

**GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE INSPECTOR GENERAL**

DISTRICT DEPARTMENT OF TRANSPORTATION

**REPORT ON THE EXAMINATION
OF THE DISTRICT OF COLUMBIA'S
HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR
FISCAL YEARS 2013 – 2017 WITH ACTUAL
AUDITED FIGURES FOR FISCAL YEAR 2012**



**CHARLES J. WILLOUGHBY
INSPECTOR GENERAL**

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



March 15, 2013

Terry Bellamy
Director
Department of Transportation
55 M Street, S.E., Suite 400
Washington, D.C. 20003

Natwar M. Gandhi, Ph.D.
Chief Financial Officer
Office of the Chief Financial Officer
The John A. Wilson Building
1350 Pennsylvania Avenue, N.W., Room 203
Washington, D.C. 20004

Dear Mr. Bellamy and Dr. Gandhi:

The Office of the Inspector General has completed an examination of the District of Columbia Highway Trust Fund's 5-year forecast of expenditure conditions and operations. The District Department of Transportation and the Office of the Chief Financial Officer administer the Highway Trust Fund for the District of Columbia government and are responsible for preparing the forecast.

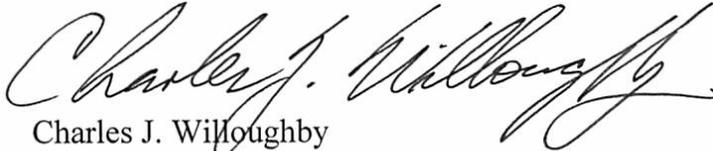
Our examination included a review of existing processes, policies, and controls for the purpose of expressing an opinion on the accompanying forecasted statements. Although we found no instances of noncompliance that would be reportable under generally accepted government auditing standards, the objective of our review was not to provide an opinion on overall compliance with such provisions.

In our opinion, the forecasted statements referred to above are presented in conformity with guidelines for presentation of forecasted information established by the American Institute of Certified Public Accountants. The underlying assumptions made and methodologies used to develop the statements provide a reasonable basis for the forecast.

Mr. Bellamy and Dr. Gandhi
Highway Trust Fund Forecast
OIG No. 12-1-13KA(a) – Final Report
March 15, 2013
Page 2 of 4

We appreciate the cooperation and courtesies extended to our staff during this examination. If you have questions or need additional information, please contact me or Ronald W. King, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,

A handwritten signature in black ink, reading "Charles J. Willoughby". The signature is written in a cursive style with a large, sweeping initial "C".

Charles J. Willoughby
Inspector General

CJW/qh

Enclosure

cc: See Distribution List

DISTRIBUTION:

The Honorable Vincent C. Gray, Mayor, District of Columbia
Mr. Allen Y. Lew, City Administrator, District of Columbia (via email)
Mr. Victor L. Hoskins, Deputy Mayor for Planning and Economic Development,
District of Columbia
The Honorable Phil Mendelson, Chairman, Council of the District of Columbia (via email)
The Honorable Kenyan McDuffie, Chairperson, Committee on Government Operations,
Council of the District of Columbia (via email)
The Honorable Mary M. Cheh Chairperson, Committee on Transportation and the
Environment, Council of the District of Columbia (via email)
Mr. Brian Flowers, General Counsel to the Mayor (via email)
Mr. Christopher Murphy, Chief of Staff, Office of the Mayor (via email)
Ms. Janene Jackson, Director, Office of Policy and Legislative Affairs (via email)
Mr. Pedro Ribeiro, Director, Office of Communications, (via email)
Mr. Eric Goulet, Budget Director, Mayor's Office of Budget and Finance
Ms. Nyasha Smith, Secretary to the Council (1 copy and via email)
Mr. Irvin B. Nathan, Attorney General for the District of Columbia (via email)
Dr. Natwar M. Gandhi, Chief Financial Officer (1 copy and via email)
Mr. Mohamad Yusuff, Interim Executive Director, Office of Integrity and Oversight, Office
of the Chief Financial Officer (via email)
Ms. Yolanda Branche, D.C. Auditor
Mr. Phillip Lattimore, Director and Chief Risk Officer, Office of Risk Management (via email)
Mr. Steve Sebastian, Managing Director, FMA, GAO, (via email)
The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives,
Attention: Bradley Truding (via email)
The Honorable Darrell Issa, Chairman, House Committee on Oversight and Government
Reform, Attention: Howie Denis (via email)
The Honorable Elijah Cummings, Ranking Member, House Committee on Oversight and
Government Reform, Attention: Yvette Cravins (via email)
The Honorable Thomas Carper, Chairman, Senate Committee on Homeland Security and
Governmental Affairs, Attention: Holly Idelson (via email)
The Honorable Tom Coburn, Ranking Member, Senate Committee on Homeland Security
and Governmental Affairs, Attention: Katie Bailey (via email)
The Honorable Mark Begich, Chairman, Senate Subcommittee on Emergency Management,
Intergovernmental Relations and the District of Columbia, Attention: Cory Turner (via email)
The Honorable Rand Paul, Ranking Member, Senate Subcommittee on Emergency
Management, Intergovernmental Relations and the District of Columbia
The Honorable Harold Rogers, Chairman, House Committee on Appropriations,
Attention: Amy Cushing (via email)
The Honorable Nita Lowey, Ranking Member, House Committee on Appropriations,
Attention: Laura Hogshead (via email)
The Honorable Ander Crenshaw, Chairman, House Subcommittee on Financial Services and
General Government, Attention: Amy Cushing (via email)

The Honorable José E. Serrano, Ranking Member, House Subcommittee on Financial Services and General Government, Attention: Laura Hogshead (via email)
The Honorable Barbara Mikulski, Chairwoman, Senate Committee on Appropriations, Attention: Ericka Rojas (via email)
The Honorable Richard Shelby, Ranking Member, Senate Committee on Appropriations, Attention: Dana Wade (via email)
The Honorable Frank Lautenberg, Chairman, Senate Subcommittee on Financial Services and General Government, Attention: Marianne Upton (via email)
The Honorable Mike Johanns, Ranking Member, Senate Subcommittee on Financial Services and General Government, Attention: Dale Cabaniss (via email)
Mr. George Dines, Associate Chief Financial Officer, Government Services Cluster (1 copy)
Ms. Virginia Brant, Controller, Government Services Cluster (1 copy)
Mr. Calvin Skinner, Agency Fiscal Officer, Government Services Cluster, DDOT (1 copy)
Ms. Kathryn Valentine, Budget Officer, DDOT Government Services Cluster (1 copy)
Mr. Matthew Brown, Deputy Director for Resource Management, DDOT (1 copy)

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA’S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

TABLE OF CONTENTS

| | Page |
|---|-------------|
| Auditor’s Report on Forecast Statements..... | 1 |
| Highway Trust Fund Forecast Statements..... | 2 |
| Overview | 5 |
| Background | 5 |
| Summary of Significant Accounting Policies..... | 5 |
| Management Assumptions | 6 |
| Notes to Forecast Statements..... | 9 |
| Attachment A - Master Project Categories..... | 11 |

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Office of the Inspector General

Inspector General



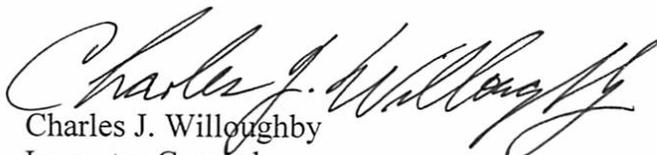
Auditor's Report on Forecast Statements

To the Director, Department of Transportation, Government of the District of Columbia; and
Chief Financial Officer, Government of the District of Columbia:

In accordance with D.C. Code § 9-109.02(e), the Office of the Inspector General has completed an examination of the District of Columbia Highway Trust Fund's 5-year forecast of conditions and operations for the forecast period, fiscal years (FYs) 2013 through 2017. The District Department of Transportation and the Office of the Chief Financial Officer are responsible for producing the forecast. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and the standards applicable to attestation engagements contained in *Government Auditing Standards* issued by the Comptroller General of the United States and, accordingly, included examining, on a test basis, evidence supporting the Highway Trust Fund's (HTF) 5-year forecast of expenditure conditions and operations (forecast) and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the accompanying HTF forecast is presented in conformity with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions provide a reasonable basis for management's forecast. However, there will usually be differences between the forecasted and actual results because events and circumstances frequently do not occur as expected, and those differences may be material. We have no responsibility to update this report for events and circumstances occurring after the date of this report.


Charles J. Willoughby
Inspector General

March 15, 2013

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

| | (\$000s) | | | | | |
|--|--|-------------------|---------------------------|--|-------------------|-------------------|
| | D.C. Highway Trust Fund FY 2012 | | | D.C. Highway Trust Fund FY 2013 | | |
| | Federal Aid FY 2012 | Total FY 2012 | Federal Aid FY 2013 | Total FY 2013 | Total FY 2013 | |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 43,851 | \$ 466,711 | \$ 510,562 | \$ 44,468 | \$ 464,174 | \$ 508,642 |
| Motor Fuel Revenues | 22,778 | - | 22,778 | 22,000 | - | 22,000 |
| Rights-of-Way Fee Revenues | 16,654 | - | 16,654 | 14,472 | - | 14,472 |
| Interest Earnings | 15 | - | 15 | 15 | - | 15 |
| Fed Aid Apportionment | - | 232,250 | 232,250 | - | 173,067 | 173,067 |
| Total Estimated Funds | <u>83,298</u> | <u>698,961</u> | <u>782,259</u> | <u>80,955</u> | <u>637,241</u> | <u>718,196</u> |
| ESTIMATED USES | | | | | | |
| Debt payment of GARVEE Bonds | - | 7,597 | 7,597 | - | 8,984 | 8,984 |
| Project Costs (Management/Design/Construction) ¹ | - | - | - | 52,339 | 352,971 | 405,310 |
| Project Management | 4,426 | 31,781 | 36,207 | - | - | - |
| Design, Site, Construction & Equipment Cost | 28,569 | 195,409 | 223,978 | - | - | - |
| Non-Participating Cost | 5,835 | - | 5,835 | - | - | - |
| Total Estimated Expenditures | <u>38,830</u> | <u>234,787</u> | <u>273,617</u> | <u>52,339</u> | <u>361,955</u> | <u>414,294</u> |
| ENDING BALANCE | <u>\$ 44,468</u> | <u>\$ 464,174</u> | <u>\$ 508,642</u> | <u>\$ 28,616</u> | <u>\$ 275,286</u> | <u>\$ 303,902</u> |

The accompanying notes are an integral part of these forecast statements.

¹ See Attachment A for estimated Project Costs by Master Project Categories.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

| | (\$000s) | | | | | |
|---|--|---------------------------|-------------------|--|---------------------------|-------------------|
| | D.C. Highway Trust Fund FY 2014 | Federal Aid FY 2014 | Total FY 2014 | D.C. Highway Trust Fund FY 2015 | Federal Aid FY 2015 | Total FY 2015 |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 28,616 | \$ 275,286 | \$ 303,902 | \$ 23,818 | \$ 164,256 | \$ 188,074 |
| Motor Fuel Revenues | 21,780 | - | 21,780 | 21,562 | - | 21,562 |
| Rights-of-Way Fee Revenues | 18,526 | - | 18,526 | 15,982 | - | 15,982 |
| Interest Earnings | 21 | - | 21 | 21 | - | 21 |
| Fed Aid Apportionment | - | 206,151 | 206,151 | - | 158,532 | 158,532 |
| Total Estimated Funds | <u>\$ 68,943</u> | <u>\$ 481,437</u> | <u>\$ 550,380</u> | <u>\$ 61,383</u> | <u>\$ 322,788</u> | <u>\$ 384,171</u> |
| ESTIMATED USES | | | | | | |
| Debt payment - GARVEE Bonds | - | 11,763 | 11,763 | - | 11,768 | 11,768 |
| Project Costs (Management/Design/Construction) | 45,125 | 305,418 | 350,543 | 44,417 | 234,053 | 278,470 |
| Total Estimated Expenditures | <u>45,125</u> | <u>317,181</u> | <u>362,306</u> | <u>44,417</u> | <u>245,821</u> | <u>290,238</u> |
| ENDING BALANCE | <u>\$ 23,818</u> | <u>\$ 164,256</u> | <u>\$ 188,074</u> | <u>\$ 16,966</u> | <u>\$ 76,967</u> | <u>\$ 93,933</u> |

The accompanying notes are an integral part of these forecast statements.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

| | (\$000s) | | | | | |
|---|----------------------------------|---------------------------|------------------|----------------------------------|---------------------------|------------------|
| | D.C. | | | D.C. | | |
| | Highway Trust Fund FY 2016 | Federal Aid FY 2016 | Total FY 2016 | Highway Trust Fund FY 2017 | Federal Aid FY 2017 | Total FY 2017 |
| ESTIMATED FUNDING | | | | | | |
| Beginning Balance | \$ 16,966 | \$ 76,967 | \$ 93,933 | \$ 19,994 | \$ 31,136 | \$ 51,130 |
| Motor Fuel Revenues | 21,562 | - | 21,562 | 21,562 | - | 21,562 |
| Rights-of-Way Fee Revenues | 16,600 | - | 16,600 | 13,601 | - | 13,601 |
| Interest Earnings | 21 | - | 21 | 21 | - | 21 |
| Fed Aid Apportionment | - | 156,679 | 156,679 | - | 156,679 | 156,679 |
| Total Estimated Funds | <u>55,149</u> | <u>233,646</u> | <u>288,795</u> | <u>55,178</u> | <u>187,815</u> | <u>242,993</u> |
| ESTIMATED USES | | | | | | |
| Debt payment - GARVEE Bonds | - | 11,770 | 11,770 | - | 11,774 | 11,774 |
| Project Costs (Management/Design/Construction) | 35,155 | 190,740 | 225,895 | 30,253 | 168,914 | 199,167 |
| Total Estimated Expenditures | <u>35,155</u> | <u>202,510</u> | <u>237,665</u> | <u>30,253</u> | <u>180,688</u> | <u>210,941</u> |
| ENDING BALANCE | <u>\$ 19,994</u> | <u>\$ 31,136</u> | <u>\$ 51,130</u> | <u>\$ 24,925</u> | <u>\$ 7,127</u> | <u>\$ 32,052</u> |

The accompanying notes are an integral part of these forecast statements.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA’S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

OVERVIEW

This report summarizes the Office of the Inspector General’s (OIG) review of the District of Columbia (District) Highway Trust Fund’s (HTF) 5-year forecast statements of expenditures, conditions, and operations for fiscal years 2013-2017 (forecasts). The objective of our review was to evaluate the underlying assumptions made and methodologies used to develop the HTF forecasts. These HTF forecasts are used to provide a reasonable projection of the District’s ability to meet future local matching requirements under the U.S. Department of Transportation Federal Highway Administration (FHWA) program for capital improvements to the District’s transportation infrastructure. We conducted our examination in accordance with the American Institute of Certified Public Accountants standards and *Government Auditing Standards* for attestation engagements and included such tests as we considered necessary under the circumstances. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

BACKGROUND

D.C. Code § 9-109.02(e) requires the OIG to examine the statements of the HTF’s expected conditions and operations for the next 5 fiscal years to determine the District’s ability to meet future local matching requirements under the FHWA program for capital improvements to the District’s transportation infrastructure.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

Government fund accounting is designed to demonstrate legal compliance and aid financial management by segregating transactions related to certain District functions or activities. A fund is a separate accounting classification with a self-balancing set of accounts.

The HTF is a governmental fund used to account for the monies from motor vehicle fuel taxes and other fees that are held in escrow by the District for the District’s share of federal-aid highway projects. The District accounts for the construction of federal-aid highway projects, which are primarily financed by FHWA grants, in the Capital Projects Fund. The Capital Projects Fund is reimbursed from monies in the HTF to cover the District’s share of the federal-aid highway projects.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA’S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

BASIS OF ACCOUNTING

The modified accrual basis of accounting is used to account for the HTF. Under the modified accrual basis of accounting, revenues are recognized when they become both “measurable” and “available.” Measurable means the amount of the transaction can be determined and available means monies are collectible within the current period, or soon thereafter, to be used to pay liabilities of the current period.

MANAGEMENT ASSUMPTIONS

The District Department of Transportation (DDOT) annually prepares a 6-year forecast for the HTF, which is part of the Capital Improvement Plan of the District. The first 5 years of this forecast are included in our examination. The current forecast reflects management’s judgment regarding the expected conditions, operations, and course of action for the HTF as of March 11, 2013. The assumptions disclosed herein are those that management believes are significant to the HTF’s forecast. There will usually be differences between the forecasted and actual results because events and circumstances frequently change due to the nature of the activities covered by the HTF (e.g., major design and construction), and those differences may be material.

The HTF forecasts are based on the following assumptions:

- The “D.C. Highway Trust Fund” columns represent estimated local motor fuel tax revenue, rights-of-way supplemental funding, and interest earnings.
- The “Federal Aid” columns represent estimated federal aid commitment balances and projection of matching grants for known highway projects, anticipated discretionary funding, stimulus funds (American Recovery and Reinvestment Act of 2009), and borrowed funding for the 11th Street Bridge project.
- The fiscal year (FY) 2012 amounts are based on actual amounts included in the HTF’s audited financial statements prepared by the OIG and issued February 1, 2013. The amounts include the beginning HTF balances for the local share and unobligated federal aid. The local share amount equals the audited fund balance as of September 30, 2011, (beginning October 1, 2011, balance), plus the FY 2012 collections and receivables as of September 30, 2012, less the FY 2012 payments and audited outstanding liabilities (payables and accruals) as of September 30, 2012. The federal aid amount includes current year appropriations less the federal share of FHWA financed projects in progress or completed, but not closed.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

Revenues:

- Motor fuel tax revenues are provided by the Office of Revenue Analysis and certified by the Chief Financial Officer of the District of Columbia.
- Interest earnings are estimated using a 0.07 percent annual interest rate on the rolling monthly average HTF balance. Management used zero interest when the monthly rolling balance reported a cumulative negative interest earned for the year.
- Rights-of-Way Revenues – funds sufficient to ensure a match not to exceed 22 percent of proposed annual federal-aid highway project expenditures.

Expenditures:

The estimated uses for project management, design, site, construction, equipment, and non-participating costs are based on the actual estimated completion date for the phase of each federal-aid highway project. Project management, design, site, construction, and equipment costs that are eligible for matching federal aid are allocated based on the federal and local share of each individual project. Non-participating costs are those costs that are not eligible for federal aid match and include overhead construction engineering costs; utility and sewer repair; construction enhancements not covered by FHWA; disallowed costs reimbursable to the FHWA; and advance construction projects, which can later be converted to federally-funded projects when funding is available.

Beginning in FY 2013, non-participating costs are no longer paid from the HTF (Fund 0320). Monies from the Local Transportation Fund and Enterprise Fund for Transportation Initiatives (e.g., Rights-of-Way fees) are used to pay for non-participating costs that are associated with federally-funded capital projects. The budget for non-participating costs is provided through a separate master project (external to Fund 0320) and is allocated to all non-participating costs associated with HTF projects as needed.

American Recovery and Reinvestment Act of 2009 (ARRA) - In March 2009, DDOT was apportioned \$123.5 million of highway infrastructure investment funds (stimulus money) pursuant to the ARRA. Projects funded with stimulus money are financed completely with federal money and require no local match.

Bond Servicing Costs - Future federal-aid apportionments will service bonds issued through the Grant Anticipation Revenue Vehicles (GARVEE) program and partially finance the 11th Street Bridge project. Local funding for the 11th Street Bridge project will come from general obligation bond proceeds and parking tax revenues dedicated to the project in prior years. Local estimated funding and uses for the 11th Street Bridge project are not part of the HTF forecasts.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA’S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

In FY 2013, DDOT budgeted the expenditures for the HTF at the master project level (also referred to as “related project” level). The various master project categories are:

- Maintenance;
- Major Rehabilitation, Reconstruction, Replacement, or New Construction;
- Operations, Safety, and System Efficiency;
- Economic Development;
- Planning, Management and Compliance;
- South Capitol Corridor;
- Streetcars;
- Travel Demand Management;
- Transit Operations and Dedicated Facilities; and
- 11th Street Bridge.

Funds are allocated down to the “sub-project” level (also known as “related project” or “master project” level) once approved by FHWA, where actual expenditures will be captured for design, construction, direct labor, and non-participating costs. Once the budget is moved to a sub-project, the budget authority within the umbrella master project will be reduced accordingly.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

NOTES TO FORECAST STATEMENTS

ESTIMATED FUNDING

Beginning Balance – The beginning balance for FY 2012 consists of the actual FY 2011 ending HTF balance carried forward for FY 2012. In each subsequent FY, the beginning balance is the ending balance brought forward from the prior FY.

Revenues – Dedicated revenues are from the following funding sources:

- excise tax earned on motor fuel sold in the District;
- interest income; and
- supplemental revenue from rights-of-way public rental fees.

Beginning in FY 2012, D.C. Code § 9-111.01 limits dedicated funding to the HTF from motor fuel excise tax revenues, interest income, and public rights-of-way (ROW) rental fees (in an amount sufficient to meet the local contribution to match the federal entitlement grant). D. C. Code § 9-111.01a (c-1) allows the annual transfer of ROW revenues to supplement the HTF to meet its local match as long as all the monies in the HTF do not exceed 22 percent of the projected annual federal-aid HTF expenditures. Supplemental funding from ROW fees was reduced by email notification from the Executive Office of the Mayor. Table 1, below, shows the revenue projection for the HTF from ROW revenue, less adjustments.

Table 1

| Projected Supplemental Right-of-Way Revenue | | | | |
|---|------------------|------------------|------------------|------------------|
| (000) | | | | |
| (1) Determine Local Match Requirement: | FY 2014 | FY 2015 | FY 2016 | FY 2017 |
| Expected Federal Contribution | \$ 160,735 | \$ 158,031 | \$ 156,679 | \$ 156,679 |
| Local Match Requirement (22% of federal appropriation) | 45,327 | 44,565 | 44,183 | 44,184 |
| Total HTF Planned Budget | \$ 206,062 | \$ 202,596 | \$ 200,862 | \$ 200,863 |
| (2) Determine ROW Revenue Transfer to Highway Trust Fund | | | | |
| Local Match Requirement | \$ 45,327 | \$ 44,565 | \$ 44,183 | \$ 44,184 |
| Less: | | | | |
| Motor Fuel Tax Revenue | (21,780) | (21,562) | (21,562) | (21,562) |
| Interest Income | (21) | (21) | (21) | (21) |
| Reduction to 22% ROW Contributions | (5,000) | (7,000) | (6,000) | (9,000) |
| Adjusted ROW Revenue Contribution | \$ 18,526 | \$ 15,982 | \$ 16,600 | \$ 13,601 |

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

Interest Earnings – Interest earnings consist of the estimated annual earnings, calculated at a rate of 0.07 percent on the beginning balance, plus annual revenues minus expenditures.

Federal-Aid Apportionment - Federal funding is provided to all states and the District through legislation enacted by Congress and administered through the FHWA. DDOT estimates its future federal funding based on the latest FHWA-provided figures, which include the budget year and the following year.

ESTIMATED USES

DDOT no longer separates the expenditures in project phases: Design, Site, Construction, and Equipment; Project Management; and Non-participating Costs. Instead, forecast expenditures are shown as a yearly, lump sum amount. The expenditures are classified in the following categories, and are listed in detail in Attachment A:

- Maintenance;
- Major Rehabilitation, Reconstruction, Replacement, or New Construction;
- Operations, Safety, and System Efficiency;
- Economic Development;
- Planning, Management, and Compliance;
- South Capitol Corridor;
- Streetcars;
- Travel Demand Management;
- Transit Operations and Dedicated Facilities; and
- 11th Street Bridge.

ENDING BALANCE

The ending balance each year is determined by adding the amount of forecasted revenues, less the use of funds, to the beginning balance. The ending balance is carried over to the following fiscal year as the beginning balance.

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

(\$000s)

Master Project Categories

| | D.C. | | D.C. | | | |
|--|------------------|-------------------|-------------------|------------------|-------------------|-------------------|
| | Highway | Federal | Total | Highway | Federal | Total |
| | Trust Fund | Aid | FY 2014 | Trust Fund | Aid | FY 2015 |
| | FY 2014 | FY 2014 | FY 2014 | FY 2015 | FY 2015 | FY 2015 |
| Expenditure Categories: | | | | | | |
| Maintenance | \$ 8,114 | \$ 46,238 | \$ 54,352 | \$ 7,075 | \$ 35,365 | \$ 42,440 |
| Major Rehabilitation | 20,926 | 96,415 | 117,341 | 15,678 | 71,947 | 87,625 |
| Operations, Safety, and System Efficiency | 5,245 | 41,331 | 46,576 | 5,572 | 39,238 | 44,810 |
| Economic Development | 30 | 146 | 176 | - | - | - |
| Planning, Management, and Compliance | 3,669 | 19,974 | 23,643 | 3,224 | 17,685 | 20,909 |
| South Capitol Corridor | 3,766 | 75,751 | 79,517 | 10,874 | 44,585 | 55,459 |
| Streetcars | 674 | 3,326 | 4,000 | 84 | 416 | 500 |
| Travel Demand Management | 2,701 | 14,477 | 17,178 | 1,910 | 9,667 | 11,577 |
| Transit Operations and Facilities | - | - | - | - | - | - |
| 11th Street Bridge | - | 19,523 | 19,523 | - | 26,918 | 26,918 |
| Total Detailed Expenditures | <u>\$ 45,125</u> | <u>\$ 317,181</u> | <u>\$ 362,306</u> | <u>\$ 44,417</u> | <u>\$ 245,821</u> | <u>\$ 290,238</u> |

**REPORT ON THE EXAMINATION OF THE
DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND
FORECAST STATEMENTS FOR FISCAL YEARS 2013 – 2017
WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2012**

(\$000s)

Master Project Categories

| | D.C. | | | D.C. | | |
|--|----------------------------------|---------------------------|-------------------|----------------------------------|---------------------------|-------------------|
| | Highway Trust Fund FY 2016 | Federal Aid FY 2016 | Total FY 2016 | Highway Trust Fund FY 2017 | Federal Aid FY 2017 | Total FY 2017 |
| Expenditure Categories: | | | | | | |
| Maintenance | \$ 6,372 | \$ 31,765 | \$ 38,137 | \$ 6,367 | \$ 31,718 | \$ 38,085 |
| Major Rehabilitation | 16,107 | 72,518 | 88,625 | 10,832 | 47,747 | 58,579 |
| Operations, Safety, and System Efficiency | 5,576 | 39,005 | 44,581 | 5,741 | 40,040 | 45,781 |
| Economic Development | - | - | - | - | - | - |
| Planning, Management, and Compliance | 2,695 | 15,093 | 17,788 | 2,286 | 12,460 | 14,746 |
| South Capitol Corridor | - | 11,440 | 11,440 | 3,761 | 30,000 | 33,761 |
| Streetcars | - | - | - | - | - | - |
| Travel Demand Management | 4,405 | 20,719 | 25,124 | 1,266 | 6,949 | 8,215 |
| Transit Operations and Facilities | - | - | - | - | - | - |
| 11th Street Bridge | - | 11,970 | 11,970 | - | 11,774 | 11,774 |
| Total Detailed Expenditures | <u>\$ 35,155</u> | <u>\$ 202,510</u> | <u>\$ 237,665</u> | <u>\$ 30,253</u> | <u>\$ 180,688</u> | <u>\$ 210,941</u> |