

FY 2010 Comprehensive Annual Financial Report

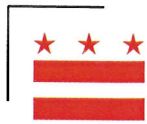
January 31, 2011

1350 Pennsylvania Avenue, NW
Suite 203
Washington, DC 20004
(202) 727-2476
www.cfo.dc.gov



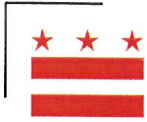
FY 2010 Highlights

- **General Fund revenues and sources exceeded expenditures by \$58 million on a budgetary basis**
 - *Revenues other than fund balance 2.4% below original estimate (the basis of the “original” budget) and 2.5% below revised estimate*
 - *Expenditures 4% below revised budget*
- **\$890 million Cumulative General Fund Balance**
 - *Decrease of \$30 million from FY 2009*
 - *\$1.4 billion above lowest level of -\$518 million in FY 1996 during Control period*



Looking Ahead

- Challenges going ahead include:
 - Outlook for revenue growth is cautiously optimistic
 - General Fund balance is no longer a potential source of funding operations, and federal Stimulus Act funding is no longer available
 - Restrictions imposed by Debt Cap and sound management practice prohibit borrowing beyond that which is currently planned
- Options for FY 2011 and FY 2012 budget balance
 - Increase tax or fee revenues
 - Consider sale or lease of assets
 - Reduce spending through:
 - Programmatic reductions
 - Seeking ways to operate more effectively and efficiently within current resources
 - Elimination of waste, fraud and abuse
 - Maximizing use of grant funding

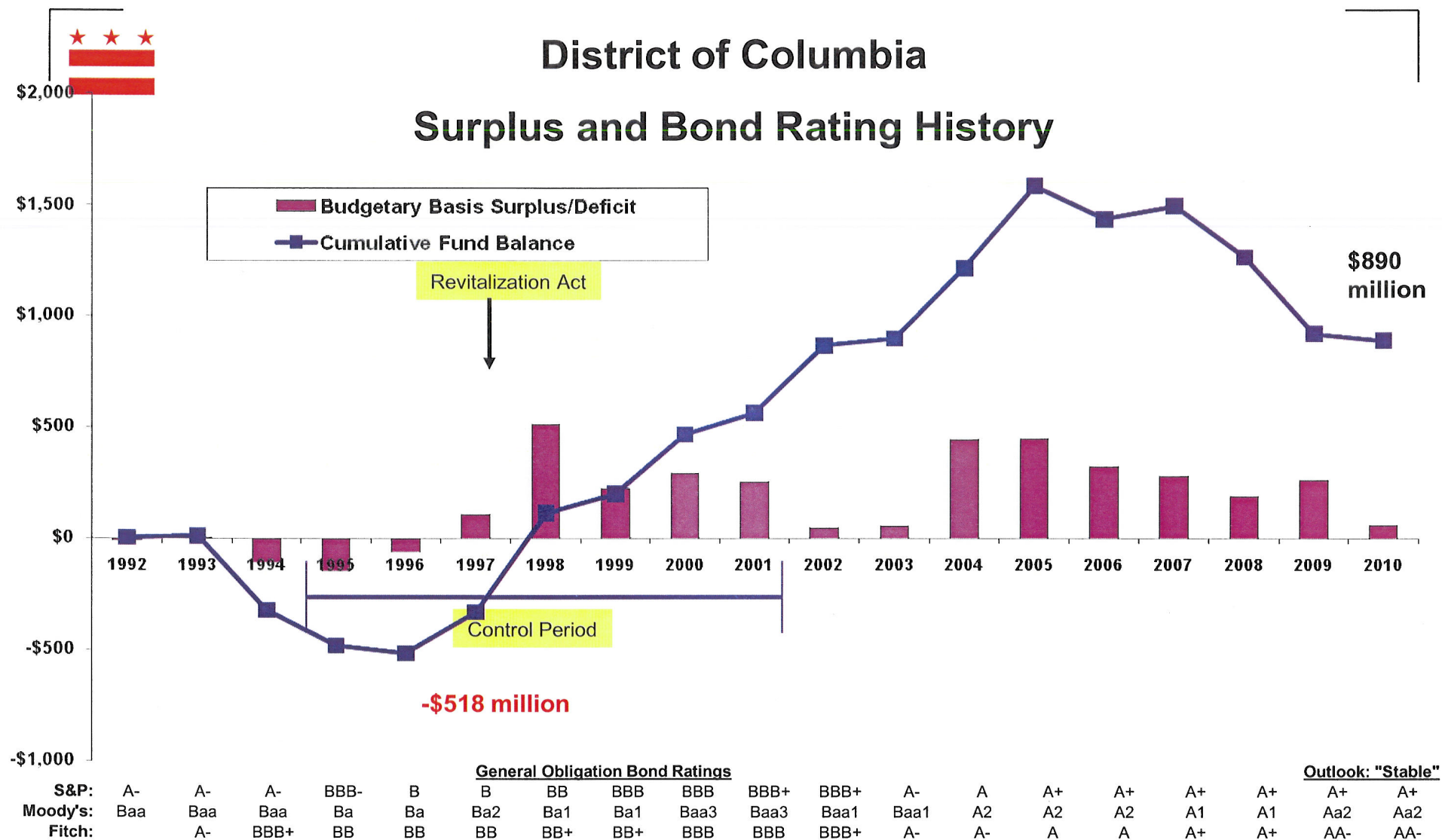


Estimated Revenues as of December 2010

Next Revenue Estimate Expected in February

Changes in Revenue Estimates (\$Millions) Changes Since June 2008, Local Source, General Fund Revenue Estimate

	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
June 2008 Budget	\$5,831.7	\$6,099.2	\$6,402.5	-	-
Changes in revenue estimate since June 2008	(\$1,032.6)	(\$1,432.1)	(\$1,614.6)	(\$347.3)	(\$81.5)
<i>Percent change from June 2008</i>	<i>-17.7%</i>	<i>-23.5%</i>	<i>-25.2%</i>	<i>-</i>	<i>-</i>
Estimates as of December 2010 (excluding policy changes)	\$4,799.1	\$4,667.2	\$4,788.0	\$4,941.4	\$5,308.6
Policy changes to address revenue decrease (Combination of spending cuts and revenue enhancements)	\$344.6	\$363.5	\$375.8	\$363.8	\$93.2
Estimates as of December 2010	\$5,143.7	\$5,030.7	\$5,163.8	\$5,305.2	\$5,401.8
<i>Percent change over previous year</i>	<i>1.8%</i>	<i>-2.2%</i>	<i>2.6%</i>	<i>2.7%</i>	<i>1.8%</i>



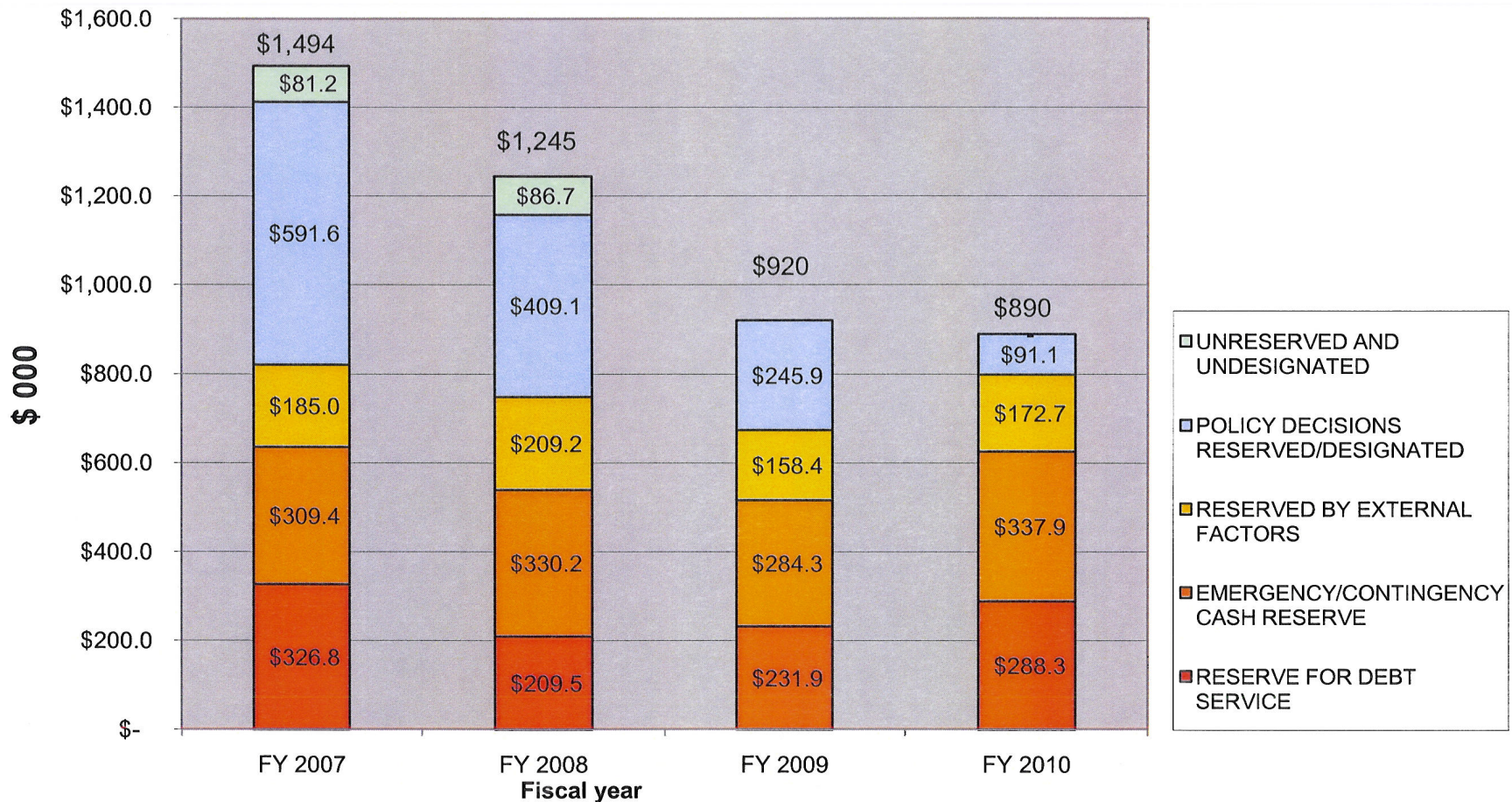
Income Tax Secured Revenue Bonds: S&P: AAA Moody's: Aa1 Fitch: AA+ (All "Stable" Outlooks)



Composition of General Fund Balance

FY 2007 – FY 2010

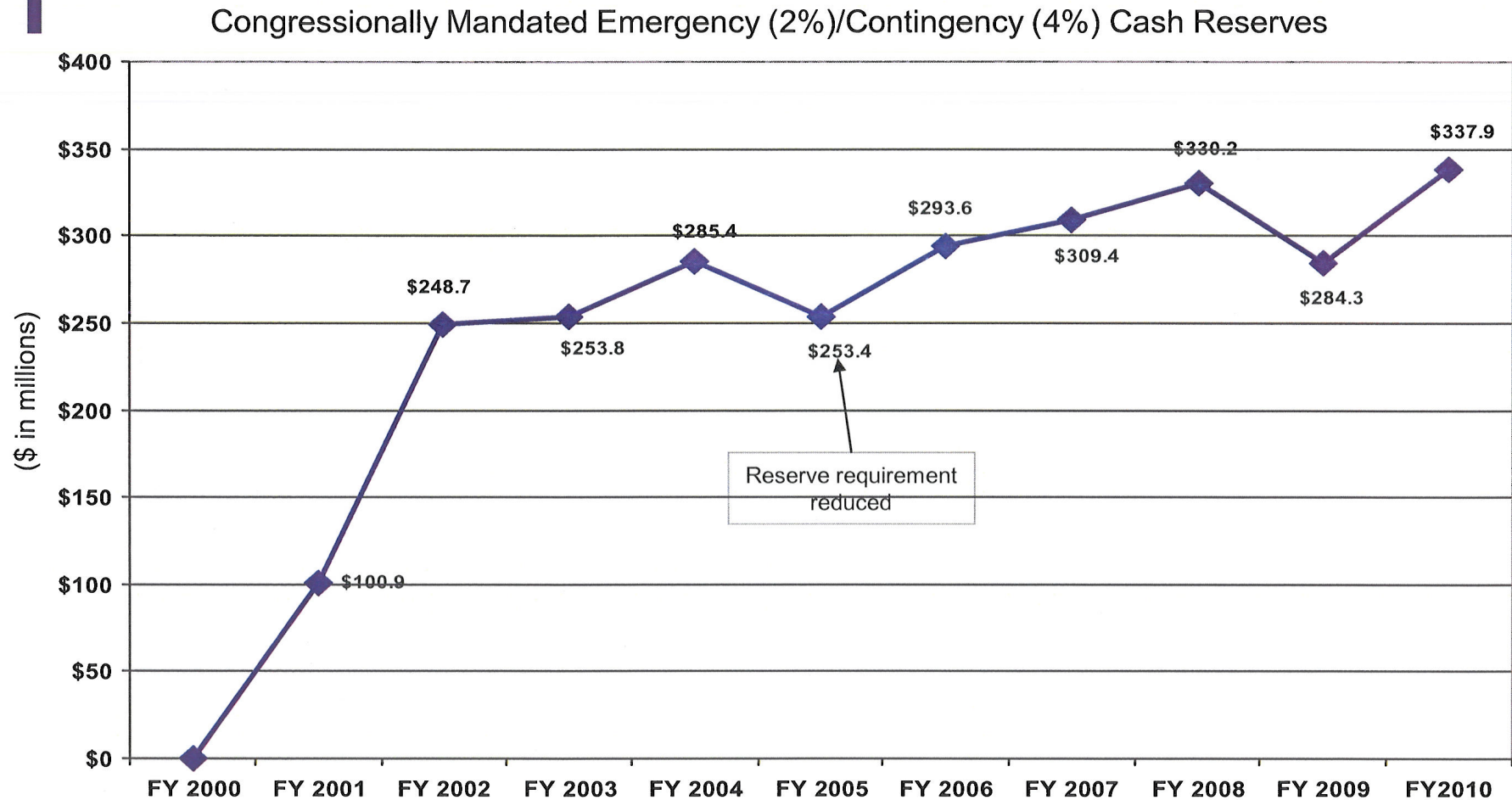
(\$ in millions)

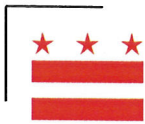




Rainy Day Funds

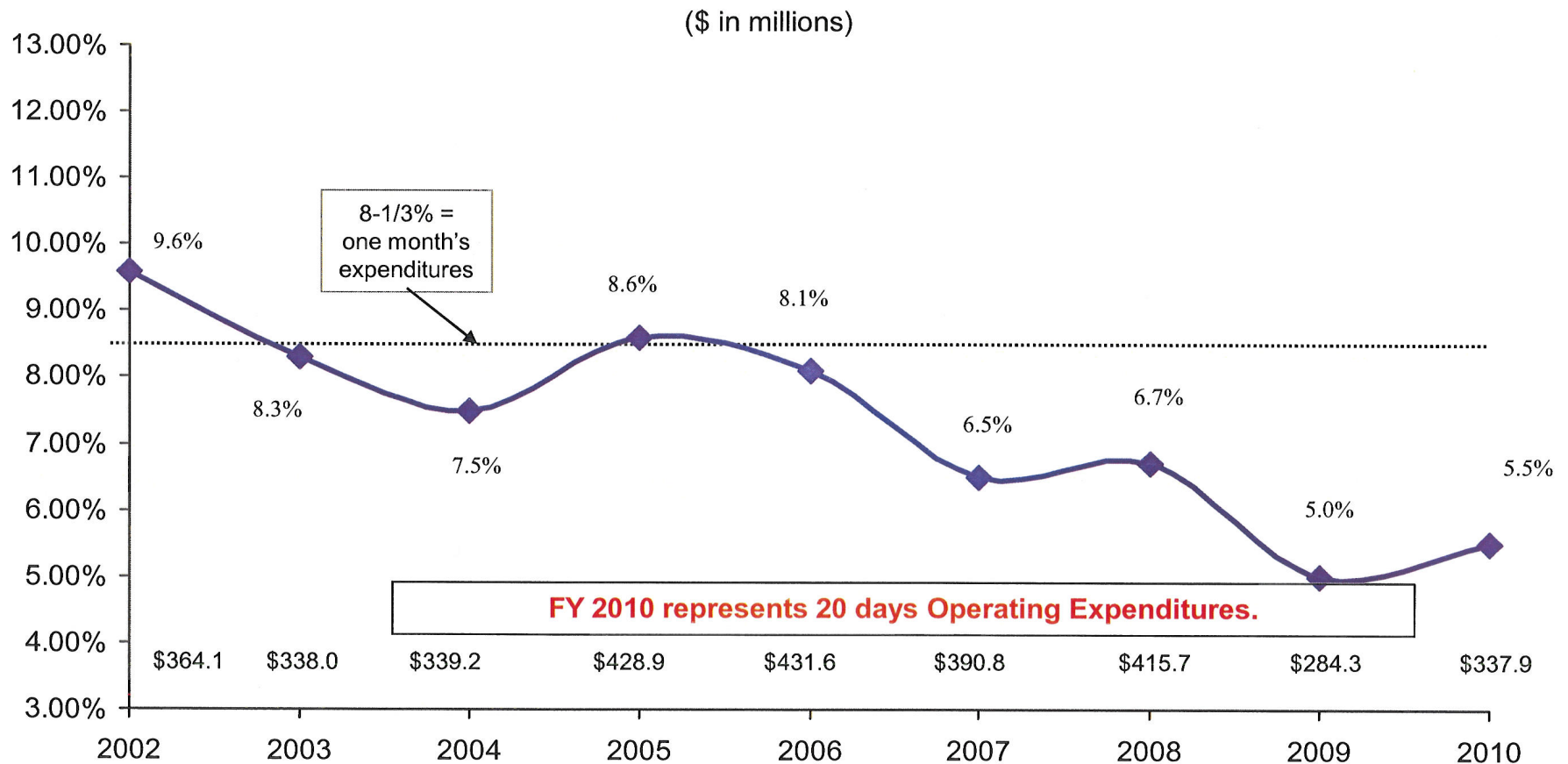
(\$ in millions)





Total Working Capital

Unreserved/Undesignated Fund Balance Plus Congressionally Mandated Emergency/Contingency Reserves as a Percent of Next Year's Budgetary Expenditures





General Fund Budgetary Surplus

\$ in millions

General Fund Budgetary Surplus	\$ 58
Less Designated O Type	<u>55</u>
Local Source	\$ 3
Reserved and Designated Local	\$ 3