District of Columbia

District of Columbia

General Credit Update

February 27, 2013

District of Columbia

Presentation Agenda

- Introduction
- FY 2012 CAFR Results
- District Economic Update, Federal Sequestration Impact and Revenue Estimates
- FY 2013 Proposed Budget and Spending Pressures
- Hospital Update
- Debt Position and Financings
- Conclusion

District of Columbia

Introduction

District of Columbia

Presentation Participants

Office of the Mayor

The Honorable Vincent C. Gray
Mayor

Allen Lew
City Administrator

Eric Goulet
Budget Director

Council of the District of Columbia

The Honorable Phil Mendelson
Council Chairman

The Honorable Jack Evans
Chairman, Finance and Revenue Committee

Jennifer Budoff
Council Budget Director

Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer

Angell Jacobs
Chief of Staff

Gordon McDonald
Deputy CFO, Office of Budget and Planning

Tony Pompa
Deputy CFO and Comptroller, Office of Financial Operations and Systems

Fitzroy Lee
Deputy CFO and Chief Economist, Office of Revenue Analysis

Jeffrey Barnette
Deputy CFO and Treasurer, Office of Finance and Treasury

Stephen Lyons
Deputy General Counsel, Office of the CFO

Malik Muhammad
Financial Manager, Office of Finance and Treasury

Financial Advisors

William W. Cobbs and Claire Cohen, *Public Resources Advisory Group*

Michael Jones, *Phoenix Capital Partners*

District of Columbia

Introduction

- The District has performed well during the economic downturn and is well-positioned to respond to the challenging economic times ahead.
- The FY 2012 CAFR results show an increase in General Fund balance to $1.5 billion, with the balance of the Fiscal Stabilization and Cash Flow reserve accounts increased to $442 million.
- The Administration and Council leadership support continuing to rebuild the fund balance.
- The District is committed to limiting current year spending to current year revenues.
- Financial challenges are manageable.
- Debt remains within the 12% Debt Limit law.
- Independent Chief Financial Officer by Federal Law:
  - Certifies budgets
  - Estimates revenues
  - Ensures that operations are balanced
  - Monitors revenues and spending throughout the year
  - Coordinates issuance of debt and affirms debt cap compliance

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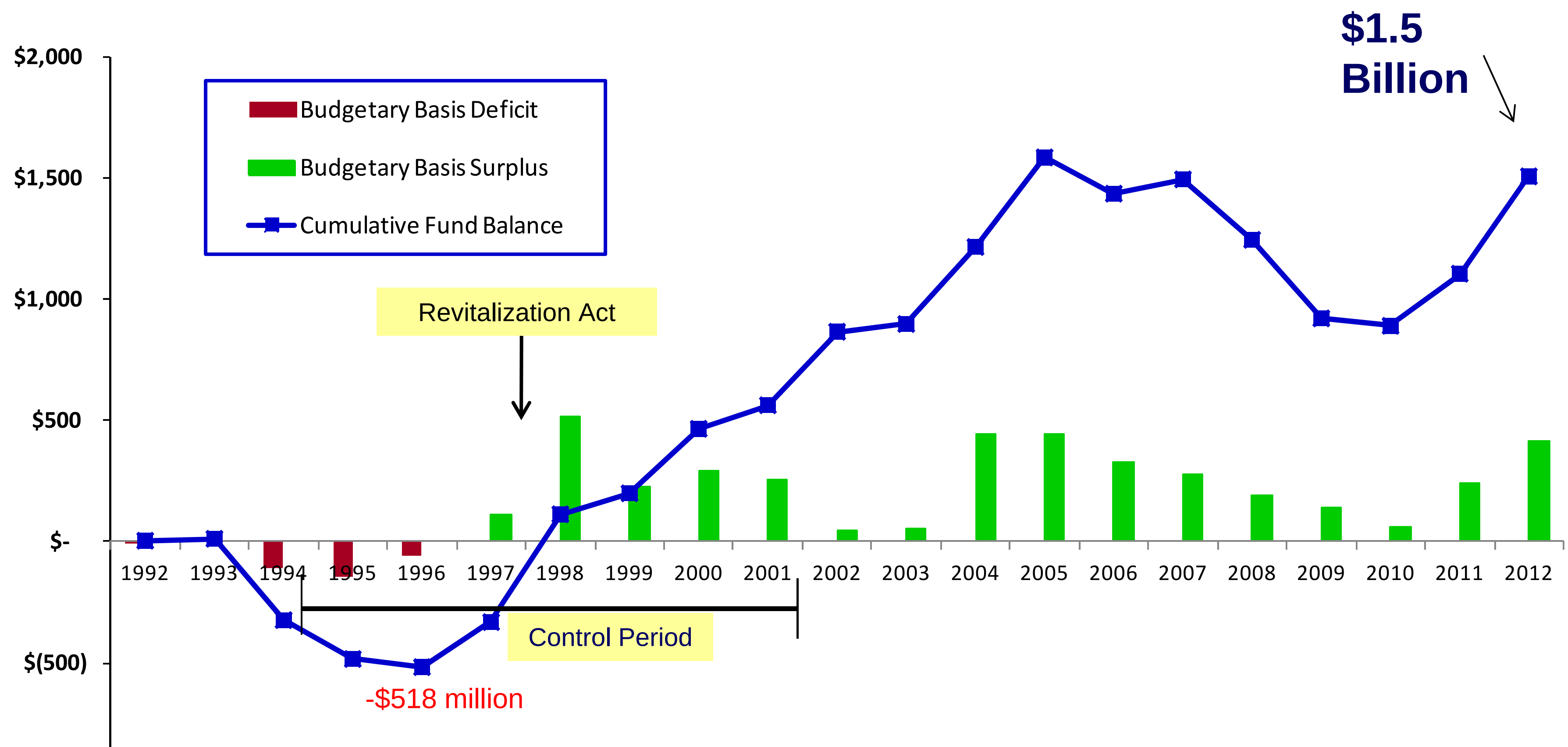
Surplus and Bond Rating History



General Obligation Bond Ratings

	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
S&P:	A-	A-	A-	B	B	B	BB	BBB	BBB	BBB+	BBB+	A-	A-	A	A+	A+	A+	A+	A+	A+	A+
Moody's:	Baa	Baa	Baa	Ba	Ba	Ba2	Ba1	Baa3	Baa3	Baa1	Baa1	Baa1	A2	A2	A2	A1	A1	A1	Aa2	Aa2	Aa2
Fitch:		A-	A-	BB	BB	BB	BB+	BBB	BBB	BBB+	BBB+	A-	A-	A	A	A+	A+	A+	AA-	AA-	AA-

Income Tax Secured Revenue Bonds: S&P: AAA Moody's: Aa1 Fitch: AA+

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FY 2012
Comprehensive Annual Financial Report

District of Columbia

FY 2012 CAFR Highlights

- General Fund revenues and sources exceeded expenditures by $417 million on a budgetary basis
  - Revenues other than fund balance were 4.3% above revised estimate.
  - Expenditures were 1.8% below revised budget.
- $1.5 Billion Cumulative General Fund Balance
  - Increase of $402 million over FY 2011 fund balance.
  - $2.0 billion above lowest level reached at -$518 million in FY 1996 during Control period.

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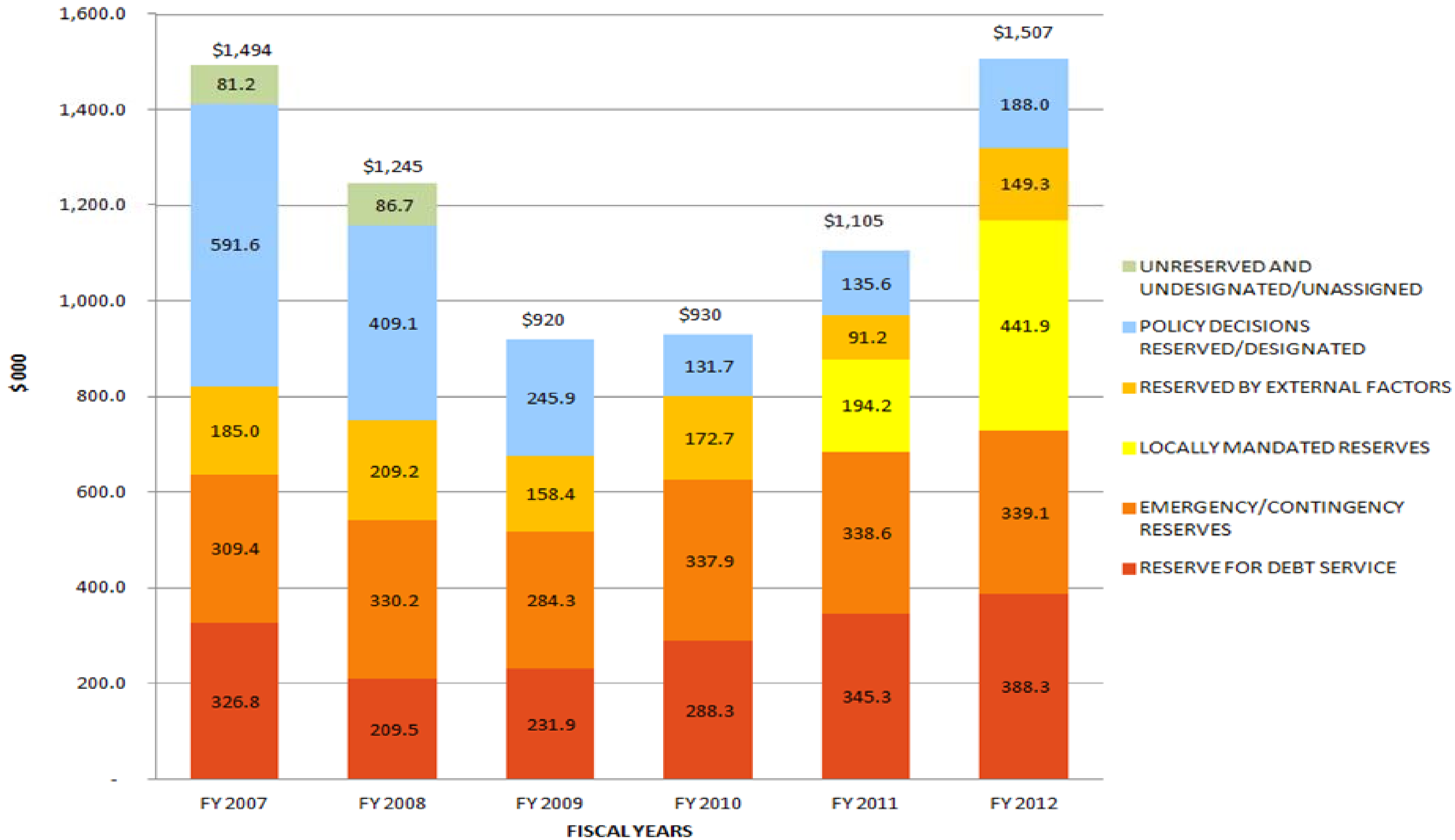
Composition of General Fund Balance FY 2007 – FY 2012

($ in millions)



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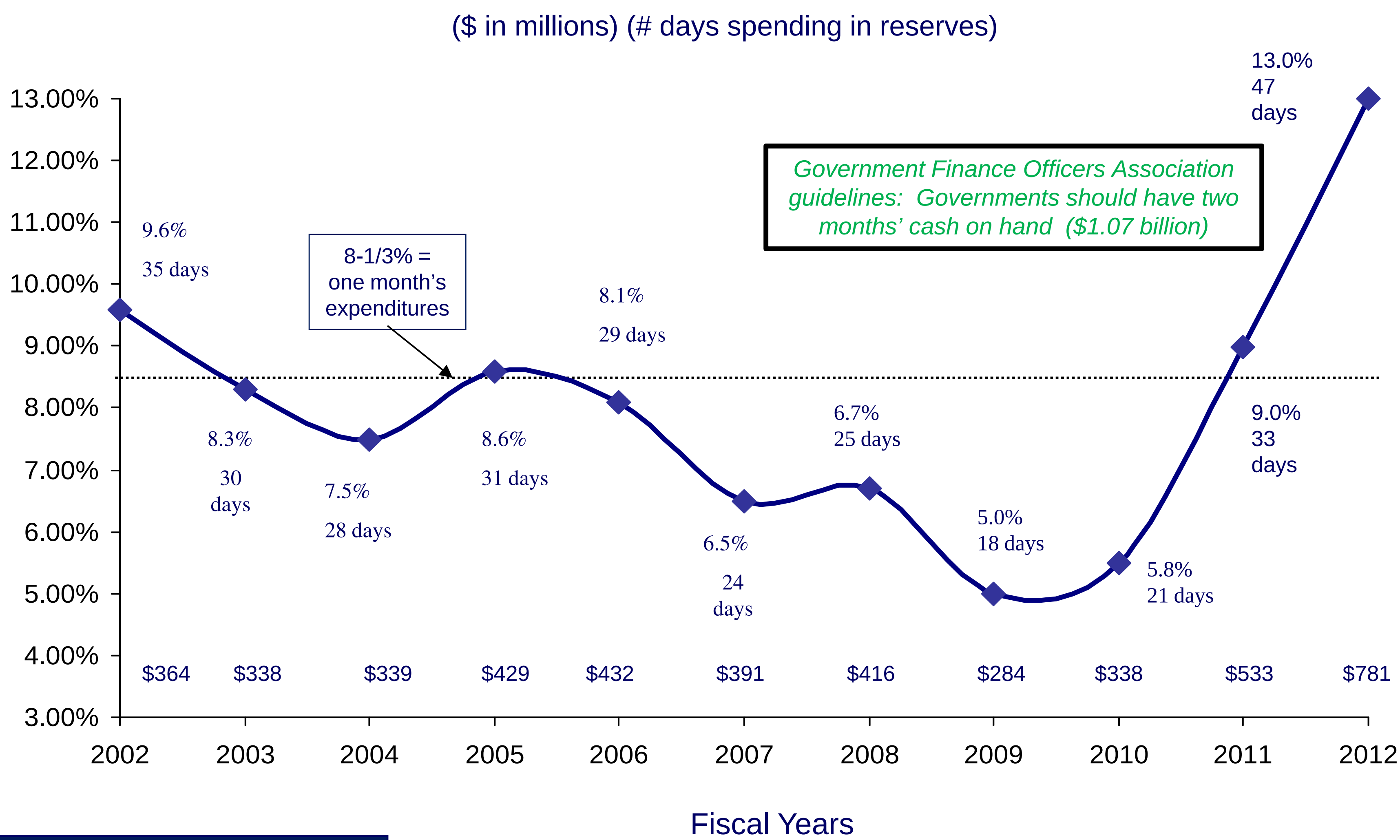
Total Working Capital

Congressionally Mandated Emergency/Contingency Reserves and Locally Mandated Reserves as a % of Next Year's Budgetary Expenditures, and Number of Days of Funds Available in Reserve



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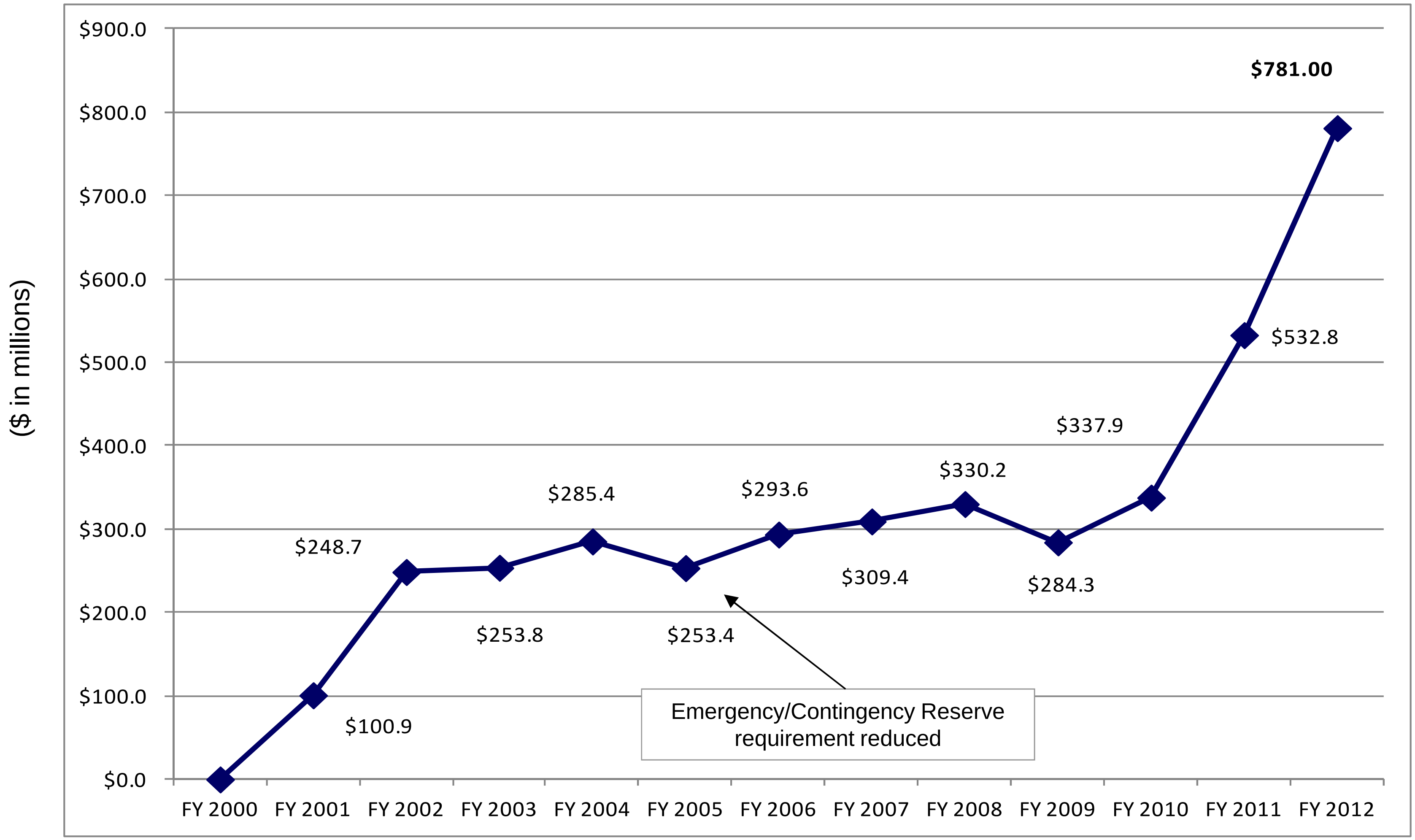
Rainy Day Funds

Congressionally Mandated Emergency (2%) and Contingency (4%) Cash Reserves plus Locally Mandated Fiscal Stabilization and Cash Flow Reserves



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District Economic Update, Federal Sequestration Impact and Revenue Estimates

District of Columbia

Current State of the District's Economy

OVERVIEW: The District's economy is experiencing strong growth in population, resident employment, and housing sales, but employment growth has slowed.

Labor Markets and Personal Income

- The District's unemployment rate fell to 8.5% in December from 10.1% a year earlier. Resident employment grew by a remarkable 8.3%.
- In the December quarter, job growth was just 0.2% above last year; federal sector loss was just barely offset by the private sector's gain.
- FY 2012 Personal Income was up 3.7% from FY 2011.

Commercial Office Market

- In the quarter ending December 2012, occupied office space fell by 0.4% from the prior year. The commercial office vacancy rate stood at 9.3% (including sublet), well below the metropolitan area average of 13.4%.

Housing

- The housing market has been strong in recent months.
- Single family sales for the 3-month period ending December 2012 were up 15.7% from a year ago, and the average selling price was 18.5% higher.
- Condominium sales were up 33.5%, and average prices were 2.4% higher.

Hospitality Industry

- The hospitality sector has slowed in recent months.
- For the 3-month period ending November, the average room rate for hotels was 2.9% lower than for the same period a year earlier.
- The number of hotel room-days sold was down 3.6% from a year earlier, and room sale revenues were down 6.4%. Total revenues over the past 12-month period were down 1.3%.

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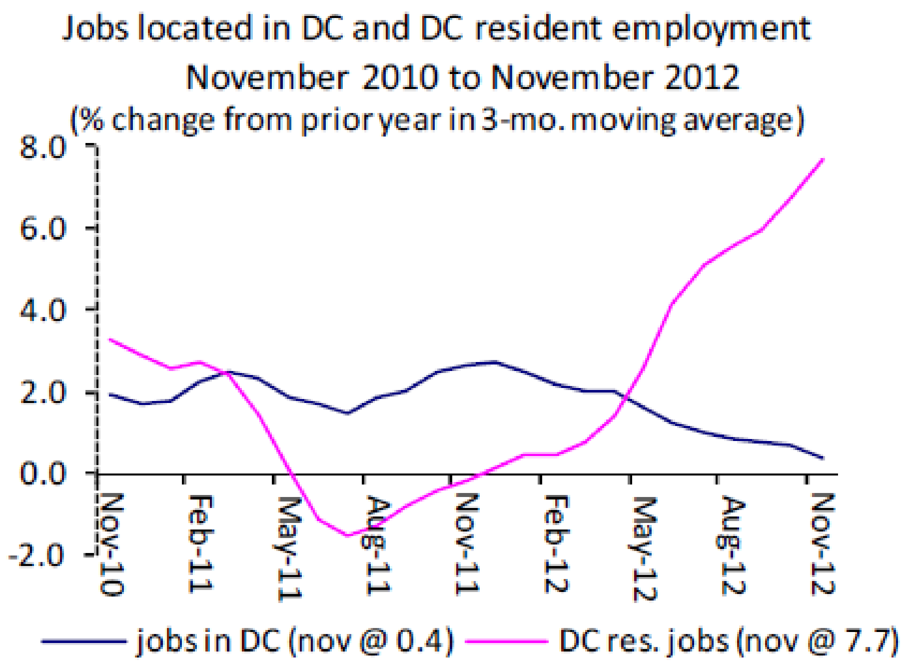
Resident Employment Continues to Grow Strongly



- In November DC resident employment rose 23,678 (7.7%) from a year earlier (3-month moving average).
- In November the unemployment rate (seasonally adjusted) fell to 8.4% and seasonally adjusted resident employment rose 1.1% from October, the 16th monthly increase in a row.
- In November initial unemployment insurance claims were down 8.2% from a year earlier (3-month moving average).

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After several decades of decline the District is experiencing significant population growth

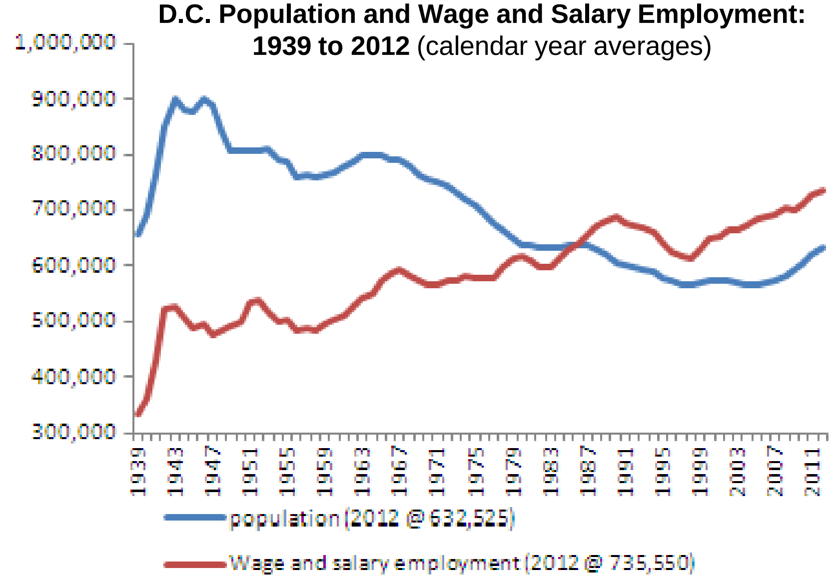
- According to the US Census Bureau, D.C.'s population on July 1, 2012 was 632,323–13,303 (2.2%) more than a year earlier.
- D.C.'s population declined steadily from the end of World War II to 1998 (except for a brief period in the early 1960s). Since then, the population has grown by 67,093 (11.9%) over the last 14 years.
- 2012 was the fourth year in a row in which annual population growth exceeded 2%, with an average annual gain of 13,022.
- Compared to all 50 states, D.C. had the highest population growth rate from 2010 to 2012. The rate, 5.1%, was much higher than the next highest states (North Dakota at 4.0% and Texas, at 3.6%), and the US average of 1.7%.

D.C. Population: 2007 to 2011

		change from prior year	
year	number	number	%
2007	586409	2,431	0.4
2008	590,074	3,665	0.6
2009	599,657	9,583	1.6
2010	604,912	5,255	0.9
2011	617,996	13,084	2.2

Source: U.S. Bureau of the Census

D.C. Population and Wage and Salary Employment: 1939 to 2012 (calendar year averages)



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Federal Sequestration

- Sequestration, required by last year's Budget Control Act, was triggered by the inability of the congressional Joint Select Committee on Deficit Reduction (the "supercommittee") to reach agreement on what would have been more targeted budget cuts and revenue increases. Sequestration would:
  - Slash federal spending with an across-the-board cut of $1.2 trillion over the next 10 years, should the President and Congress fail to reach agreement to prevent the budget cuts.
  - Reduce federal activity in the city and region – effect on the District's Local revenues.
  - Reduce the level of economic activity in the US economy as a whole due to sudden reduction in federal spending – which indirectly reduces level of economic activity in the District (less tourism, depressed commercial property market, etc.).
  - Reduce grantmaking by federal agencies – effects on the District's Federal Grant revenues and District agency spending.

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Federal Government is a Key Driver of the D.C. Economy

- There are about 210,000 federal civilian employees in D.C., accounting for about 28% of all wage and salary employment in D.C. and 34% of the wages and salaries paid in the city.
- An estimated 75,000 D.C. residents are employed by the federal government, representing about 25% of all employed D.C. residents.
- In FY 2010 the Federal government spent a total of $62 billion in D.C. in salaries and wages, procurement, grants, retirement and other benefits, and other direct payments, about 60% of D.C.'s gross state product. In comparison, federal spending is about 33% of gross state product in MD and 32% in VA.
- Given the District's exposure to federal spending and employment, its economy and revenue will be impacted by federal sequestration.

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Sequestration's Effects on the District Fully Integrated in Revenue Estimates

- At this moment, we do not know the actual effect of sequestration on the District in FY 2013, but revenue estimates reflect full impact of sequestration.
- Even if we avoid sequestration itself on March 1st, there's a strong likelihood of reduced federal spending going forward.
- Reduction might be less than under sequestration, but if defense takes less than 50% of the reduction, or if some currently exempted programs take some reduction, the effect on the District might be proportionally more. Effects would depend on:
    - Total amount of reduction
    - Defense/non-defense mix
    - Exempted programs and grants
    - Timing of outlay reductions

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Summary of February 2013 Revenue Estimate

February 2013 Revenue Estimate Compared to Previous Estimate

Local Source, General Fund Revenue Estimate ($ millions)	Estimate FY 2013	FY 2014	Projected FY 2015	FY 2016	FY 2017
Previous Revenue Estimate	**5,865.1**	**5,957.0**	**6,095.2**	**6,250.6**	**-**
Revisions to Estimate	190.0	177.8	178.2	198.8	-
February 2013 Revenue Estimate	**6,055.1**	**6,134.8**	**6,273.4**	**6,449.4**	**6,574.0**
Percent change from previous year	*1.5%*	*1.3%*	*2.3%*	*2.8%*	*1.9%*

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Summary of Changes – Fiscal Year 2013

($ millions)	Estimate for FY 2013		Variance	
Revenue Source	**February 2012**	**February 2013**	**Amount ($M)**	**Percent**
Property	**2,320.3**	**2,203.2**	**(117.1)**	**-5.0%**
Property (net of TIF/PILOT)	2,008.8	1,899.6	(109.3)	-5.4%
Deed taxes (net of transfers to Housing Production Trust) & Estate	311.5	303.6	(7.9)	-2.5%
Income	**1,813.6**	**2,049.6**	**236.0**	**13.0%**
Individual Income	1,413.5	1,579.9	166.4	11.8%
Withholding	*1,239.6*	*1,409.9*	*170.2*	*13.7%*
Nonwithholding	*173.9*	*170.0*	*(3.9)*	*-2.2%*
Business Income (corp. franchise and UB tax)	400.1	469.7	69.7	17.4%
Sales, excise and gross receipts	**1,209.2**	**1,294.6**	**85.5**	**7.1%**
Sales (net of convention center transfer, TIF, parking tax transfer to DDOT, ballpark sales tax) and Excise	958.8	1,037.8	78.9	8.2%
Gross receipts (net of transfers)	250.3	256.9	6.5	2.6%
Non-tax and Lottery	**522.0**	**507.7**	**(14.3)**	**-2.7%**
Non-tax	458.9	444.5	(14.3)	-3.1%
Lottery	63.2	63.2	-	0.0%
Total	**5,865.1**	**6,055.1**	**190.0**	**3.2%**

District of Columbia

Summary of Changes – Fiscal Year 2014

($ millions)	Estimate for FY 2014		Variance	
Revenue Source	**February 2012**	**February 2013**	**Amount ($M)**	**Percent**
Property	**2,377.0**	**2,266.3**	**(110.8)**	**-4.7%**
Property (net of TIF/PILOT)	2,065.2	1,954.0	(111.2)	-5.4%
Deed taxes (net of transfers to Housing Production Trust) & Estate	311.9	312.3	0.4	0.1%
Income	**1,854.4**	**2,075.9**	**221.5**	**11.9%**
Individual Income	1,447.5	1,599.3	151.9	10.5%
Withholding	*1,262.3*	*1,412.5*	*150.3*	*11.9%*
Nonwithholding	*185.2*	*186.8*	*1.6*	*0.9%*
Business Income (corp. franchise and UB tax)	407.0	476.6	69.6	17.1%
Sales, excise and gross receipts	**1,215.2**	**1,313.6**	**98.4**	**8.1%**
Sales (net of convention center transfer, TIF, parking tax transfer to DDOT, ballpark sales tax) and Excise	962.7	1,055.5	92.8	9.6%
Gross receipts (net of transfers)	252.5	258.1	5.7	2.2%
Non-tax and Lottery	**510.3**	**479.0**	**(31.3)**	**-6.1%**
Non-tax	447.2	415.6	(31.6)	-7.1%
Lottery	63.2	63.5	0.3	0.4%
Total	**5,957.0**	**6,134.8**	**177.8**	**3.0%**

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Implications of Federal Sequestration for FY 2013 Budget: Federal Grant Revenue and Expenditures

- Medicaid and certain other programs important to the District are exempt.

- Based on preliminary analysis of the exemptions as currently written, using FY 2011 (non-ARRA) grants data, sequestration would mean a reduction of over $50 million in the District's General Operating Fund federal grants, which totaled over $2.6 billion. See table below.

	$ in millions
Total	3,067.8
Less Unemployment Insurance	(423.6)
'General Operating Fund' Total	2,644.2
Less Medicaid	(1,519.9)
Less Other Exempt	(519.7)
Equals Portion Subject to Sequestration	604.6
9% of this amount (OMB estimate, 2/8/13) is:	54.4

Notes:
This data is based on one year's expenditures, not award amounts.
The District's Federal payments (direct appropriations) could also be reduced, by about $11 million.

District of Columbia

FY 2013 Proposed Budget and Spending Pressures

District of Columbia

FY 2012 Original Budget vs. FY 2013 Proposed Budget - Local Funds and Dedicated Taxes ($ in thousands)

		FY 2012 Original	FY 2012 Revised	FY 2012 Actual	FY 2013 Proposed	FY 2013 Proposed versus FY 2012 Original $ Change	FY 2013 Proposed versus FY 2012 Original % Change
1	**Revenues**						
2	Taxes	$5,527,777	$5,616,181	$5,841,851	$5,602,138	$74,361	1.3%
3	General Purpose Non-Tax Revenues	404,337	415,761	456,112	435,586	31,249	7.7%
4	Transfer from Lottery	70,915	62,375	66,404	63,175	(7,740)	-10.9%
6	**Sub-total, Local and Dedicated Fund Revenues**	$6,003,029	$6,094,317	$6,364,367	$6,100,899	$97,870	
7	Bond proceeds for Issuance Costs	6,000	6,000	3,142	6,000	0	0.0%
8	Funds set aside from prior year	0	0	0	18,231	18,231	n/a
9	Transfer from Federal and Private Resources [FY 2012 Actual in line 3]	3,497	3,497	0	3,497	0	0.0%
10	Transfer from WCSA for rights to library [FY 2012 Actual in line 3]	5,000	5,000	0	2,000	(3,000)	-60.0%
11	Interfund transfers within General Fund	(26,037)	0	0	0	26,037	-100.0%
12	Transfer from Baseball Special Revenue Fund	10,636	10,636	10,636	16,797	6,161	57.9%
13	Transfer from Capital Fund Paygo	5,196	5,196	5,196	9,232	4,036	77.7%
14	Transfer from Community Health Care Financing Fund	5,126	5,126	5,126	0	(5,126)	-100.0%
15	Interfund transfer - others	0	8,500	4,445	3,800	3,800	n/a
16	Fund Balance Use	31,946	57,932	0	13,029	(18,917)	-59.2%
18	**Total Local and Dedicated Taxes Fund Resources**	$6,044,393	$6,196,204	$6,392,912	$6,173,485	$129,092	
19							
20	**Expenditures (by Appropriation Title)**						
21	Governmental Direction and Support	492,109	506,793	497,727	552,261	60,152	12.2%
22	Economic Development and Regulation	132,791	129,909	123,759	147,873	15,082	11.4%
23	Public Safety and Justice	926,654	917,097	914,121	944,599	17,945	1.9%
24	Public Education System	1,534,237	1,570,675	1,565,349	1,599,444	65,207	4.3%
25	Human Support Services	1,553,150	1,605,798	1,588,630	1,612,860	59,710	3.8%
26	Public Works	452,195	463,077	458,477	407,637	(44,558)	-9.9%
27	Financing and Other	573,480	539,907	536,441	604,363	30,883	5.4%
28	Bond Issuance Costs	6,000	6,000	4,348	6,000	0	0.0%
29	**Sub-total, Operating Expenditures**	$5,670,616	$5,739,256	$5,688,852	$5,875,036	$204,421	
30	Paygo Capital	0	33,730	33,730	4,270	4,270	n/a
31	Transfer to Trust fund for Post-Employment Benefits	109,800	109,800	109,800	107,800	(2,000)	-1.8%
32	Repay Contingency Reserve fund	3,000	0	0	750	(2,250)	-75.0%
33	Transfer to Enterprise Funds - Baseball Revenue Fund	45,545	55,231	55,231	0	(45,545)	-100.0%
34	Transfer to TIF/PILOT, Convention Center and Highway Trust Fund	186,824	178,607	178,365	127,479	(59,345)	-31.8%
35	Transfer to WMATA from Dedicated Taxes Fund	0	0	0	57,202	57,202	n/a
36	**Total Local and Dedicated Taxes Fund Expenditures and Transfers**	$6,015,785	$6,116,624	$6,065,978	$6,172,537	$156,753	
37	**Operating Margin before allocation to reserves**	$28,608	$79,580	$326,934	$948	(27,661)	

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FY 2013 Spending Pressures

(As of February 14, 2013)

Agency	Description of Pressure	Amount
District of Columbia Public Charter Schools	The spending pressure in the D.C. Public Charter Schools is due to increased student enrollment. The audited student enrollment of 34,673 for the 2012-2013 school year is 3% higher than the budgeted enrollment of 33,699 and 10% higher than the audited enrollment of 31,562 for the 2011-2012 school year.	$20.5
Total Spending Pressures		**$20.5**

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FY 2014 Budget Timeline

March 28	Mayor’s Budget submission to Council
May 22	Council vote to approve Budget
June	Budget and Financial Plan is sent to the President for transmittal to Congress

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Hospital Update

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Not-for-Profit Hospital Corporation
(commonly known as United Medical Center)

- On February 19, 2013, the District Council approved a $12.7 million Hospital Turnaround Contract with Huron Healthcare, to commence immediately.
  - The project was initiated to address the Hospital's operational and financial management issues that were identified by McGladrey LLP in a 2011 assessment of the hospital.
  - Over the past five years, Huron Healthcare has assisted health care providers across the country realize more than $1 billion in benefits through performance improvement initiatives while preserving the core mission of these providers to deliver higher quality, more affordable healthcare.
- The hospital is expected to need between $7 and $10 million in subsidies from the District in FY 2013.
- Audited FY 2012 expenditures exceeded revenues resulting in a deficit of ($322,418). Excluding the funds related to the District's subsidy (approximately $13 million), the hospital would have recorded a net deficit of $14 million ($11 million of which was related to the impact of the loss of DSH for both FY11 and FY12).

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Debt Position and Financings

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Key Debt Factors

Current Indebtedness

- Total tax-supported debt outstanding – approximately $8.71 billion.
- Total General Obligation Bonds outstanding – approximately $2.30 billion.
- Total Income Tax Bonds outstanding – approximately $4.46 billion.
  - The District will seek reauthorization to issue additional debt under the Income Tax Secured Bond Act ($519.7 million of authorization currently remaining).
- FY 2012 debt service expense was approximately $627.28 million (on all tax-supported debt).
- The Home Rule Act limits maximum annual debt service on General Obligation Bonds to 17% of projected revenues in the current year.
- In 2009, the Council enacted a Debt Ceiling Act which statutorily limits all debt service on all tax-supported debt to 12% of General Fund expenditures, imposing much stricter limit on the issuance of debt.
  - The District's currently outstanding $8.71 billion of tax-supported debt produces a debt ceiling percentage of 9.69%.
- Average FY 2012 interest rate for outstanding GO and Income Tax Secured fixed rate bonds - approx. 5.02%.
- Average FY 2012 interest rate for outstanding GO and Income Tax Secured variable rate bonds - approx. 0.34%.

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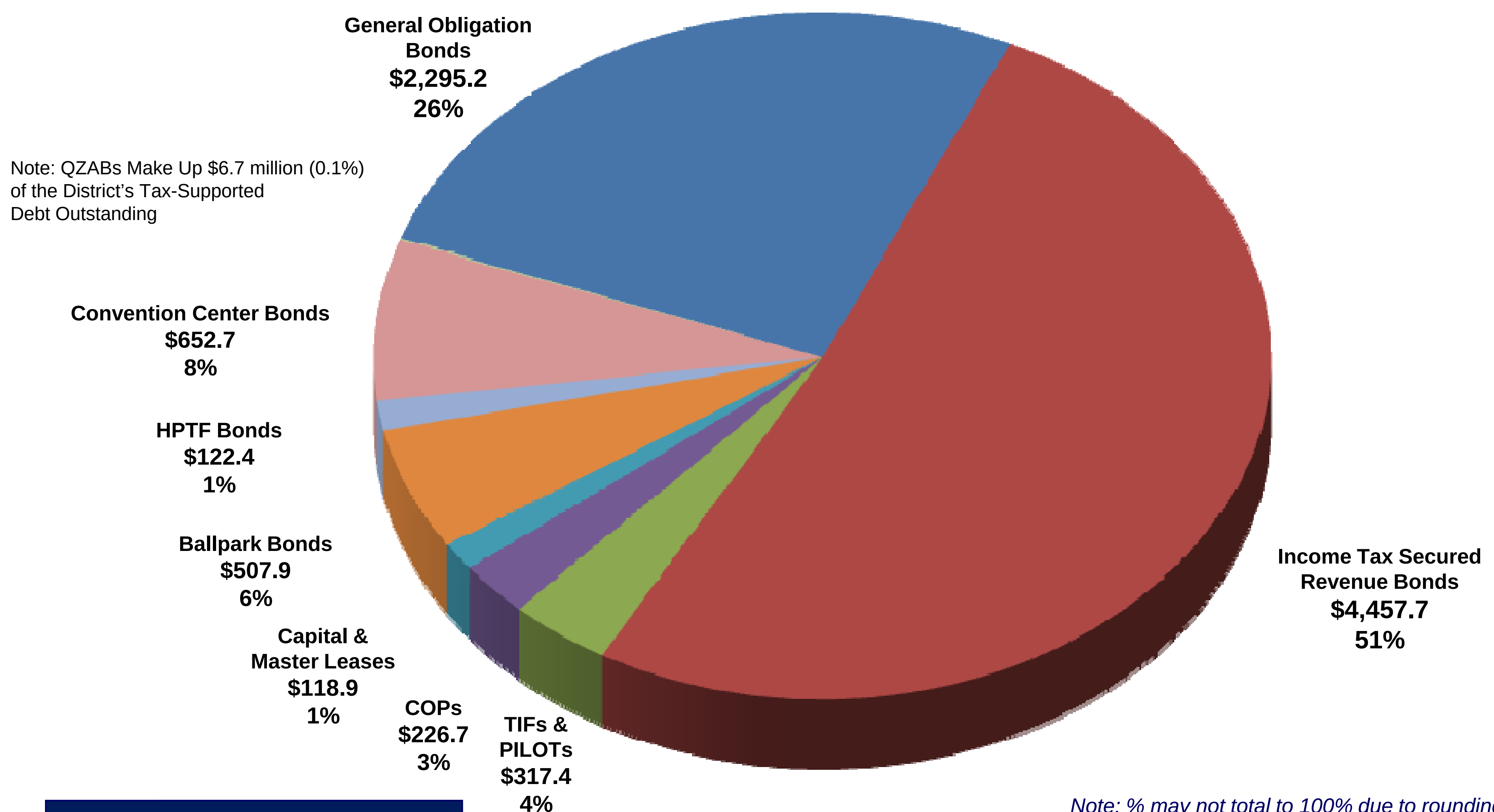
Current Tax-Supported Debt Profile

The District Currently Has $8.7 Billion of Tax-Supported Debt Outstanding as of December 2012

(Dollars in millions)

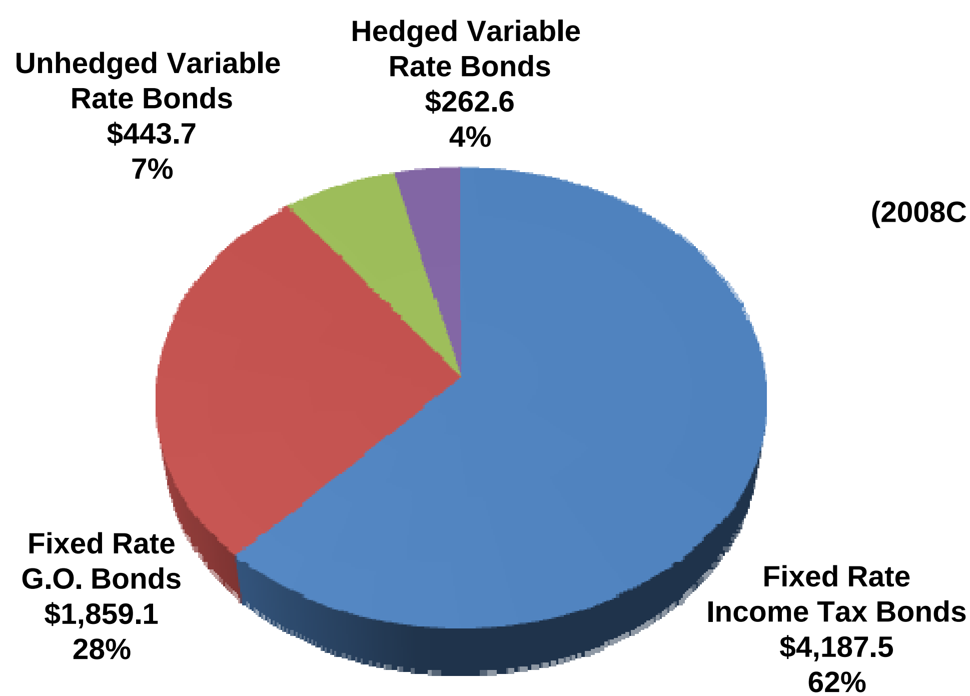


Note: % may not total to 100% due to rounding

District of Columbia Current Debt Profile

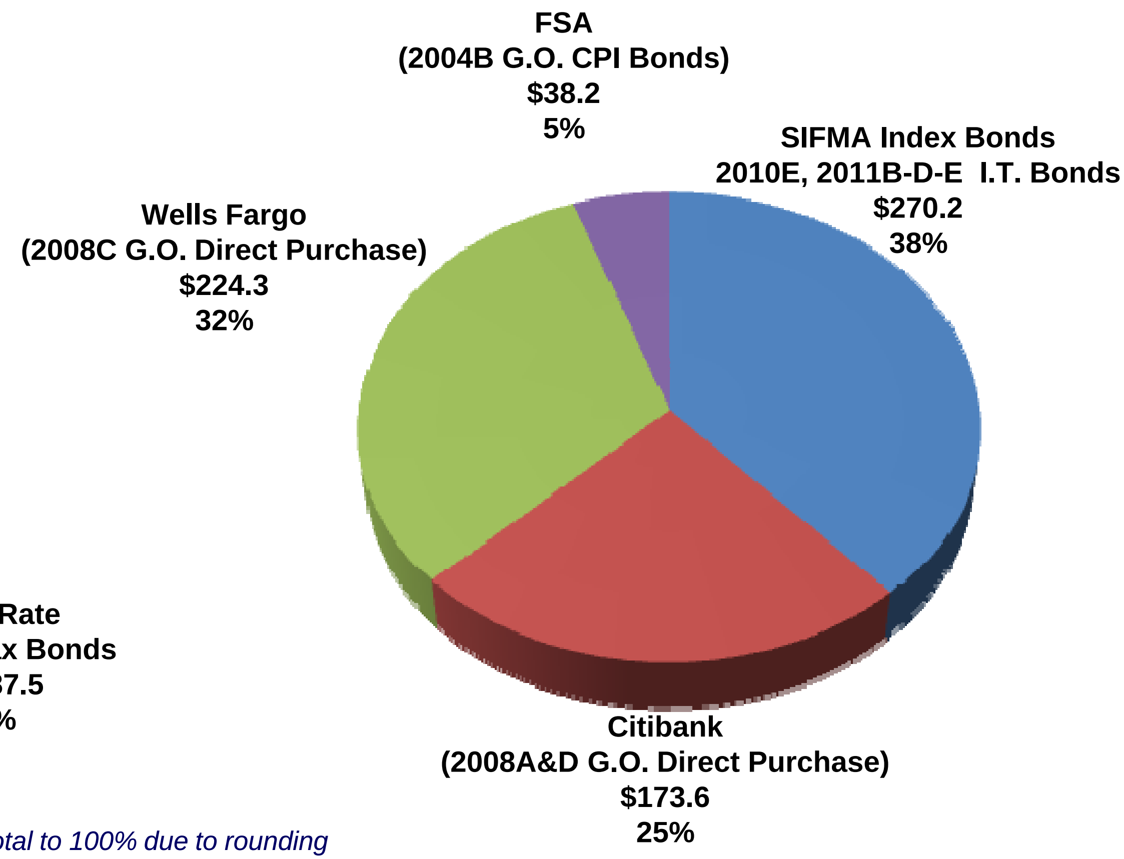
$6.8 billion
Total G.O. and Income Tax Debt Outstanding

(Dollars in millions)



$706.3 million
Variable Rate Debt Outstanding
Credit Enhanced Structure

(Dollars in millions)



Note: % may not total to 100% due to rounding

District of Columbia

Capital Improvements Plan: FY 2013 – FY 2018

- District's Capital Improvements Plan (CIP) is a responsible mix of debt, Pay-Go capital, and grant funding
- Plan calls for total funding of $4.98 billion over six-year period

Fiscal Year 2013 – 2018 Capital Improvements Plan Funding
(Budgetary Basis)
($000s)

FY 2013 - FY 2018 Planned Funding Sources (excludes Highway Trust Fund)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 13-FY 18 Total
General Obligation/Income Tax Bonds	$847,933	$779,167	$688,211	$567,144	$361,016	$245,475	**$3,488,946**
Master Equipment Lease/Purchase	26,500	16,000	14,406	27,425	16,338	14,338	**115,007**
Pay-As-You-Go	4,270	3,000	5,500	42,400	73,929	116,922	**246,021**
Sale of Assets	-	-	-	-	5,950	22,020	**27,970**
Local Streets Transportation Fund Revenue	28,933	33,283	35,033	33,783	36,533	41,283	**208,848**
GARVEE Bonds	50,000	-	-	-	-	-	**50,000**
Federal Grants	140,000	147,000	140,000	140,000	140,000	140,000	**847,000**
Total Funding	**$1,097,636**	**$978,450**	**$883,150**	**$810,752**	**$633,766**	**$580,038**	**$4,983,792**

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Variable-Rate Debt Exposure

- The District has reduced its exposure to variable-rate debt to 9.4% of total tax-supported debt, down from approximately 24% in 2008 (percentages include both unhedged and hedged variable-rate debt).
    - Unhedged variable-rate debt is approximately 5.3% of total tax-supported debt
    - Hedged variable-rate debt is approximately 4.1% of total tax-supported debt
- The District still believes that it is prudent to have some variable-rate debt (not more than 10% unhedged and not more than 20% total), to allow for some degree of asset-liability matching and to take advantage of an extremely low short-term interest rate environment.
- The District has eliminated its exposure to bank risk by converting its Letter-of-Credit-backed Variable Rate Demand Obligations to Direct-Purchase Bonds.
- The District has diversified its variable-rate debt portfolio, with SIFMA-Indexed Notes and Direct-Purchase Bonds.

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Current Debt Cap Position

Expected future Borrowing will remain Under the 12% Debt Cap

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Summary of Debt Cap Position as of February 25, 2013
($ in millions)

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
Total Debt Service on Existing & Planned Tax-Supported Debt	$ 677.54	$ 737.32	$ 767.84	$ 812.04	$ 837.06	$ 888.11
General Fund Expenditures	$ 6,990.55	$ 7,012.11	$ 7,149.26	$ 7,356.76	$ 7,495.45	$ 7,681.41
Ratio of Debt Service to Expenditures	**9.69%**	**10.51%**	**10.74%**	**11.04%**	**11.17%**	**11.56%**

District of Columbia

Calendar Year 2012 - 2013 Financings

Completed Transactions

- $314.1 million Income Tax Secured Revenue Refunding Bonds, Series 2012A-B
  - (Refunding of G.O. Bonds Series 2002C, 2004A and 2005A).
- $52.4 million Tax Increment Revenue Refunding Bonds (Gallery Place Project), Series 2012
  - (Refunding of Gallery Place Project T.I.F. Bonds, Series 2002).
- $675.0 million FY 2013 TRANs.
- $42.9 million Federal Highway Grant Anticipation Revenue Bonds (GARVEE) Series 2012.
- $775.8 million Income Tax Secured Revenue Bonds, Series 2012C-D.
- $39.6 million Deed Tax Revenue Bonds (HPTF), Series 2012A-B.

Anticipated Transactions*

- FY 2014 TRANs (1st quarter of FY 2014) – Amount TBD.
- New Money transaction consistent with CIP ($779.2 million of projects in 1st quarter of FY 2014).
- Refinancing of approximately $96.5 million of Income Tax Secured Revenue Bonds (SIFMA Notes) maturing on December 1, 2013.
- Energy Conservation Bonds – Structure and Amount TBD.
- The District actively manages and monitors its debt portfolio, evaluating refunding opportunities as they arise.

* Preliminary/Subject to Change

Conclusion

District of Columbia

Conclusion

- The District economy, although still showing effects of the recession, continues to remain stronger and more resilient than most other jurisdictions.
- The District's population is growing faster than any state – D.C. saw the highest one-year increase in 70 years.
- The District has a solid history of ending fiscal years in a more favorable position than originally budgeted.
- Fiscal Stabilization and Cash Flow reserve accounts significantly increased "Rainy Day" funds, improving the District's overall financial position and providing a cushion against possible negative effects of federal sequestration, should that occur.
- Debt Cap statute provides a control on future borrowing and protects the District from greater stress on the operating side of the budget.
- Office of the CFO will continue to monitor revenue collections and spending throughout each fiscal year to ensure that balance is maintained.