to, land, buildings, police and fire equipment, office equipment, park facilities, roads, and bridges. In 2009, total capital assets increased by \$870,447 or 12%, over the prior year. Total overall capital assets continue to increase because the District is investing more resources in the construction of new and the rehabilitation of existing infrastructure, such as roads, streets, and bridges.

At September 30, 2009, total net capital assets (capital assets less depreciation) were \$8,130,831. Net capital assets of the governmental activities totaled \$8,114,819, and the net capital assets of the business-type activities totaled \$16,012. The governmental activities depreciation charges for fiscal year 2009 totaled \$304,354 compared to the prior year's amount of \$272,830. **Table 9** presents more detailed information on the District's net capital assets.

Table 9 – Net Capital Assets as of September 30, 2009

Asset Category	Governmental Activities		Business-type Activities		Total	
	2009	2008	2009	2008	2009	2008
Land	\$ 594,593	\$ 311,388	\$ 1,264	\$ 1,264	\$ 595,857	\$ 312,652
Buildings	3,035,188	2,591,551	12,000	13,061	3,047,188	2,604,612
Infrastructure	2,121,095	2,020,490	-	-	2,121,095	2,020,490
Equipment	502,960	486,163	2,748	2,422	505,708	488,585
Construction in progress	1,860,983	1,834,045	-	-	1,860,983	1,834,045
Total net capital assets	\$ 8,114,819	\$ 7,243,637	\$ 16,012	\$ 16,747	\$ 8,130,831	\$ 7,260,384

REPORTING THE DISTRICT'S BUDGET

Overview in Brief

D.C. Code § 47-392.01(c)(1)(A) requires the District to prepare a balanced budget each year. Consistent with D.C. Code § 47-392.02, the Mayor is required to submit the budget to Council for review, approval, and submission to Congress. The District's budget is subject to revision and veto by Congress and the President of the United States. As the budget moves through the budgetary process, there may be changes in both amounts and purposes. The Chief Financial Officer updates the District's revenue estimates and revises the expenditure budget to be consistent with the revised estimates.

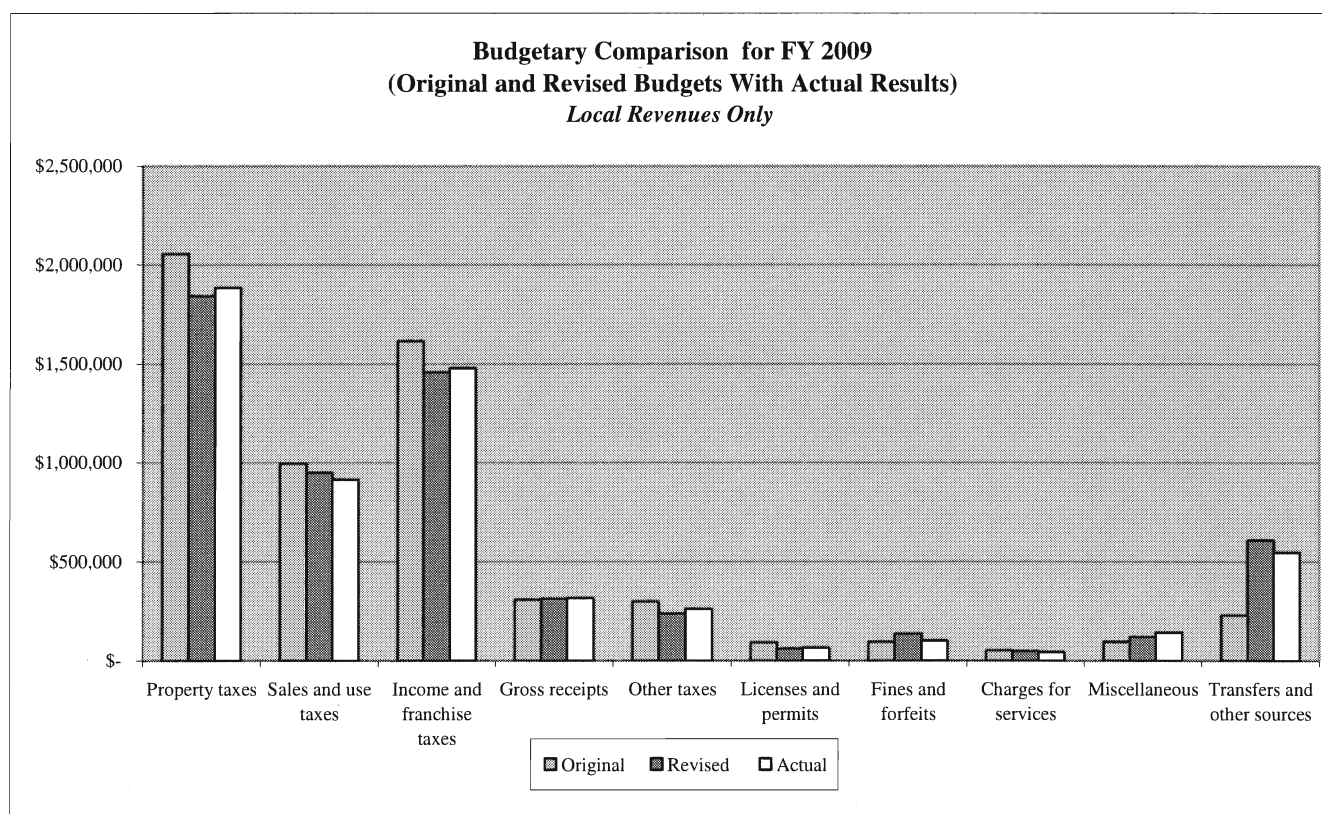
General Fund Budgetary Highlights

The General Fund is the chief budgetary operating fund of the primary government. Total General Fund Revenues and Sources were originally budgeted to be \$6,365,394. This budgeted amount was subsequently revised to \$6,280,891, representing a decrease of \$84,503. Total General Fund Expenditures and Uses for fiscal year 2009 were originally budgeted as \$6,363,941. This budgeted amount was subsequently revised to \$6,275,928, representing a decrease of \$(88,013). General Fund revenues are derived from local and other sources. **Table 10** presents a summary of the General Fund's budget (original and revised) and actual results for the Local Source and Other Source components.

Table 10 – General Fund Budget – Local and Other Sources

	Local Source			Other Source			Totals		
	Original	Revised	Actual	Original	Revised	Actual	Original	Revised	Actual
Revenue and Sources	\$ 5,833,868	\$ 5,769,233	\$ 5,753,651	\$ 531,526	\$ 511,658	\$ 484,333	\$ 6,365,394	\$ 6,280,891	\$ 6,237,984
Expenditures and Uses	5,832,415	5,764,270	5,712,923	531,526	511,658	385,139	6,363,941	6,275,928	6,098,062
Excess of Revenues and Sources Over Expenditures and Uses	\$ 1,453	\$ 4,963	\$ 40,728	\$ -	\$ -	\$ 99,194	\$ 1,453	\$ 4,963	\$ 139,922

More than 90% of the revenues and expenditures of the General Fund relate to funding derived through local sources. Differences between the General Fund's original budget and final revised budget (local source only), and the General Fund's final budget and actual expenditures (local source only) for fiscal year 2009 are graphically presented in **Charts 5 and 6**. In addition, detailed budgetary schedules pertaining to the General Fund are presented on pages 47 and 129 through 131 in the Financial Section of this report.

Chart 5 – Budgetary Comparison – General Fund Local Source Revenues

Comparison of Original and Revised Budgets: Revenues and Sources

Chart 5 presents a comparison of the original budget, revised budget, and actual results for the General Fund's local source revenues. Some of the factors contributing to the reduction in estimated revenues included the following:

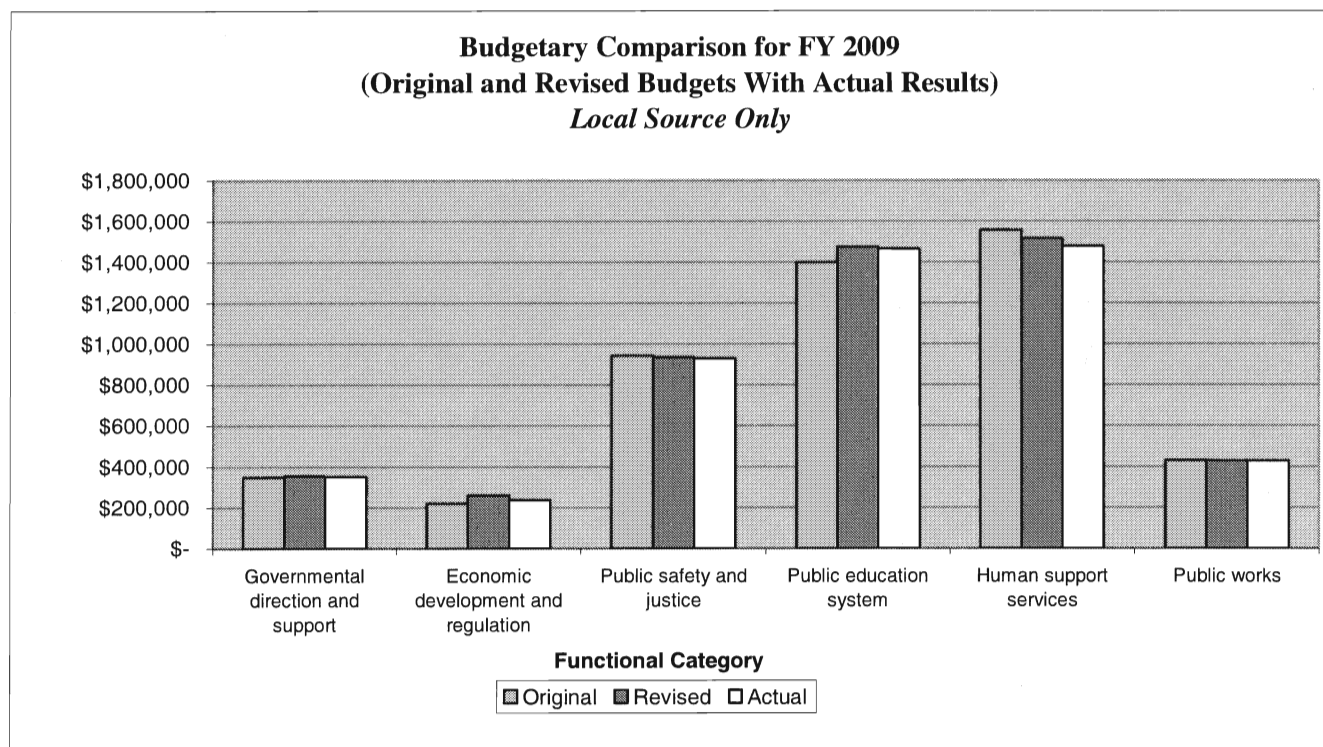
- Estimated real property tax revenues decreased by \$208,308 as a result of adjustments that were made based on an updated real property tax database, a lower collection rate, and more successful taxpayer appeals.
- The revenue estimate for general sales and use tax was revised downward by \$54,019 as data on cash collections began to show a downward trend in sales tax collections, reflecting the national and local recession.

- Estimated revenues from individual income tax were adjusted downward by \$96,804 as data on collections showed a significant increase in refunds and a decrease in payments received from taxpayers.
- The revenue estimates for unincorporated business tax was revised downward by \$48,970 as the real estate market deteriorated and unincorporated business tax collections declined sharply. Most of the revenue from the unincorporated business tax comes from the real estate sector.
- Estimated deed recordation tax revenues were lowered by \$18,557 because a review of cash collections data showed that the financial crisis and the resulting credit squeeze continued to depress markets.
- The revenue estimate for economic interests tax was decreased by \$15,000 as the effects of a new higher rate eliminated the incentive to organize real estate transactions to take advantage of a lower effective rate.
- Non-tax revenue estimates were revised upward: miscellaneous income was increased by \$15,615 to account for distributions pursuant to the tobacco master settlement agreement; fines and forfeitures were increased by \$40,113 due to increase in funding for traffic control officers and expanded automated enforcement; licenses and permits and charges for services were revised downward by \$30,969 and \$3,362 respectively, to reflect the effects of the recession.

Comparison of Original and Revised Budgets: Expenditures and Uses

Total General Fund Local Source expenditures and uses as originally budgeted were \$5,832,415, which was subsequently revised to \$5,764,270. Actual General Fund Local Source expenditures totaled \$5,712,923. **Chart 6** presents a comparison of the original budget, revised budget, and actual results for the General Fund's local source expenditures by function.

Chart 6 – General Fund Local Source Expenditures (by Function)



Throughout fiscal year 2009, the District assessed the impact of economic conditions on the District's operations. As revenue estimates were adjusted downward, plans for reducing spending were developed and budgeted expenditures were revised accordingly. A significant portion of the \$(88,013) variance between the original and revised budgets for expenditures and other uses is attributable to spending reductions which became necessary as the declining economy began to impact the District's revenue streams.

Comparison of Revised Budget and Actual Revenues and Sources

There was a variance of \$(42,907) between the General Fund's budgeted and actual revenues and other sources for fiscal year 2009. The General Fund's Local Source actual revenues were \$15,582 less than budgeted revenues. This variance was attributable, in part, to the following:

- Actual general sales tax revenues were \$15,759 less than the revised estimate, reflecting a deeper recession in the District than projected at the time the revised budget was prepared. The District's hospitality industry was impacted more severely than originally anticipated.
- Despite a weak economy and high unemployment among District residents, growth in withholding was stronger than expected, which resulted in the positive variance of \$23,581 in individual income tax. The apparent contradiction is likely due to a higher share of job losses among lower paid employees.
- Corporate franchise tax revenue was \$14,381 less than the estimate due mainly to significantly lower estimated payments having been received by the District, which reflects the impact of the recession on area businesses.
- Unincorporated business franchise tax revenue was \$12,425 greater than the estimate, which assumed greater exposure to the real estate market decline.
- The positive variance of \$11,750 for deed recordation tax and \$18,222 for deed transfer tax was due to a rebound in sales in the residential real estate market due to lower prices and federal credits. Tax revenues declined over the previous year but at a rate that was much less than projected.
- Due to revenue shortfalls, fund balances declined significantly which, when combined with historically low interest rates on short-term investments, caused interest income to be less than projected. Consequently, interest income was \$31,583 less than budgeted.
- In addition, fines and forfeits were \$33,667 less than projected due to unrealized revenues from new initiatives.

Comparison of Revised Budget and Actual Expenditures and Uses

There was a variance of \$(177,866) between budgeted and actual expenditures and other uses for fiscal year 2009. The General Fund's Local Source actual expenditures and uses were \$51,347 less than budgeted. Policy restrictions on spending, instituted as a result of the declining economy, contributed to the District's underspending in fiscal year 2009. The expenditures of three functions primarily accounted for the \$31,627 variance between revised local source budget and actual expenditures: Economic Development and Regulation; Public Safety and Justice; and Human Support Services.

Brief explanations related to these functions are provided below:

Economic Development and Regulation: The \$20,334 variance between the revised budget and actual expenditures in this functional area is attributable to several factors, some of which include: (a) the Summer Youth Program not spending a portion of available program funds during the fiscal period; (b) the Department of Housing and Community Development receiving less funding through the Community Development Block Grant Program and the HOME Grant Program, thus resulting in reduced spending; and (c) significant reductions in deed transfer and deed recordation taxes resulting in reductions in expenditures related to the Housing Production Trust Fund.

Public Safety and Justice: Several factors contributed to the \$5,522 variance between the revised budget and actual expenditures in this functional category. Some of the contributing factors included: (a) Homeland Security/Emergency Management had a reduction of \$309 in fixed costs; (b) a portion of the Presidential Inauguration costs budgeted for the Metropolitan Police Department was subsequently absorbed by the federal government; and (c) the Unified Communications Center (UCC) had significant savings in fixed costs, imposed 8.34% spending controls, and approximately 72% of the Presidential Inauguration costs budgeted for the UCC was absorbed by the federal government.

Human Support Services: The \$5,771 variance between the revised budget and actual expenditures in this functional area was due to several factors; however, the most prevalent was the imposition of spending controls for fiscal year 2009. In addition, the Department of Parks and Recreation experienced the following: (a) \$1.9 million reduction in spending by the child and adult care feeding program due to a decrease in the number of eligible program participants and a reduction in the number of sites served; (b) a \$1 million reduction in the summer feeding program due to a reduction in the number of sites served; (c) \$600 under-spending by the Parks and Facility Management Program due to a reduction in contractual services used by that program; and (d) \$500 in under-spending of local funds, due to the overestimation of funding provided to the Office of the Chief Technology Officer for telecommunications costs.

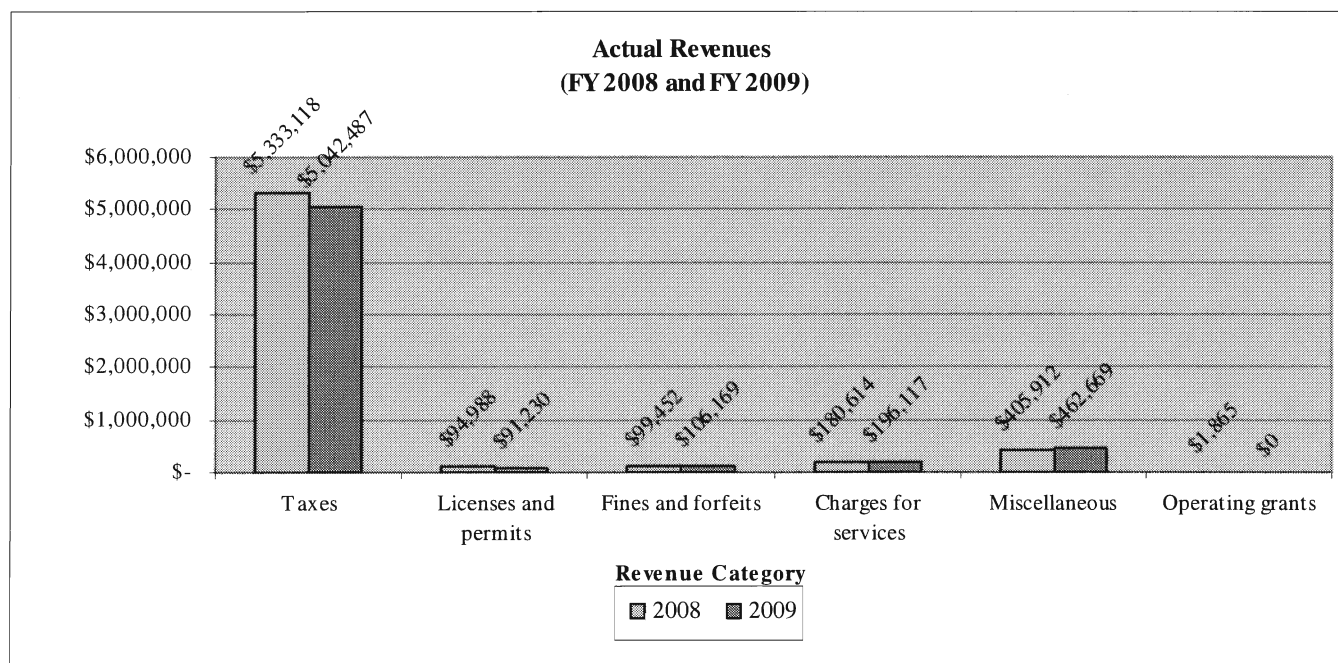
Some additional factors which resulted in the \$(177,866) variance include:

- The District Department of Transportation's actual expenditures were approximately \$19.2 million less than the revised budget because the agency limited its special purpose revenue funds (O-type) expenditures. This measure was implemented because actual revenue collection for the Unified Fund was significantly less than the certified amount used to establish budget authority.
- The District Department of the Environment underspent the agency's budget as a result of several factors, some of which included: (a) approximately \$5.4 million allocated to the Demand Side Management programs was not spent by PEPCO; (b) approximately \$1.6 million allocated for the Government Building Energy Efficiency Program was not spent by the Department of Real Estate Services; (c) due to process issues associated with the start up of a new program, approximately \$1.1 million remained in the Renewable Energy Incentive Program; and (d) approximately \$8 million in Storm Water funds were provided to other partnering agencies to implement energy-related projects, however, the targeted start dates for designated projects were delayed or rescheduled.
- Approximately \$6.5 million in intra-District funds from the District Department of Energy audits were received late and could not be utilized by the end of fiscal year 2009 and certain O-type revenues totaling \$2.7 million were also received too late in the fiscal year to obtain goods and services.
- Bond fiscal charges paid from bond proceeds were approximately \$10.6 million less than anticipated due to fewer bond financings.

Comparison of Annual Operating Results: Revenues and Sources (GAAP-Basis)

Actual General Fund revenues and other sources totaled \$6,646,606 in fiscal year 2009, as compared to \$6,888,791 in fiscal year 2008, representing a decrease of \$242,185. **Chart 7** presents a comparative summary of actual General Fund revenues for fiscal years 2009 and 2008.

Chart 7 – Comparative Summary - General Fund Local Source Revenues



The \$242,185 decrease in General Fund revenues and sources over the previous year was due, in part, to the following:

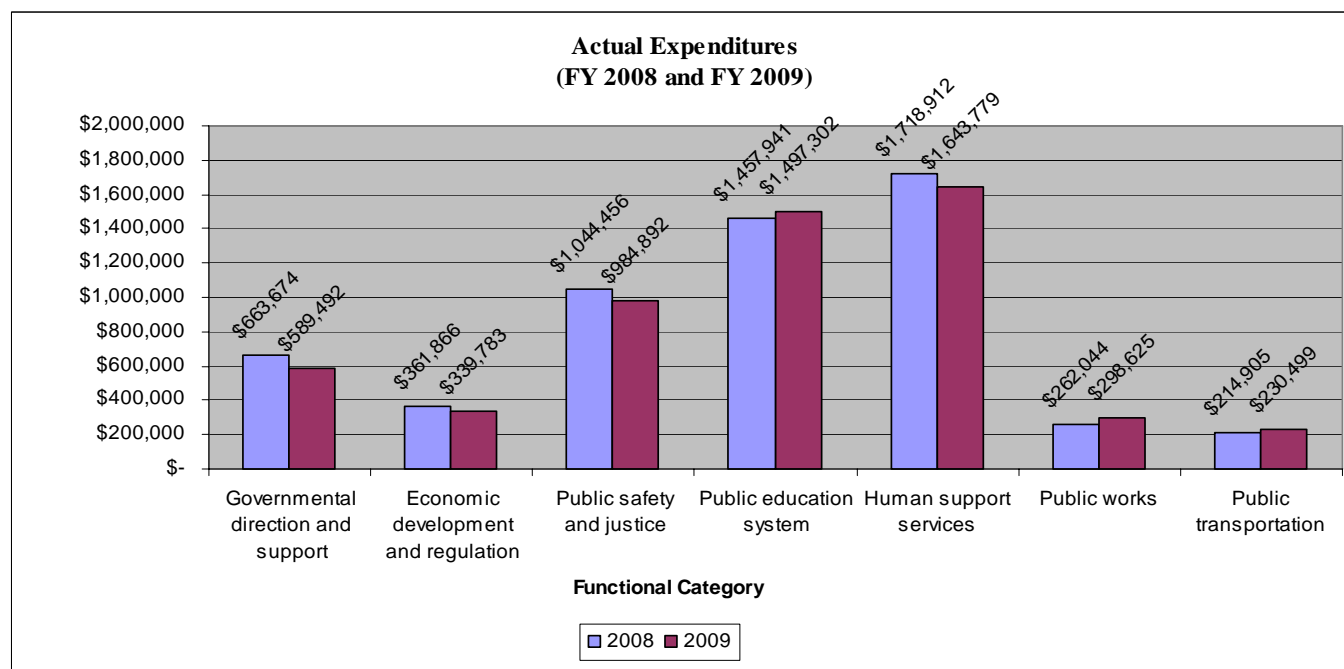
- The \$175,432 increase in property tax revenues over the previous year primarily reflects a “run up” in the commercial real property tax market over the last several years. Although the commercial real estate market has since slowed from its 2005 peak, FY 2009 real property tax revenue is based on price appreciation that occurred in calendar year 2007, before the general real estate slowdown impacted the Washington, D.C. market.

- Sales and use tax revenues declined \$49,848 in fiscal year 2009. Cigarette excise tax was \$13,720 higher than the fiscal year 2008 amount due to an increase in the tax rate to \$2.00 in fiscal year 2009. Motor vehicle excise tax was \$8,053 lower than the previous year's amount due to weak demand for automobiles.
- Income and franchise tax declined by \$277,826. Individual income tax revenue declined \$206,861 over the previous year. Although tax collections through withholding increased by 2% between 2008 and 2009, non-withholding tax collections, which are tied closely to the financial markets, declined sharply by 66%.
- Corporate franchise tax revenue was \$64,321 less in fiscal year 2009 than in the prior year, mainly due to the impact of economic events such as the collapse of major financial institutions, which severely affected capital markets and corporate profits suffered.
- An \$89,382 decline in fiscal year 2009 revenue as compared to the prior year for deed recordation tax and deed transfer tax reflects the general slowdown in the real estate markets, both in lower prices and sharply lower volume of sales.
- The increase in the tax rate for transfers of economic interest eliminated the incentive to structure real estate ownership through limited liability corporations. The tax rate increased to be equal to the sum of the deed recordation and deed transfer. The number of transactions declined significantly from fiscal year 2008 to fiscal year 2009, reducing the revenue by \$46 million, or 85%.

Comparison of Annual Operating Results: Expenditures and Other Uses (GAAP-Basis)

Actual General Fund expenditures and other uses totaled \$6,970,845 in fiscal year 2009, as compared to \$7,197,064 in fiscal year 2008, representing a decrease of \$226,219. **Chart 8** presents a comparative summary of actual General Fund expenditures and other uses (local source only) by function for fiscal years 2009 and 2008.

Chart 8 – Comparative Summary – General Fund Local Source Expenditures (by Function)



The noted decrease in expenditures and other uses was due, in part, to the following:

Government Direction and Support: Spending in this function decreased by \$74,182 over the prior year. In general, this variance is due to several factors including: (a) salary lapses resulting from timing delays between the departure and hiring of FTEs; (b) fixed costs savings refunded at the end of the fiscal year; (c) imposed spending restrictions; and (d) delays in initiating contractual services. Spending in local sources decreased by \$3,167 over the one-year period. Factors contributing to this variance include: (a) a decrease in spending of \$10,182 by the Office of the Chief Technology Officer; and (b) a \$10,000 decrease in Section 103 judgments. Other smaller variances such as \$816 variance in the Office of the City Administrator, \$527 in the Office of Finance and Resource Management, \$381 variance in the Office of Contracting and Procurement, also contributed to this one-year variance.

Human Support Services: Expenditures decreased in this functional category by \$75,133 over the one-year period between fiscal years 2008 and 2009, with local source expenditures decreasing by \$70,903. Factors contributing to this variance include: (a) a reduction of \$21,388 in expenditures made by the Child and Family Services Agency; and (b) reductions made possible through the streamlining of operations upon the creation of the Department of Healthcare Finance (DHCF). As a result of the creation of DHCF, the Department of Health's expenditures decreased by approximately \$567,314 but were offset by DHCF's expenditures totaling \$463,677. These decreases were offset by increases in other areas, such as \$27,484 at the Department of Human Services (DHS) and \$10,932 at the Department on Disability Services (DDS). The increase in spending by DHS was due, in part, to a \$12,000 increase for the New Initiative for Housing First; \$10,000 increase for Homeless Services; and \$3,500 increase in cash assistance expenditures.

Public Safety and Justice: Expenditures decreased by \$59,564 in this functional category between fiscal year 2008 and 2009, with \$47,379 of this decrease being in local sources. Factors contributing to this variance include: (a) a \$31,000 decrease in the Police and Firefighter Retirement System; and (b) a \$17,998 decrease in spending by the Metropolitan Police Department. Much of the variance is due to less funding being available in fiscal year 2009, and costs associated with employees taking advantage of the early retirement offered in fiscal year 2008.

SUBSEQUENT EVENTS

Short-Term Debt

On October 30, 2009, the District issued \$500,000 in Tax Revenue Anticipation Notes (TRANs) as a means of financing, on a short-term basis, the District's general governmental expenses in anticipation of receiving or collecting revenues for fiscal year 2010. These fixed rate TRANs were issued at an interest rate of 2.50% and mature on September 30, 2010. By law, the District must repay any short-term debt in its entirety by September 30 of the fiscal year of issuance.

Income Tax Secured Revenue Bonds

On December 22, 2009, the District issued \$129,620 in Income Tax Secured Revenue Bonds, Series 2009D (Tax –Exempt) and \$501,290 in Income Tax Secured Revenue Bonds, Series 2009E (Federally Taxable –Build America Bonds –Direct Pay to Issuer). The proceeds of the Series 2009D and Series 2009E bonds will be used to: (a) provide funds for capital projects; (b) pay for financing costs; and (c) fund capitalized interest on the Series 2009D and Series 2009E bonds. These bonds will be payable from and secured by a security interest in and a statutory lien on the Trust Estate. The Series 2009D bonds were issued with interest rates ranging from 3.0% to 5.0% with a yield rate ranging from 0.770% to 2.680%. The Series 2009E bonds were issued with interest rates ranging from 4.343% to 5.541% with a yield rate ranging from 4.343% to 5.541%. A \$300,000 term bond, with an interest rate of 5.591% will be due on December 1, 2034, priced to yield 5.591%. The District is eligible to receive federal payments equal to 35% of interest cost under the Build America Bond program.

Dissolution of a Component Unit

Pursuant to the Fiscal Year 2010 Budget Support Second Emergency Act Of 2009, D.C. Act 18-207, the Sports and Entertainment Commission was abolished effective October 1, 2009. Consequently, the event planning, community outreach and other administrative functions of the former Sports and Entertainment Commission merged with the Washington Convention Center Authority (WCCA) to form a new organization known as the Washington Convention and Sports Authority (WCSA). The Department of Real Estate Services (DRES), formerly known as the Office of Property Management, is responsible for the maintenance and upkeep of the RFK Stadium and D.C. Armory campuses.

CONTACTING THE DISTRICT'S OFFICE OF THE CHIEF FINANCIAL OFFICER

This CAFR is designed to provide the District's citizens, taxpayers, customers, vendors, investors, and creditors with a general overview of the District's finances and to demonstrate the effectiveness of the District's systems of accountability for the money it receives. If you have any questions regarding this report, suggestions for improvement, or need additional financial information, please contact:

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