

BASIC FINANCIAL STATEMENTS

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

Following the basic financial statements are the *Notes to the Basic Financial Statements* which 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, 2008
(With Comparative Totals at September 30, 2007)
(\$000s)

	Primary Government				Component Units
	Governmental Activities	Business-Type Activities	Totals		
			2008	2007 Restated	
ASSETS					
Cash and cash equivalents (unrestricted)	\$ 484,115	\$ 17,768	\$ 501,883	\$ 621,147	\$ 164,206
Investments (unrestricted)	-	5,915	5,915	7,277	176,017
Accrued interest receivable, net	171	-	171	116	-
Due from federal government	380,512	-	380,512	415,716	91,418
Taxes receivable, net	305,169	-	305,169	288,700	-
Accounts receivable, net	224,491	21,704	246,195	169,375	42,082
Other receivables	-	-	-	-	31,133
Due from primary government	-	-	-	-	23,147
Due from component units	14,339	-	14,339	10,003	-
Due from fiduciary funds	-	-	-	57,482	-
Internal balances	10,736	(10,736)	-	-	-
Inventories	16,841	-	16,841	17,113	8,187
Other current assets	998	562	1,560	4,175	900
Cash and cash equivalents (restricted)	2,112,154	422,799	2,534,953	2,833,107	99,552
Investments (restricted)	154,002	43,039	197,041	51,157	892,290
Other long term assets	209,558	-	209,558	113,961	559,888
Deferred charges	95,726	-	95,726	81,267	-
Net OPEB assets	7,507	-	7,507	-	-
Depreciable capital assets, net	5,098,204	15,483	5,113,687	4,083,163	2,865,467
Non-depreciable capital assets	2,145,433	1,264	2,146,697	2,073,946	445,778
Total assets	11,259,956	517,798	11,777,754	10,827,705	5,400,065
LIABILITIES					
Accounts payable	682,445	49,777	732,222	655,083	105,948
Compensation payable	144,642	2,377	147,019	121,834	22,505
Due to primary government	-	-	-	-	14,339
Due to component units	23,147	-	23,147	64,037	-
Due to fiduciary funds	5,522	-	5,522	-	-
Unearned revenues	358,644	303	358,947	284,369	36,096
Accrued liabilities	242,629	7,943	250,572	183,217	38,950
Accrued interest payable	71,434	-	71,434	66,365	-
Other current liabilities	56,971	217	57,188	12,233	131,716
Long-term liabilities:					
Due within one year	476,619	8,631	485,250	414,808	124,135
Due in more than one year	6,652,370	32,748	6,685,118	6,048,026	3,344,002
Total liabilities	8,714,423	101,996	8,816,419	7,849,972	3,817,691
NET ASSETS					
Invested in capital assets, net of related debt	1,794,279	16,747	1,811,026	1,214,486	1,042,400
Restricted for:					
Expendable					
Debt service	180,595	-	180,595	343,590	-
Benefit payments	-	374,282	374,282	375,148	-
Grants and contributions	175,754	-	175,754	118,838	-
Emergency reserves	330,238	-	330,238	309,383	-
Other	469,626	-	469,626	497,897	175,043
Nonexpendable	-	-	-	-	7,242
Unrestricted (deficit)	(404,959)	24,773	(380,186)	118,391	357,689
Total net assets	\$ 2,545,533	\$ 415,802	\$ 2,961,335	\$ 2,977,733	\$ 1,582,374

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, 2008
(With Comparative Totals for the Year Ended September 30, 2007)
(\$000s)**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				Component Units
		Charges for Services, Fees, Fines & Forfeits	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government		Totals	
						Business-type Activities	2008		
Primary government:									
Governmental activities:									
Governmental direction and support	\$ 834,694	\$ 11,702	\$ 32,876	\$ 5,130	\$ (784,986)	\$ (784,986)	\$ (628,212)		
Economic development and regulation	499,644	111,105	97,650	-	(290,889)	(290,889)	(285,925)		
Public safety and justice	1,384,517	42,472	330,480	-	(1,011,565)	(1,011,565)	(928,555)		
Public education system	1,787,635	165	198,685	9,000	(1,579,785)	(1,579,785)	(1,302,932)		
Human support services	3,285,325	6,934	1,496,860	3,071	(1,778,460)	(1,778,460)	(1,525,295)		
Public works	586,649	206,771	21,724	158,640	(199,514)	(199,514)	(180,192)		
Public transportation	214,905	-	-	-	(214,905)	(214,905)	(198,484)		
Interest on long-term debt	293,339	-	-	-	(293,339)	(293,339)	(281,918)		
Total governmental activities	8,886,708	379,149	2,178,275	175,841	(6,153,443)	(6,153,443)	(5,331,513)		
Business-type activities:									
Lottery and Games	182,981	252,721	-	-		\$ 69,740	69,740	64,488	
Unemployment compensation	150,237	-	21,191	-		(129,046)	(129,046)	(81,562)	
Nursing home services	40,837	37,435	-	-		(3,402)	(3,402)	(5,641)	
Total business-type activities	374,055	290,156	21,191	-		(62,708)	(62,708)	(22,715)	
Total primary government	\$ 9,260,763	\$ 669,305	\$ 2,199,466	\$ 175,841	(6,153,443)	(6,216,151)	(5,354,228)		
Component units:									
Water and sewer authority	\$ 338,258	\$ 318,488	\$ -	\$ 42,208					\$ 22,438
Convention center	97,201	17,955	-	-					(79,246)
Sports commission	14,808	5,665	-	-					(9,143)
Housing finance	77,649	6,778	-	-					(70,871)
University	109,985	19,315	24,774	7,932					(57,964)
Total component units	\$ 637,901	\$ 368,201	\$ 24,774	\$ 50,140					(194,786)
General revenues:									
Taxes:									
Property taxes					1,787,365	-	1,787,365	1,545,325	-
Sales and use taxes					1,101,859	-	1,101,859	1,056,780	-
Income and franchise taxes					1,755,894	-	1,755,894	1,736,361	-
Gross receipts taxes					302,873	-	302,873	302,768	-
Other taxes					413,401	92,733	506,134	588,315	-
Investment earnings					95,847	21,317	117,164	145,261	70,902
Miscellaneous					458,469	16,355	474,824	457,520	31,597
Subsidy from primary government					-	-	-	-	154,263
Special item					153,640	-	153,640	(8,838)	-
Transfer in (out)					70,300	(70,300)	-	-	-
Total general revenues, special item and transfers					6,139,648	60,105	6,199,753	5,823,492	256,762
Change in net assets					(13,795)	(2,603)	(16,398)	469,264	61,976
Net assets at October 1, as restated					2,559,328	418,405	2,977,733	2,508,469	1,520,398
Net assets at September 30					\$ 2,545,533	\$ 415,802	\$ 2,961,335	\$ 2,977,733	\$ 1,582,374

The accompanying notes are an integral part of this statement.

Exhibit 2-a

**District of Columbia
Balance Sheet
Governmental Funds
September 30, 2008
(With Comparative Totals at September 30, 2007)
(\$000s)**

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2008	2007
ASSETS							
Cash and cash equivalents (unrestricted)	\$ 484,115	\$ -	\$ -	\$ -	\$ -	\$ 484,115	\$ 602,923
Accrued interest receivable	-	-	-	-	171	171	116
Due from federal government	12,947	338,794	28,771	-	-	380,512	415,716
Taxes receivable, net	305,169	-	-	-	-	305,169	288,700
Accounts receivable, net	87,251	102,502	1,531	363	32,844	224,491	151,851
Due from component units	14,339	-	-	-	-	14,339	10,003
Due from other funds	432,253	11,138	-	-	48,223	491,614	451,133
Inventories	15,869	972	-	-	-	16,841	17,113
Other current assets	690	-	-	78	229	997	3,435
Cash and cash equivalents (restricted)	605,913	114,116	995,215	30,488	366,422	2,112,154	2,427,863
Investments (restricted)	154,002	-	-	-	-	154,002	-
Other long term assets	64,499	18,230	-	-	126,829	209,558	113,961
Total assets	\$ 2,177,047	\$ 585,752	\$ 1,025,517	\$ 30,929	\$ 574,718	\$ 4,393,963	\$ 4,482,814
LIABILITIES AND FUND BALANCES							
Liabilities:							
Accounts payable	343,268	102,038	222,598	636	13,905	682,445	624,418
Compensation payable	132,564	9,136	2,659	-	283	144,642	119,530
Due to other funds	55,250	193,553	209,466	-	28,131	486,400	382,608
Due to component units	12,456	-	-	10,691	-	23,147	64,037
Deferred revenue	171,157	116,008	3,195	-	127,615	417,975	315,277
Accrued liabilities	177,875	64,674	-	-	80	242,629	175,408
Other current liabilities	39,755	16,549	665	-	-	56,969	11,956
Total liabilities	932,325	501,958	438,583	11,327	170,014	2,054,207	1,693,234
Fund balances:							
Reserved for:							
General fund purposes	957,977	-	-	-	-	957,977	1,135,459
Special revenue funds purposes	-	83,794	-	-	381,435	465,229	460,556
Capital project purposes	-	-	586,934	19,602	23,269	629,805	835,024
Unreserved, designated, reported in:							
General fund	200,020	-	-	-	-	200,020	277,299
Unreserved, undesignated reported in:							
General fund	86,725	-	-	-	-	86,725	81,242
Total fund balances	1,244,722	83,794	586,934	19,602	404,704	2,339,756	2,789,580
Total liabilities and fund balances	\$ 2,177,047	\$ 585,752	\$ 1,025,517	\$ 30,929	\$ 574,718		\$ 4,482,814

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.	7,243,637
Certain long term assets are not available to pay current period expenditures and are therefore deferred in the funds.	59,331
Adjustment for net OPEB assets.	7,507
Adjustment for deferred charges.	95,726
Certain liabilities (such as bonds payable and accrued expenses) are not due and payable in the current period:	
General obligation bonds	4,592,518
Tobacco settlement bonds	724,484
TIF bonds & notes	100,664
Ballpark bonds	526,415
QZAB	6,713
Accrued interest payable	71,434
Capital leases	52,403
Other long-term liabilities	1,125,793
	(7,200,424)
Net assets of governmental activities	<u>\$ 2,545,533</u>

The accompanying notes are an integral part of this statement.

Exhibit 2-b

District of Columbia
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended September 30, 2008
(With Comparative Totals for the Year Ended September 30, 2007)
(\$000s)

	General	Federal & Private Resources	General Capital Improvements	Baseball Capital Project	Nonmajor Governmental Funds	Total Governmental Funds	
						2008	2007
REVENUES							
Taxes:							
Property taxes	\$ 1,759,091	\$ -	\$ -	\$ -	\$ -	\$ 1,759,091	\$ 1,551,900
Sales and use taxes	1,101,859	-	-	-	-	1,101,859	1,056,780
Income and franchise taxes	1,755,894	-	-	-	-	1,755,894	1,736,361
Gross receipts taxes	302,873	-	-	-	-	302,873	302,768
Other taxes	413,401	-	-	-	-	413,401	498,198
Fines and forfeitures	99,452	-	-	-	-	99,452	101,971
Licenses and permits	94,988	-	-	-	-	94,988	89,072
Charges for services	180,614	4,095	-	-	-	184,709	143,934
Investment earnings	70,528	1,087	1,699	13,490	9,043	95,847	124,420
Miscellaneous	335,384	13,845	12,882	21,194	74,442	457,747	444,262
Federal contributions	-	419,075	14,131	-	-	433,206	440,962
Operating grants	1,865	1,757,335	161,710	-	-	1,920,910	1,999,090
Total revenues	6,115,949	2,195,437	190,422	34,684	83,485	8,619,977	8,489,718
EXPENDITURES							
Current:							
Governmental direction and support	663,674	31,331	-	-	170	695,175	651,974
Economic development and regulation	361,866	99,841	-	-	-	461,707	444,508
Public safety and justice	1,044,456	325,451	-	-	-	1,369,907	1,241,684
Public education system	1,457,941	258,760	-	-	-	1,716,701	1,541,194
Human support service	1,718,912	1,504,067	-	-	-	3,222,979	2,975,821
Public works	262,044	22,654	-	-	132,284	416,982	329,942
Public transportation	214,905	-	-	-	-	214,905	198,484
Debt service:							
Principal	229,953	-	-	-	22,045	251,998	232,389
Interest	219,196	-	-	-	68,158	287,354	258,769
Fiscal charges	25,025	-	-	-	305	25,330	15,095
Capital outlay	-	-	1,161,941	178,105	50,369	1,390,415	1,024,541
Total expenditures	6,197,972	2,242,104	1,161,941	178,105	273,331	10,053,453	8,914,401
Excess (deficiency) of revenues over expenditures	(82,023)	(46,667)	(971,519)	(143,421)	(189,846)	(1,433,476)	(424,683)
OTHER FINANCING SOURCES (USES)							
Debt issuance	2,360	-	661,745	-	-	664,105	610,580
Refunding debt issuance	675,895	-	-	-	-	675,895	251,155
Premium on sale of bonds	19,773	-	16,509	-	-	36,282	16,063
Payment to refunded bond escrow agent	(675,385)	-	-	-	-	(675,385)	(264,334)
Equipment financing program	-	-	36,479	-	-	36,479	42,471
Transfers in	74,088	-	139,957	49,981	213,803	477,829	694,229
Transfers out	(323,707)	(3,788)	-	-	(80,034)	(407,529)	(628,853)
Sale of capital assets	726	-	-	-	-	726	12,168
Total other financing sources (uses)	(226,250)	(3,788)	854,690	49,981	133,769	808,402	733,479
Special item	58,995	-	-	-	116,255	175,250	(8,838)
Net change in fund balances	(249,278)	(50,455)	(116,829)	(93,440)	60,178	(449,824)	299,958
Fund balances at October 1	1,494,000	134,249	703,763	113,042	344,526	2,789,580	2,489,622
Fund balances at September 30	\$ 1,244,722	\$ 83,794	\$ 586,934	\$ 19,602	\$ 404,704	\$ 2,339,756	\$ 2,789,580

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, 2008
(\$000s)

Net change in fund balances - total governmental funds	\$	(449,824)
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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.		1,103,738
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Deferred property tax revenues which were earned but whose current financial resources are not available for the purpose of recognition in the governmental funds were recognized in the government-wide financial statements. This is the amount deferred property taxes increased in the governmental funds between 2007 and 2008.		28,274
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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.		(583,100)
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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.		(112,883)
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Change in net assets of governmental activities	\$	<u>(13,795)</u>
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The accompanying notes are an integral part of this statement.

District of Columbia
Budgetary Comparison Statement
 For the Year Ended September 30, 2008
 (\$000s)

	General Fund				Federal and Private Resources				Totals			
	Budget		Actual	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)	Budget		Actual	Variance Positive (Negative)
	Original	Revised			Original	Revised			Original	Revised		
Revenues and Sources:												
Taxes:												
Property taxes	\$ 1,656,002	\$ 1,756,694	\$ 1,726,005	\$ (30,689)	\$ -	\$ -	\$ -	\$ -	\$ 1,656,002	\$ 1,756,694	\$ 1,726,005	\$ (30,689)
Sales and use taxes	960,422	939,786	932,069	(7,717)	-	-	-	-	960,422	939,786	932,069	(7,717)
Income and franchise taxes	1,740,816	1,755,589	1,755,894	305	-	-	-	-	1,740,816	1,755,589	1,755,894	305
Other taxes	638,260	638,021	692,995	54,974	-	-	-	-	638,260	638,021	692,995	54,974
Total taxes	4,995,500	5,090,090	5,106,963	16,873	-	-	-	-	4,995,500	5,090,090	5,106,963	16,873
Licenses and permits	69,235	75,890	84,921	9,031	-	-	-	-	69,235	75,890	84,921	9,031
Fines and forfeits	118,170	97,420	98,932	1,512	-	-	-	-	118,170	97,420	98,932	1,512
Charges for services	46,291	48,857	43,493	(5,364)	-	-	-	-	46,291	48,857	43,493	(5,364)
Miscellaneous	98,665	116,379	158,510	42,131	-	-	-	-	98,665	116,379	158,510	42,131
Other sources	496,804	510,542	448,972	(61,570)	-	-	-	-	496,804	510,542	448,972	(61,570)
General obligation bonds	60,000	60,000	16,216	(43,784)	-	-	-	-	60,000	60,000	16,216	(43,784)
Federal contributions	-	-	-	-	67,652	90,648	81,029	(9,619)	67,652	90,648	81,029	(9,619)
Operating grant	-	-	-	-	2,007,200	1,997,470	1,633,256	(364,214)	2,007,200	1,997,470	1,633,256	(364,214)
Fund balance released from restrictions	339,989	473,383	473,383	-	-	14,736	-	-	339,989	488,119	488,119	-
Interfund transfer-from lottery and games	72,100	70,000	70,300	300	-	-	-	-	72,100	70,000	70,300	300
Interfund transfer-others	28,360	28,360	9,084	(19,276)	-	-	-	-	28,360	28,360	9,084	(19,276)
Total revenues and other sources	6,325,114	6,570,921	6,510,774	(60,147)	2,074,852	2,102,854	1,729,021	(373,833)	8,399,966	8,673,775	8,239,795	(433,980)
Expenditures and Other Uses:												
Governmental direction and support	387,643	403,947	382,071	21,876	24,244	28,482	24,621	3,861	411,887	432,429	406,692	25,737
Economic development and regulation	441,141	520,106	438,769	81,337	140,085	146,371	100,379	45,992	581,226	666,477	539,148	127,329
Public safety and justice	1,036,664	1,055,862	1,044,463	11,399	111,612	62,848	56,239	6,609	1,148,276	1,118,710	1,100,702	18,008
Public education system	1,306,621	1,370,411	1,329,032	41,379	277,052	286,199	195,051	91,148	1,583,673	1,656,610	1,524,083	132,527
Public education AY09 expenditure	-	91,829	91,829	-	-	-	-	-	-	91,829	91,829	-
Public schools medicaid write off	-	-	26,601	(26,601)	-	-	-	-	-	-	26,601	(26,601)
Human support services	1,573,805	1,572,877	1,524,104	48,773	1,500,217	1,544,343	1,357,969	186,374	3,074,022	3,117,220	2,882,073	235,147
Child & family services medicaid write off	-	-	82,875	(82,875)	-	-	-	-	-	-	82,875	(82,875)
Public works	573,069	581,827	563,777	18,050	21,642	23,396	22,653	743	594,711	605,223	586,430	18,793
Emergency planning and security costs	-	-	-	-	-	11,215	11,215	-	-	11,215	11,215	-
Workforce investments	21,044	11,927	-	11,927	-	-	-	-	21,044	11,927	-	11,927
Wilson building	4,190	4,190	4,147	43	-	-	-	-	4,190	4,190	4,147	43
Repay bonds and interest	440,707	421,552	420,827	725	-	-	-	-	440,707	421,552	420,827	725
Repay revenue bonds and interest	12,000	12,000	2,512	9,488	-	-	-	-	12,000	12,000	2,512	9,488
Bond fiscal charge	60,000	60,000	16,216	43,784	-	-	-	-	60,000	60,000	16,216	43,784
Interest on short term borrowing	13,334	7,849	7,849	-	-	-	-	-	13,334	7,849	7,849	-
Certificates of participation	32,288	32,288	30,664	1,624	-	-	-	-	32,288	32,288	30,664	1,624
Settlements and judgments fund	21,015	21,015	21,015	-	-	-	-	-	21,015	21,015	21,015	-
Baseball tax transfer	46,397	46,397	-	-	-	-	-	-	46,397	46,397	-	-
Equipment lease operating	43,755	32,971	29,896	3,075	-	-	-	-	43,755	32,971	29,896	3,075
Pay-go capital	108,152	140,737	140,737	-	-	-	-	-	108,152	140,737	140,737	-
Schools modernization fund	6,435	4,735	4,716	19	-	-	-	-	6,435	4,735	4,716	19
District retiree health contribution	110,907	110,907	110,907	-	-	-	-	-	110,907	110,907	110,907	-
Cash reserve	50,000	36,525	-	36,525	-	-	-	-	50,000	36,525	-	36,525
Non-departmental agency	34,489	17,830	-	17,830	-	-	-	-	34,489	17,830	-	17,830
Total expenditures and other uses	6,323,656	6,557,782	6,319,404	238,378	2,074,852	2,102,854	1,768,127	334,727	8,398,508	8,660,636	8,087,531	573,105
EXCESS (DEFICIENCY) OF REVENUES AND OTHER SOURCES OVER (UNDER) EXPENDITURES AND OTHER USES - BUDGETARY BASIS	\$ 1,458	\$ 13,139	\$ 191,370	\$ 178,231	\$ -	\$ -	\$ (39,106)	\$ (39,106)	\$ 1,458	\$ 13,139	\$ 152,264	\$ 139,125

The accompanying notes are an integral part of this statement.

Exhibit 3-a

District of Columbia

Statement of Net Assets
Proprietary Funds

September 30, 2008

(With Comparative Totals at September 30, 2007)

(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2008	2007 Restated
ASSETS					
Current assets:					
Cash and cash equivalents (unrestricted)	\$ 7,562	\$ -	\$ 10,206	\$ 17,768	\$ 18,224
Investments (unrestricted)	-	-	5,915	5,915	7,277
Accounts receivable, net	7,098	7,608	6,998	21,704	17,524
Due from other funds	-	-	402	402	1,396
Other current assets	15	-	547	562	740
Cash and cash equivalents (restricted)	-	422,799	-	422,799	405,244
Total current assets	<u>14,675</u>	<u>430,407</u>	<u>24,068</u>	<u>469,150</u>	<u>450,405</u>
Noncurrent assets:					
Investments (restricted)	41,379	-	1,660	43,039	51,157
Capital assets, net	364	-	16,383	16,747	17,211
Total noncurrent assets	<u>41,743</u>	<u>-</u>	<u>18,043</u>	<u>59,786</u>	<u>68,368</u>
Total assets	<u>56,418</u>	<u>430,407</u>	<u>42,111</u>	<u>528,936</u>	<u>518,773</u>
LIABILITIES					
Current liabilities					
Accounts payable	2,407	44,987	2,383	49,777	30,665
Accrued compensated absences	598	-	1,779	2,377	2,304
Due to other funds	-	11,138	-	11,138	12,439
Deferred revenue	303	-	-	303	149
Accrued liabilities	7,910	-	33	7,943	7,809
Other current liabilities	-	-	217	217	277
Long term liabilities due within one year	8,631	-	-	8,631	8,631
Total current liabilities	<u>19,849</u>	<u>56,125</u>	<u>4,412</u>	<u>80,386</u>	<u>62,274</u>
Noncurrent liabilities					
Long term liabilities due in more than one year	32,748	-	-	32,748	38,094
Total noncurrent liabilities	<u>32,748</u>	<u>-</u>	<u>-</u>	<u>32,748</u>	<u>38,094</u>
Total liabilities	<u>52,597</u>	<u>56,125</u>	<u>4,412</u>	<u>113,134</u>	<u>100,368</u>
NET ASSETS					
Invested in capital assets, net of related debt	364	-	16,383	16,747	17,211
Restricted - expendable	-	374,282	-	374,282	375,148
Unrestricted	3,457	-	21,316	24,773	26,046
Total net assets	<u>\$ 3,821</u>	<u>\$ 374,282</u>	<u>\$ 37,699</u>	<u>\$ 415,802</u>	<u>\$ 418,405</u>

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, 2008
(With Comparative Totals for the Year Ended September 30, 2007)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2008	2007 Restated
Operating revenues:					
Employer taxes	\$ -	\$ 92,733	\$ -	\$ 92,733	\$ 90,117
Charges for services	252,721	-	37,435	290,156	288,673
Benefit contributions	-	21,191	-	21,191	18,358
Miscellaneous	-	-	826	826	1,095
Total operating revenues	252,721	113,924	38,261	404,906	398,243
Operating expenses:					
Benefits	-	150,237	-	150,237	99,920
Prizes, agents commission & advertising	155,460	-	-	155,460	166,689
Personnel services	9,599	-	6,002	15,601	17,110
Contractual services	17,783	-	25,268	43,051	37,950
Depreciation	139	-	2,212	2,351	2,269
Miscellaneous	-	-	7,355	7,355	5,808
Total operating expenses	182,981	150,237	40,837	374,055	329,746
Operating income (loss)	69,740	(36,313)	(2,576)	30,851	68,497
Nonoperating revenues:					
Interest and investment revenue	628	19,918	771	21,317	20,841
Federal extended benefit contribution	-	15,529	-	15,529	-
Total nonoperating revenue	628	35,447	771	36,846	20,841
Income (loss) before transfers	70,368	(866)	(1,805)	67,697	89,338
Transfer out	(70,300)	-	-	(70,300)	(65,376)
Change in net assets	68	(866)	(1,805)	(2,603)	23,962
Total net assets at October 1, as restated	3,753	375,148	39,504	418,405	394,443
Total net assets at September 30	\$ 3,821	\$ 374,282	\$ 37,699	\$ 415,802	\$ 418,405

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, 2008
(With Comparative Totals for the Year Ended September 30, 2007)
(\$000s)

	Lottery and Games	Unemployment Compensation	Nonmajor Proprietary Fund	Totals	
				2008	2007 Restated
Operating activities:					
Cash receipts from customers/employers	\$ 251,110	\$ 113,864	\$ 33,228	\$ 398,202	\$ 395,322
Other cash receipts	396	-	577	973	1,490
Cash payments to vendors	(25,462)	-	(38,149)	(63,611)	(57,963)
Cash payments to employees/claimants	(6,037)	(131,756)	-	(137,793)	(109,463)
Other cash payments, including prizes	(151,405)	-	-	(151,405)	(163,117)
Net cash provided by (used in) operating activities	<u>68,602</u>	<u>(17,892)</u>	<u>(4,344)</u>	<u>46,366</u>	<u>66,269</u>
Noncapital financing activities:					
Intergovernmental grants	-	15,529	-	15,529	-
Interfund transfers out	(70,300)	-	-	(70,300)	(65,376)
Net cash provided by (used in) noncapital financing activities	<u>(70,300)</u>	<u>15,529</u>	<u>-</u>	<u>(54,771)</u>	<u>(65,376)</u>
Capital and related financing activities:					
Acquisitions of capital assets	(192)	-	(1,755)	(1,947)	(1,641)
Net cash used in capital and related financing activities	<u>(192)</u>	<u>-</u>	<u>(1,755)</u>	<u>(1,947)</u>	<u>(1,641)</u>
Investing activities:					
Receipts of interest and dividends	628	19,918	771	21,317	20,841
Net proceeds from related party	-	-	2,000	2,000	-
Sales of investments	-	-	4,134	4,134	(6,218)
Net cash provided by investing activities	<u>628</u>	<u>19,918</u>	<u>6,905</u>	<u>27,451</u>	<u>14,623</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	<u>(1,262)</u>	<u>17,555</u>	<u>806</u>	<u>17,099</u>	<u>13,875</u>
Cash and cash equivalents at October 1	<u>8,824</u>	<u>405,244</u>	<u>9,400</u>	<u>423,468</u>	<u>409,593</u>
Cash and cash equivalents at September 30	<u>\$ 7,562</u>	<u>\$ 422,799</u>	<u>\$ 10,206</u>	<u>\$ 440,567</u>	<u>\$ 423,468</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 69,740	\$ (36,313)	\$ (2,575)	\$ 30,852	\$ 68,497
Depreciation	139	-	2,212	2,351	2,269
Decrease (increase) in assets:					
Accounts receivable	(1,370)	(59)	(4,206)	(5,635)	(807)
Allowance for uncollectible	-	-	1,876	1,876	1,266
Deposits	-	-	(45)	(45)	-
Other current assets	(8)	-	(20)	(28)	(420)
Increase (decrease) in liabilities:					
Accounts payable	(218)	18,480	(1,731)	16,531	(2,942)
Accrued liabilities	(562)	-	145	(417)	(1,646)
Deferred revenue	154	-	-	154	(35)
Other current liabilities	727	-	-	727	87
Net cash provided by (used in) operating activities:	<u>\$ 68,602</u>	<u>\$ (17,892)</u>	<u>\$ (4,344)</u>	<u>\$ 46,366</u>	<u>\$ 66,269</u>

The accompanying notes are an integral part of this statement.

Exhibit 4-a

District of Columbia
Statement of Fiduciary Net Assets
Fiduciary Funds
September 30, 2008
(\$000s)

	Pension/OPEB Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents - restricted	\$ 76,718	\$ 11	\$ 128,561
Investments - restricted:			
Equities	2,569,239	65,622	-
Fixed income securities	714,091	36,185	-
Real estate	283,936	-	-
Private Equity	497,068	-	-
Collateral for securities lending transactions	468,962	-	-
Accounts receivable	7,464	109	-
Due from federal government	1,659	-	-
Benefit contribution receivables	2,498	-	-
Due from other funds	557	-	6,086
Other receivables	-	-	3,626
Other current assets	438,133	-	-
Capital assets	40	-	-
Total assets	<u>5,060,365</u>	<u>101,927</u>	<u>\$ 138,273</u>
LIABILITIES			
Accounts payable	11,273	131	8,501
Securities lending collateral	468,962	-	-
Due to other funds	1,103	-	17
Other current liabilities	624,862	-	129,755
Total liabilities	<u>1,106,200</u>	<u>131</u>	<u>\$ 138,273</u>
NET ASSETS			
Held in trust for pension and OPEB benefits and other purposes	<u>\$ 3,954,165</u>	<u>\$ 101,796</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, 2008
(\$000s)

	Pension/OPEB Trust Funds	Private Purpose Trust Fund
	<u> </u>	<u> </u>
ADDITIONS		
Contributions:		
Employer	\$ 253,907	\$ -
Plan members	57,637	23,721
Total contributions	<u>311,544</u>	<u>23,721</u>
Investment earnings (losses):		
<i>From investment activities</i>		
Net decrease in fair value of investments	(938,590)	(18,636)
Other revenue	2,942	-
Interest and dividends	117,962	2,582
Total investment loss	<u>(817,686)</u>	<u>(16,054)</u>
Less - investment expenses	<u>(12,447)</u>	<u>(1,217)</u>
Net loss from investing activities	<u>(830,133)</u>	<u>(17,271)</u>
<i>From securities lending activities</i>		
Securities lending income	21,347	-
Less: securities lending expenses	<u>(16,239)</u>	<u>-</u>
Net income from securities lending activities	5,108	-
Net investment loss	<u>(825,025)</u>	<u>(17,271)</u>
Total additions (deductions)	<u>(513,481)</u>	<u>6,450</u>
DEDUCTIONS		
Benefits	57,989	-
Administrative expenses	9,919	338
Distributions to participants	<u>-</u>	<u>5,547</u>
Total deductions	<u>67,908</u>	<u>5,885</u>
Change in net assets	<u>(581,389)</u>	<u>565</u>
Net assets at October 1	<u>4,535,554</u>	<u>101,231</u>
Net assets at September 30	<u>\$ 3,954,165</u>	<u>\$ 101,796</u>

The accompanying notes are an integral part of this statement.

Exhibit 5-a

District of Columbia
Discretely Presented Component Units
Combining Statement of Net Assets
September 30, 2008
(With Comparative Totals at September 30, 2007)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals	
						2008	2007 Restated
ASSETS							
Current Assets:							
Cash and cash equivalents (unrestricted)	\$ 89,614	\$ 2,927	\$ 7,702	\$ 22,690	\$ 41,273	\$ 164,206	\$ 236,865
Investments (unrestricted)	99,438	76,579	-	-	-	176,017	84,935
Receivables, net:							
Accounts	33,323	1,200	1,797	-	5,762	42,082	49,670
Other	15,525	123	-	10,592	4,893	31,133	25,538
Due from federal government	91,418	-	-	-	-	91,418	19,827
Due from primary government	4,851	7,605	10,691	-	-	23,147	42,770
Inventories	8,187	-	-	-	-	8,187	7,260
Other current assets	576	29	121	-	174	900	604
Restricted cash	87,336	-	682	11,534	-	99,552	343,845
Restricted investments	39,762	67,331	-	754,094	31,103	892,290	879,022
Total current assets	<u>470,030</u>	<u>155,794</u>	<u>20,993</u>	<u>798,910</u>	<u>83,205</u>	<u>1,528,932</u>	<u>1,690,336</u>
Noncurrent Assets:							
Loans receivable	-	-	-	530,777	255	531,032	492,560
Other	8,542	6,340	-	13,677	297	28,856	54,633
Total long term assets	<u>8,542</u>	<u>6,340</u>	<u>-</u>	<u>544,454</u>	<u>552</u>	<u>559,888</u>	<u>547,193</u>
Capital assets, net							
Property and equipment	2,135,913	649,834	17,130	2,074	60,516	2,865,467	2,586,841
Non-depreciable capital assets	394,332	43,341	-	573	7,532	445,778	544,325
Total assets	<u>3,008,817</u>	<u>855,309</u>	<u>38,123</u>	<u>1,346,011</u>	<u>151,805</u>	<u>5,400,065</u>	<u>5,368,695</u>
LIABILITIES							
Current Liabilities:							
Payables:							
Accounts	80,292	3,834	11,943	1,152	8,727	105,948	86,902
Compensation	12,160	298	179	202	9,666	22,505	23,831
Due to primary government	-	-	4,487	-	9,852	14,339	10,003
Accrued liabilities	24,056	11,614	366	-	2,914	38,950	34,659
Deferred revenue	22,243	3,088	171	2,497	8,097	36,096	49,493
Current maturities	14,002	11,690	-	98,443	-	124,135	131,241
Other current liabilities	48,283	3,019	-	74,630	5,784	131,716	152,466
Total current liabilities	<u>201,036</u>	<u>33,543</u>	<u>17,146</u>	<u>176,924</u>	<u>45,040</u>	<u>473,689</u>	<u>488,595</u>
Noncurrent Liabilities:							
Long term debt:							
Bonds payable	968,522	477,412	-	1,067,209	-	2,513,143	2,573,409
Other long-term liabilities	20,485	9,370	-	1,750	-	31,605	15,952
Refundable advances	-	763	-	-	464	1,227	466
Deferred revenue	798,027	-	-	-	-	798,027	769,875
Total long term liabilities	<u>1,787,034</u>	<u>487,545</u>	<u>-</u>	<u>1,068,959</u>	<u>464</u>	<u>3,344,002</u>	<u>3,359,702</u>
Total Liabilities	<u>1,988,070</u>	<u>521,088</u>	<u>17,146</u>	<u>1,245,883</u>	<u>45,504</u>	<u>3,817,691</u>	<u>3,848,297</u>
NET ASSETS							
Invested in capital assets, net of related debt	764,291	191,684	17,130	1,247	68,048	1,042,400	1,077,851
Restricted - expendable	42,321	67,330	145	64,927	320	175,043	170,406
Restricted - nonexpendable	-	-	-	-	7,242	7,242	7,242
Unrestricted	214,135	75,207	3,702	33,954	30,691	357,689	264,899
Total Net Assets	<u>\$ 1,020,747</u>	<u>\$ 334,221</u>	<u>\$ 20,977</u>	<u>\$ 100,128</u>	<u>\$ 106,301</u>	<u>\$ 1,582,374</u>	<u>\$ 1,520,398</u>

The accompanying notes are an integral part of this statement.

Exhibit 5-b

District of Columbia
Discretely Presented Component Units
Combining Statement of Activities
For the Year Ended September 30, 2008
(With Comparative Totals for the Year Ended September 30, 2007)
(\$000s)

	Water and Sewer	Convention Center	Sports Commission	Housing Finance	University	Totals	
						2008	2007 Restated
Expenses	\$ 338,258	\$ 97,201	\$ 14,808	\$ 77,649	\$ 109,985	\$ 637,901	\$ 631,496
Program Revenues:							
Charges for services, fees, fine & forfeits	318,488	17,955	5,665	6,778	19,315	368,201	395,384
Operating grants and contributions	-	-	-	-	24,774	24,774	27,266
Capital grants and contributions	42,208	-	-	-	7,932	50,140	27,919
Net (Expense) Revenue	<u>22,438</u>	<u>(79,246)</u>	<u>(9,143)</u>	<u>(70,871)</u>	<u>(57,964)</u>	<u>(194,786)</u>	<u>(180,927)</u>
General Revenues:							
Investment earnings	13,573	3,439	248	61,139	(7,497)	70,902	61,544
Miscellaneous	3,846	3,214	3,881	15,468	5,188	31,597	33,829
Subsidy from primary government	-	91,493	-	-	62,770	154,263	145,948
Total general revenues	<u>17,419</u>	<u>98,146</u>	<u>4,129</u>	<u>76,607</u>	<u>60,461</u>	<u>256,762</u>	<u>241,321</u>
Change in net assets	39,857	18,900	(5,014)	5,736	2,497	61,976	60,394
Net assets at October 1, as restated	<u>980,890</u>	<u>315,321</u>	<u>25,991</u>	<u>94,392</u>	<u>103,804</u>	<u>1,520,398</u>	<u>1,460,004</u>
Net assets at September 30	<u>\$ 1,020,747</u>	<u>\$ 334,221</u>	<u>\$ 20,977</u>	<u>\$ 100,128</u>	<u>\$ 106,301</u>	<u>\$ 1,582,374</u>	<u>\$ 1,520,398</u>

The accompanying notes are an integral part of this statement.