

# DISTRICT OF COLUMBIA OFFICE OF THE INSPECTOR GENERAL

OIG Project No. 19-1-04KA(a)

May 2019



## DISTRICT DEPARTMENT OF TRANSPORTATION REPORT ON THE EXAMINATION OF THE DISTRICT OF COLUMBIA'S HIGHWAY TRUST FUND FORECAST STATEMENTS FOR FISCAL YEARS 2019 – 2023 WITH ACTUAL AUDITED FIGURES FOR FISCAL YEAR 2018



### *Guiding Principles*

*Workforce Engagement \* Stakeholders Engagement \* Process-oriented \* Innovation  
\* Accountability \* Professionalism \* Objectivity and Independence \* Communication \* Collaboration  
\* Diversity \* Measurement \* Continuous Improvement*



## **Mission**

Our mission is to independently audit, inspect, and investigate matters pertaining to the District of Columbia government in order to:

- prevent and detect corruption, mismanagement, waste, fraud, and abuse;
- promote economy, efficiency, effectiveness, and accountability;
- inform stakeholders about issues relating to District programs and operations; and
- recommend and track the implementation of corrective actions.

## **Vision**

Our vision is to be a world-class Office of the Inspector General that is customer-focused, and sets the standard for oversight excellence!

## **Core Values**

Excellence \* Integrity \* Respect \* Creativity \* Ownership  
\* Transparency \* Empowerment \* Courage \* Passion  
\* Leadership



**GOVERNMENT OF THE DISTRICT OF COLUMBIA**  
**Office of the Inspector General**

**Inspector General**



May 31, 2019

Jeff Marootian  
Director  
District Department of Transportation  
55 M Street, S.E., Suite 400  
Washington, D.C. 20003

Jeffrey S. DeWitt  
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

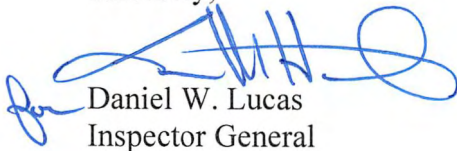
Dear Director Marootian and Chief Financial Officer DeWitt:

Enclosed is the final report summarizing the results of the examination of the District of Columbia's Highway Trust Fund (HTF) 5-year forecast of expenditure conditions and operations (OIG No. 19-1-04KA(a)). The OIG contracted with SB & Company, LLC (SB&C) to examine the District of Columbia's HTF 5-year forecast to meet a statutory mandate.<sup>1</sup>

On May 20, 2019, SB&C issued its opinion on the District's HTF 5-year forecast and concluded that the forecast is presented, in all material respects, in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

We appreciate the cooperation and courtesies extended to SB&C during this examination. If you have any questions, please contact me or Benjamin Huddle, Assistant Inspector General for Audits, at (202) 727-2540.

Sincerely,



Daniel W. Lucas  
Inspector General

DWL/rb

Enclosure

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<sup>1</sup> D.C. Code § 9-109.02 (e)(LEXIS through April 10, 2019), requires the OIG to annually examine the statements forecasting the conditions and operations of the HTF for the next 5 FYs.

**DISTRIBUTION:**

The Honorable Muriel Bowser, Mayor, District of Columbia, Attention: Betsy Cavendish (via email)

Mr. Rashad M. Young, City Administrator, District of Columbia (via email)

Mr. Barry Kreiswirth, General Counsel, City Administrator, District of Columbia (via email)

The Honorable Phil Mendelson, Chairman, Council of the District of Columbia, Council of the District of Columbia (via email)

The Honorable Jack Evans, Chairperson, Committee on Finance and Revenue, 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)

The Honorable Brandon T. Todd, Chairperson, Committee on Government Operations (via email)

Mr. John Falcicchio, Chief of Staff, Office of the Mayor (via email)

Ms. LaToya Foster, Director of Communications, Office of Communications, Executive Office of the Mayor (via email)

Ms. Jennifer Reed, Director, The Office of Budget and Performance Management (via email)

Ms. Nyasha Smith, Secretary to the Council, Council of the District of Columbia (via email)

The Honorable Karl Racine, Attorney General for the District of Columbia (via email)

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The Honorable Kathy Patterson, D.C. Auditor, Office of the D.C. Auditor, Attention: Cathy Patten (via email)

Mr. Jed Ross, Director and Chief Risk Officer, Office of Risk Management (via email)

Ms. Berri Davis, Director, FMA, GAO, (via email)

The Honorable Eleanor Holmes Norton, D.C. Delegate, House of Representatives, Attention: Bradley Truding (via email)

The Honorable Elijah E. Cummings, Chairman, House Committee on Oversight and Reform, Attention: Mark Stephenson (via email)

The Honorable Jim Jordan, Ranking Member, House Committee on Oversight and Reform, Attention: Emily Greene (via email)

The Honorable Nita Lowey, Chairwoman, House Committee on Appropriations, Attention: Shalanda Young (via email)

The Honorable Kay Granger, Ranking Member, House Committee on Appropriations, Attention: Doug Disrud (via email)

The Honorable Maxine Waters, Chairwoman, House Committee on Financial Services (via email)

The Honorable Patrick McHenry, Ranking Member, House Committee on Financial Services, Attention: Kyle Simpson (via email)

The Honorable Mike Quigley, Chairman, House Subcommittee on Financial Services, Attention: Elliot Doomes (via email)

The Honorable Tom Graves, Ranking Member, House Subcommittee on Financial Services, Attention: John Martens (via email)

The Honorable Richard Shelby, Chairman, Senate Committee on Appropriations,  
Attention: Ella Sullins (via email)

The Honorable Patrick J. Leahy, Ranking Member, Senate Committee on  
Appropriations, Attention: Erica Chabot (via email)

The Honorable Chuck Grassley, Chairman, Senate Committee on Finance (via facsimile)

The Honorable Ron Wyden, Ranking Member, Senate Committee on Finance (via  
facsimile)

The Honorable Ron Johnson, Chairman, Senate Committee on Homeland Security and  
Governmental Affairs, Attention: Carol Fowler (via email)

The Honorable Gary C. Peters, Ranking Member, Senate Committee on Homeland Security  
and Governmental Affairs, Attention: Elizabeth Connolly (via email)

The Honorable James Lankford, Chairman, Senate Subcommittee on Regulatory Affairs and  
Federal Management, Attention: Chris White (via email)

The Honorable Kyrsten Sinema, Ranking Member, Senate Subcommittee on Regulatory  
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Mr. Larry Lyles, Financial Manager, DDOT Government Services Cluster (via email)

Mr. Calvin Skinner, Agency Fiscal Officer, DDOT Government Services Cluster (via email)

Ms. Kathryn Valentine, Budget Officer, DDOT Government Services Cluster (via email)

Mr. Graylin (Gray) Smith, Partner, SB and Company, LLC (via email)

**DISTRICT OF COLUMBIA HIGHWAY TRUST FUND**

**Examination of the Forecasted Statements  
of Estimated Funding and Uses  
Together with Report of Independent Public Accountants**

**For the Fiscal Years Ending September 30, 2019 Through 2023  
With Historical Amounts for the  
Year Ended September 30, 2018**



**S B & COMPANY, LLC**  
KNOWLEDGE • QUALITY • CLIENT SERVICE

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**S B & COMPANY, LLC**  
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## REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

The Mayor and the Council of the Government of the District of Columbia,  
Inspector General of the Government of the District of Columbia

We have examined the accompanying forecasted statements of estimated funding and uses (the Forecast) of the District of Columbia Highway Trust Fund (the Fund), for the years ending September 30, 2019 through September 30, 2023 with comparative historical amounts for the year ended September 30, 2018, based on the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants. The Fund's management is responsible for preparing and presenting the forecast in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants. Our responsibility is to express an opinion on the forecast 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. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the forecast is presented in accordance with the guidelines for the presentation of a forecast established by the American Institute of Certified Public Accountants, in all material respects. An examination involves performing procedures to obtain evidence about the forecast. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material misstatement of the forecast, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

In our opinion, the accompanying forecast is presented, in all material respects, in accordance with the guidelines for presentation of a forecast established by the American Institute of Certified Public Accountants, and the underlying assumptions are suitably supported and provide a reasonable basis for management's forecast.

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.

As discussed in Note 4, the amounts for the year ended September 30, 2018, were derived from the audited financial statements of the Fund that was included in the Government of the District of Columbia's 2018 financial statements, which an unmodified opinion was issued on those financial statements in our report dated January 25, 2019. In our opinion, the summarized historical information presented herein for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Washington, D.C.  
May 20, 2019



**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Forecasted Statements of Estimated Funding and Uses  
For the Years Ending September 30, 2019 Through 2023, with Historical Amounts for the  
Year Ended September 30, 2018 (in 000s)**

	2018 Historic Amounts			2019 Forecasted Amounts		
	D.C. Highway Trust Fund	Federal Aid	Total	D.C. Highway Trust Fund	Federal Aid	Total
<b>ESTIMATED FUNDING</b>						
Beginning Balance	\$ 53,710	\$ 573,628	\$ 627,337	\$ 56,643	\$ 599,741	\$ 656,384
Motor Fuel Revenues	26,268	-	26,268	26,184	-	26,184
Rights-of-Way Fee Revenues	-	-	-	-	-	-
Interest Earnings	17	-	17	113	-	113
Fed Aid Apportionment/Obligation	-	266,402	266,402	-	185,410	185,410
<b>Total Estimated Funds</b>	<b>79,994</b>	<b>840,030</b>	<b>920,024</b>	<b>82,940</b>	<b>785,151</b>	<b>868,092</b>
<b>ESTIMATED USES</b>						
Debt Payment - GARVEE Bonds	-	11,772	11,772	-	11,771	11,771
Project Costs (Management/Design/Construction)	23,089	228,516	251,606	36,085	213,477	249,562
Non-Participating Costs	262	-	262	-	-	-
<b>Total Estimated Expenditures</b>	<b>23,351</b>	<b>240,288</b>	<b>263,639</b>	<b>36,085</b>	<b>225,247</b>	<b>261,333</b>
<b>ENDING BALANCE</b>	<b>\$ 56,643</b>	<b>\$ 599,741</b>	<b>\$ 656,384</b>	<b>\$ 46,855</b>	<b>\$ 559,904</b>	<b>\$ 606,759</b>

	2020 Forecasted Amounts			2021 Forecasted Amounts		
	D.C. Highway Trust Fund	Federal Aid	Total	D.C. Highway Trust Fund	Federal Aid	Total
<b>ESTIMATED FUNDING</b>						
Beginning Balance	\$ 46,855	\$ 559,904	\$ 606,759	\$ 26,879	\$ 459,040	\$ 485,919
Motor Fuel Revenues	26,298	-	26,298	26,313	-	26,313
Rights-of-Way Fee Revenues	-	-	-	-	-	-
Interest Earnings	94	-	94	54	-	54
Fed Aid Apportionment/Obligation	-	185,410	185,410	-	185,410	185,410
<b>Total Estimated Funds</b>	<b>73,247</b>	<b>745,314</b>	<b>818,561</b>	<b>53,245</b>	<b>644,450</b>	<b>697,695</b>
<b>ESTIMATED USES</b>						
Debt Payment - GARVEE Bonds	-	11,770	11,770	4,314	33,054	37,367
Project Costs (Management/Design/Construction)	46,368	274,504	320,872	39,313	238,172	277,484
Non-Participating Costs	-	-	-	-	-	-
<b>Total Estimated Expenditures</b>	<b>46,368</b>	<b>286,274</b>	<b>332,642</b>	<b>43,626</b>	<b>271,226</b>	<b>314,852</b>
<b>ENDING BALANCE</b>	<b>\$ 26,879</b>	<b>\$ 459,040</b>	<b>\$ 485,919</b>	<b>\$ 9,619</b>	<b>\$ 373,225</b>	<b>\$ 382,844</b>

The accompanying notes are an integral part of these forecasted financial statements.

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Forecasted Statements of Estimated Funding and Uses  
For the Years Ending September 30, 2019 Through 2023, with Historical Amounts for the  
Year Ended September 30, 2018 (in 000s) (continued)**

	2022 Forecasted Amounts			2023 Forecasted Amounts		
	D.C. Highway Trust Fund	Federal Aid	Total	D.C. Highway Trust Fund	Federal Aid	Total
<b>ESTIMATED FUNDING</b>						
Beginning Balance	\$ 9,619	\$ 373,225	\$ 382,844	\$ 1,741	\$ 303,738	\$ 305,479
Motor Fuel Revenues	26,265	-	26,265	26,292	-	26,292
Rights-of-Way Fee Revenues	10,000	-	10,000	10,000	-	10,000
Interest Earnings	19	-	19	3	-	3
Fed Aid Apportionment/Obligation	-	185,410	185,410	-	185,410	185,410
<b>Total Estimated Funds</b>	<b>45,903</b>	<b>558,634</b>	<b>604,538</b>	<b>38,036</b>	<b>489,148</b>	<b>527,185</b>
<b>ESTIMATED USES</b>						
Debt Payment - GARVEE Bonds	4,314	33,056	37,370	4,314	33,054	37,367
Project Costs (Management/Design/Construction)	39,849	221,840	261,689	32,511	166,058	198,569
Non-Participating Costs	-	-	-	-	-	-
<b>Total Estimated Expenditures</b>	<b>44,162</b>	<b>254,896</b>	<b>299,059</b>	<b>36,825</b>	<b>199,111</b>	<b>235,937</b>
<b>ENDING BALANCE</b>	<b>\$ 1,741</b>	<b>\$ 303,738</b>	<b>\$ 305,479</b>	<b>\$ 1,211</b>	<b>\$ 290,037</b>	<b>\$ 291,248</b>

The accompanying notes are an integral part of these forecasted financial statements.

# **DISTRICT OF COLUMBIA HIGHWAY TRUST FUND**

## **Notes to the Forecasted Statements of Estimated Funding and Uses Fiscal Years 2019 Through 2023**

### **1. DESCRIPTION OF THE DISTRICT OF COLUMBIA HIGHWAY TRUST FUND**

The Government of the District of Columbia (the District) established the District of Columbia Highway Trust Fund (the Fund) under the District of Columbia Emergency Highway Relief Act (the Act). The Fund was established as a dedicated highway fund to be comprised, at a minimum, of amounts equivalent to receipts from motor fuel taxes and, if necessary, motor vehicle taxes and fees collected by the District to pay the cost-sharing requirements established under Title 23 of the United States Code. The Fund is required to be separate from the general fund of the District. The Fund is a governmental fund, which is used to account for the dedicated revenues generated from motor vehicle fuel taxes, public rights-of-way (ROW) user rental fees to supplement local matching fund obligations, and interest income.

The Fund is managed within the District's Office of the Chief Financial Officer. The Fund is a capital project fund of the District, restricted for the purpose of executing Federal highway projects.

### **2. BACKGROUND AND OVERVIEW OF THE FORECAST**

D.C. Code § 9-109.02(e) requires the Office of the Inspector General to examine the statements of the Fund's forecasted conditions and operations for a five-year period. The forecast is to be used to determine the District's ability to meet future cost-sharing requirements under the Federal Highway Administration (FHWA) program for capital improvements to the District's transportation infrastructure.

### **3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **Basis of Presentation**

The forecasted statements of estimated funding and uses (the Forecast) of the Fund report on the expected results of its operations, as well as the related Federal Aid for the District. The Forecast of the Fund is intended to present only the expected results of operations of the Fund and the related Federal Aid, and does not purport to, and does not present the financial results of the District. Additionally, the Fund's accompanying Forecast is not indicative of the Fund as if it were a stand-alone entity.

*Forecasted Information.* The Fund's Forecast was prepared using a comprehensive basis of accounting other than generally accepted accounting principles in the United States of America (U.S. GAAP). The forecasted motor fuel revenues, ROW fees, interest earnings, debt payments and project costs are recorded on a cash basis of accounting. The Federal Aid Apportionment/Obligation is recorded based on the expected obligations of funding from FHWA.

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

The dedicated revenues consist of excise taxes earned on motor fuel sold in the District, at the wholesale level, and interest income earned on the Fund's bank balances. Motor fuel taxes are recognized as revenue when the sale takes place. The fund balance is restricted for the District's cost-sharing requirements for eligible Federal-aid highway projects.

Project associated costs eligible for Federal funding and for the District's matching share of the Federal-aid highway project cost are recorded as participating expenditures. Non-participating expenditures are project associated costs not eligible for Federal funding, which are undertaken for the benefit of the District and are included in the project funding plan in addition to Federally funded items. Major initiatives of the District of Columbia Department of Transportation (DDOT) may be financed from the Fund without funding from Federal FHWA grants, once current year matching of the Federal obligation is satisfied. The detailed expenditures are classified into categories listed in Note 6.

The Funds balance must be sufficient to cover the cost sharing requirements established under Title 23, United States Code, based on the 6-year projected Fund's performance. The ending fund balance is carried over to the following fiscal year as the beginning balance.

**Use of Estimates**

The preparation of the Forecast requires management to make estimates and assumptions that affect the reported amounts of estimated revenues and expenditures for the periods presented. Actual results could differ from these estimates. The assumptions disclosed in Note 5 are those that management believes are significant to the Fund'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 Fund (e.g., major design and construction changes and delays), and those differences may be material.

The fiscal year 2019 amounts are based on funding levels at the time the prospective is prepared. The District's budget book is prepared approximately 1½ years in advance, which can result in a variance in the projected amounts. DDOT prepares spending plans in order to meet its goals, which could be impacted by unforeseen litigation and/or procurement delays. These delays may cause DDOT to miss its target spending for fiscal year 2019 by a material amount.

**4. HISTORICAL AMOUNTS FOR THE YEAR ENDED SEPTEMBER 30, 2018**

The amounts presented for the year ended September 30, 2018, were derived from the 2018 audited financial statements for the District. Those financial statements were prepared using a modified accrual basis of accounting for the Fund and the related Federal Aid. For purposes of the Forecast, the financial information presented by adjusting accounts to the cash basis of accounting for the forecasted motor fuel revenues, ROW fees, interest earnings, debt payments and project costs, and expected obligations for the Federal Aid funding from FHWA is recognized when expected to be obligated.

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**5. SUMMARY OF SIGNIFICANT ASSUMPTIONS**

The Forecast summarizes the estimated funding and uses of resources for the fiscal years ending September 30, 2019 through 2023. The “Highway Trust Fund” columns represent estimated local motor fuel tax revenue, ROW revenue, interest, and estimated local share of expenditures. The “Federal Aid” columns represent obligated and estimated Federal aid commitment balances and projection of matching grants for known highway projects, anticipated discretionary funding, borrowed funding for the 11<sup>th</sup> Street Bridge project, and estimated Federal share of expenses.

Expenditures for fiscal years 2019 through 2023, were projected based on an obligation plan and the related spending plan and submitted to the Mayor, as the budget, which was published on March 20, 2019. Changes in the spending plan that affect local matching contributions are subject to approval by Council.

**Estimated Funding Sources**

*Motor Fuel Revenues.* The projections for motor fuel tax revenues are provided by Office of the Chief Financial Officer’s (OCFO) Office of Revenue Analysis (ORA) and certified by the Chief Financial Officer of the District of Columbia. The estimates were developed using a statistical model to predict motor fuel gallons taxed, based on the annual average price of motor fuel in the District, the annual average personal income per household, and the amount of fuel consumption based on trends in motor vehicle fuel efficiencies. ORA Estimation Reports indicate there is no marked increase or decline of the District’s annual number of motor fuel gallons taxed. It was estimated as of February 2019, that there was no anticipated increase in calculated motor fuel tax. The current fuel tax rate of \$0.235 per gallon was used for all years presented in the forecast. It was not deemed necessary to include motor vehicle taxes in the forecast based on the funding levels of motor fuel taxes and ROW fees.

*Rights-of-Way Revenues.* The ROW revenues projection was prepared by ORA based on D.C. Code § 9-111.01, limiting dedicated funding to the Fund from all local sources to a maximum of 22 percent of the projected annual Federal Aid Highway Trust Fund expenditures. In determining the budget request for ROW revenues, several factors are considered, including the anticipated spending level of the Fund, and also the available fund balance carry over. For each year, the amounts of supplemental funding from ROW revenues were adjusted in a manner where the year end fund balance is not in a deficit. The projected fund balance of the Fund is expected to be in excess of the expenditures for years 2022 and 2023. As a result, the Fund expects to incorporate ROW into its budget request beginning in 2022.

*Interest Income.* The interest income estimated using an annual rate (0.2%) determined by OCFO’s Office of Finance and Treasury based on the approximate Federal government’s benchmark rates and was applied on the previous year-end fund balance.



**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**5. SUMMARY OF SIGNIFICANT ASSUMPTIONS (continued)**

*Federal-Aid Apportionment.* Federal funding is provided to all states and the District through legislation enacted by Congress and administered through the FHWA. Public Law No. 114-94, the “Fixing America’s Surface Transportation Act” or “Fast Act,” is the current funding legislation, effective October 1, 2015. DDOT estimates its future Federal funding for the budget year and the following years based on the latest FHWA-provided amounts included in the U.S. Department of Transportation FHWA Fiscal Management System. For 2019, the amounts provided by FHWA was \$169,984,700.

Additionally, there is typically a redistribution that occurs each August, whereby FHWA reallocates funds across all of the states, at their discretion. To determine the estimate for 2019, DDOT averaged the last 5 years of redistributed funds from FHWA. For the year ending September 30, 2019, the forecasted amount is \$15,425,287. The Fund anticipates Federal funding to remain the same for each fiscal year.

**Estimated Uses**

*Debt Payments - Grant Anticipation Revenue Vehicles (GARVEE) Bonds.* Future Federal-aid apportionments will service bonds issued through the GARVEE program and partially finance the 11<sup>th</sup> Street Bridge project. Local funding for the 11<sup>th</sup> Street Bridge project will come from general obligation bond proceeds and parking tax revenues dedicated to the project in prior years. The local estimated funding and uses for the 11<sup>th</sup> Street Bridge project are not part of the Fund’s forecast.

Below is a summary of the outstanding GARVEE Bonds as of September 30, 2019 through September 30, 2023.

<b>Bond Series</b>	<b>Maturity Date</b>	<b>Interest Rate</b>	<b>Amount Outstanding</b>
Series 2011	December 1, 2025	2.00% - 5.25%	\$ 51,065,000
Series 2012	December 1, 2027	2.00% - 5.00%	31,555,000

The future minimum payments for each of the outstanding series is listed below (in 000s):

<b>Fiscal Years Ending September 30,</b>	<b>Principal and Interest Payments Due**</b>		
	<b>Series 2011</b>	<b>Series 2012</b>	<b>Total</b>
2019	\$ 7,776	\$ 3,995	\$ 11,771
2020	7,779	3,991	11,770
2021	7,778	3,989	11,767
2022	7,783	3,987	11,770
2023	7,781	3,986	11,767

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**5. SUMMARY OF SIGNIFICANT ASSUMPTIONS (continued)**

\*\*In 2020, DDOT anticipates additional GARVEE borrowing for the South Capital Replacement Bridge project of approximately \$300 million. Beginning in fiscal year 2021, DDOT anticipates the Fund will begin to make debt payments in the amount of \$25,600,000, covering approximately 20% of the debt service requirements for this borrowing. See Note 6 for the South Capital Replacement Bridge Project projected payments through 2023.

*Project Costs.* 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 in progress. The 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. The 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; and disallowed costs reimbursable to the FHWA.

The project costs can be classified into 3 categories: (1) projects in process; (2) projects obligated, but not started; and (3) projects planned, but not yet obligated. Projects that are in process have been approved and obligated by FHWA and are in active design or construction. The forecast costs for these projects are estimated using the costs to complete. Certain projects have been obligated by FHWA but not yet started by DDOT. Additionally, DDOT is required to complete a 6-year obligation plan, which results in certain projects that are planned, but not yet obligated. These project costs are estimated by using historical information primarily related to maintenance, and ongoing repairs.

*Non-participating Costs.* Non-participating costs, while included in the funding budgets submitted to FHWA, are not specifically budgeted from the Highway Trust Fund (Fund 0320). Monies from the Local Transportation Fund and Enterprise Fund for Transportation Initiatives (e.g., ROW fees) are used to pay for non-participating and overhead costs that are associated with Federally funded capital projects. The budget for these costs is provided through a separate Master Project (external to the Fund 0320) to where all non-participating and overhead costs associated with Fund projects are allocated as needed.

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY**

DDOT budgets expenditures for the Fund at the Master Project category 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;
- South Cap GARVEE; and
- 11th Street Bridges GARVEE.

Funds are allocated down to the “sub-project” level (also known as the “related project” level) once approved by the 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 is reduced accordingly.

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY (continued)**

The Forecasted master project category for the years ending September 30, 2019 through September 30, 2023, are as follows:

	2019			2020		
	D.C. Highway Trust Fund	Federal Aid	Total	D.C. Highway Trust Fund	Federal Aid	Total
<b>Expenditure Categories:</b>						
Maintenance	\$ 7,765,773	\$ 38,592,838	\$ 46,358,611	\$ 10,897,838	\$ 57,300,162	\$ 68,198,000
Major Rehabilitation, Reconstruction, Replacement, or New Construction	13,681,992	101,533,529	115,215,521	18,329,922	128,683,079	147,013,001
Operations, Safety, and System Efficiency	6,208,324	34,235,917	40,444,241	8,526,519	45,674,953	54,201,472
Economic Development	50,550	249,450	300,000	67,400	332,600	400,000
Planning, Management and Compliance	2,556,619	14,488,277	17,044,896	3,243,151	17,766,849	21,010,000
South Capital Corridor	4,251,650	17,148,350	21,400,000	705,625	2,893,375	3,599,000
Streetcars	-	-	-	-	-	-
Travel Demand Management	1,570,489	7,228,211	8,798,700	4,597,767	21,853,233	26,451,000
South Capital Street GARVEE	-	-	-	-	-	-
11th Street Bridges GARVEE	-	11,770,713	11,770,713	-	11,769,688	11,769,688
<b>Total Forecasted Expenditures</b>	<b>\$ 36,085,397</b>	<b>\$ 225,247,284</b>	<b>\$ 261,332,681</b>	<b>\$ 46,368,222</b>	<b>\$ 286,273,938</b>	<b>\$ 332,642,160</b>
	2021			2022		
	D.C. Highway Trust Fund	Federal Aid	Total	D.C. Highway Trust Fund	Federal Aid	Total
<b>Expenditure Categories:</b>						
Maintenance	\$ 11,087,122	\$ 57,624,878	\$ 68,712,000	\$ 11,014,667	\$ 57,442,333	\$ 68,457,000
Major Rehabilitation, Reconstruction, Replacement, or New Construction	13,837,200	106,378,230	120,215,430	13,295,169	86,205,832	99,501,001
Operations, Safety, and System Efficiency	8,631,679	45,247,499	53,879,178	8,708,192	45,700,071	54,408,264
Economic Development	-	-	-	-	-	-
Planning, Management and Compliance	2,889,409	15,716,291	18,605,700	2,812,910	15,338,790	18,151,700
South Capital Corridor	75,825	374,175	450,000	-	-	-
Streetcars	843	4,158	5,000	404,400	1,995,600	2,400,000
Travel Demand Management	2,790,508	12,826,492	15,617,000	3,613,458	15,157,542	18,771,000
South Capital Street GARVEE	4,313,600	21,286,400	25,600,000	4,313,600	21,286,400	25,600,000
11th Street Bridges GARVEE	-	11,767,435	11,767,435	-	11,769,813	11,769,813
<b>Total Forecast Expenditures</b>	<b>\$ 43,626,185</b>	<b>\$ 271,225,558</b>	<b>\$ 314,851,743</b>	<b>\$ 44,162,396</b>	<b>\$ 254,896,381</b>	<b>\$ 299,058,777</b>

**DISTRICT OF COLUMBIA  
HIGHWAY TRUST FUND**

**Notes to the Forecasted Statements of Estimated Funding and Uses  
Fiscal Years 2019 Through 2023**

**6. FORECASTED EXPENDITURES BY MASTER PROJECT CATEGORY (continued)**

	<b>2023</b>		
	<b>D.C. Highway Trust Fund</b>	<b>Federal Aid</b>	<b>Total</b>
<b>Expenditure Categories:</b>			
Maintenance	\$ 10,559,717	\$ 55,022,283	\$ 65,582,000
Major Rehabilitation, Reconstruction, Replacement, or New Construction	5,946,176	28,922,825	34,869,000
Operations, Safety, and System Efficiency	7,262,495	38,565,962	45,828,457
Economic Development	-	-	-
Planning, Management and Compliance	2,364,700	13,127,000	15,491,700
South Capital Corridor	-	-	-
Streetcars	5,055,000	24,945,000	30,000,000
Travel Demand Management	1,323,344	5,474,657	6,798,000
South Capital Street GARVEE	4,313,600	21,286,400	25,600,000
11th Street Bridges GARVEE	-	11,767,344	11,767,344
<b>Total Forecast Expenditures</b>	<b>\$ 36,825,031</b>	<b>\$ 199,111,470</b>	<b>\$ 235,936,501</b>