2019 CAFR

COMPREHENSIVE ANNUAL FINANCIAL REPORT

District of Champions

MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

YEAR ENDED SEPTEMBER 30, 2019

MURIEL BOWSER
MAYOR

January 24, 2020

Dear Washingtonians:

I am proud to present the District of Columbia's (District's) Fiscal Year 2019 Comprehensive Annual Financial Report (CAFR). Notably, for the twenty-third consecutive year, the audit opinion is unqualified (unmodified). For the fifth year in a row, the auditor found no significant deficiencies or material weaknesses, thus demonstrating our continued strong financial discipline and sound financial management practices.

The District's finances continue to be amongst the strongest of any jurisdiction in the nation. As of September 30, 2019, the District has 60 days of operating cash in its reserve funds, providing greater financial flexibility and protection against future financial challenges. Our strong financial position allowed us in Fiscal Year 2019 to continue working to provide a fair shot to District residents. By increasing funding to public education, homeless services, affordable housing, and public safety, we made strategic investments that ensure the city's long-term financial stability and viability.

We continue to make significant investments in our neighborhoods and development projects that enhance the overall quality of life of our residents and those that do business here. In addition, our population continues to grow and as of September 2019, it stands at slightly more than 710,000 residents.

The District remains a great place to live, work, and visit, and my administration works every day to ensure that our growing prosperity provides opportunities to succeed for all residents in all neighborhoods. And, with your continued support, we will continue working to lift communities in all eight wards to build a safer, stronger, more prosperous, equitable, and sustainable Washington, DC.

Sincerely,

Muriel Bowser
Mayor

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

Jeffrey S. DeWitt
Chief Financial Officer

January 24, 2020

The Honorable Muriel Bowser
Mayor of the District of Columbia
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Dear Mayor Bowser:

I am pleased to present the District of Columbia's Comprehensive Annual Financial Report (CAFR) for the fiscal year (FY) ended September 30, 2019. The FY 2019 CAFR includes financial statements which were audited by SB & Company, LLC, a team of independent certified public accountants. Based on the results of the audit procedures performed, SB & Company, LLC issued an unmodified (clean) opinion on the District's FY 2019 financial statements. This marks the 23rd consecutive year in which the District has received such an opinion on its annual financial statements. An unmodified opinion indicates that no material misstatements or errors were identified as a result of the audit procedures performed. Additionally, this is the fifth consecutive year in which there were no findings of material weaknesses or significant deficiencies. Consequently, the auditors determined that the FY 2019 financial statements fairly and accurately present the District's financial position, in all material respects, for that year. This opinion, which is based on an independent examination, should provide assurance to District residents, government officials, and other stakeholders that the financial information presented in the CAFR is accurate and in compliance with required standards.

The FY 2019 CAFR illustrates the District's continued strong financial health and economic standing. Approximately one year ago, we were in the midst of the longest federal government shutdown in US history, lasting 35 days. The shutdown adversely affected the District's economy, particularly sales taxes related to hotels and restaurants, and income taxes from federal employees and contract workers. In this context, the outstanding results of FY 2019 are even more remarkable given events at the start of the year. The city's combined net position, which is its total assets minus its total liabilities, increased by $971.6 million or 17.1%, from $5.687 billion in FY 2018, to $6.659 billion in FY 2019. This significant improvement in net position makes the District more financially resilient and better able to safely withstand future economic downturns.

As of September 30, 2019, the District's liquidity funds (federally and locally mandated reserves) totaled $1.434 billion. This level of reserves equates to 60 days of operating cash that can be used to meet the District's obligations and continue operations in the event of an emergency or crisis.

Review of the District's bond ratings also provides insight into the city's financial strength. In FY 2019, the city's bond ratings were as follows: *General Obligation (GO) Bonds:* Fitch Ratings, AA+; Moody's Investors Service, Aaa; and S & P Global Ratings, AA+ and *Income Tax Secured (ITS) Revenue Bonds*:

Fitch Ratings, AA+; Moody's Investors Service, Aa1; and S & P Global Ratings, AAA. Receiving and maintaining such high ratings from the credit rating agencies allowed the District to access the markets and issue bonds at very low interest rates. During FY 2019, the District issued $937.8 million in general obligation bonds, the proceeds of which were used to finance economic development initiatives, infrastructure improvements, other capital projects, and reduce debt service costs.

Population continued to grow during FY 2019, reaching 710,051 as of September 30, 2019, and the job market continued to improve. There were 8,400 new jobs created during the fiscal year, with an unemployment rate holding steady at 5.40%.

These results were achieved through the sustained partnership of the District's elected leadership and the Office of the Chief Financial Officer. Moving forward, we must continue to use sound financial management, accounting, and reporting practices in order to maintain the District's financial strength and stability. I know that we are all firmly committed to achieving this overarching goal.

I would also like to express my sincere gratitude to all program and financial staff across the city, as well as other partners who worked closely with us to manage and account for the District's financial resources. Without their dedication and commitment, the District would not be able to maintain its strong financial footing. Working together, we were able to operate within budgetary constraints and issue the FY 2019 CAFR on time with an unmodified (clean) audit opinion. Congratulations to all on these achievements! Our city is indeed the District of Champions!

Sincerely,

Jeffrey S. DeWitt
Chief Financial Officer

GOVERNMENT OF THE DISTRICT OF COLUMBIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
YEAR ENDED SEPTEMBER 30, 2019

Muriel Bowser
Mayor

Jeffrey S. DeWitt
Chief Financial Officer

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DISTRICT OF COLUMBIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

TABLE OF CONTENTS

Page

INTRODUCTORY SECTION

LETTER OF TRANSMITTAL 1
ORGANIZATIONAL CHART 18
PRINCIPAL OFFICIALS 19
GFOA CERTIFICATE OF ACHIEVEMENT 20

FINANCIAL SECTION

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS 21
MANAGEMENT'S DISCUSSION AND ANALYSIS 25
BASIC FINANCIAL STATEMENTS 49
Exhibit 1-a Statement of Net Position 50
Exhibit 1-b Statement of Activities 51
Exhibit 2-a Balance Sheet - Governmental Funds 52
Exhibit 2-b Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds 53
Exhibit 2-c Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities 54
Exhibit 2-d Budgetary Comparison Statement 55
Exhibit 3-a Statement of Net Position - Proprietary Funds 56
Exhibit 3-b Statement of Revenues, Expenses, and Changes in Fund Net Position - Proprietary Funds 57
Exhibit 3-c Statement of Cash Flows - Proprietary Funds 58
Exhibit 4-a Statement of Fiduciary Net Position - Fiduciary Funds 59
Exhibit 4-b Statement of Changes in Fiduciary Net Position - Fiduciary Funds 60
Exhibit 5-a Combining Statement of Net Position - Discretely Presented Component Units 61
Exhibit 5-b Combining Statement of Activities - Discretely Presented Component Units 62
NOTES TO THE BASIC FINANCIAL STATEMENTS 63
REQUIRED SUPPLEMENTARY INFORMATION 147
Exhibit RSI-1 Schedule of Employer Contributions Teachers' Retirement Fund 148
Exhibit RSI-2 Schedule of Employer Contributions Police Officers and Fire Fighters' Retirement Fund 149
Exhibit RSI-3 Schedule of Changes in Net Pension Liability and Related Ratios Teachers' Retirement Fund 150
Exhibit RSI-4 Schedule of Changes in Net Pension Liability (Asset) and Related Ratios Police Officers and Fire Fighters' Retirement Fund 151
Exhibit RSI-5 Schedule of Employer Contributions - OPEB 152
Exhibit RSI-6 Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios 153
OTHER SUPPLEMENTARY INFORMATION 155
GENERAL FUND 157
Exhibit A-1 Balance Sheet - General Fund 158
Exhibit A-2 Schedule of Revenues, Expenditures and Changes in Fund Balance - General Fund 159
Exhibit A-3 Schedule of Expenditures and Net Financing (Sources) Uses Function and Object - GAAP Basis 160
Exhibit A-4 Schedule of Local Source Revenues Budget and Actual (Budgetary Basis) - General Fund 161
Exhibit A-5 Schedule of Budgetary Basis Revenues and Expenditures by Source of Funds - General Fund 162
Exhibit A-6 Schedule of Budgetary Basis Revenues and Expenditures - General Fund 163

DISTRICT OF COLUMBIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT
Year Ended September 30, 2019

TABLE OF CONTENTS

Page

NONMAJOR GOVERNMENTAL FUNDS 165
Exhibit B-1 Combining Balance Sheet - Nonmajor Governmental Funds 166
Exhibit B-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds 167

FIDUCIARY FUNDS 169
Exhibit C-1 Combining Statement of Fiduciary Net Position - Pension Trust Funds 170
Exhibit C-2 Combining Statement of Changes in Fiduciary Net Position - Pension Trust Funds 171
Exhibit C-3 Schedule of Changes in Assets and Liabilities - Agency Funds 172

SUPPORTING SCHEDULES 173
Exhibit D-1 Schedule of Budgetary Basis Expenditures 175
Exhibit D-2 Schedule of Budgetary Basis Operations by Source of Funds 178
Exhibit D-3 Schedule of Budget Revisions 184

STATISTICAL SECTION

STATISTICAL SECTION 187

FINANCIAL TRENDS 191
Exhibit S-1A Net Position by Component 192
Exhibit S-1B Changes in Net Position 193
Exhibit S-1C Fund Balances - Governmental Funds 195
Exhibit S-1D Changes in Fund Balances - Governmental Funds 196
Exhibit S-1E Tax Revenues by Source - Governmental Funds 197

REVENUE CAPACITY 199
Exhibit S-2A Estimated Value of Taxable Property 200
Exhibit S-2B Direct Property Tax Rates 200
Exhibit S-2C Major Tax Rates 201
Exhibit S-2D Principal Property Taxpayers 202
Exhibit S-2E Ten Highest Assessed Values for Tax Exempt Properties 202
Exhibit S-2F Property Tax Levies and Collections 203
Exhibit S-2G Personal Income Tax Rates 204
Exhibit S-2H Personal Income Tax Filers and Liability by Income Level 204

DEBT CAPACITY 205
Exhibit S-3A Ratios of General Obligation Bonds Outstanding 206
Exhibit S-3B Pledged-Revenue Coverage 207
Exhibit S-3C Ratios of Outstanding Debt by Type 208
Exhibit S-3D Legal Debt Margin Information 209
Exhibit S-3E Limitation on Borrowing 210

DEMOGRAPHIC AND ECONOMIC INFORMATION 211
Exhibit S-4A Demographic and Economic Statistics 212
Exhibit S-4B Principal Employers 212

OPERATING INFORMATION 213
Exhibit S-5A Operating Indicators by Function/Program 214

TABLE OF CONTENTS

Page

Exhibit S-5B Capital Asset Statistics by Function/Program 216
Exhibit S-5C Budgeted Full-Time Equivalent District Government Employees by Function, General Operating Funds 217

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CAFR

INTRODUCTORY SECTION

District of Champions

MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

YEAR ENDED SEPTEMBER 30, 2019

Government of the District of Columbia

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January 24, 2020

Mr. Jeffrey S. DeWitt
Chief Financial Officer

The Comprehensive Annual Financial Report (CAFR) of the Government of the District of Columbia (District) for the fiscal year ended September 30, 2019, is herewith submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District's management. To the best of my knowledge and belief, the enclosed financial statements and schedules are accurate in all material respects and are reported in a manner designed to present fairly the financial position and results of operations of the various funds and component units of the District.

This report has been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for state and local governments as promulgated by the Governmental Accounting Standards Board (GASB) and includes all disclosures necessary for readers to gain an understanding of the District's financial activities.

The ability to produce a timely and accurate CAFR depends upon the adequacy of the District's internal controls. Internal control is defined as a process, effected by an entity's governing board, management and other personnel, designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (a) efficiency and effectiveness of operations; (b) reliability of financial reporting; and (c) compliance with applicable laws and regulations. Reasonable assurance is defined as a high, but not absolute, level of assurance about whether the financial statements are free of material misstatement. The District's management is responsible for establishing and maintaining adequate internal controls. The greatest challenge in establishing and maintaining adequate internal controls is ensuring that the control framework developed by management is comprehensive—that is, broad enough to achieve its intended purpose.

Due to certain inherent limitations, such as prohibitive costs, errors in judgment, or potential for management override and collusion, internal control can only provide reasonable assurance that management's objectives will be achieved. However, routine periodic audits help management assess, on an ongoing basis, the adequacy of the District's internal controls.

In accordance with D.C. Code § 47-119, independent public accountants audited the District's financial statements for the year ended September 30, 2019. The audit was conducted in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. In addition to issuing an opinion on the District's financial statements, the independent public accountants, SB & Company, LLC, issued a report in conjunction with the CAFR, which discussed the independent public accountants' consideration of the District's internal control over financial reporting and the outcome of the auditors' tests of the District's compliance with certain provisions of laws, regulations, contracts, grant agreements, and other related requirements.

Moreover, an audit of compliance with the United States Office of Management and Budget's (OMB) *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is also performed annually and a separate report, often referred to as the Single Audit Report, is issued by independent public accountants. The District's fiscal year 2019 Single Audit Report will be issued at a later date.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A), and therefore, does not discuss the District's financial operations and results, which are fully discussed in the MD&A. For that reason, this letter should be read in conjunction with the MD&A in order to gain a better understanding of the District's financial condition.

PROFILE OF THE GOVERNMENT

Overview: Historical Background of the District

President George Washington established Washington, D.C. (hereinafter referred to as D.C., the District of Columbia, or the District) in 1791 from territory ceded by the State of Maryland and the Commonwealth of Virginia. The United States Congress assumed jurisdiction over the District of Columbia, but citizens residing in the District of Columbia did not have voting representation in Congress.

Significant dates in the history of the District of Columbia are presented in the timeline shown in **Table T1**.

Table T1
Key Dates in the History of the District of Columbia

1801	Congress enacted the Organic Act of 1801, thereby dividing the capital district into Washington County (former Maryland area) and Alexandria County (former Virginia area).
1846	Congress passed a law allowing the City of Alexandria and Alexandria County to be returned to the Commonwealth of Virginia.
1871	Congress consolidated Georgetown, Washington City, and Washington County into one territorial government. The President appointed a territorial governor and council and an elected House of Delegates was established. A non-voting delegate to Congress was also established.
1874	The territorial government of the District of Columbia was abolished and the provision for a non-voting delegate to Congress was eliminated.
1878	The power to elect a territorial governor and council was eliminated. Congress established a three-member Board of Commissioners to govern the District of Columbia.
1961	The 23rd Amendment to the U.S. Constitution was ratified. Citizens of the District of Columbia were granted the right to vote in a presidential election.
1967	President Lyndon B. Johnson appointed Walter E. Washington Mayor of the District of Columbia.
1970	Congress passed the District of Columbia Delegate Act.
1971	Walter Fauntroy became the first Congressional Delegate to represent the District of Columbia.
1973	Congress passed the District of Columbia Home Rule Act, which provides for a popularly elected mayor and a 13-member Council.
1995	Congress passed the District of Columbia Financial Responsibility and Management Assistance Act and created the position of the Chief Financial Officer.
2006	Congress passed the District of Columbia Omnibus Authorization Act, expanding the duties of the Office of the Chief Financial Officer.
2016	The Local Budget Autonomy Act of 2013, upheld by the Superior Court, granted the District budget autonomy for local funds.

Although Congress passed the Home Rule Act in 1973, Congress retained and continues to retain the right to review and overturn the legislative acts of the Council of the District of Columbia (the Council) if both houses of Congress vote within 30 legislative days to do so.

The Home Rule Act prohibits the taxing of federal property and the income of non-District residents who work in the District.

In 1983, it was determined that the District could legally issue its own debt. On October 15, 1984, the District issued municipal debt for the first time, in the form of Tax Revenue Anticipation Notes (TRANs), which totaled $150 million.

Although progress has been made on many fronts throughout the city's history, District of Columbia residents still do not have voting representation in Congress. However, in accordance with the District of Columbia Delegate Act of 1970, U.S. Public Law 91-405, the citizens of the District of Columbia are represented in the House of Representatives by a Delegate, who is elected by the voters of the District of Columbia. Consistent with the Act:

> *The Delegate shall have a seat in the House of Representatives, with the right of debate, but not of voting, shall have all the privileges granted a Representative by § 6 of Article I of the Constitution, and shall be subject to the same restrictions and regulations as are imposed by law or rules on Representatives. The Delegate shall be elected to serve during each Congress.*

The current D.C. Delegate, Congresswoman Eleanor Holmes Norton, has been able to accomplish much on behalf of the District of Columbia. Some of her recent accomplishments include the following:

- Introduced the Washington, D.C. Admission Act (H.R. 51) on January 3, 2019, to make the District of Columbia the 51st state. Under this bill, a state would be created from the eight hometown wards of the District. The 51st state would have no jurisdiction over the federal territory or enclave that now consists of the Washington that Members of Congress and visitors associate with the nation's capital. The U.S. Capitol premises, the principal federal monuments, the federal buildings and grounds, the National Mall, and other federal properties would remain under federal jurisdiction. H.R. 51 provides that the state of Washington, D.C. would be equal to the other 50 states in all

respects, as is always required for states, and the residents of the state of Washington, D.C. would have all the rights of citizenship as taxpaying American citizens, including two senators and, initially, one House member.

- Filed an amendment to the fiscal year 2020 Energy and Water Development Appropriations bill that would increase funding for the Anacostia Watershed Restoration Program, building on Congresswoman Norton's longstanding work to restore the Anacostia River. Under this amendment, $5 million would be provided to the Army Corps of Engineers for sediment remediation in the Anacostia Watershed, with the goal of removing toxins from the river bottom and river banks. Sediments are an ongoing source of contaminants that need to be addressed before the Anacostia River can be returned to a fishable and swimmable river. The Anacostia River Watershed contains recreational resources considered vital to the District and boasts ecological diversity of over 500 unique species of wildlife, including rare and endangered species. With over a million people living along the watershed, ongoing efforts to clean the Anacostia River are vital to the region.
- Introduced a bill to give the District of Columbia the authority to appoint all members of the D.C. Board of Zoning Adjustment (Board), except when the Board is performing functions regarding an application by a foreign mission with respect to the location, expansion, or replacement of a chancery. Under current law, the Board consists of one representative of both the National Capital Planning Commission (NCPC) and the D.C. Zoning Commission, each of whom may be a federal official, and three mayoral appointees which are subject to D.C. Council approval. Congresswoman Norton explained that the District should be free to set its own local land-use policies like every other jurisdiction in the United States. The District faces local issues, such as a growing population and economic development, which require local solutions and the Board should be accountable to District residents and local elected officials.
- Introduced a bill to recognize and preserve the Civil War Defenses of Washington located in the District of Columbia, Virginia, and Maryland. These defenses were constructed at the beginning of the Civil War, in 1861, as a ring of protection for the nation's capital and for President Abraham Lincoln. In 1864, Fort Stevens became the battlefield where Major General Horatio Wright held off confederate attacks attempting to take the nation's capital. The battle was personally observed by President Lincoln. Congresswoman Norton's bill would designate 22 Civil War Defenses, including Fort Stevens, under National Park Service management as the Civil War Defenses of Washington National Historical Park, and would allow other sites associated with the Civil War Defenses of Washington that are owned by the District of Columbia and local governments in Maryland or Virginia or private entities to be affiliated with the National Historical Park through cooperative agreements.

For more information on the initiatives, activities and accomplishments of the D.C. Delegate, visit Congresswoman Eleanor Holmes Norton's website at https://norton.house.gov/.

Financial Reporting Entity

For financial reporting purposes, the District's reporting entity consists of: (1) the primary government; (2) four discretely presented component units: Health Benefit Exchange Authority, Housing Finance Agency, University of the District of Columbia, and Washington Convention and Sports Authority (t/a Events DC) and; (3) two blended component units: the Tobacco Settlement Financing Corporation and Not-for-Profit Hospital Corporation (d/b/a United Medical Center). The District of Columbia Housing Authority and the District of Columbia Water and Sewer Authority are considered related organizations because the District is not financially accountable for their operations. The funds and accounts of all agencies, boards, commissions, foundations, and authorities that have been identified as part of the primary government or the component units have been included in the reporting entity. Further information on the reporting entity can be found in Note 1B, on page 66 of the Notes to the Basic Financial Statements.

The District and its component units provide a wide range of services to residents, including elementary, secondary, and postsecondary education; human support and welfare services; public safety and protection; fire and emergency medical services; and other general government services.

Budgetary Information

During the first quarter of each fiscal year, agencies begin the budget formulation process for the upcoming fiscal year. On or about March 30th of each year, consistent with Section 442 of the Home Rule Act, the Mayor submits a balanced operating budget and a multi-year capital improvements plan by project for the upcoming fiscal year to the Council for review and approval. The Council holds public hearings and adopts the operating budget and capital improvements plan through passage of a Local Budget Act and a Federal Portion Budget Request Act. The Mayor may not submit and the Council may not adopt any budget which presents expenditures and other financing uses that exceed revenues and other financing sources. After the Mayor approves the adopted budget, the Federal Portion Budget Request Act is forwarded to the President of the United States (the President) and then to Congress for approval. The Local Budget Act is forwarded by the Chairman of the Council to Congress. Congress enacts the federal portion of the

District's budget through passage of an appropriations bill, which is signed into law by the President. Upon ratification of the Local Budget Autonomy Amendment Act of 2012, the District was granted the right to enact and appropriate its local funds without the active approval of the U.S. Congress. Accordingly, a Local Budget Act becomes law upon expiration of a 30-day Congressional review period.

The legally adopted budget is the Federal Portion Budget Request that is approved as part of the annual Appropriations Act passed by Congress and signed by the President, and the Local Budget Act that is passively approved by Congress. The Local Budget Act authorizes expenditures at the agency level and by appropriation title (function), such as Public Safety and Justice; Human Support Services; or Public Education System. To revise planned expenditures of local funds for any function, the Council must enact the appropriate legislation. However, the District may reallocate budgeted amounts using the District's reprogramming process or other appropriation processes, in accordance with applicable legal requirements.

Budgetary Controls

The District utilizes budgetary controls designed to monitor compliance with expenditure limitations contained in the adopted budget. The District's automated and manual transaction level controls and sound governance provide strong budgetary controls. The annual budget is assigned specific accounting attributes and is uploaded into the District's accounting system of record, thereby establishing the budget authority for each entity within the District government. The budget authority established in the system of record is then reconciled to the levels of funding authorized by the adopted budget. In addition, on an annual basis, independent public accountants audit the budgetary comparison statement to ensure compliance with approved amounts and to determine whether budget adjustments are properly documented and approved.

Consistent with the District Anti-Deficiency Act of 2002, which became effective on April 4, 2003, agency heads and Agency Fiscal Officers are required to jointly submit a monthly spending plan for the fiscal year to the District's Chief Financial Officer (CFO) by October 1st of each fiscal year. District managers update the spending plan throughout the year by developing spending projections, by source of funds, on a monthly basis, which show year-to-date spending, approved budget, year-end projected spending, explanations of variances greater than 5.00% or $1 million, and planned corrective actions for instances of overspending. Spending projections are required to be submitted to the agency head and the Agency Fiscal Officer. Summarized spending projections must be submitted to the District's CFO no later than 30 days after the end of each month. In addition, pursuant to D.C. Code § 47-355.05, the District's CFO is to submit quarterly reports to the Council and the Mayor that present each agency's actual expenditures, encumbrances, and commitments, each by source of funds, compared to each agency's approved spending plan. This report is required to be accompanied by the District CFO's observations regarding spending patterns and steps being taken to ensure that spending remains within the approved budget. These reports are used by the Board of Review for Anti-Deficiency Violations to assess cases of overspending.

In addition, the District uses encumbrance accounting as a means of strengthening budgetary controls and financial reporting. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the District's accounting system in order to reserve the portion of the related appropriation that will be needed for the expenditure. The recording of encumbrances is a valuable tool used by the District to ensure that expenditures are within budgeted amounts. Generally, encumbered amounts lapse at year-end in the General Fund but not in the Capital Projects Funds or the Special Revenue Funds.

Fund Balance Reserves

Mandated by Congress

Through Congressional mandate established by Section 450A of the Home Rule Act, the District is required to maintain cash reserves totaling 6.00% of the previous fiscal year's General Fund local expenditures less debt service cost. The 6.00% is comprised of a contingency cash reserve of 4.00% and an emergency cash reserve of 2.00%. The contingency cash reserve may be used to provide for nonrecurring or unforeseen needs (e.g., severe weather or other natural disasters, and unexpected obligations created by federal law) that arise during the fiscal year or to cover revenue shortfalls experienced by the District for three consecutive months that are 5.00% or more below the budget forecast. The emergency cash reserve may be used to provide for unanticipated and nonrecurring extraordinary needs of an emergency nature (e.g., natural disaster or calamity) and may be used in the event that the Mayor declares a State of Emergency in the District. The District must replenish the contingency cash reserve and the emergency cash reserve for any amounts used from these reserves.

Mandated by the District

Fiscal Stabilization Reserve

The fiscal stabilization reserve may be used by the Mayor for the same purposes for which the contingency cash reserve was established. Pursuant to D.C. Code § 47–392.02(j-1), as amended, the fiscal stabilization reserve account may be used by the CFO to cover cash flow needs, provided that the reserve

account shall be replenished in the same fiscal year in which amounts were used. At full funding, for any given fiscal year, the fiscal stabilization reserve must equal 2.34% of the District's General Fund operating expenditures for that year.

Cash Flow Reserve

The cash flow reserve may be used by the District's CFO as needed to manage the District's cash flow. Pursuant to D.C. Code § 47–392.02(j-2), when a portion of the reserve is used to meet cash flow needs, it must be replenished in the same fiscal year the amounts were used. At full funding, for any given fiscal year, the cash flow reserve must equal 8.33% of the District's General Fund operating budget for that fiscal year.

District Accounting and Financial System

Accounting System

The District's accounting system is organized and maintained on a fund basis. A fund is a separate, distinct accounting entity that has its own assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance/net position, revenues, and expenditures/expenses. The District uses U.S. generally accepted accounting principles (GAAP) when determining the types of funds to be established and is guided by the "minimum number of funds principle" and sound financial management practices when determining the number of funds within each fund type.

Measurement Focus and Basis of Accounting

The District's financial statements are prepared in accordance with GAAP. Accordingly, the measurement focus and basis of accounting applied in the preparation of the government-wide financial statements and fund financial statements are as follows:

- The government-wide financial statements focus on all of the District's economic resources and are prepared using the full accrual basis of accounting.
- The governmental fund financial statements focus primarily on the sources, uses, and balances of current financial resources and are prepared using the modified accrual basis of accounting.
- Proprietary funds, pension and Other Postemployment Benefits (OPEB) trust funds are accounted for in the same manner as business enterprises, which use the full accrual basis of accounting.
- The budgetary basis of accounting is used to prepare the Budgetary Comparison Statement presented in Exhibit 2-d found on page 55. This basis of accounting differs from the GAAP basis as described below:
  - Basis Differences - Differences that arise when the basis of budgeting differs from the basis of accounting prescribed by GAAP. For example, the District uses the purchase method for budgetary purposes and the consumption method for GAAP basis accounting for inventories. Under the purchase method, purchases of inventories are recognized as expenditures when the goods are received and the transaction is vouchered. Under the consumption method, an expenditure is recognized only when the inventory items are used rather than purchased.
  - Entity Differences - Differences between the basis of budgeting and GAAP arise because: (1) the appropriated budget includes organizations, programs, activities, or functions that are not within the financial reporting entity as defined by GAAP; or (2) the appropriated budget excludes organizations, programs, activities or functions that are part of the financial reporting entity. The District does not have any significant entity differences.
  - Perspective Differences - Differences that exist when the structure of financial information for budgetary purposes differs from the fund structure that is used to construct the basic financial statements. The District does not have any significant budgetary perspective differences.
  - Timing Differences - Differences can exist when there are significant variances between budgetary practices and GAAP, which may include continuing appropriations, project appropriations, automatic re-appropriations, and biennial budgeting. The District has no significant timing differences between its budgetary practices and the GAAP presentation of its financial statements.

Transparency in Government Operations and Financial Reporting

The District government has taken measures to make financial and non-financial information available to the general public. For instance, the Office of Open Government (OOG) has been established as an independent office under the Board of Ethics and Government Accountability, to ensure that the District's operations are transparent, open to the public and promote civic engagement. The OOG seeks to ensure city-wide compliance with the Open Meetings Act, which requires public bodies to take all official action during public meetings and to provide proper notice and detailed records of meetings. The OOG advises public bodies on matters regarding compliance with the Open Meetings Act, and conducts training and outreach on its requirements. This office also advocates for fair and efficient Freedom of Information Act (FOIA) processing and advises agencies seeking

guidance on FOIA. Similarly, in June 2016, the Mayor established the Open Government Advisory Group which: (1) evaluates the District's progress towards making the District government more open, transparent, participatory, and collaborative; and (2) makes specific recommendations for improving the openness and transparency of the District government's operations and the participatory and collaborative nature of its decision-making.

In addition to these measures, the Office of the Chief Financial Officer (OCFO) continues to promote openness in government and transparency in financial reporting. Over the last decade, the District has opened its books to the public by posting online: the Annual Operating Budget and Capital Plan, the Comprehensive Annual Financial Report, and the Popular Annual Financial Report. In addition, the OCFO's website (www.cfo.dc.gov) provides information that allows taxpayers to review and assess the District's financial status, programs, activities and services, and determine how their tax dollars are being used. This information includes: operating financial status reports; capital financial status reports; quarterly revenue estimates; monthly cash reports; monthly/annual economic indicators and other reports including press releases, newsletters and Council Hearing written testimonies; and links to other useful information, such as the Taxpayer Service Center, the D.C. College Savings Plan, and Unclaimed Property Division. Additional information pertinent to investors and the public may be obtained at the District's investor relations website at www.dcbonds.com.

ECONOMIC CONDITION AND OUTLOOK

In fiscal year 2019, employment within the District continued to increase with almost all of the net additional jobs being in the private sector. Resident employment also increased. Population growth continues to be a major factor in increasing the District's income, property, and sales tax bases, and is one of the driving forces behind rising home values. In the last five years (between 2014 and 2019), the District's population has grown by almost 45,819, an increase that has averaged about 9,164 residents per year over that period. The District's private sector has grown along with sustained growth in the national economy.

Federal civilian employment accounts for 24.40% of all wage and salary jobs located in the District and 31.40% of wages and salaries that are generated in the city. Approximately 13.00% of employed District residents work for the federal government. Furthermore, federal contracting accounts for additional jobs and income in the area, which also contribute to the District's tax base. With such a dominant federal presence, significant changes in federal spending can have a major impact on the District's economy and revenues. It is noteworthy, however, that the reduction in sales tax collections that occurred during the 35-day partial shutdown of the federal government, from late December 2018 through most of January 2019, was more than offset by strong revenue growth that occurred in the spring and summer months.

The Bipartisan Budget Act of 2019 removed the potential for reductions in federal spending known as sequestration that might otherwise have been imposed for fiscal years 2020 and 2021. Spending policies related to reducing federal deficits remain an unresolved issue.

Highlights: The District's Economy

Highlights of recent trends in the District's economy, including rising job growth, increases in population and a strong housing market, are presented below:

- In the three months ended September 2019, there were 9,200 (1.20%) more wage and salary jobs located in the District than in the same period a year earlier. Of particular note, there were 567 (0.30%) fewer federal government jobs in September than there were a year earlier, while the private sector jobs increased by 10,533 (1.90%).
- District resident employment in the three months ended September 2019 was 7,237 (1.90%) more than a year earlier.
- The September unemployment rate was 5.40% (seasonally adjusted), the same as a year ago.
- Wages earned in the District of Columbia grew 3.00% in the quarter ended September 30, 2019, compared to the same quarter a year ago. Personal income in the District was 3.30% higher on September 30, 2019, compared to the same time one year ago.
- Single family home sales for the three-month period ended September 2019 were down 3.90% from a year ago; however, the average selling price was up by 3.30%. Condominium sales were down 4.80%, and the average selling price was 4.30% higher. The value of all home sale settled contracts for the three-month period ended September 2019 was 0.70% less than a year ago.
- Commercial office effective rents edged up over the past year. Leased space in September 2019 was up by 0.50% from a year ago, while the vacancy rate (including sublets) rose over the past year from the revised 10.40% to 11.30%.
- Hotel room-days sold for the three months ended September 2019 were up 3.20% from the prior year and hotel room revenues were up by 8.00%.

Key Factors in the District's Economy

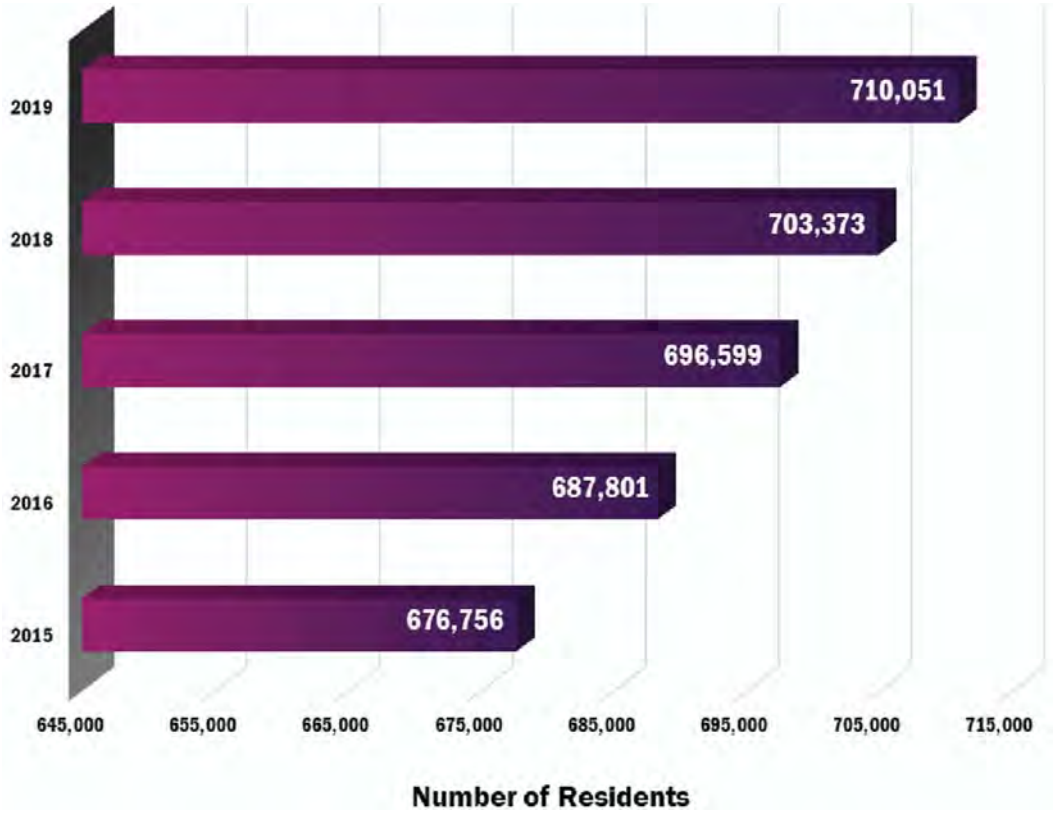
Population

Each year, the U.S. Census Bureau releases population estimates as of July 1st of the calendar year and officially revises such estimates annually. The annual population estimates are based on birth and death records, changes in tax return filings, and estimates of the number of immigrants who move in and out of the District each year. On a quarterly basis, the U.S. Bureau of Economic Analysis releases population data based on information provided by the U.S. Census Bureau.

The Bureau of Economic Analysis reported that there were 710,051 residents in the District of Columbia, as of the third quarter of calendar year 2019. This represents an increase of 6,678, or 0.95% from the revised estimate of 703,373 residents as of the third quarter of the previous calendar year.

Chart T1 presents the District's population trends as of the third quarter of calendar years 2015 through 2019, using annually revised population data.

Chart T1
Population Trends - Number of Residents
District of Columbia Population as of the Third Quarter of Each Calendar Year (2015 - 2019)



Source: U.S. Bureau of Economic Analysis (BEA). The population data reported by BEA was based on information provided by the U.S. Census Bureau.
Note: Annual estimates have been adjusted

Income Trends

Income has grown considerably in the District in recent years. From the third quarter of calendar year 2014 to the third quarter of 2019, personal income grew approximately 25.90% in the District as compared to 23.90% nationally.

The distribution of income in the District differs from that of the nation as a whole, with larger portions of District residents being in the higher and lower income brackets and a significantly smaller portion being within the middle income levels. Median household income data is not yet available for 2019; however, for 2018, the District's median household income of $85,203 was 35.60% above the U.S. average. The Census Bureau estimates that 14.70% of the District's population was below the poverty line in 2018 as compared to 11.80% for all of the U.S.

Employment Trends

Total wage and salary employment in the Washington Metropolitan Area increased to approximately 3,340,700 at the end of fiscal year 2019 from the revised 3,301,400 for fiscal year 2018, representing a 1.19% increase. These numbers exclude the self-employed, domestic workers, military and foreign government personnel, which represent a significant portion of the total workforce of the region. Some of the references to the 2018 employment numbers may differ from those presented in the fiscal year 2018 CAFR because of updates and revisions.

Table T2 presents 2019 labor market data for the District and the surrounding metropolitan area.

Table T2
Labor Market Data for the District and Surrounding Metropolitan Area - FY 2019 (Amounts in 000s)

	District of Columbia			Metropolitan Area		
	Level	1 yr. change (number)	1 yr. change (%)	Level	1 yr. change (number)	1 yr. change (%)
Employed residents	386.4	8.0	2.1	3,361.5	86.0	2.6
Labor force	408.1	7.5	1.9	3,461.7	80.6	2.4
Total wage and salary employment	799.8	8.4	1.1	3,340.7	39.3	1.2
Federal government	195.4	(0.4)	(0.2)	362.8	(0.1)	-
Local government	41.7	0.3	0.7	338.0	2.3	0.7
Leisure and hospitality	82.7	2.4	3.0	351.6	17.1	5.1
Trade	26.9	(0.8)	(2.9)	329.3	(7.0)	(2.1)
Education and health	132.6	1.3	1.0	452.9	10.3	2.3
Professional, business, and other services	247.5	4.1	1.7	983.9	14.3	1.5
Other private	73.0	1.5	2.1	522.2	2.4	0.5
Unemployed	21.7	(0.5)	(2.1)	100.1	(5.4)	(5.1)
New unemployment claims	1.7	0.2	10.6	(a)	(a)	(a)

Sources: U.S. Bureau of Labor Statistics (BLS) & D.C. Department of Employment Services (DOES)

Notes:
All data are monthly averages for the fiscal year and are preliminary, not seasonally adjusted.
The calculation of the change in numbers is based on adjusted prior year's data
(a) New unemployment claims for the Metropolitan Area are not available

In September 2019, total wage and salary employment within the District was 23.94% of the metropolitan area's total wage and salary employment. The seasonally adjusted September 2019 unemployment rate in the District was 5.40%, the same as the revised seasonally adjusted September 2018 rate.

Total employment within the District increased to 799,800 as of September 2019 from the revised 791,400 as of September 2018. As the nation's capital, Washington, D.C. is the seat of the federal government and headquarters for most federal departments and agencies. The total September 2019 federal workforce in the Washington Metropolitan Area was 362,800; with approximately 195,400 federal employees located in Washington, D.C. and 167,400 additional federal employees who worked elsewhere in the Washington Metropolitan Area.

Minimum Wage Rate

In June 2016, the Mayor signed the Fair Shot Minimum Wage Amendment Act of 2016. This legislation will progressively increase the hourly minimum wage to $15.00 for District workers by 2020. Accordingly, the District's minimum wage rate increased to $12.50 per hour effective July 1, 2017; $13.25 per hour, effective July 1, 2018; and $14.00 per hour, effective July 1, 2019. Effective July 1, 2020, the District's minimum wage will be $15.00, and starting in 2021, it will increase each successive year in proportion to the increase in the Consumer Price Index.

Living Wage Rate

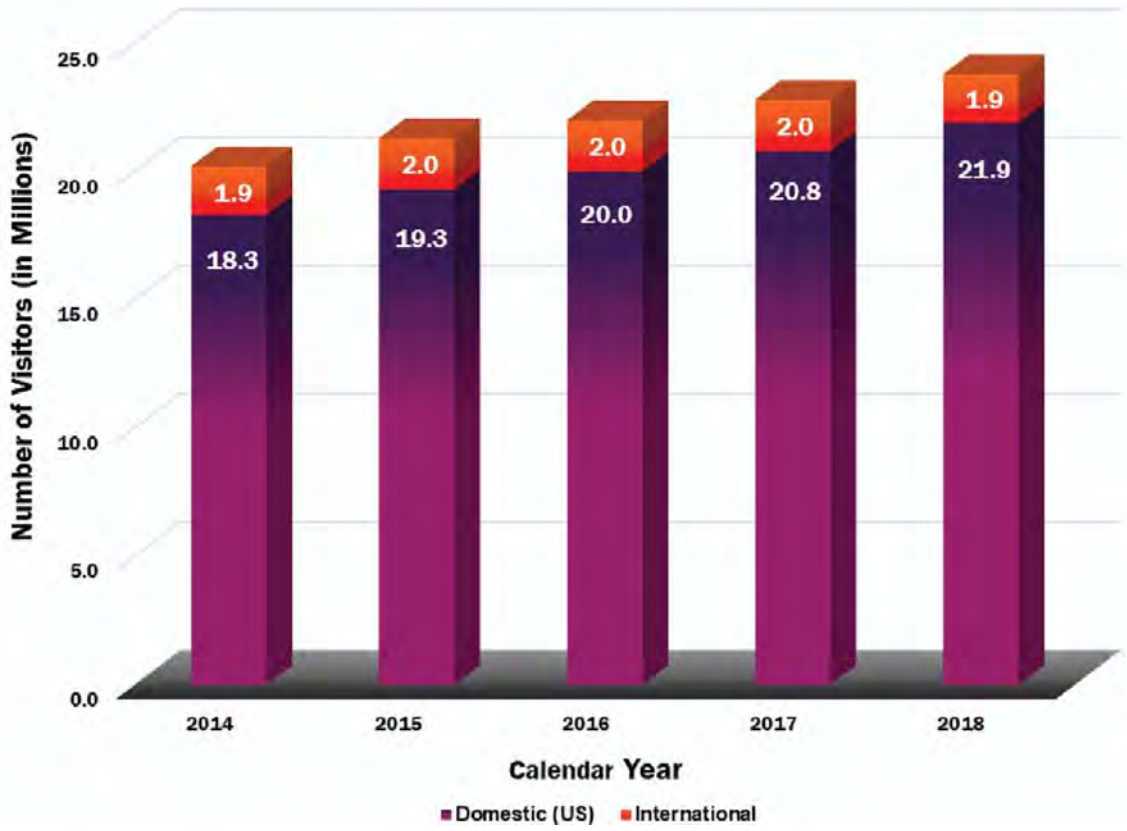
Pursuant to D.C. Law 16 -118, the Living Wage Act of 2006 became effective June 8, 2006. This Act provides that District of Columbia government contractors and recipients of government assistance (grants, loans, tax increment financing) in the amount of $100,000 or more shall pay affiliated employees no less than the current living wage rate. Effective January 1, 2019, the District living wage rate is $14.50 per hour. This rate increases annually in proportion to the annual average increase in the Consumer Price Index for all Urban Consumers in the Washington Metropolitan Statistical Area for the preceding 12 months.

Tourism and Hospitality

Millions of U.S. citizens and international tourists visit the District's more than 400 museums and other historical landmarks each year. Popular attractions include sites along the National Mall, numerous monuments to U.S. presidents, war memorials, and other museums. The presence of a large number of foreign embassies, recognized diplomatic missions, and other international organizations in the District helps to boost tourism. In calendar year 2018, approximately 21.9 million domestic visitors and 1.9 million international visitors traveled to the District.

Chart T2 presents the trends in tourism for calendar years 2014 through 2018. Tourism data for calendar year 2019 was not available at the publication date of this report.

Chart T2
Trends in District Tourism
Total Visitation to the District (2014 - 2018)



Source: Destination DC (formerly the Washington DC Convention and Tourism Corporation)

Visitor spending, which totaled approximately $7.82 billion in 2018, generated additional business activity in related industries (e.g., hotel, restaurant, entertainment and retail) and continues to help sustain the local and regional economies. The distribution of visitor spending in 2018 (by category) was as follows: $2.72 billion for lodging; $2.31 billion for food and beverage; $1.24 billion for entertainment; $910 million for shopping/retail; and $643 million for transportation. Total visitor spending increased by $297 million, or 3.95%, over the prior year. Travel and tourism supported 76,522 jobs in the District, generating approximately $4.32 billion in wages. Hotel occupancy was approximately 78.40% as of September 30, 2019.

Construction

Commercial Real Estate

Construction of commercial real estate increased during calendar year 2019. As of September 30, 2019, commercial space under construction in the District totaled 4.88 million square feet as compared to 4.62 million square feet at the end of September 2018. Over the one-year period between 2018 and 2019, however, occupied Class A commercial office space decreased from 83.67 million square feet to 80.10 million square feet and the vacancy rate within the District increased from 11.60% in September 2018 to 11.90% in September 2019.

Housing Units

For the 12-month period ended September 30, 2019, 7,168 housing unit building permits were issued. This represents a 54.48% increase over the prior 12-month period.

In calendar year 2019, there were 194,061 apartment units, including condominiums, in the District. In September 2019, 14,370 apartment units and condominiums were under construction.

Table T3 presents the number of apartment units located in the District in 2015 through 2019.

Table T3
District Apartment Units (2015 - 2019)

	2015	2016	2017	2018	2019
Inventory	175,066	179,664	184,404	188,626	194,061
Occupied Units	166,849	170,185	174,917	135,386	139,511

Source: CoStar (Unadjusted prior years' data)
Note: 2018 and 2019 occupied units' numbers only include apartments because the reporting of occupied condominiums' numbers had been discontinued by CoStar

Housing Production Trust Fund

The Department of Housing and Community Development (DHCD) administers the Housing Production Trust Fund (HPTF), a special revenue fund which was established in 1988 to produce and preserve affordable housing in the District by providing various forms of assistance in support of housing production for targeted populations.

In fiscal year 2019, HPTF financed 14 projects that produced or preserved 973 housing units in the District. The total amount of HPTF funding obligated in fiscal year 2019 was approximately $122 million. The projects financed included seven new construction projects, four substantial rehabilitation projects, one Tenant Opportunity to Purchase Act (TOPA) acquisition and critical repairs, and two pre-development projects.

At the end of fiscal year 2019, DHCD approved 32 additional housing projects in its underwriting pipeline that will produce or preserve 1,751 housing units when completed. The total amount of HPTF funding to be expended for these projects is approximately $190 million. The 32 projects include 13 new construction projects, 11 substantial rehabilitation projects, seven pre-development projects, and one project that requires additional financing after closing.

The District's Bond Ratings

Rating agencies assess the credit quality of municipal issuers and assign credit ratings to issuers based on the outcome of their assessments. Consequently, rating agencies provide vital information to investors regarding the relative risks associated with rated bond issues. Attaining an acceptable credit rating is important to an issuer because it allows the issuer to more easily access the market and reduce borrowing costs.

The three primary agencies that rate municipal debt are: (1) Fitch Ratings; (2) Moody's Investors Service; and (3) Standard & Poor's Global Ratings. The District's ratings for its bonds have remained high over the last several years. Additional information about the District's Bond ratings may be obtained at www.dcbonds.com.

Table T4 presents the District's ratings for the past five years for its General Obligation Bonds and Income Tax Secured Revenue Bonds.

Table T4
Bond Rating History (2015 - 2019)

	General Obligation Bonds				
	2015	**2016**	**2017**	**2018**	**2019**
Fitch Ratings	AA	AA	AA	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aaa	Aaa
Standard & Poor's Global Ratings	AA	AA	AA	AA+	AA+

	Income Tax Secured Revenue Bonds				
	2015	**2016**	**2017**	**2018**	**2019**
Fitch Ratings	AA+	AA+	AA+	AA+	AA+
Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1
Standard & Poor's Global Ratings	AAA	AAA	AAA	AAA	AAA

Long-Term Financial Planning

As a result of improved financial management practices over the years, the District has been able to develop and operate within more disciplined budgets and address issues faced during the most challenging economic times. Accordingly, District officials have developed and implemented a plan for maintaining a strong, stable financial environment, which includes: developing a five-year operating financial plan and a six-year capital improvements plan; monitoring and analyzing the District's quarterly revenue estimates and making spending adjustments throughout the year, as necessary; identifying sound measures to enhance revenue streams; and developing and implementing plans to minimize costs without sacrificing essential programs or services.

Enhancements to Capital Planning Process

In October 2019, the District's Office of the Chief Financial Officer (OCFO) released its 2019 Long-Range Capital Financial Plan Report. This report serves as an update on the progress of the Capital Asset Replacement Scheduling System (CARSS), which includes detailed information on the individual assets of the District. The Long-Range Capital Financial Plan Report is an enhanced long-range financial planning process that incorporates capital asset replacement needs that span beyond the normal six-year capital planning period and is updated annually. This multi-year approach was developed to assist the Mayor, Council, other policymakers and the general public in understanding the size of the District's capital infrastructure during the current Capital Improvements Plan (CIP) period and beyond. In addition, the development of a long-range capital financial plan allows the District to have an information-driven and more transparent CIP process. Finally, the long-range capital financial plan helps policy makers understand the true costs of maintaining the District's capital assets, as well as the costs of deferring maintenance, so that capital budgeting decisions can be better informed and justified. A significant element of the enhanced long-range financial planning process for capital assets is the comprehensive review of agencies' capital and asset maintenance needs.

The District's infrastructure needs are substantial because the District serves as a city, state, county, and school district. In order to develop a better understanding of the costs for the District to maintain its assets in a state of good repair, a comprehensive asset management planning system was developed for all of the District's assets. CARSS is an asset management planning solution that delivers a comprehensive view of the District's capital asset health and provides information on each project or asset. CARSS was designed to address the following fundamental elements:

- Maintaining an inventory of the District's assets;
- Identifying the condition of those assets;
- Prioritizing the District's capital needs; and
- Determining how much funding is available to address those needs.

To determine the District's total capital needs, a comprehensive review of all governmental agencies' capital and asset maintenance requirements was completed utilizing CARSS, with each project scored and ranked to ensure that the highest priority projects were funded first. In addition, facility condition assessments are nearing completion on all assets captured in CARSS.

The District's growing economy, borrowing capacity, and paygo legislation, passed in the Budget Support Act of 2018, that increases paygo levels until they reach the amount of annual depreciation, will provide funding to address new capital needs and fund all deferred maintenance by 2028 based on the 2019 report. The full plan can be found at www.cfo.dc.gov.

Major Initiatives

The following tables present some of the District's major initiatives and projects, which were completed (**Table T5**) or in progress (**Table T6**) as of September 30, 2019.

Table T5
Projects Completed (by Economic Sector)

Project	Location	Square Footage/ Units	Estimated Value ($000s)	Delivery Date (Calendar Year Basis)
Retail				
655 New York Avenue	655 New York Avenue, NW	80,551	$ 185,000	3rd Qtr 2019
CityCenterDC (Conrad Hotel)	950 New York Avenue, NW	30,000	270,000	1st Qtr 2019
The Batley	1270 4th Street, NE	29,042	150,000	2nd Qtr 2019
Liz	1701 14th Street, NW	26,000	Not available	3rd Qtr 2019
Union Place (Phase II)	200 K Street, NE	16,500	170,000	2nd Qtr 2019
Office				
655 New York Avenue	655 New York Avenue, NW	653,500	185,000	1st Qtr 2019
One Freedom Plaza	1301 Pennsylvania Avenue, NW	270,040	Not available	1st Qtr 2019
Center Building (DHS HQ)	St. Elizabeths West Campus	276,000	268,000	2nd Qtr 2019
Four Constitution Square	150 M Street, NE	505,000	250,000	2nd Qtr 2019
Residential				
Union Place (Phase II)	200 K Street, NE	525 units	170,000	2nd Qtr 2019
The Batley	1270 4th Street, NE	432 units	150,000	2nd Qtr 2019
Novel South Capitol	2 I Street, SE	355 units	Not available	1st Qtr 2019
RESA at Tyber Place	22 M Street, NE	326 units	112,000	2nd Qtr 2019
The Highline at Union Market	320 Florida Avenue, NE	318 units	101,000	2nd Qtr 2019
Hospitality				
Columbia Place	901 L Street, NW	350,000	225,000	4th Qtr 2018
CityCenterDC (Conrad Hotel)	950 New York Avenue, NW	358,000	270,000	1st Qtr 2019
International Spy Museum	700 L'Enfant Plaza, SW	140,000	162,000	2nd Qtr 2019
W Hotel	515 15th Street, NW	187,000	50,000	2nd Qtr 2019
National Law Enforcement Museum	400 Block of E Street, NW	55,000	103,000	4th Qtr 2018
Education/Quality of Life				
Maury Elementary School	1250 Constitution Avenue, NE	52,800	52,000	3rd Qtr 2019
Beacon Center	6100 Georgia Avenue, NW	58,000	43,000	4th Qtr 2018
Kimball Elementary School	3375 Minnesota Avenue, SE	83,400	54,000	3rd Qtr 2019
Calvin Coolidge Senior High School	6315 5th Street, NW	286,300	163,000	3rd Qtr 2019

Source: Washington, DC Development Report 2019/2020 Edition

Table T6
Projects Under Construction (by Economic Sector)

Project	Location	Square Footage/ Units	Estimated Value ($000s)	Estimated Delivery Date (Calendar Year Basis)
Retail				
City Ridge	3900 Wisconsin Avenue, NW	194,000	$ 700,000	2nd Qtr 2022
The Wharf (Phase II)	Southwest Waterfront	119,559	1,200,000	3rd Qtr 2022
The Kelvin	1250 Half Street, SE	59,000	155,000	4th Qtr 2019
250 Massachusetts Avenue	250 Massachusetts Avenue, NW	58,372	275,000	4th Qtr 2019
Riverpoint	2100 2nd Street, SW	70,441	220,000	1st Qtr 2020
Skyland Town Center (Phase A)	Alabama Avenue & Naylor Road, SE	117,000	175,000	3rd Qtr 2020
Eckington Yards	1625 Eckington Place & 1500 Harry Thomas Way, NE	67,264	265,000	3rd Qtr 2021
Office				
2100 Pennsylvania Avenue	2100 Pennsylvania Avenue, NW	423,562	360,000	2nd Qtr 2022
2050 M Street	2050 M Street, NW	353,200	Not available	4th Qtr 2019
1900 N	1900 N Street, NW	259,000	230,000	4th Qtr 2019
Signal House	350 Morse Street, NE	214,000	135,000	1st Qtr 2021
The Wharf (Phase II)	Southwest Waterfront	547,504	1,200,000	3rd Qtr 2022
250 Massachusetts Avenue	250 Massachusetts Avenue, NW	507,764	275,000	4th Qtr 2019
Sentinel Square (Phase III)	45 L Street, NE	545,000	250,000	2nd Qtr 2020
Residential				
AVEC	901 H Street, NE	419 units	200,000	4th Qtr 2019
City Ridge	3900 Wisconsin Avenue, NW	687 units	700,000	2nd Qtr 2022
The Wren	965 Florida Avenue, NW	433 units	153,000	4th Qtr 2020
The Gantry	300 Morse Street, NE	550 units	Not available	3rd Qtr 2021
West Half	1201 Half Street, SE	465 units	228,000	1st Qtr 2020
Riverpoint	2100 2nd Street, SW	481 units	220,000	2nd Qtr 2020
Eckington Yards	1625 Eckington Place & 1500 Harry Thomas Way, NE	681 units	265,000	3rd Qtr 2021
Hospitality				
Holiday Inn Express	303-317 K Street, NW	118,000	93,000	4th Qtr 2020
citizenM	555 E Street, SW	130,000	120,000	2nd Qtr 2020
Press House at Union District	301 N Street, NE	80,366	180,000	2nd Qtr 2021
Pendry Hotel	The Wharf (Phase II)	80,000	1,200,000	3rd Qtr 2022
Thompson D.C. Hotel	227 Tingey Street, SE	114,800	Not available	1st Qtr 2020
Education and Medical/Quality of Life				
Jefferson Academy	801 7th Street, SW	109,000	78,000	3rd Qtr 2020
Martin Luther King Jr. Library	9th & G Streets, NW	400,000	212,000	3rd Qtr 2020
Harriet Tubman Quadrangle	2455 4th Street, NW	158,000	45,000	4th Qtr 2019
Medstar Georgetown University Hospital Pavilion	3800 Reservoir Road, NW	497,000	560,000	1st Qtr 2022
Children's National Research & Innovation Campus	7144 13th Place, NW	400,000	250,000	4th Qtr 2020

Source: Washington, DC Development Report 2019/2020 Edition

Office, Residential, Medical and Hospitality Projects

Capitol Crossing

The $1.3 billion Capitol Crossing project is one of the District's largest private multi-phase development projects featuring a 2.2 million square-foot complex of five mixed-use buildings. The project will create three new city blocks by transforming seven acres of land above I-395 into a platform that will bridge the East End of downtown with Capitol Hill.

The Capitol Crossing project will be comprised of 1.9 million square feet of office space; retail and residential spaces; and a new Jewish Historical Society Synagogue. Phase I of the project features a north block containing two office buildings totaling 996,000 square feet and up to 83,000 square feet of retail space. One of the buildings located at 200 Massachusetts Avenue was completed and delivered in 2018. The 566,000 square-foot building located at 250 Massachusetts Avenue is expected to be completed in the fourth quarter of 2019.

Investments and upgrades include more than $200 million of private investment in infrastructure, utility upgrades, new and improved roads, and revitalization of surrounding neighborhoods. The entire project is expected to be completed in 2022.

The Wharf – Washington, D.C. Waterfront

The Wharf is one of the region's largest redevelopment opportunities which is transforming the underutilized Southwest Waterfront into an urban destination centrally located on the Potomac River, along the historic Washington Channel, a short distance from the National Mall, the White House, the Capitol and Smithsonian Museums.

The estimated $2 billion world-class, mixed-use project is comprised of 24 acres of land and more than 50 acres of water. The 3.2 million square-foot site features a unique blend of restaurants, shops, condominiums, hotels, high-quality entertainment venues, marinas, a waterfront park, and an expanded riverfront promenade with public access to the water and a commercial anchor for the community and those who visit the nation's capital's monuments and museums.

Phase I consists of a building area of more than 2 million square feet, and includes: 870 residential units; 190,000 square feet of retail; 500,000 square feet of office space; 690 hotel rooms; 140,000 square feet of cultural and entertainment space; and 1,475 underground parking spaces.

The Wharf is now open and planning is ongoing for its next and final phase. When complete, Phase II will feature 1.15 million square feet of additional mixed-use development, including approximately 548,000 square feet of office space in three buildings, two below grade parking garages,119,000 square feet of retail space, a 116-room Pendry hotel, 345 residential units (apartments and condominiums), a marina, as well as four acres of public parks and open spaces across an approximate half mile of waterfront. Phase II is expected to be completed in 2022.

Parks at Walter Reed

The Parks at Walter Reed, a Walter Reed Army Medical Center redevelopment project, was created by the Walter Reed Development Omnibus Act of 2016. This Act authorized the District to acquire 66 acres of the former Walter Reed campus from the Army and begin development of a vibrant new mixed-use community.

The master development plan of the site, which is undertaken through a ground lease agreement by a joint venture consisting of Hines, Urban Atlantic and Triden, is expected to transform the 3.1 million square-foot site over the years. The project features over 2,200 distinctive condos, townhomes and apartments serving a diverse mix of incomes, ages and households, over 400 of which will be designated as affordable; 325,000 square feet of office and medical space; 190,000 square feet of retail; and 20,000 square feet of space will be dedicated to creative and cultural uses, including a hotel and conference center.

The redevelopment project is set to balance the homeless assistance needs with the economic redevelopment needs of the community by including the participation of State and Local Homeless Assistance Providers and Public Benefit Conveyance, collectively referred to as Notices of Interest (NOI) organizations. The project will also feature an Innovation Core that consists of forward-thinking companies in university medical research, bioscience and pharmaceutical spaces, as well as economic development and sustainability programs.

Phase I of the 66-acre Parks at Walter Reed project involves infrastructure improvements across the historic campus and demolishing the main 2.7 million square-foot 1970s-era hospital building, which will prepare the site for the development of the new town center. Construction on the former site of the main hospital building will include 310 apartments and 60,000 square feet of retail. In addition, The Brooks and The Vale, located at the corner of Georgia Avenue and Aspen Street, which will consist of 301 apartments, 89 condominiums, and 18,000 square feet of retail space, will be the first market-rate mixed-use building to deliver on the site in the fourth quarter of 2020.

Transportation and Other Projects

South Capitol Street Corridor Project

The South Capitol Street Corridor Project involves replacing the Frederick Douglass Memorial Bridge and transforming related sections of urban freeway into a beautiful scenic boulevard that increases pedestrian and vehicular safety and community accessibility, while improving multimodal transportation options and supporting economic development on both sides of the Anacostia River. Key project elements are presented below.

- Building a new six-lane Frederick Douglass Memorial Bridge
- Creating a new traffic oval west of the river that connects South Capitol Street, Potomac Avenue and Q Street, SW
- Reconstructing South Capitol Street as a six-lane boulevard with an improved streetscape from the traffic oval to D Street, SE/SW and an at-grade intersection at M Street, SE
- Creating a new at-grade traffic oval east of the river that connects South Capitol Street, Suitland Parkway and Howard Road, SE
- Reconstructing the Suitland Parkway/Interstate 295 interchange
- Constructing a new diamond interchange on Suitland Parkway at Martin Luther King, Jr. Avenue, SE
- Improving related portions of New Jersey Avenue, Howard Road, Firth Sterling Avenue, and Sheridan Road, SE
- Increasing bicycle and pedestrian facilities
- Improving drainage and storm water management throughout the corridor

Preliminary engineering and Right-of-Way land acquisition for the project have been underway since January 2012. The Frederick Douglass Memorial Bridge is projected to open in 2021.

DC Green Bank

Green Banks are institutions that states and countries are using to finance projects that will create green jobs, expand solar power, lower energy costs, reduce greenhouse gas emissions, and meet sustainability goals. In July 2018, Mayor Bowser signed the District of Columbia Green Finance Authority Establishment Act of 2018 (the Act), which established the District of Columbia Green Finance Authority (DC Green Bank), an independent instrumentality of the District government, making the District of Columbia the first city in the United States to establish a Green Bank. The DC Green Bank will be governed by an 11-member board of directors, seven of which will be voting members appointed by the Mayor.

The Act authorizes the DC Green Bank to issue loans, either directly or through lenders, for the purpose of assisting in developing, constructing, rehabilitating, or improving any sustainable project or program under this act; provided that no transaction may create an obligation of the DC Green Bank, that will be subject to the limitation on the annual aggregate limit on debt of the District under section 603(b) of the Home Rule Act. Sustainable projects and programs include clean energy, clean infrastructure, clean transportation, stormwater management, energy efficiency, water efficiency, and green infrastructure projects and programs. Consistent with the Act, the District will subsidize the DC Green Bank by transferring up to $7 million annually to the Green Finance Authority through fiscal year 2022, to support sustainable projects and programs that include support for the creation of new solar energy sources in the District, including associated administrative costs. In addition, consistent with the Clean Energy DC Omnibus Amendment Act of 2018, the Department of Energy and Environment (DOEE) will transfer $70 million to the DC Green Bank beginning in fiscal year 2020 through 2025, provided that such transfers are included in an approved District budget. The DC Green Bank is an innovative policy tool that will use public purpose funding to attract private investment.

In addition, the DC Green Bank will take over the administration of the DC Property Assessed Clean Energy (DC PACE) program that provides financing to commercial entities for energy efficiency improvements.

Additional information about these and other initiatives within the District may be obtained from the following:

Office of the Deputy Mayor for Planning & Economic Development
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 317
Washington, DC 20004
Telephone: (202) 727-6365
Website: https://dmped.dc.gov

Office of Planning
1100 Fourth Street, SW, Suite E650
Washington, DC 20024
Telephone: (202) 442-7600
Website: https://planning.dc.gov

Office of Tax and Revenue
1101 Fourth Street, SW, Suite 270 West
Washington, DC 20024
Telephone: (202) 727-4829
Website: https://otr.cfo.dc.gov

Department of General Services
2000 14th Street, NW, 8th Floor
Washington, DC 20009
Telephone: (202) 727-2800
Website: https://dgs.dc.gov

Department of Housing and Community Development
1800 Martin Luther King Avenue, SE
Washington, DC 20020
Telephone: (202) 442-7200
Website: https://dhcd.dc.gov

Department of Parks and Recreation
1275 First Street, NE, 8th Floor
Washington, DC 20002
Telephone: (202) 673-7647
Website: https://dpr.dc.gov

District Department of Transportation
55 M Street, SE, Suite 400
Washington, DC 20003
Telephone: (202) 673-6813
Website: https://ddot.dc.gov

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District of Columbia for its CAFR for the fiscal year ended September 30, 2018. The District has received this award for 35 of the last 37 years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that the fiscal year 2019 CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The District also earned an award from the GFOA for Outstanding Achievement in Popular Annual Financial Reporting (PAFR) for the fiscal year ended September 30, 2018, for the sixteenth consecutive year. The PAFR presents the District's financial results in a format and language that allows information to be more easily understood by the general public. The PAFR is not required to present the same level of detail as the CAFR. It contains very few financial statements, less technical language, and more graphics and photographs.

Like the Certificate of Achievement, the Award for Popular Annual Financial Reporting is valid for one year only. The District expects that the fiscal year 2019 PAFR, which will be issued within 30 days after the CAFR is completed, will conform to the Award for Popular Annual Financial Reporting Program requirements. It will also be submitted to the GFOA to determine its eligibility for another award.

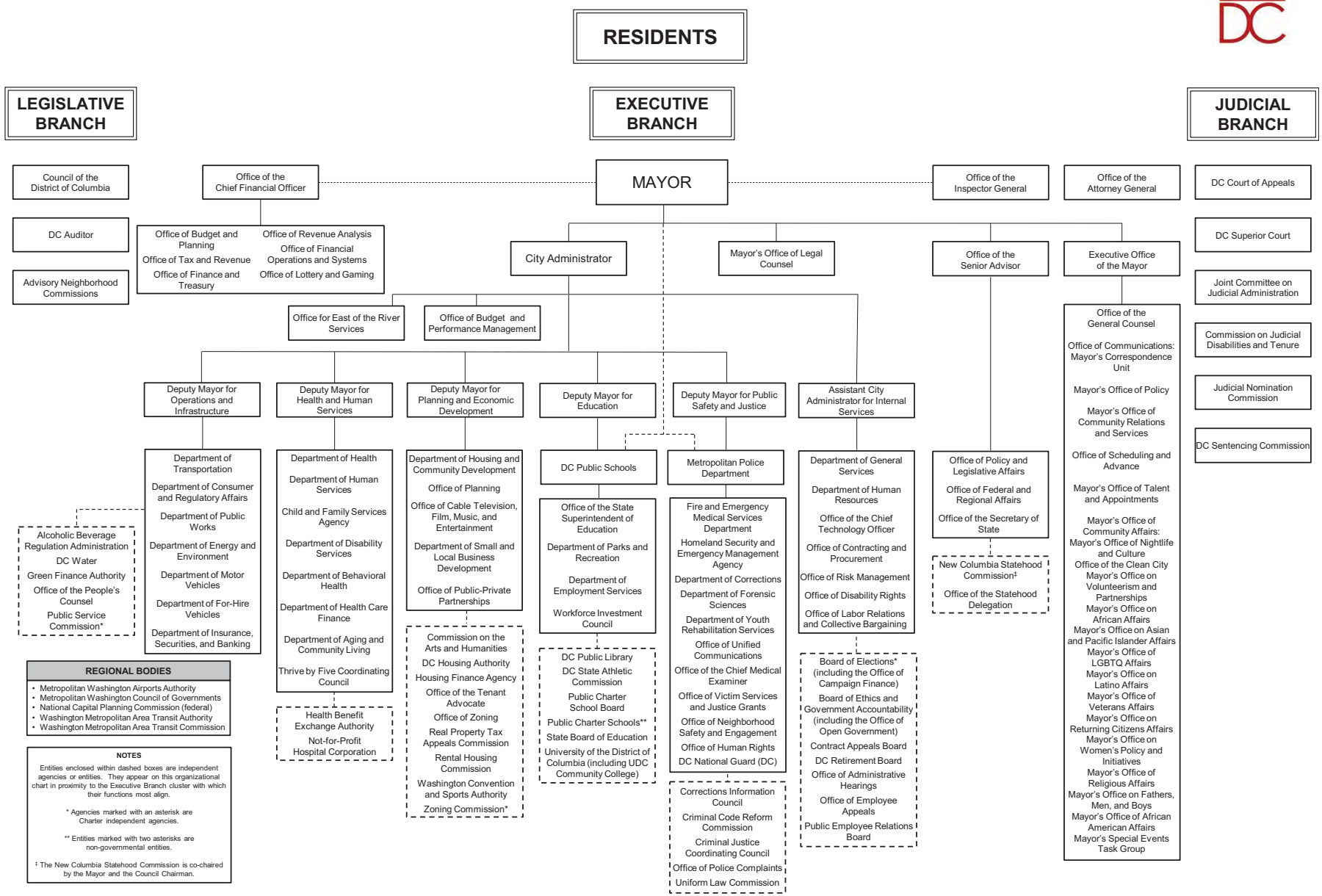
Acknowledgments

I would like to thank the District's accounting/finance staff who worked diligently to account for and report on the District's business activities and maintain the city's official "books" of accounting records. I greatly appreciate their efforts, which contributed significantly to the timely preparation of the CAFR. I want to thank my immediate staff, *Diji Omisore, Cassandra Alexander, Mulu Kahsay, David Pivec, Randolph David, Chris LaCour, Cassandra Butler, Vanessa Jackson*, and their respective teams. I am grateful for their dedicated efforts. I would also like to thank the Office of the Inspector General, and the District's independent public accountants, SB & Company, LLC, assisted by Regis & Associates P.C. and GKA P.C., for their efforts throughout the audit engagement.

Respectfully submitted,

Bill Slack
Deputy Chief Financial Officer and Controller
Office of Financial Operations and Systems

GOVERNMENT OF THE DISTRICT OF COLUMBIA



DISTRICT OF COLUMBIA PRINCIPAL OFFICIALS

September 30, 2019

ELECTED OFFICIALS

	Name	Position	First Took Office	Term Expires
Executive Office of the Mayor	Muriel Bowser	Mayor	2015	2023
Office of the Attorney General	Karl A. Racine	Attorney General	2015	2023
Council	Phil Mendelson	Chairman	1999	2023
	Anita Bonds	At Large	2012	2023
	David Grosso	At Large	2013	2021
	Elissa Silverman	At Large	2015	2023
	Robert C. White, Jr.	At Large	2016	2021
	Brianne Nadeau	Ward 1	2015	2023
	Jack Evans	Ward 2	1991	2021
	Mary M. Cheh	Ward 3	2007	2023
	Brandon T. Todd	Ward 4	2015	2021
	Kenyan McDuffie	Ward 5	2012	2023
	Charles Allen	Ward 6	2015	2023
	Vincent C. Gray	Ward 7	2005	2021
	Trayon White, Sr.	Ward 8	2017	2021
House of Representatives	Eleanor Holmes Norton	Delegate	1991	2023

EXECUTIVE OFFICERS

Name	Position
Daniel W. Lucas	Inspector General
Rashad M. Young	City Administrator
Dr. Lewis Ferebee	Chancellor for D.C. Public Schools
Kimberly A. Bassett	Secretary of the District of Columbia
Paul Kihn	Acting Deputy Mayor for Education
John Falcicchio	Interim Deputy Mayor for Planning and Economic Development
Kevin Donahue	Deputy City Administrator/Deputy Mayor for Public Safety and Justice
Wayne Turnage	Deputy Mayor for Health and Human Services
Lucinda M. Babers	Deputy Mayor for Operations and Infrastructure
Jeffrey S. DeWitt	Chief Financial Officer
Angell Jacobs	Deputy CFO/Chief of Staff
Gordon McDonald	Deputy CFO, Budget and Planning
Bill Slack	Deputy CFO, Financial Operations and Systems
Bruno Fernandes	Deputy CFO, Finance and Treasury
Fitzroy Lee	Deputy CFO, Revenue Analysis
Keith Richardson	Deputy CFO, Tax and Revenue
Leroy Clay	Associate CFO, Economic Development and Regulation
Angelique Hayes Rice	Associate CFO, Governmental Operations
George Dines	Associate CFO, Government Services
Delicia V. Moore	Associate CFO, Human Support Services
David Garner	Associate CFO, Public Safety and Justice
Deloras A. Shepherd	Associate CFO, Education
Beth A. Bresnahan	Executive Director, Office of Lottery and Gaming

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Government of the District of Columbia

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2018

Christopher P. Morrill

Executive Director/CEO

CAFR

FINANCIAL SECTION

District of Champions

MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

YEAR ENDED SEPTEMBER 30, 2019

FINANCIAL SECTION

REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

SB & COMPANY, LLC
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REPORT OF INDEPENDENT PUBLIC ACCOUNTANTS

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the budgetary comparison statement, each major fund, and the aggregate remaining fund information of the Government of the District of Columbia (the District), as of and for the year ended September 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

The District's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

1299 Pennsylvania Avenue NW • Suite 1120 • Washington • District of Columbia 20004 • P 202.803.2335 • F 202.756.1301

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Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the District, as of September 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison statement for the general, and Federal and private resources funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedules of employer contributions and schedules of changes in net pension liability (asset) and related ratios for the Teachers' Retirement Fund and the Police Officers' and Firefighters' Retirement Fund, and schedules of employer contributions and changes in net OPEB liability (asset) and related ratios for the Other Post-Employment Benefits Program, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information presented in the financial section and introductory and statistical sections, as listed in the accompanying table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The other supplementary information in the financial section (Exhibits A-1 through A-6, B-1 and B-2, C-1 through C-3, and D-1 through D-3) is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information in the financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Prior-Year Comparative Information

We have previously audited the District's 2018 financial statements, and we expressed unmodified audit opinions on the respective financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, the budgetary comparison statement, each major fund, and the aggregate remaining fund information in our report dated January 23, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended September 30, 2018, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2020, on our consideration of the District's internal controls over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal controls over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal controls over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal controls over financial reporting and compliance.

Washington, DC
January 22, 2020

SB & Company, LLC

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2019

(Dollar amounts expressed in thousands)

The following is a discussion and analysis of the District of Columbia's (the District's) financial performance for the fiscal year ended September 30, 2019, which includes a narrative overview and analysis of the District's financial activities. This information should be read in conjunction with the letter of transmittal, located in the Introductory Section of this report, and the District's basic financial statements and notes to the basic financial statements, which follow this discussion and analysis.

FINANCIAL HIGHLIGHTS

- During fiscal year 2019, total District revenues increased by $1,334,655 which was comprised of $514,913 in program revenues and $819,742 in general revenues. Program revenues increased as a result of: increases in federal and private contributions in support of District programs and activities; higher fees and charges for services revenues caused by improved collectability of receivables; fees collected for the newly implemented Universal Paid Leave program; increases in revenues from private for-hire vehicles as a result of rate increases; and higher fines revenues due to the implementation of construction zone speed cameras. General revenues, which are comprised mainly of taxes, increased as a result of tax rate increases and several favorable economic factors including: growth in the District's tax base due to the increase in population; rising salary and wage levels; improvement in business conditions; a strong stock market; and higher assessed values of real property. The most significant increase in taxes was in income and franchise taxes which rose by $302,599. (See **Table MDA-2**)
- District expenses increased by $525,801 during fiscal year 2019 as a result of significant increases in spending in Human Support Services and Public Education. (See **Table MDA-2**)
- As of September 30, 2019, the District's assets plus deferred outflows of resources exceeded its liabilities plus deferred inflows of resources by $6,658,937. The District had an unrestricted net position of $711,844 in fiscal year 2019, an improvement of $751,938 over the previous year, as a result of significant increases in revenues over expenses. (See **Table MDA-1**)
- The District's total net position increased by $971,624, or 17.08%, primarily because total revenues exceeded expenses at the end of the fiscal year. Revenues from income and franchise taxes, operating grants and contributions, and charges for services increased significantly over the one-year period. Although expenses also increased in fiscal year 2019, they were substantially less than revenues and below budgeted levels due to prudent and effective management of District resources. (See **Table MDA-2**)
- The District's total long-term liabilities increased by $805,137, or 6.65%, during fiscal year 2019. This increase is mainly due to the issuance of General Obligation Bonds and General Obligation Bond Anticipation Notes to finance capital improvement projects. (See **Table MDA-1**)
- Total fund balance for all governmental funds was $3,579,644, an increase of $685,872, or 23.70%, in comparison to the prior year. Increases in the fund balance of the governmental funds were mainly in the General Capital Improvements Fund and the General Fund. During fiscal year 2019, capital projects were financed through the use of debt proceeds and short-term advances from the General Fund. This financing strategy allowed the District to optimize the timing of the issuance of new debt to finance capital projects and reimburse internal financing resources. As of September 30, 2019, the District reported an increase in fund balance in its General Fund of $476,933. (See **Table MDA-3**)

OVERVIEW OF THE FINANCIAL STATEMENTS

Basic Financial Statements

In general, the purpose of financial reporting is to provide users of financial statements with information that will help them make decisions or reach conclusions about a reporting entity. Many parties use the District's financial statements; however, they do not always use them for the same purpose. In order to address the needs of as many financial statement users as possible, the District, in accordance with generally accepted accounting principles (GAAP) presents: (1) government-wide financial statements; (2) fund financial statements; and (3) notes to the basic financial statements.

Government – Wide Financial Statements

The government-wide financial statements focus on the District's overall financial position and activities, and include a Statement of Net Position and a Statement of Activities. These financial statements report on the primary government and its component units, which are aggregated into separate columns. The primary government is further divided into governmental activities and business-type activities.

The purpose of the Statement of Net Position is to report all of the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the end of the fiscal year. The difference between the District's total assets plus deferred outflows of resources and total liabilities plus deferred inflows of resources is classified as net position. Total net position is comprised of three components: (1) net investment in capital assets; (2) restricted; and (3) unrestricted. In general, gauging increases or decreases in net position is one way to assess the District's financial position over time. Other factors, such as changes in population, the property tax base, infrastructure conditions, and other non-financial matters, should also be considered when assessing the District's overall financial health.

The purpose of the Statement of Activities is to present the District's revenues and expenses. The difference between revenues and expenses is reported as "change in net position". All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses reported in this statement also include items that will result in cash flows in future fiscal periods (for example, uncollected taxes and earned but unused vacation leave).

The Statement of Activities summarizes both the gross and net cost of the governmental activities and business-type activities. Governmental activities include the District's basic functional services which are generally financed through taxes, intergovernmental revenues and other revenues. Business-type activities include enterprise operations of the Office of Lottery and Gaming, the Unemployment Compensation Fund, and the Not-for-Profit Hospital Corporation, which are primarily funded by fees for services. Such fees are expected to cover all or most of the costs of operations, including depreciation. Program or functional expenses are reduced by program-specific earned revenues, and by grants and contributions.

The District's government-wide financial statements are presented in Exhibits 1-a and 1-b on pages 50 and 51.

Fund Financial Statements

Unlike the government-wide financial statements, the fund financial statements focus on specific District activities rather than the District as a whole. Specific funds are established to maintain managerial control over resources or to comply with legal requirements established by external parties, governmental statutes, or regulations. The District's fund financial statements are divided into three categories: (1) governmental funds; (2) proprietary funds; and (3) fiduciary funds.

Financial Statements of the Governmental Funds

Financial statements of the governmental funds consist of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements are prepared using a basis of accounting which differs from that used to prepare the government-wide statements. Financial statements of the governmental funds focus primarily on the sources, uses, and balances of current financial resources and use the modified accrual basis of accounting. However, the government-wide financial statements focus on all of the District's economic resources and use the full accrual basis of accounting. Financial statements of the governmental funds have a short-term emphasis, and generally measure and account for cash and other assets that can easily be converted to cash. As such, these statements present the District's financial position at the end of the fiscal year and how the governmental activities were financed during the year.

The balances and activities accounted for in the governmental funds are also reported in the governmental activities column of the government-wide financial statements; however, because different accounting bases are used to prepare fund financial statements and government-wide financial statements, there are often significant differences in the totals presented in these statements. Therefore, an analysis is presented at the bottom of the balance sheet of the governmental funds, which reconciles the total fund balances to the amount of net position presented in the governmental activities column of the Statement of Net Position. In addition, there is an analysis following the Statement of Revenues,

Expenditures, and Changes in Fund Balances that reconciles the total net change in fund balances for all governmental funds to the change in net position as reported in the governmental activities column of the government-wide Statement of Activities.

The Balance Sheet of the governmental funds presents the District's nonspendable fund balance and further classifies spendable fund balance as restricted, committed, assigned, and unassigned, based on the relative strength of the constraints that control how specific amounts may be used.

The District presents funds that are significant to the District (major funds) in separate columns. All other governmental funds are aggregated and reported in a single column (nonmajor funds).

The financial statements of the District's governmental funds are presented in Exhibits 2-a, 2-b, and 2-c on pages 52 through 55 of this report.

Financial Statements of the Proprietary Funds

Financial statements of the proprietary funds consist of a Statement of Net Position; a Statement of Revenues, Expenses, and Changes in Fund Net Position; and a Statement of Cash Flows. These statements are prepared using the full accrual basis of accounting similar to that used to prepare the government-wide financial statements.

The District's proprietary funds are used to account for the activities of District entities that charge customers fees for the services provided. Two of the District's three major proprietary funds, the Office of Lottery and Gaming and the Not-for-Profit Hospital Corporation, are in this category. The Unemployment Compensation Fund is also reported as a proprietary fund, similar to a public entity risk pool, because the District is required by law to recover its costs.

The financial statements of the District's proprietary funds present the changes in financial position and condition of these three major proprietary funds. The financial statements of the District's proprietary funds are presented in Exhibits 3-a, 3-b, and 3-c on pages 56 through 58 of this report.

Financial Statements of the Fiduciary Funds

Financial statements of the fiduciary funds are comprised of the Pension and Other Postemployment Benefits Trust Funds, Private-Purpose Trust Fund, and Agency Funds. The financial statements of all fiduciary funds, except the agency funds, consist of a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The agency funds report only assets and liabilities and do not report net position, since they account for funds held by the government in a purely custodial capacity.

The fiduciary fund statements are prepared using the full accrual basis of accounting similar to that used to prepare the government-wide financial statements. Assets held by the District (either as a trustee or an agent) for other parties, that cannot be used to finance the District's operating programs, are reported in the fiduciary funds. The District is responsible for ensuring that the activities reported in the fiduciary funds are consistent with each fund's intended purpose.

The financial statements of the District's fiduciary funds are presented in Exhibits 4-a and 4-b on pages 59 and 60 of this report.

Component Units

The District's discretely presented component units' financial data, which is reported in combining financial statements, is presented in Exhibits 5-a and 5-b on pages 61 and 62. The District also reports two blended component units: the Not-for-Profit Hospital Corporation presented within the statements for proprietary funds; and the Tobacco Settlement Financing Corporation presented within the statements for nonmajor governmental funds.

Notes to the Basic Financial Statements

The Notes to the Basic Financial Statements, which begin on page 63, present additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's progress toward funding its obligation to provide pension and other postemployment benefits to District employees. Required supplementary information can be found on pages 147 through 153 of this report.

Financial statements of individual funds, combining statements (including nonmajor governmental funds), and supporting schedules are presented in the other supplementary information section presented on pages 155 through 185 of this report.

OVERVIEW OF THE DISTRICT'S FINANCIAL POSITION AND OPERATIONS

The District's overall financial position improved as a result of the fiscal year's activities. The District's financial position and operations for the past two fiscal years are summarized in **Tables MDA-1** and **MDA-2**. The information for fiscal years 2019 and 2018 is based on the government-wide financial statements presented on pages 50 and 51 of this report.

Table MDA-1
Net Position as of September 30, 2019 ($000s)

	Governmental activities		Business-type activities		Totals		
	2019	2018	2019	2018	2019	2018	Variance
ASSETS							
Current and other assets	$ 6,479,313	$ 5,600,915	$ 594,466	$ 542,985	$ 7,073,779	$ 6,143,900	$ 929,879
Capital assets	14,534,439	13,762,660	68,849	72,469	14,603,288	13,835,129	768,159
Total assets	21,013,752	19,363,575	663,315	615,454	21,677,067	19,979,029	1,698,038
DEFERRED OUTFLOWS OF RESOURCES	251,997	330,497	-	-	251,997	330,497	(78,500)
LIABILITIES							
Long-term liabilities	12,910,442	12,107,920	9,885	7,270	12,920,327	12,115,190	805,137
Other liabilities	2,008,918	1,823,683	67,439	72,272	2,076,357	1,895,955	180,402
Total liabilities	14,919,360	13,931,603	77,324	79,542	14,996,684	14,011,145	985,539
DEFERRED INFLOWS OF RESOURCES	273,443	611,068	-	-	273,443	611,068	(337,625)
NET POSITION							
Net investment in capital assets	3,571,065	3,467,965	68,849	72,469	3,639,914	3,540,434	99,480
Restricted	1,803,748	1,727,770	503,431	459,203	2,307,179	2,186,973	120,206
Unrestricted	698,133	(44,334)	13,711	4,240	711,844	(40,094)	751,938
Total net position	**$ 6,072,946**	**$ 5,151,401**	**$ 585,991**	**$ 535,912**	**$ 6,658,937**	**$ 5,687,313**	**$ 971,624**

Table MDA-2
Change in Net Position for the Year Ended September 30, 2019 ($000s)

	Governmental activities		Business-type activities		Totals		
	2019	2018	2019	2018	2019	2018	Variance
REVENUES							
Program revenues							
Charges for services	$ 869,744	$ 608,050	$ 323,407	$ 307,189	$ 1,193,151	$ 915,239	$ 277,912
Operating grants and contributions	3,916,440	3,674,019	18,319	20,789	3,934,759	3,694,808	239,951
Capital grants and contributions	258,500	261,450	-	-	258,500	261,450	(2,950)
General revenues							
Property taxes	2,888,245	2,713,310	-	-	2,888,245	2,713,310	174,935
Sales and use taxes	1,707,745	1,597,940	-	-	1,707,745	1,597,940	109,805
Income and franchise taxes	2,969,289	2,666,690	-	-	2,969,289	2,666,690	302,599
Other taxes	981,113	876,597	142,877	144,068	1,123,990	1,020,665	103,325
Non-tax revenues	664,420	536,715	12,416	11,043	676,836	547,758	129,078
Total revenues	14,255,496	12,934,771	497,019	483,089	14,752,515	13,417,860	1,334,655
EXPENSES							
Governmental direction and support	1,157,810	1,164,181	-	-	1,157,810	1,164,181	(6,371)
Economic development and regulation	700,346	724,404	-	-	700,346	724,404	(24,058)
Public safety and justice	1,673,214	1,623,766	-	-	1,673,214	1,623,766	49,448
Public education system	2,949,935	2,834,186	-	-	2,949,935	2,834,186	115,749
Human support services	5,148,903	4,799,268	-	-	5,148,903	4,799,268	349,635
Public works	860,918	812,726	-	-	860,918	812,726	48,192
Public transportation	425,753	419,198	-	-	425,753	419,198	6,555
Interest on long-term debt	425,812	435,006	-	-	425,812	435,006	(9,194)
Office of lottery and gaming	-	-	168,454	161,397	168,454	161,397	7,057
Unemployment compensation	-	-	120,010	131,764	120,010	131,764	(11,754)
Not-for-profit hospital corporation	-	-	149,736	149,194	149,736	149,194	542
Total expenses	13,342,691	12,812,735	438,200	442,355	13,780,891	13,255,090	525,801
Increase in net position before transfers	912,805	122,036	58,819	40,734	971,624	162,770	808,854
Transfers in (out)	8,740	12,080	(8,740)	(12,080)	-	-	-
Change in net position	921,545	134,116	50,079	28,654	971,624	162,770	808,854
Net position - October 1	5,151,401	5,017,285	535,912	507,258	5,687,313	5,524,543	162,770
Net position - September 30	**$ 6,072,946**	**$ 5,151,401**	**$ 585,991**	**$ 535,912**	**$ 6,658,937**	**$ 5,687,313**	**$ 971,624**

Refer to Note 1W - Reconciliation of Government-Wide and Fund Financial Statements, on page 83 for additional information on the differences between the two bases of accounting that the District used in this report.

Financial Analysis of the Government as a Whole

Revenues increased by $1,334,655 while expenses increased by $525,801 in fiscal year 2019 compared to the prior year.

General revenue was 63.49% of the District's total revenues in fiscal year 2019, increased by $819,742, or 9.59%. Revenues from individual income and franchise taxes, property taxes and various non-tax sources were the main drivers of the growth in general revenue. Higher than usual growth in individual income and franchise tax revenue was the result of low unemployment rate, strong wages and salaries growth, as well as higher capital gains stemming from record stock market performance. Increased franchise tax revenue reflects general improvement in economic environment, leading to increased profitability of District businesses. Changes in federal tax legislation also contributed to higher franchise tax revenue as it increased the taxable income of businesses. Real property tax revenue was higher because of increased assessed values and higher tax rates. Higher tax rates on high-value commercial real property transactions also contributed to higher general revenue.

Program revenues, which were 36.51% of the District's total revenues in fiscal year 2019, increased by $514,913, or 10.57%. The increase was attributed, in part, to higher operating grants and contributions to support Human Support Services programs including Medicaid, Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF). Also contributing to the increase in program revenues were higher revenues from charges for services due to: the implementation of a new District-wide collection platform by the Central Collection Unit (CCU) that has improved the collectability of receivables; collection of fees related to the Universal Paid Leave program implemented in fiscal year 2019; the deployment of additional parking meters in the District's vibrant neighborhoods; the enforcement of road safety measures using photo radars in Interstate work zones which contributed to additional revenues from higher ticket issuances; and higher rate assessed on private for-hire vehicles.

Non-tax revenues increased as a result of the following factors: receipts from PEPCO cost-sharing arrangements, higher collection of license renewal service fees, and higher interest and investment incomes. Transfers from the Washington Convention and Sports Authority (WCSA) also contributed to the increase in non-tax revenues. Consistent with D.C. Code § 10-1202.13, WCSA transferred excess funds totaling $46,893 ($19,802 for fiscal year 2018 and $27,091 for fiscal year 2017) from its Convention Center Operating Fund to the District's General Fund.

The most significant increases in expenses were in Human Support Services and Public Education System, which grew by $349,635, or 7.29%, and $115,749, or 4.08%, respectively. Human Support Services' spending increased as a result of additional funding received to support the Medicaid program. The increase in Public Education System expenses resulted from an increase in the Uniform Per Student Funding rate due to higher student enrollment and expansion costs associated with afterschool and summer programs.

The District's combined net position (governmental and business-type activities) increased by $971,624, or 17.08%, to $6,658,937 in fiscal year 2019 from $5,687,313 in fiscal year 2018.

Restricted net position represents assets that are subject to use constraints imposed either: (a) externally by creditors (such as through debt covenants), grantors, contributors, laws or regulations of other governments; or (b) by law, through constitutional provisions or enabling legislation. Restricted net position totaled $2,307,179 in fiscal year 2019 and $2,186,973 in fiscal year 2018, representing an increase of $120,206, or 5.50%. The most significant increase in restricted net position was related to amounts set aside for benefits payments associated with the Universal Paid Leave program.

Unrestricted net position increased by $751,938 to $711,844 in fiscal year 2019. The increase in unrestricted net position is mainly due to significant increases in current year's revenues over expenditures.

The Office of Lottery and Gaming (the Lottery), a proprietary fund of the primary government, transfers substantially all of its net income to the District at the end of each fiscal year. In fiscal years 2019 and 2018, the Lottery transferred $45,050 and $49,500 to the District's General Fund, respectively.

Chart MDA-1 graphically depicts the District's sources of revenues in its governmental activities.

Chart MDA-1
Revenues by Source - Governmental Activities ($000s)

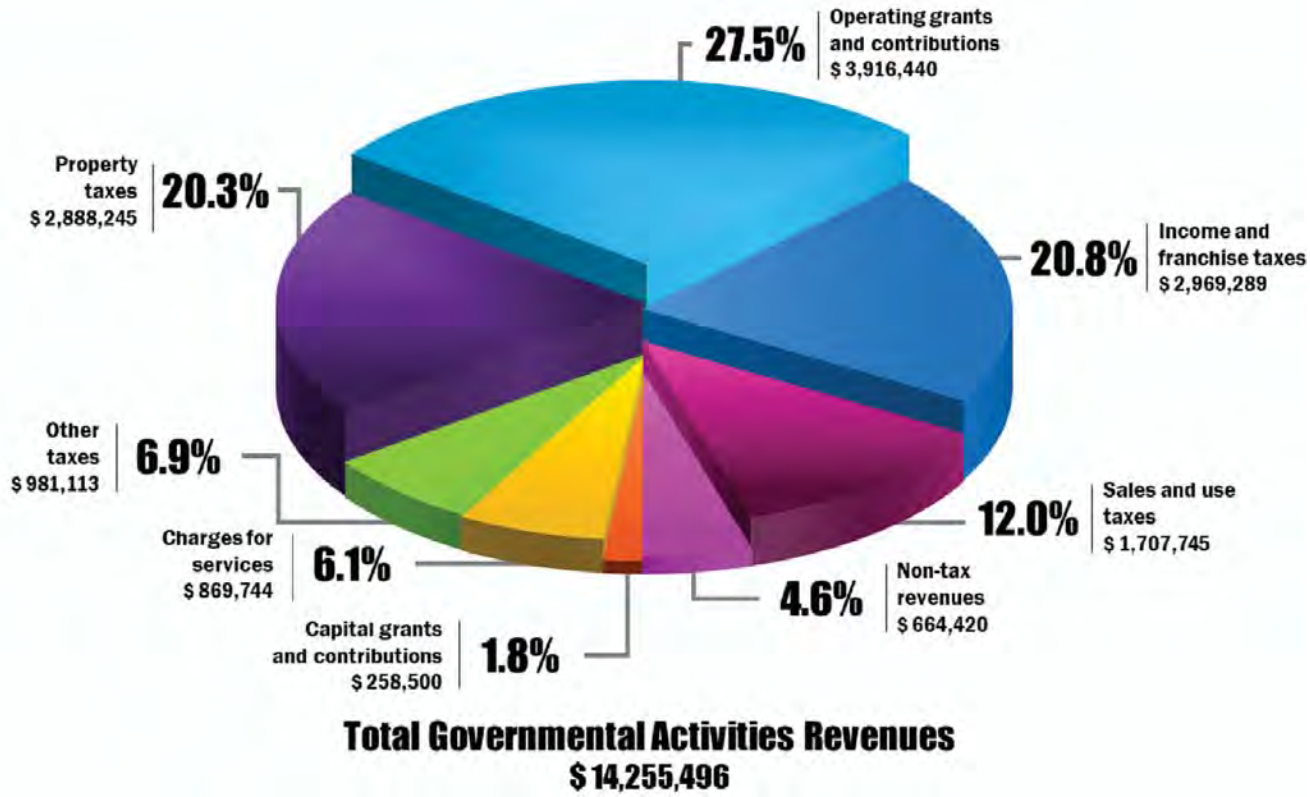


Chart MDA-2 displays both expenses and program revenues of the governmental activities for fiscal year 2019. The governmental activities are: Governmental Direction and Support, Economic Development and Regulation, Public Safety and Justice, Public Education System, Human Support Services, Public Works, and Public Transportation.

Chart MDA-2
Governmental Activities Expenses and Program Revenues ($000s)

Total net position of governmental activities was $6,072,946 in fiscal year 2019, which was $921,545, or 17.89%, higher than the amount in the prior year. This increase mainly resulted from increases in revenues from income and franchise taxes, operating grants and contributions, charges for services, and property taxes.

Net position of the business-type activities increased by $50,079, or 9.34%, between fiscal year 2018 and 2019. Net position increased due to a decrease in unemployment compensation benefit payments and a reinstatement of disproportionate share revenue during the fiscal year. The Unemployment Compensation Fund's net position increased by $52,656. The Not-for-Profit Hospital Corporation experienced a loss of $2,612 for fiscal year 2019, which was an improvement from the $10,896 loss in the fiscal year 2018. The Lottery's change in net position was $35 after transferring $45,050 to the District's General Fund.

Reporting on the District's Most Significant Funds

Fund financial statements focus on major funds, instead of fund types. Other than the General Fund, which is always classified as a major fund, any other governmental or proprietary fund is classified as a major fund if the fund has revenues, expenditures/expenses, assets plus deferred outflows of resources, or liabilities plus deferred inflows of resources that are at least 10% of the corresponding totals for all governmental or proprietary funds and at least 5% of the aggregate amount for all governmental and proprietary funds for the same item. Major funds, as required by generally accepted accounting principles (GAAP), are presented individually while nonmajor funds are combined in a single column. Detailed information for individual nonmajor governmental funds can be found in Other Supplementary Information, Exhibits B-1 and B-2, presented on pages 166 and 167.

Governmental Funds

The District's governmental funds provide information that is useful when assessing the District's financing needs, such as data pertaining to near-term inflows, outflows, and balances of spendable resources. Most basic services are reported in the governmental funds, which are further classified as General, Federal and Private Resources, Housing Production Trust, General Capital Improvements, and Nonmajor Governmental Funds. Exhibits 2-a and 2-b, presented on pages 52 and 53, provide information about these funds.

Fund Balances

The governmental funds reported a combined fund balance of $3,579,644 in fiscal year 2019 and $2,893,772 in fiscal year 2018, which represents an increase of $685,872, or 23.70%, from the prior year. The components of the combined fund balances of the governmental funds are presented in **Table MDA-3**.

Table MDA-3
Comparison of FY 2019 and FY 2018 Fund Balances - Governmental Funds ($000s)

Governmental funds	2019	2018	Dollar Variance	Percentage Variance
General	$ 3,253,316	$ 2,776,383	$ 476,933	17.18%
Federal and private resources	150,240	133,067	17,173	12.91%
Housing production trust	142,940	167,397	(24,457)	-14.61%
General capital improvements	(378,421)	(522,345)	143,924	27.55%
Nonmajor governmental funds	411,569	339,270	72,299	21.31%
Total fund balances	**$ 3,579,644**	**$ 2,893,772**	**$ 685,872**	23.70%

Fund balance in the Federal and Private Resources Fund increased by $17,173, or 12.91%, between fiscal years 2018 and 2019. This increase in fund balance was due to increases in revenues, with expenditures also increasing but at a lesser rate. Revenues increased by $243,303, or 6.56% over the one year period while expenditures increased by $226,068 or 6.09%. The increase in revenues was mainly due to increases in operating grants and federal contributions totaling $214,290 and $28,131, respectively, which support Human Support Services and Public Education programs. Although Public Education expenditures decreased by $18,701 during the fiscal year, Human Support Services expenditures increased by $231,814. Many of the Human Support Services programs are supported by cost reimbursable grants from the federal government. Because the associated operating grant revenues depend upon the amount of reimbursable expenditures incurred, the increase in Human Support Services expenditures resulted in an increase in operating grants to support higher enrollments in the Medicaid program and increased administrative cost of operating the Medicaid, Supplemental Nutrition Assistance Program (SNAP) and Temporary Assistance for Needy Families (TANF).

Fund balance in the Housing Production Trust Fund decreased by $24,457, or 14.61%, between fiscal years 2018 and 2019. This decrease was due to higher expenditures related to the Mayor's initiative to preserve and/or increase the supply of quality affordable housing for low-income families in the District. The Department of Housing and Community Development, which administers this initiative, had more housing projects in its pipeline for completion.

The negative fund balance of $378,421 in General Capital Improvements Fund as of September 30, 2019 represents an increase of $143,924, or 27.55%, from prior year negative fund balance of $522,345. This improvement was mainly due to the issuance of bonds, the proceeds of which were used to fund capital projects.

The most significant fund balance increase within the governmental funds, which totaled $476,933, was in the General Fund, the District's primary operating fund. A more detailed discussion of the District's General Fund follows.

Revenues

General Fund revenues increased by $824,047 in fiscal year 2019. **Table MDA-4** presents the most significant variances in General Fund revenues.

Table MDA-4
Changes in Major General Fund Revenues ($000s)

Revenue category	2019	2018	Dollar Variance	Percentage Variance
Property taxes	$ 2,822,535	$ 2,663,794	$ 158,741	5.96%
Sales and use taxes	1,646,523	1,537,378	109,145	7.10%
Income and franchise taxes	2,941,982	2,641,586	300,396	11.37%
Total	**$ 7,411,040**	**$ 6,842,758**	**$ 568,282**	8.30%

Property Taxes

Real property tax revenue was higher because of increased assessed values and higher tax rates. The increased assessed values were the result of price appreciation for both commercial and residential properties. Higher tax rates on high-value commercial real property transactions also contributed to higher revenue in fiscal year 2019.

Sales and Use Taxes

There was stronger than normal growth in sales and use tax revenue in fiscal year 2019. This growth resulted from changes to the District's tax code to begin taxing online and digital retail sales, and higher tax rates on retail sales and hotel room revenue.

Income and Franchise Taxes

Higher than usual growth in individual income tax revenue was the result of low unemployment rate, strong wages and salaries growth, as well as higher capital gains stemming from the strong stock market performance. Increased franchise tax revenue reflects general improvement in the economic environment leading to increased profitability of District businesses. Changes in federal tax legislation also contributed to higher franchise tax revenue as it increased the taxable income of businesses.

Dedicated Revenues

The dedicated portions of tax revenues related to the special revenue funds are recorded directly in those funds. However, dedicated taxes for the Washington Convention and Sports Authority and the Highway Trust Fund are transferred out of the local fund. Healthcare Program activities are recorded in a segregated fund within the General Fund. In fiscal year 2019, the District dedicated a total of $804,847 in tax revenues, which was 43.72% higher than the previous year, to fund the projects presented in **Table MDA-5**. The increase was mainly due to more taxes dedicated to WMATA in fiscal year 2019 including additional capital funding of $178,500. Increases in tax rates on commercial property and general sales, and an increase in rates for private for-hire vehicles, such as Uber and Lyft, were used to offset the increase in WMATA funding.

Table MDA-5
Dedicated Tax Revenues ($000s)

	Property	Sales and Use	Gross Receipts	Deed Recordation	Deed Transfers	Motor Fuel	Other	Total Taxes
General fund								
Washington Convention and Sports Authority	$ -	$ 147,633	$ -	$ -	$ -	$ -	$ -	$ 147,633
Department of General Services	-	-	-	125	125	-	-	250
Healthcare programs	-	1,158	-	-	-	-	80,571	81,729
Highway Trust Fund	-	-	-	-	-	27,935	-	27,935
WMATA	-	258,282	-	-	-	-	-	258,282
Healthy schools	-	4,266	-	-	-	-	-	4,266
Alcoholic Beverage Regulation Administration	-	1,170	-	-	-	-	-	1,170
Arts and Humanities	-	31,956	-	-	-	-	-	31,956
HPTF debt service	-	-	-	2,856	4,892	-	80	7,828
Total general fund	-	444,465	-	2,981	5,017	27,935	80,651	561,049
Special revenue funds								
Tax increment financing program	17,944	30,732	-	-	-	-	-	48,676
PILOT special revenue	34,698	14,340	-	-	-	-	-	49,038
Baseball project	-	16,150	55,612	-	-	-	-	71,762
Housing Production Trust	-	-	-	40,699	28,743	-	4,880	74,322
Total special revenue funds	52,642	61,222	55,612	40,699	28,743	-	4,880	243,798
Total dedicated taxes	**$ 52,642**	**$ 505,687**	**$ 55,612**	**$ 43,680**	**$ 33,760**	**$ 27,935**	**$ 85,531**	**$ 804,847**

Expenditures

The District's General Fund expenditures, excluding debt service, increased by $326,722 from the previous year. Variances by function are presented in **Table MDA-6**.

Table MDA-6
General Fund Expenditure Variances by Function ($000s)

Function	2019	2018	Dollar Variance	Percentage Variance
Governmental direction and support	$ 1,031,085	$ 984,073	$ 47,012	4.78%
Economic development and regulation	493,879	450,329	43,550	9.67%
Public safety and justice	1,236,656	1,222,117	14,539	1.19%
Public education system	2,357,340	2,284,664	72,676	3.18%
Human support services	2,148,238	2,049,211	99,027	4.83%
Public works	433,141	389,778	43,363	11.13%
Public transportation	425,753	419,198	6,555	1.56%
Total functional expenditures	**$ 8,126,092**	**$ 7,799,370**	**$ 326,722**	4.19%

Explanations for variances in General Fund functional expenditures are presented below:

Governmental Direction and Support

Expenditure increases in Governmental Direction and Support were attributed, in part, to increased costs to acquire additional property insurance for District properties in fiscal year 2019. The establishment of new programs and activities by the Mayor also contributed to increased expenditures. For example, the Office of Nightlife and Culture was created to promote efficiencies for the District's after-hours economy by serving as a central point of contact between the District government, the nightlife industry, and District residents. Other factors that contributed to this increase include: additional spending related to DC NET equipment upgrades; spending increases associated with certain large settlements made in connection with claims filed against the District; implementation of the Career Pathway Innovation and the DC Central Kitchen Projects; increased spending on activities related to the DC Statehood Initiative; the awarding of grants to certain nonprofit community organizations; and providing support for a transportation subsidy program.

Economic Development and Regulation

Increases in Economic Development and Regulation expenditures resulted mostly from increases in funding for the Housing Authority Subsidy and the Local Rent Supplement programs, as part of the District's affordable housing initiative, to provide housing and rental assistance for low-income families and individuals. Also, funding was increased in fiscal year 2019 to support the Home Purchase Assistance Program (HPAP), the Employer-Assisted Housing Program (EAHP) and the Negotiated Employee Assistance Home Purchase Program (NEAHP) at the Department of Housing and Community Development. Additional increases in Economic Development and Regulation spending were attributed to: assisting residents with emergency housing needs following the Arthur Capper Fire; providing an alternative transportation service for Metro Access customers through the Transportation DC program; and creating a digital platform to support an infrastructure for the Transportation Network Companies.

Public Safety and Justice

Public Safety and Justice expenditure increases were primarily due to a revised union contract agreement for the Metropolitan Police Department that took effect in fiscal year 2019. The agency was required to pay the salary increase as well as retro-pay back to fiscal year 2018, thus increasing expenditures in personnel services. Additional increases in spending were attributed to the expansion of the Violence Interruption and Pathways programs and an increase in personnel costs as a result of the transfer of Roving Leader positions from the D.C. Department of Parks and Recreation to the Neighborhood Safety and Engagement agency, in fiscal year 2019. The mission of the Roving Leaders Program is to prevent, neutralize, and control hostile behavior in youth through the development of positive relationships between teens/youth and outreach workers. Other factors that contributed to this increase include: the rise in sub-grant payments and personnel costs mostly associated with Victim Services programs and an increase in contract charges for the Guideline Reporting Information Data (GRID) system, which is used by the Metropolitan Police Department to analyze criminal justice and sentencing data.

Public Education System

Expenditures in the Public Education System increased primarily due to an increase in the Uniform Per Student Funding rate caused by inflation and increased student enrollment. The increase in expenditures was also attributed to spending increases supporting the expansion of afterschool and summer programs and Out of School Time Grants and Youth Outcomes programs. Additional expenditure increases included

spending to support the Child Care Subsidy Program and union contract charges to operate the Special Education Transportation program, which provides safe, reliable and efficient transportation for eligible District students.

Human Support Services

Human Support Services agencies provide an array of services to sustain, support and assist the District's most vulnerable residents in the areas of homelessness, substance and mental abuse, the prevention and promotion of health and wellness, and other human welfare issues through such programs as Medicaid, Temporary Assistance for Needy Families (TANF) and the Supplemental Nutrition Assistance Program (SNAP). The increase in expenditures in fiscal year 2019 was primarily due to higher Medicaid program enrollment along with medical rate increases, and higher administrative costs associated with operating those programs. This increase was also attributed to the higher costs of implementing the District of Columbia Access System (DCAS), which is used by the Department of Health Care Finance to enhance the participant eligibility determination and approval processes for the Medicaid, SNAP, and TANF programs.

Public Works

Public Works expenditures increased in fiscal year 2019 as a result of the Circulator Program being moved from the Washington Metropolitan Area Transit Authority (WMATA) to the District Department of Transportation (DDOT). WMATA implemented the program in prior years; however, DDOT began administering the program in fiscal year 2019. Consequently, in that year, DDOT incurred additional costs associated with obtaining new Circulator buses and establishing new and/or expanding existing bus routes. Additional costs were incurred for stormwater permit review; to replace lead water service lines and improve health and environmental standards; to support full implementation of the Clean Energy DC Act to increase energy efficiency and help transition the District to renewable energy sources; to administer the DC sustainable Energy Utility programs including building Community Renewable Energy Facilities (CREFs), installing solar photovoltaic PV systems on single family homes, and implementing DC Solar for All initiative; and to keep the Clean Rivers Impervious Area Charge (CRIAC) affordable to low- and moderate-income households and nonprofit organizations. There were also increases in spending for the Bikeshare Program due to increased utilization.

Public Transportation

The District, along with other jurisdictions in the metropolitan region, provides funding to support the operations of the Washington Metropolitan Area Transit Authority (WMATA). Increases in Public Transportation expenditures in fiscal year 2019 resulted from increased WMATA operating cost, which led to increased subsidies being paid by the District.

Capital Expenditures and Financing

The District spent $1,388,729 on general capital improvements which exceeded the general capital improvements revenues of $236,497 by $1,152,232. This deficiency was subsequently financed with a net total of $1,296,156 from bond proceeds and other financing sources and uses. The net change in fund balance was an increase of $143,924, which resulted in a cumulative negative fund balance of $378,421.

The District's investments in capital improvements are based on need rather than available current year resources. It is the District's financial policy to issue bonds to support the expenditures associated with its Capital Improvements Program. In order to minimize the cost of carrying debt, the District has instituted the practice of issuing bonds based on actual expenditures, in some cases, and on the annual amount budgeted. However, agencies are authorized to spend their annual appropriated capital budget in advance of financing. The General Fund advances the amount of the funding, and is repaid with the proceeds from the bonds when issued. This allows the District to determine when it will enter the market to issue bonds based upon cash flow needs, favorable market rates, the total amount of municipal debt financing, and the types of credits that are available. This flexibility helps to minimize borrowing costs and maximize the pool of potential investors for the District's debt issuances.

Housing Production Trust Fund

At the end of fiscal year 2019, the Housing Production Trust Fund (HPTF) long-term loans receivable balance was $850,280, an increase of $127,985 or 17.72% from the balance at the end of the preceding fiscal year. Repayment of most of the HPTF loans has been deferred for extended periods of time in accordance with the associated loan agreements, in some instances up to 40 years. Deferring the repayment to that many years in the future makes it difficult to assess and reasonably estimate the collectability and net realizable value of the loans. For this reason, 100% of the deferred portion of the HPTF loans is reserved as potentially unrealizable. The gross balance of the long-term loans receivable is reported net of the related allowance for doubtful accounts as other long-term assets. As of September 30, 2019, this net balance was $93,959.

Table MDA-7 presents the Housing Production Trust Fund long-term loans receivable balances and the corresponding allowance for doubtful accounts for fiscal years 2015 through 2019.

Table MDA-7
Housing Production Trust Fund (HPTF) Long-Term Loans Receivable Balances ($000s)

	2015	2016	2017	2018	2019
HPTF long-term loans receivable	$ 407,882	$ 495,820	$ 605,479	$ 722,295	$ 850,280
Less: allowance for doubtful accounts	365,585	440,948	510,465	624,559	756,321
Net long-term loans receivable (other long-term assets)	**$ 42,297**	**$ 54,872**	**$ 95,014**	**$ 97,736**	**$ 93,959**

Proprietary Funds

The District has three major Proprietary Funds: the Office of Lottery and Gaming (the Lottery), the Unemployment Compensation Fund (Unemployment) and the Not-for-Profit Hospital Corporation.

The total assets of the Lottery decreased by $19, or 0.10%, compared to the prior year, due to increased prize payouts.

Total assets of Unemployment increased by $44,012, or 8.90%, due to a low unemployment rate which resulted in less benefit payments. As a result, more cash was on deposit with the U.S. Treasury at the end of fiscal year 2019.

The total assets of the Not-for-Profit Hospital Corporation decreased by $4,180, or 3.31%, mainly due to decreases in net patient receivables as a result of decreased patient service revenues in fiscal year 2019 compared to prior year.

Total net position of the District's proprietary funds increased by $50,079, or 9.34%, over the prior year. Exhibits 3-a, 3-b, and 3-c on pages 56 through 58 present the financial statements of the proprietary funds.

Charts MDA-3 and **MDA-4** graphically present comparisons of the revenues and expenses of the District's proprietary funds, based on information contained in the Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds, shown on page 57.

Chart MDA-3
Operating Revenues and Expenses – Business-Type Activities ($000s)

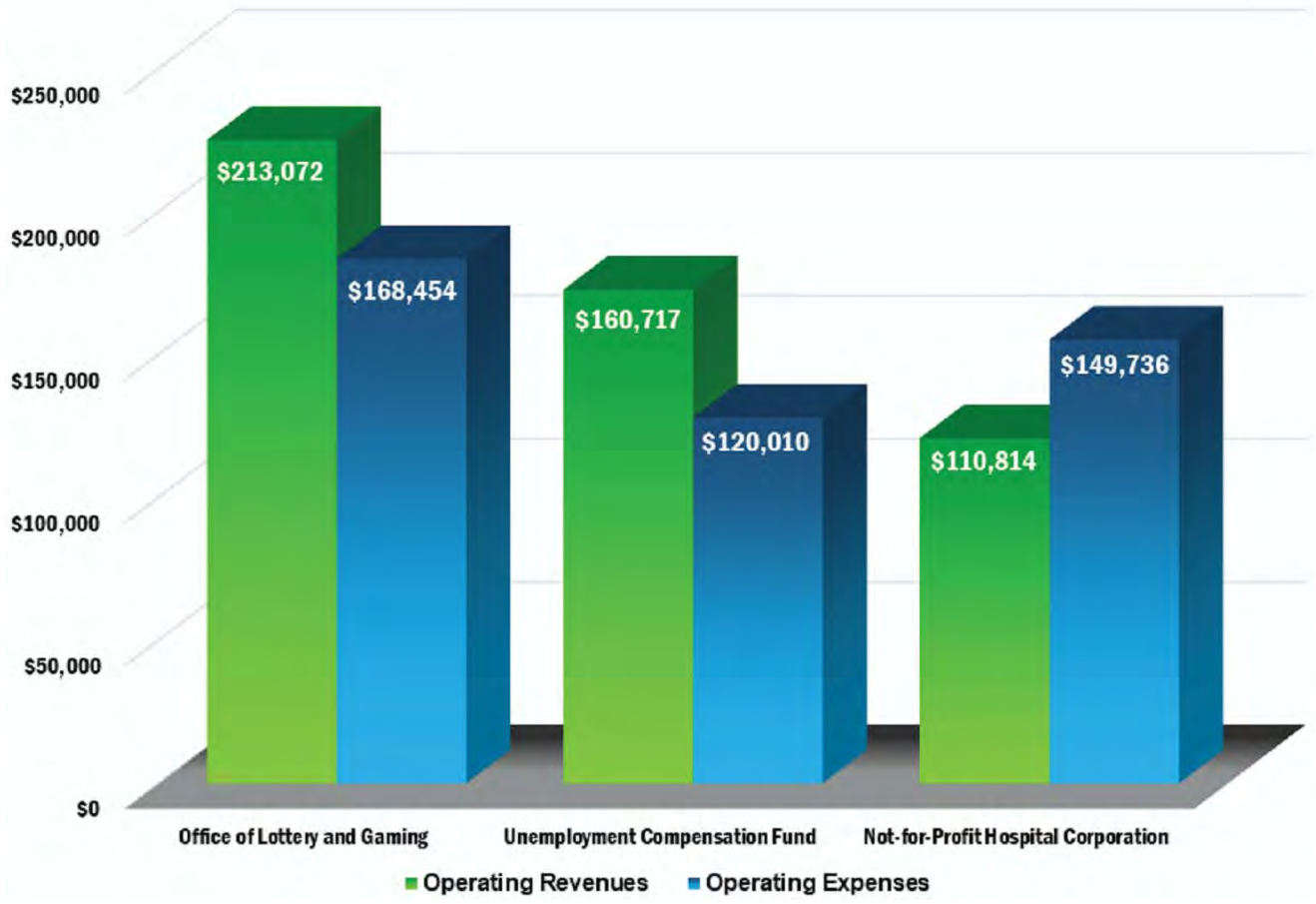
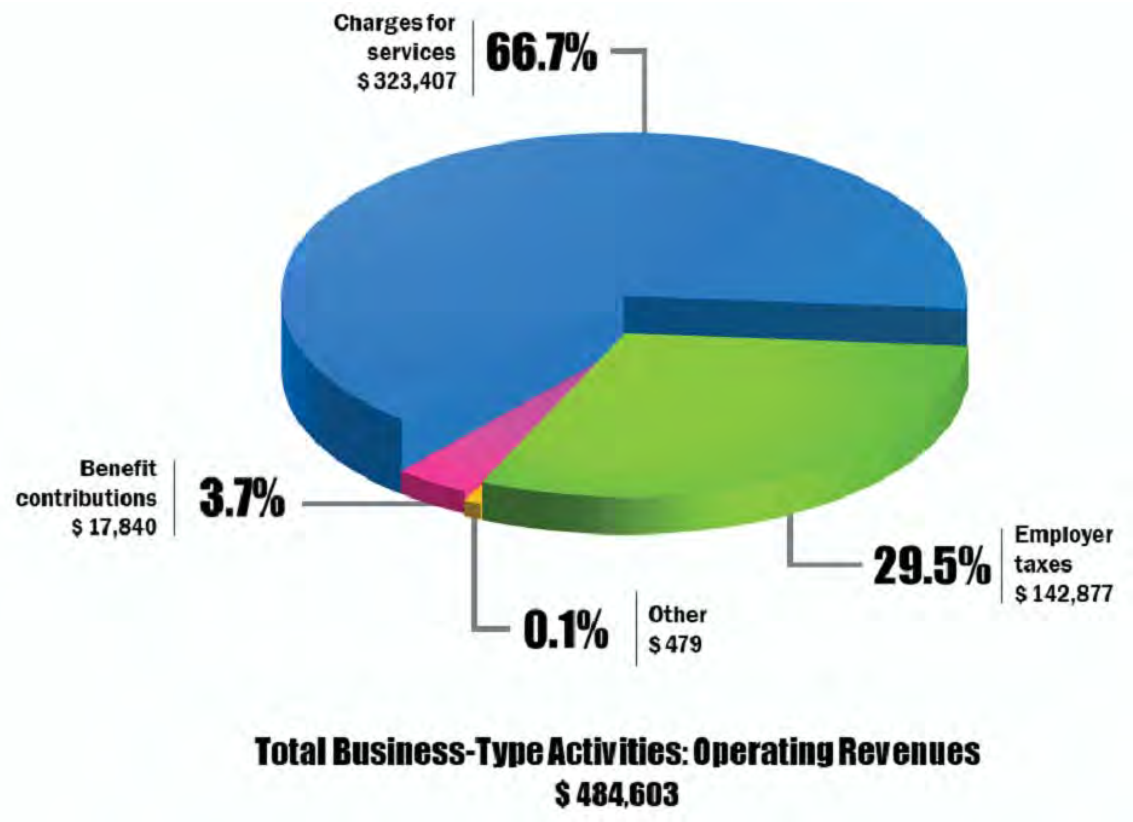


Chart MDA-4
Operating Revenues by Source – Business-Type Activities ($000s)



Fiduciary Funds

The Trust and Agency Funds are used to account for assets held by the District as trustee for individuals, private organizations, or other governments. The District is the trustee or fiduciary for its employees' pension plans and other postemployment benefits (OPEB). All fiduciary activities are reported in Exhibit 4-a, Statement of Fiduciary Net Position and Exhibit 4-b, Statement of Changes in Fiduciary Net Position on pages 59 and 60, respectively. Exhibits C-1, C-2, and C-3, presented on pages 170, 171, and 172, respectively, provide additional information. These activities are excluded from the District's governmental and business-type activities because resources of fiduciary funds are restricted and are not available to support the District's operations. The changes in the net position restricted for Pension and OPEB Trust Funds are presented in **Table MDA-8**.

Table MDA-8
Variances in Net Position Restricted for Pension and OPEB Trust Funds ($000s)

Trust fund	2019	2018	Dollar Variance	Percentage Variance
Police and fire fighters pension	$ 6,256,363	$ 6,023,770	$ 232,593	3.86%
Teachers pension	2,264,482	2,176,106	88,376	4.06%
Other postemployment benefits	1,509,103	1,462,030	47,073	3.22%
Total net position restricted for pension and OPEB trust funds	**$ 10,029,948**	**$ 9,661,906**	**$ 368,042**	3.81%

Net position of the fiduciary funds increased mainly as a result of positive investment returns in fiscal year 2019.

A Private-Purpose Trust Fund is used to report any trust arrangement not reported in the Pension or OPEB Trust Funds under which principal and income benefit specific individuals, private organizations, or other governments. The District's 529 College Savings Investment Plan, which is designed to help families save for the higher education expenses of designated beneficiaries, comprises the Private-Purpose Trust Fund.

Component Units

Discretely presented component units are legally separate organizations that meet the following criteria: (a) the District appoints a voting majority of the entity's governing board and (b) there is a financial benefit/burden relationship between the District and the entity, or the District is able to impose its will on the entity. Consistent with these criteria, the District reports four discretely presented component units:(1) Health Benefit Exchange Authority; (2) Washington Convention and Sports Authority (t/a Events DC); (3) Housing Finance Agency; and (4) University of the District of Columbia.

Other component units have operations that are so intertwined with those of the primary government that they function, for all practical purposes, as an integral part of the primary government. These are reported as blended component units. A component unit should be blended when the primary government and the component unit share a common governing body and (a) there is a financial benefit or burden relationship between the primary government and the entity, or (b) the primary government has operational responsibility for the entity. In addition, blending is required when the component unit meets any one of the following criteria: (a) the entity provides service entirely or almost entirely to the primary government; or otherwise exclusively or almost exclusively benefits the primary government, although it does not provide services directly to it; (b) the entity's total debt outstanding is expected to be repaid entirely or almost entirely with the primary government's resources; and (c) the organization is a not-for-profit corporation, in which the primary government is the sole corporate member.

The District reports two blended component units: (1) the Tobacco Settlement Financing Corporation (Tobacco Corporation) and (2) the Not-for-Profit Hospital Corporation (d/b/a United Medical Center). The Tobacco Corporation is a blended component unit because: (a) the District appoints the Tobacco Corporation's board; (b) the District is legally entitled to and can otherwise access the Tobacco Corporation's resources, which constitutes a benefit/burden relationship; and (c) the District has the ability to modify or approve the Tobacco Corporation's budget, which gives the District the ability to impose its will on the Tobacco Corporation. In addition, the Tobacco Corporation provides services entirely to the District. The Not-for-Profit Hospital Corporation is a blended component unit because: (a) there is a financial benefit/burden relationship between the District and the Not-for-Profit Hospital Corporation because the District has assumed the obligation to provide financial support to the Not-for-Profit Hospital Corporation to help sustain its operations; (b) the District is able to impose its will on the Not-for-Profit Hospital Corporation because the District has the ability to modify or approve the Not-for-Profit Hospital Corporation's budget; and (c) it is organized as a not-for-profit corporation, in which the District is the sole corporate member.

Each of the component units prepares its own independently audited financial statements, which are accompanied by their respective Management's Discussion and Analysis. Exhibits 5-a and 5-b, on pages 61 and 62, respectively, present the District's component units' financial information for fiscal year 2019. Information presented in these exhibits was extracted from each entity's separately issued financial statements.

Long-Term Debt

The District is empowered by law (Section 461 of the District of Columbia Home Rule Act, as amended) to issue General Obligation Bonds for the payment of the costs of acquiring capital assets or undertaking various capital projects and to refund indebtedness of the District. The District also issues Income Tax Secured Revenue Bonds pursuant to the Bond Authorization Act of 2008 (D.C. Code §§ 47-340.26 to 47-340.36). The payment of principal and interest on these bonds comes solely from the associated trust estate and the available pledged tax revenues. The Income Tax Secured Revenue Bonds are without recourse to the District, and are not a pledge of, and do not involve the full faith and credit or the taxing power of the District.

The District also issues, on a less frequent basis, other types of long-term debt, including Tax Increment Financing (TIF) Bonds, Housing Production Trust Fund (HPTF) Bonds, Qualified Zone Academy Bonds (QZAB), and other revenue bonds.

As of September 30, 2019, the District (including its business activities) had $12,920,327 in long-term debt outstanding, of which $10,479,276, or 81.11% was in the form of bonds and notes. Of the outstanding bonds, $5,611,815, or 53.55% were General Obligation Bonds, and $3,617,225, or 34.52% were Income Tax Secured Revenue Bonds.

Table MDA-9 presents the District's outstanding bonds and notes as of September 30, 2019.

Table MDA-9
Outstanding Bonds and Notes as of September 30, 2019 ($000s)

Type of bonds and notes	2019	2018	Dollar Variance	Percentage Variance
General obligation bonds - publicly offered	$ 5,037,300	$ 4,234,720	$ 802,580	18.95 %
General obligation bonds - direct placements	574,515	592,385	(17,870)	(3.02)%
Income tax secured revenue bonds	3,617,225	3,776,255	(159,030)	(4.21)%
Other bonds:				
Qualified zone academy bonds (QZAB) - direct placements	2,012	2,466	(454)	(18.41)%
Tobacco bonds	538,644	561,119	(22,475)	(4.01)%
Tax increment financing bonds - publicly offered	84,222	88,506	(4,284)	(4.84)%
Tax increment financing bonds - direct placements	17,400	17,400	-	0.00 %
Ballpark revenue bonds	230,165	285,480	(55,315)	(19.38)%
Federal highway grant anticipation revenue bonds (GARVEE)	74,715	82,620	(7,905)	(9.57)%
Deed tax revenue bonds (housing production trust fund program)	104,400	107,390	(2,990)	(2.78)%
PILOT revenue bonds - publicly offered	145,445	145,445	-	0.00 %
PILOT revenue bonds and notes - direct placements	53,233	74,253	(21,020)	(28.31)%
Total outstanding bonds and notes - governmental activities	**$ 10,479,276**	**$ 9,968,039**	**$ 511,237**	5.13 %

The $802,580 increase in publicly offered General Obligation Bonds, which was offset by a $17,870 decrease in the direct placements, resulted in a net increase of $784,710 in General Obligation Bonds in fiscal year 2019. This increase was due to the issuance of $937,775 Series 2019A General Obligation Bonds in February 2019. The proceeds of the bonds were used to finance capital project expenditures under the District's capital improvements plan, refinance GO bond anticipation notes and pay the costs and expenses of issuing the bonds. Interest rates on the Series 2019A Bonds range from 4.00% to 5.00%. The new issued bonds of $937,775 were offset by $153,065 in principal payments during the fiscal year.

For more information on the District's long-term debt activity, refer to Note 7, Long-Term Liabilities, on pages 113 through 125.

Capital Assets

The General Capital Improvements Fund is used to account for the purchase or construction of capital assets financed by transfers, capital grants, and debt. Capital assets include, but are not limited to: land, buildings, police and fire equipment, office equipment, park facilities, roads, and bridges. In fiscal year 2019, total net capital assets (capital assets less accumulated depreciation) increased by $768,159, or 5.55%, over the prior year. Total capital assets increased because the District has been investing resources in the construction of new assets and the rehabilitation of existing infrastructure, such as roads, streets, and bridges.

As of September 30, 2019, net capital assets totaled $14,603,288. Net capital assets of the governmental activities totaled $14,534,439 and net capital assets of the business-type activities totaled $68,849. The governmental activities depreciation charges for fiscal year 2019 totaled $459,009 compared to the prior year's amount of $453,675.

Table MDA-10 presents information on the District's net capital assets by class.

Table MDA-10
Net Capital Assets by Asset Class as of September 30, 2019 ($000s)

	Governmental Activities		Business-type Activities		Totals	
Asset class	**2019**	**2018**	**2019**	**2018**	**2019**	**2018**
Land	$ 964,409	$ 963,690	$ 8,100	$ 8,100	$ 972,509	$ 971,790
Buildings	7,567,567	7,280,055	46,043	49,368	7,613,610	7,329,423
Infrastructure	3,864,471	3,714,408	-	-	3,864,471	3,714,408
Equipment	461,649	410,017	13,866	14,584	475,515	424,601
Construction in progress	1,676,343	1,394,490	840	417	1,677,183	1,394,907
Total net capital assets	**$ 14,534,439**	**$ 13,762,660**	**$ 68,849**	**$ 72,469**	**$ 14,603,288**	**$ 13,835,129**

Note:
Additional information on the District's capital assets is presented in Note 5, Capital Assets, on pages 102 through 106.

REPORTING THE DISTRICT BUDGET

Overview

D.C. Code § 47-392.01(c) (1) (A) requires the District to prepare a balanced budget each year. After approval of the adopted budget, the Mayor submits the Federal Portion Budget Request Act to the President of the United States (the President) and then to Congress for approval. The Local Budget Act is forwarded by the Chairman of the Council to Congress. Congress can: (1) take no action on the Budget Act, in which case it becomes law after 30 Congressional days in the same manner as other District legislation; (2) reject the Budget Act; (3) affirmatively approve the Budget Act with or without Congressional amendments; or (4) adopt an appropriation for the District in the federal appropriations bill, in a continuing resolution, or as a stand-alone piece of legislation, in which case, that action controls.

The Chief Financial Officer is responsible for forecasting revenue for the District government. Each February, the Chief Financial Officer issues the official revenue estimate that is used to develop the District's budget for the next fiscal year. This estimate is revised as the new fiscal year begins and is periodically reviewed and adjusted quarterly to reflect current economic trends and outlook, new legislative mandates, and other similar factors. As the revenue estimates are revised, the District's expenditure budget may also be revised to be consistent with the updated revenue estimates.

General Fund Budgetary Highlights

The General Fund is the chief budgetary operating fund of the primary government. **Table MDA-11** presents variances between revised budget amounts and actual expenditures in a Schedule of General Fund Budgetary Basis Revenues and Expenditures for the fiscal year ended September 30, 2019.

Table MDA-11
Schedule of General Fund Budgetary Basis Revenues and Expenditures ($000s)

	Original Budget	Revised Budget	Actual	Variance (Actual to Revised Budget)
Revenues and other sources				
Taxes	$ 7,789,549	$ 7,988,525	$ 8,211,609	$ 223,084
Licenses and permits	132,911	136,847	146,955	10,108
Fines and forfeitures	152,469	179,441	195,392	15,951
Charges for services	77,443	77,562	77,487	(75)
Miscellaneous	103,760	167,121	199,407	32,286
Other sources	704,366	716,627	644,828	(71,799)
Bond proceeds	8,000	8,000	4,820	(3,180)
Fund balance released from restrictions	119,939	252,601	-	(252,601)
Interfund transfer from office of lottery and gaming	45,000	44,710	45,050	340
Interfund transfer - others	15,447	34,530	42,312	7,782
Total revenues and other sources	9,148,884	9,605,964	9,567,860	(38,104)
Expenditures and other uses				
Governmental direction and support	835,768	883,573	853,190	30,383
Economic development and regulation	595,881	621,967	538,468	83,499
Public safety and justice	1,190,765	1,249,992	1,237,849	12,143
Public education system	2,305,022	2,333,193	2,327,352	5,841
Human support services	2,151,727	2,152,119	2,132,213	19,906
Public works	861,283	895,400	856,610	38,790
Repay bonds and interest	759,363	718,575	715,784	2,791
Other expenditures and uses	423,874	432,077	429,529	2,548
Total expenditures and other uses	9,123,683	9,286,896	9,090,995	195,901
Excess of revenues and other sources over expenditures and other uses - budgetary basis	**$ 25,201**	**$ 319,068**	**$ 476,865**	**$ 157,797**

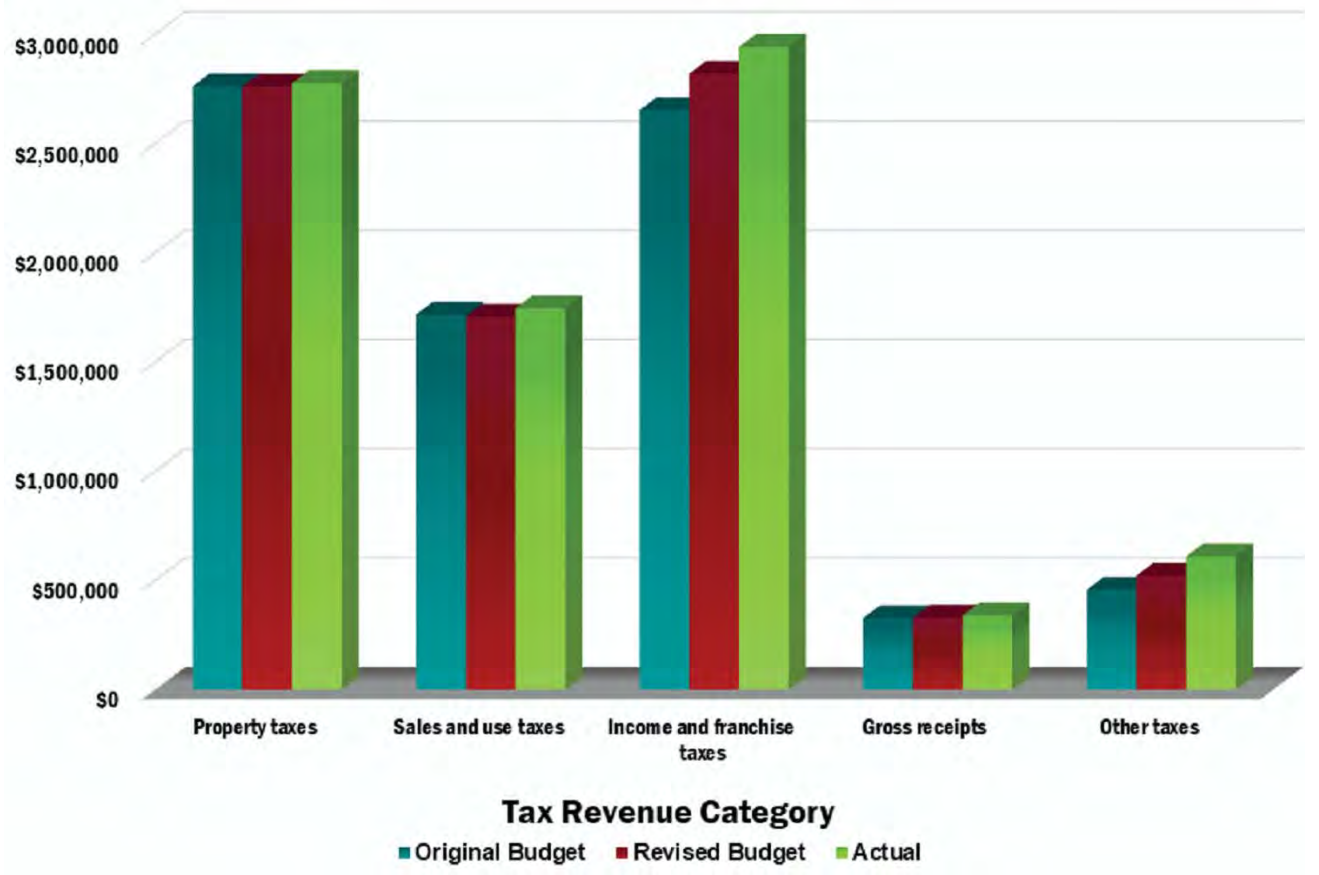
Revenues and Other Sources

As presented in **Table MDA-11**, actual General Fund revenues and other sources were $38,104 less than the revised budget. This variance was primarily due to the use of excess revenues instead of using fund balance released from restrictions to fund certain operating activities.

Fund balance released from restrictions is defined as the portion of assets that was restricted for either a period of time or for a particular purpose for which the imposed conditions have been met, allowing the assets to become available for use. In other words, this amount of fund balance was budgeted to help finance current year's operations. As presented in **Table MDA-11**, although budgeted, the District did not utilize fund balance to finance operations in fiscal year 2019 but rather relied on the city's revenues to meet operational needs.

Taxes comprised 85.82% of the General Fund's total revenues and other sources. **Chart MDA-5** graphically presents differences between the General Fund's original budget, final revised budget and actual revenues (by type of tax) for fiscal year 2019.

Chart MDA-5
FY 2019 Budgetary Comparison – Tax Revenues
Original and Revised Budgets With Actual Results ($000s)



For more detailed information, refer to the Schedule of Local Source Revenues for the General Fund, Exhibit A-4, presented on page 161.

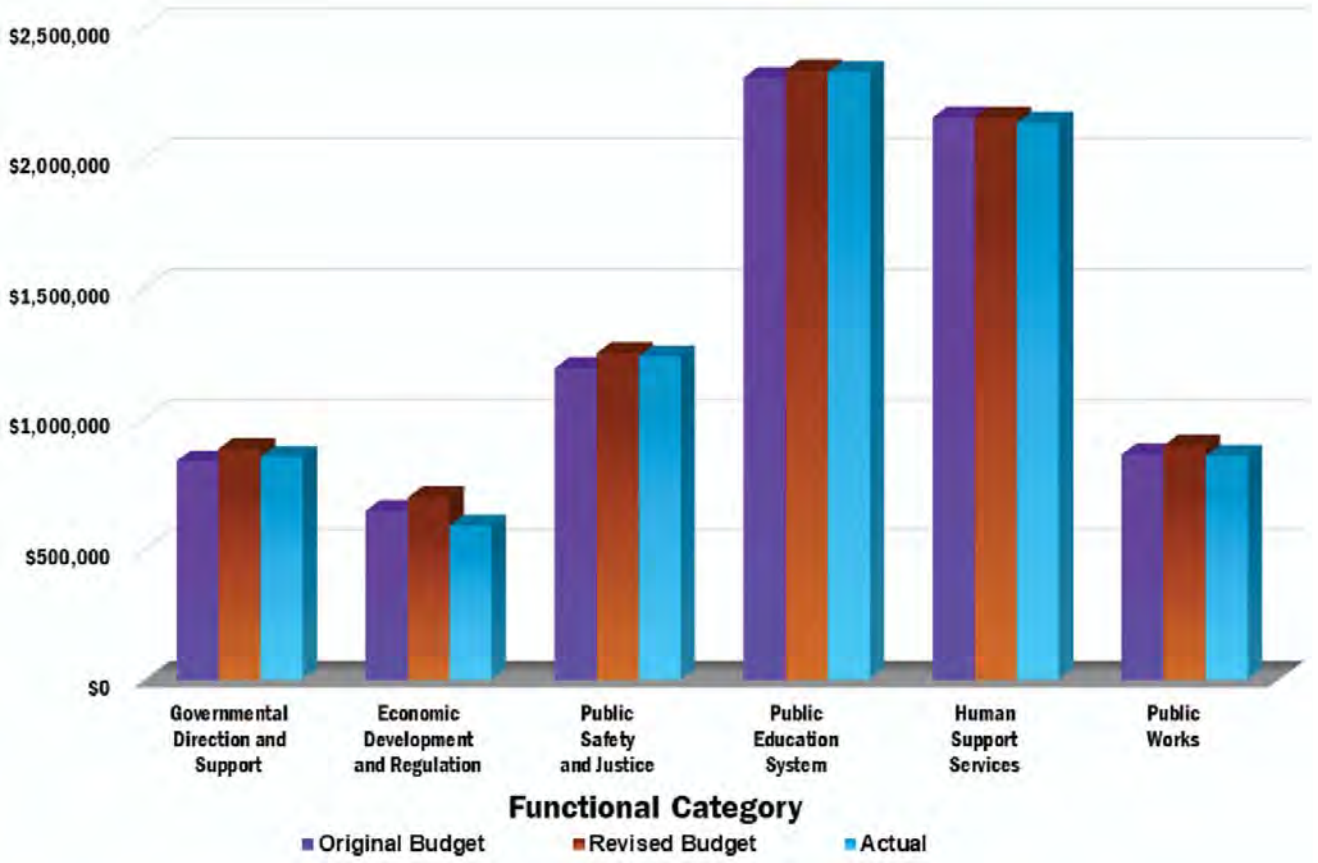
Expenditures and Other Uses

Actual General Fund expenditures and other uses were $195,901, or 2.11%, less than the revised budget. As presented in **Table MDA-11**, this variance was primarily due to underspending in the areas of Economic Development and Regulation, Public Works, and Governmental Direction and Support. The largest portion of the underspending totaling $120,540, or 16.82% of the corresponding revised budget, was in the Special Purpose Revenues fund. The local fund had an underspending of $75,361, or 0.88% of the revised budget in that fund.

Expenditures in Public Education, Human Support Services, and Public Safety and Justice comprised 62.67% of the total actual General Fund expenditures and other uses.

Chart MDA-6 graphically presents differences between the General Fund's original budget, revised budget, and actual expenditures (by functional category) for fiscal year 2019.

Chart MDA-6
FY 2019 Budgetary Comparison – General Fund Expenditures (by Function)
Original and Revised Budgets With Actual Results ($000s)



For more detailed information, refer to the budgetary schedules for the General Fund, Exhibit A-6, which are presented on pages 163.

SUBSEQUENT EVENTS

Income Tax Secured Revenue Bonds

In December 2019, the District issued: (1) $718,945 in tax-exempt Income Tax Secured Revenue Bonds, Series 2019A; (2) $60,000 federally taxable Income Tax Secured Revenue Bonds, Series 2019B; and (3) $583,395 in tax-exempt Income Tax Secured Revenue Refunding Bonds, Series 2019C.

The proceeds of the 2019A Bonds will be used to: (1) pay or reimburse the District for capital project expenditures under the District's capital improvements plan, (2) refund $205,000 General Obligation Bond Anticipation Notes, and (3) pay the costs and expenses of issuing and delivering the Series 2019A Bonds. The Series 2019A Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% and have a final maturity date of March 1, 2044.

The proceeds of the Series 2019B Bonds will be used to: (1) provide funds for the New Communities Initiative, (2) refund $40,000 in Income Tax Secured Bond Anticipation Notes, and (3) pay the costs and expenses of issuing and delivering the Series 2019B Bonds. The Series 2019B Bonds bear interest at a fixed rate ranging from 1.78% to 3.20% and have a final maturity date of March 1, 2039.

The proceeds of the Series 2019C Bonds will be used to: (1) refund Income Tax Secured Revenue Bonds Series 2009A, 2009B, 2009C; Deed Tax Revenue Bonds (HPTF - New Communities Project) Series 2007A; General Obligation Bonds Series 2007A and (2) pay the costs and expenses of issuing and delivering the 2019C Bonds. The Series 2019C Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% and have a final maturity date of October 1, 2036.

Tax Increment Revenue Bonds (The Bryant Street Project)

In October 2019, the District issued $17,300 in tax-exempt Tax Increment Revenue Bonds, Series 2019, for the Bryant Street Project. The proceeds of the Series 2019 Bonds will be used to: (1) fund public infrastructure costs associated with the Bryant Street Project, a mixed-use development project adjacent to the Rhode Island Metro station, (2) fund capitalized interest on the Bonds, and (3) pay the costs and expenses of issuing and delivering the Bonds. The Series 2019 Bonds bear fixed rate interest ranging from 4.00% to 5.00% and have a final maturity date of June 1, 2043.

PILOT Revenue Note Amendment (The Yards Project)

In December 2019, the District issued an amended PILOT Revenue Note, Series 2014 (The Yards Project) to amend a Continued Covenants Agreement dated December 18, 2014. The amended Series 2014 Note which increased the original Note amount of $34,800 to $62,800, was issued in accordance with the provisions of the Home Rule Act and the Payment in Lieu of Taxes Revenue Bonds Southeast Federal Center Project Approval Resolution of 2006, as modified by the Southeast Federal Center Payment In Lieu of Taxes Revision Emergency Approval Resolution of 2007. Series 2014 was issued to reimburse Forest City SEFC, LLC for certain development costs of public infrastructure within the Southeast Federal Center Project area. The amended Note bears interest at 83.00% of the LIBOR 30-day index plus 1.00% or the maximum market rate, and matures on December 17, 2024.

These subsequent events are presented in detail in Note 16, Subsequent Events on page 145.

CONTACTING THE DISTRICT'S OFFICE OF THE CHIEF FINANCIAL OFFICER

This CAFR is designed to provide a general overview of the District's finances and to demonstrate the effectiveness of the District's systems of accountability for the money it receives. If you have any questions regarding this report, suggestions for improvement, or need additional financial information, please contact:

Office of the Chief Financial Officer
John A. Wilson Building
1350 Pennsylvania Avenue, NW, Suite 203
Washington, DC 20004
(202) 727-2476
https://cfo.dc.gov

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BASIC FINANCIAL STATEMENTS

The basic financial statements include the *Government-Wide Financial Statements, Governmental Fund Financial Statements, Budgetary Comparison Statement, Proprietary Fund Financial Statements, Fiduciary Fund Financial Statements* and the *Discretely Presented Component Units 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 POSITION
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	Primary Government		Totals		
	Governmental Activities	Business-Type Activities	2019	2018	Component Units
ASSETS					
Cash and cash equivalents	$ 2,237,664	$ 45,147	$ 2,282,811	$ 1,615,265	$ 135,732
Investments	-	-	-	-	231,297
Taxes receivable, net	500,425	-	500,425	462,762	-
Accounts receivable, net	414,638	35,796	450,434	337,619	15,317
Other receivables	-	-	-	-	18,635
Due from federal government	569,025	698	569,723	432,014	-
Due from component units	5,064	309	5,373	3,887	-
Due from primary government	-	-	-	-	27,614
Internal balances	15,908	(15,908)	-	-	-
Inventories	10,303	1,273	11,576	9,790	-
Other current assets	12,653	1,958	14,611	11,203	15,502
Derivative instrument assets	379	-	379	359	-
Cash and cash equivalents (restricted)	1,590,256	524,003	2,114,259	2,022,148	185,110
Investments (restricted)	96,265	1,190	97,455	123,042	572,609
Other long-term assets	330,542	-	330,542	296,886	1,339,674
Net pension and OPEB assets	696,191	-	696,191	828,925	-
Depreciable capital assets, net	11,893,687	59,909	11,953,596	11,468,432	829,723
Non-depreciable capital assets	2,640,752	8,940	2,649,692	2,366,697	31,654
Total assets	21,013,752	663,315	21,677,067	19,979,029	3,402,867
DEFERRED OUTFLOWS OF RESOURCES					
Derivative instrument - hedge	27,660	-	27,660	21,031	-
Pension and OPEB	219,652	-	219,652	304,095	-
Advance refunding loss	4,685	-	4,685	5,371	10,363
Total deferred outflows of resources	251,997	-	251,997	330,497	10,363
Total assets and deferred outflows of resources	21,265,749	663,315	21,929,064	20,309,526	3,413,230
LIABILITIES					
Accounts payable	833,628	47,168	880,796	800,163	54,442
Compensation payable	189,109	8,938	198,047	200,000	16,938
Due to component units	27,614	-	27,614	20,088	-
Due to primary government	-	-	-	-	5,373
Accrued liabilities	420,541	9,867	430,408	382,257	12,984
Accrued interest payable	181,446	-	181,446	169,115	-
Unearned revenues	268,432	55	268,487	234,857	14,571
Derivative instrument liabilities	27,660	-	27,660	21,031	-
Other current liabilities	60,488	1,411	61,899	68,444	244,979
Long-term liabilities:					
Due within one year	765,815	456	766,271	671,387	50,041
Due in more than one year	12,144,627	9,429	12,154,056	11,443,803	1,975,814
Total liabilities	14,919,360	77,324	14,996,684	14,011,145	2,375,142
DEFERRED INFLOWS OF RESOURCES					
Capital lease gain	27,186	-	27,186	29,204	-
Pension and OPEB	246,257	-	246,257	581,864	15,042
Total deferred inflows of resources	273,443	-	273,443	611,068	15,042
Total liabilities and deferred inflows of resources	15,192,803	77,324	15,270,127	14,622,213	2,390,184
NET POSITION					
Net investment in capital assets	3,571,065	68,849	3,639,914	3,540,434	534,271
Restricted for:					
Expendable					
Pension and OPEB	439,777	-	439,777	465,394	-
Debt service	530,117	-	530,117	520,693	-
Benefit payments	-	489,395	489,395	459,203	-
Capital projects	43,540	14,036	57,576	56,643	-
Grants and special purposes	150,240	-	150,240	133,067	-
Budget reserves	208	-	208	452	-
Purpose restriction	121,466	-	121,466	132,017	-
Emergency reserves	447,787	-	447,787	419,504	-
Universal paid leave	70,613	-	70,613	-	-
Other	-	-	-	-	207,981
Nonexpendable	-	-	-	-	27,222
Unrestricted (deficit)	698,133	13,711	711,844	(40,094)	253,572
Total net position	**$ 6,072,946**	**$ 585,991**	**$ 6,658,937**	**$ 5,687,313**	**$ 1,023,046**

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, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

Functions/Programs	Expenses	Program Revenues: Charges for Services, Fees, Fines & Forfeitures	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: 2019	Primary Government: 2018	Component Units
GOVERNMENTAL ACTIVITIES									
Governmental direction and support	$ 1,157,810	$ 190,619	$ 37,735	$ -	$ (929,456)		$ (929,456)	$ (1,041,282)	
Economic development and regulation	700,346	268,190	62,190	-	(369,966)		(369,966)	(485,027)	
Public safety and justice	1,673,214	164,208	412,451	-	(1,096,555)		(1,096,555)	(931,728)	
Public education system	2,949,935	12,289	440,952	-	(2,496,694)		(2,496,694)	(2,538,264)	
Human support services	5,148,903	5,040	2,936,067	40,099	(2,167,697)		(2,167,697)	(2,072,255)	
Public works	860,918	229,398	27,045	218,401	(386,074)		(386,074)	(346,456)	
Public transportation	425,753	-	-	-	(425,753)		(425,753)	(419,198)	
Interest on long-term debt	425,812	-	-	-	(425,812)		(425,812)	(435,006)	
Total governmental activities	13,342,691	869,744	3,916,440	258,500	(8,298,007)		(8,298,007)	(8,269,216)	
BUSINESS-TYPE ACTIVITIES									
Office of lottery and gaming	168,454	213,072	-	-	-	$ 44,618	44,618	48,867	
Unemployment compensation	120,010	-	17,840	-	-	(102,170)	(102,170)	(114,928)	
Not-for-profit hospital corporation	149,736	110,335	479	-	-	(38,922)	(38,922)	(48,316)	
Total business-type activities	438,200	323,407	18,319	-	-	(96,474)	(96,474)	(114,377)	
Total primary government	$ 13,780,891	$ 1,193,151	$ 3,934,759	$ 258,500	(8,298,007)	(96,474)	(8,394,481)	(8,383,593)	
COMPONENT UNITS									
Health benefit exchange authority	$ 45,574	$ 4,743	$ -	$ -					$ (40,831)
Convention center	216,080	31,165	-	-					(184,915)
Housing finance	89,079	70,327	-	-					(18,752)
University of the District of Columbia	172,588	32,014	22,179	15,153					(103,242)
Total component units	$ 523,321	$ 138,249	$ 22,179	$ 15,153					(347,740)
GENERAL REVENUES:									
Taxes:									
Property					2,888,245	-	2,888,245	2,713,310	-
Sales and use					1,707,745	-	1,707,745	1,597,940	-
Income and franchise					2,969,289	-	2,969,289	2,666,690	-
Gross receipts					397,684	-	397,684	368,446	-
Other					583,429	142,877	726,306	652,219	-
Investment earnings					53,941	12,416	66,357	47,316	20,457
Miscellaneous					610,479	-	610,479	500,442	96,096
Subsidy from primary government					-	-	-	-	236,637
Transfer in (out)					8,740	(8,740)	-	-	-
Total general revenues and transfers					9,219,552	146,553	9,366,105	8,546,363	353,190
Change in net position					921,545	50,079	971,624	162,770	5,450
Net position as of October 1					5,151,401	535,912	5,687,313	5,524,543	1,017,596
Net position as of September 30					**$ 6,072,946**	**$ 585,991**	**$ 6,658,937**	**$ 5,687,313**	**$ 1,023,046**

The accompanying notes are an integral part of this statement.

Exhibit 2-a

DISTRICT OF COLUMBIA
BALANCE SHEET
Governmental Funds
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	General	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total 2019	Total 2018
ASSETS							
Cash and cash equivalents	$ 2,237,664	$ -	$ -	$ -	$ -	$ 2,237,664	$ 1,574,313
Taxes receivable, net	496,453	-	-	-	3,972	500,425	462,762
Accounts receivable, net	373,241	7,409	252	655	33,081	414,638	298,991
Due from federal government	53	454,580	-	114,392	-	569,025	431,228
Due from other funds	468,830	16,181	9,874	-	13,668	508,553	670,098
Due from component units	3,399	-	-	-	1,665	5,064	3,887
Inventories	10,303	-	-	-	-	10,303	8,270
Other current assets	10,967	1,668	-	-	18	12,653	9,261
Cash and cash equivalents (restricted)	991,582	111,397	130,667	30,136	326,474	1,590,256	1,540,408
Investments (restricted)	41,758	-	2,147	-	52,360	96,265	121,495
Other long-term assets	102,036	83,786	93,959	31,761	-	311,542	277,885
Total assets	$ 4,736,286	$ 675,021	$ 236,899	$ 176,944	$ 431,238	$ 6,256,388	$ 5,398,598
LIABILITIES							
Accounts payable	$ 491,432	$ 95,445	$ -	$ 239,948	$ 6,803	$ 833,628	$ 749,859
Compensation payable	172,187	14,185	-	2,606	131	189,109	191,359
Due to other funds	35,157	206,809	-	249,679	1,000	492,645	645,968
Due to component units	19,188	1,834	-	1,704	4,888	27,614	20,088
Accrued liabilities	258,588	116,552	-	-	686	375,826	339,673
Unearned revenue	71,067	72,379	93,959	31,027	-	268,432	234,813
Other current liabilities	53,178	-	-	5,300	2,010	60,488	64,802
Total liabilities	1,100,797	507,204	93,959	530,264	15,518	2,247,742	2,246,562
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenues	382,173	17,577	-	25,101	4,151	429,002	258,264
FUND BALANCES							
Nonspendable	10,303	-	-	-	-	10,303	8,270
Restricted	1,132,630	150,240	142,940	-	411,569	1,837,379	1,745,452
Committed	2,041,133	-	-	-	-	2,041,133	1,635,148
Assigned	69,250	-	-	-	-	69,250	27,247
Unassigned	-	-	-	(378,421)	-	(378,421)	(522,345)
Total fund balances	3,253,316	150,240	142,940	(378,421)	411,569	3,579,644	2,893,772
Total liabilities, deferred inflows of resources and fund balances	$ 4,736,286	$ 675,021	$ 236,899	$ 176,944	$ 431,238		$ 5,398,598

Amounts reported for governmental activities in the statement of net position (Exhibit 1-a) are different because:			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds.			14,534,439
Certain long-term assets are not available to pay current period expenditures and are therefore not recognized as revenues in the governmental funds.			
Unavailable tax revenues (Exhibit A-1)	$	145,607	
Other general fund unavailable revenues (Exhibit A-1)		236,566	
Unavailable revenues - federal & private resources (Exhibit 2-a)		17,577	
Unavailable revenues - general capital improvements (Exhibit 2-a)		25,101	
Unavailable revenues - nonmajor funds (Exhibit 2-a)		4,151	
Net unavailable revenue			429,002
Deferred inflows of resources - capital lease gain (Exhibit 1-a)			(27,186)
Deferred inflows of resources - pension and OPEB (Exhibit 1-a)			(246,257)
Deferred outflows of resources - pension and OPEB (Exhibit 1-a)			219,652
Net pension and OPEB asset (Exhibit 1-a)			696,191
Retainage liability not to be paid with current resources			(44,715)
Advance refunding loss (Exhibit 1-a)			4,685
Derivative instrument asset (Exhibit 1-a)			379
Other long-term receivables (Walter Reed)			19,000
Certain liabilities are not due and payable in the current period:			
General obligation bonds (Note 7, Table N7-1)	$	5,611,815	
Income tax revenue bonds (Note 7, Table N7-1)		3,617,225	
Tobacco settlement bonds (Note 7, Table N7-1)		538,644	
TIF bonds (Note 7, Table N7-1)		101,622	
GARVEE (Note 7, Table N7-1)		74,715	
Ballpark bonds (Note 7, Table N7-1)		230,165	
QZAB (Note 7, Table N7-1)		2,012	
Accrued interest payable (Exhibit 1-a)		181,446	
Deed tax revenue bonds (Note 7, Table N7-1)		104,400	
PILOT revenue bonds and notes (Note 7, Table N7-1)		198,678	
Other long-term liabilities (Note 7, Table N7-1)		2,431,166	
Total liabilities not due and payable in the current period:			(13,091,888)
Net position of governmental activities			**$ 6,072,946**

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, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	General	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total 2019	Total 2018
REVENUES							
Taxes:							
Property taxes	$ 2,822,535	$ -	$ -	$ -	$ 52,642	$ 2,875,177	$ 2,708,438
Sales and use taxes	1,646,523	-	-	-	61,222	1,707,745	1,597,939
Income and franchise taxes	2,941,982	-	-	-	-	2,941,982	2,641,586
Gross receipts taxes	342,072	-	-	-	55,612	397,684	368,446
Other taxes	509,107	-	74,322	-	-	583,429	508,151
Fines and forfeitures	202,194	-	-	-	-	202,194	168,486
Licenses and permits	172,493	-	-	-	-	172,493	133,938
Charges for services	302,902	3,345	-	1,000	70,452	377,699	305,626
Miscellaneous	499,555	31,772	15,570	840	43,928	591,665	514,926
Investment earnings	44,734	2,946	59	523	5,682	53,944	36,273
Federal contributions	-	556,431	-	-	-	556,431	528,300
Operating grants	-	3,360,009	-	234,134	-	3,594,143	3,407,169
Total revenues	9,484,097	3,954,503	89,951	236,497	289,538	14,054,586	12,919,278
EXPENDITURES							
Current:							
Governmental direction and support	1,031,085	41,710	-	-	38,486	1,111,281	1,095,013
Economic development and regulation	493,879	63,798	150,559	-	-	708,236	665,315
Public safety and justice	1,236,656	412,466	-	-	-	1,649,122	1,621,278
Public education system	2,357,340	431,770	-	-	-	2,789,110	2,735,135
Human support services	2,148,238	2,941,289	-	-	-	5,089,527	4,758,686
Public works	433,141	28,272	-	-	-	461,413	418,694
Public transportation	425,753	-	-	-	-	425,753	419,198
Debt service:							
Principal	319,351	-	-	7,905	113,724	440,980	402,532
Interest	407,168	17,525	-	3,871	52,625	481,189	477,632
Fiscal charges	6,368	-	-	-	-	6,368	7,322
Capital outlay	-	-	-	1,376,953	43,803	1,420,756	1,445,192
Total expenditures	8,858,979	3,936,830	150,559	1,388,729	248,638	14,583,735	14,045,997
Excess (deficiency) of revenues over (under) expenditures	625,118	17,673	(60,608)	(1,152,232)	40,900	(529,149)	(1,126,719)
OTHER FINANCING SOURCES (USES)							
Debt issuance	4,820	-	-	1,032,955	10,630	1,048,405	1,157,635
Refunding debt issuance	290,000	-	-	-	-	290,000	401,095
Premium on sale of bonds	-	-	-	157,045	-	157,045	163,318
Payment to refunded bond escrow agent	(290,000)	-	-	-	-	(290,000)	(444,960)
Transfers in	97,554	-	36,151	150,293	101,161	385,159	342,751
Transfers out	(251,390)	(500)	-	(44,137)	(80,392)	(376,419)	(330,671)
Sale of capital assets	831	-	-	-	-	831	21,239
Total other financing sources (uses)	(148,185)	(500)	36,151	1,296,156	31,399	1,215,021	1,310,407
Net change in fund balances	476,933	17,173	(24,457)	143,924	72,299	685,872	183,688
Fund balances as of October 1	2,776,383	133,067	167,397	(522,345)	339,270	2,893,772	2,710,084
Fund balances as of September 30	**$ 3,253,316**	**$ 150,240**	**$ 142,940**	**$ (378,421)**	**$ 411,569**	**$ 3,579,644**	**$ 2,893,772**

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, 2019
($000s)

Net change in fund balances - total governmental funds		$ 685,872
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 that are capitalized exceeded depreciation expense in the current period.		
Capital outlay capitalized (Note 5, Table N5-1)	$ 1,216,618	
Depreciation expense (Note 5, Table N5-1)	(459,009)	
Depreciable capital asset additions (Note 5, Table N5-1)	19,269	
Transfers/dispositions (Note 5, Table N5-1)	(5,099)	
Net adjustment		771,779
Deferred inflows of resources, including 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.		
Current year deferred inflows of resources reported in Exhibit 2-a	429,002	
Prior year deferred inflows of resources reported in Exhibit 2-a	(258,264)	
Net adjustment		170,738
Proceeds from long-term liabilities provide current financial resources to governmental funds, but issuing debt increases the long-term liabilities in the statement of net position. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position. This is the amount by which long-term liabilities additions exceeded reductions. (Note 7, Table N7-21)		
Long-term liabilities additions	(1,734,070)	
Long-term liabilities reductions	931,548	
Net adjustment		(802,522)
Pension and OPEB expenses reported in statement of activities was adjusted to reflect the difference between the actuarial assumptions and actual performance of the District retirement funds.		
Change in net pension assets - police officers and fire fighters' fund (Note 8, Table N8-6)	(106,106)	
Change in net OPEB assets - OPEB fund (Note 9, Table N9-5)	(26,628)	
Increase in deferred outflows of resources - teachers fund over prior year (Note 8, Table N8-8)	15,527	
Decrease in deferred outflows of resources - police officers and fire fighters over prior year (Note 8, Table N8-8)	(150,715)	
Increase in deferred outflows of resources - OPEB fund over prior year (Note 8, Table N9-8)	50,745	
Decrease in deferred inflows of resources - teachers' retirement fund over prior year (Note 8, Table N8-8)	103,448	
Decrease in deferred inflows of resources - police officers and fire fighters' fund over prior year (Note 8, Table N8-8)	274,068	
Increase in deferred inflows of resources - OPEB fund over prior year (Note 8, Table N9-8)	(41,910)	
Net adjustment		118,429
Other adjustments include:		
Change in advance refunding loss amortization over prior year (Exhibit 1-a)	(686)	
Change in realized capital lease gain over prior year (Exhibit 1-a)	2,018	
Increase in long-term accrued interest payable over prior year (Exhibit 1-a)	(12,331)	
Increase in retainage payables over prior year	(11,772)	
Net adjustment		(22,771)
Investment income from investment derivative instruments (Note 2, Table N2-13)		20
Change in net position of governmental activities		**$ 921,545**

The accompanying notes are an integral part of this statement.

Exhibit 2-d

DISTRICT OF COLUMBIA
BUDGETARY COMPARISON STATEMENT
For the Year Ended September 30, 2019
($000s)

	General Fund				Federal and Private Resources				Totals			
	Budget				Budget				Budget			
	Original	Revised	Actual	Variance	Original	Revised	Actual	Variance	Original	Revised	Actual	Variance
REVENUES AND OTHER SOURCES												
Taxes:												
Property taxes	$ 2,761,068	$ 2,760,834	$ 2,775,115	$ 14,281	$ -	$ -	$ -	$ -	$ 2,761,068	$ 2,760,834	$ 2,775,115	$ 14,281
Sales and use taxes	1,616,673	1,607,510	1,646,000	38,490	-	-	-	-	1,616,673	1,607,510	1,646,000	38,490
Income and franchise taxes	2,652,860	2,819,396	2,941,982	122,586	-	-	-	-	2,652,860	2,819,396	2,941,982	122,586
Gross receipts and other taxes	758,948	800,785	848,512	47,727	-	-	-	-	758,948	800,785	848,512	47,727
Total taxes	7,789,549	7,988,525	8,211,609	223,084	-	-	-	-	7,789,549	7,988,525	8,211,609	223,084
Licenses and permits	132,911	136,847	146,955	10,108	-	-	-	-	132,911	136,847	146,955	10,108
Fines and forfeitures	152,469	179,441	195,392	15,951	-	-	-	-	152,469	179,441	195,392	15,951
Charges for services	77,443	77,562	77,487	(75)	-	-	-	-	77,443	77,562	77,487	(75)
Miscellaneous	103,760	167,121	199,407	32,286	-	-	-	-	103,760	167,121	199,407	32,286
Other sources	704,366	716,627	644,828	(71,799)	-	-	-	-	704,366	716,627	644,828	(71,799)
Federal contributions	-	-	-	-	93,150	60,149	58,150	(1,999)	93,150	60,149	58,150	(1,999)
Operating grants	-	-	-	-	3,426,672	3,422,108	3,168,379	(253,729)	3,426,672	3,422,108	3,168,379	(253,729)
Bond proceeds	8,000	8,000	4,820	(3,180)	-	-	-	-	8,000	8,000	4,820	(3,180)
Fund balance released from restrictions	119,939	252,601	-	(252,601)	-	-	-	-	119,939	252,601	-	(252,601)
Interfund transfer-from office of lottery and gaming	45,000	44,710	45,050	340	-	-	-	-	45,000	44,710	45,050	340
Interfund transfer-others	15,447	34,530	42,312	7,782	-	-	-	-	15,447	34,530	42,312	7,782
Total revenues and other sources	9,148,884	9,605,964	9,567,860	(38,104)	3,519,822	3,482,257	3,226,529	(255,728)	12,668,706	13,088,221	12,794,389	(293,832)
EXPENDITURES AND OTHER USES												
Governmental direction and support	835,768	883,573	853,190	30,383	33,232	30,525	28,810	1,715	869,000	914,098	882,000	32,098
Economic development and regulation	595,881	621,967	538,468	83,499	88,126	71,211	64,505	6,706	684,007	693,178	602,973	90,205
Public safety and justice	1,190,765	1,249,992	1,237,849	12,143	165,927	87,120	83,601	3,519	1,356,692	1,337,112	1,321,450	15,662
Public education system	2,305,022	2,008,144	2,002,303	5,841	353,941	322,271	256,583	65,688	2,658,963	2,330,415	2,258,886	71,529
Public education AY20 expenditure	-	325,049	325,049	-	-	-	-	-	-	325,049	325,049	-
Human support services	2,151,727	2,152,119	2,132,213	19,906	2,808,986	2,910,298	2,710,978	199,320	4,960,713	5,062,417	4,843,191	219,226
Public works	861,283	895,400	856,610	38,790	40,085	29,281	28,272	1,009	901,368	924,681	884,882	39,799
Repayment of loans and interest	741,363	703,796	703,796	-	17,525	17,525	17,525	-	758,888	721,321	721,321	-
Debt service - issuance costs	8,000	8,000	5,209	2,791	-	-	-	-	8,000	8,000	5,209	2,791
Commercial paper program	10,000	6,779	6,779	-	-	-	-	-	10,000	6,779	6,779	-
Settlements and judgments fund	21,825	21,825	21,825	-	-	-	-	-	21,825	21,825	21,825	-
Wilson building	4,726	4,726	4,256	470	-	-	-	-	4,726	4,726	4,256	470
D.C. retiree health contribution	46,000	46,000	46,000	-	-	-	-	-	46,000	46,000	46,000	-
Repayment of revenue bonds	7,839	7,829	7,829	-	-	-	-	-	7,839	7,829	7,829	-
Convention center transfer	158,958	151,398	151,398	-	-	-	-	-	158,958	151,398	151,398	-
Highway transportation fund	28,176	30,693	30,693	-	-	-	-	-	28,176	30,693	30,693	-
Emergency planning and security fund	-	5,400	5,400	-	12,000	14,026	14,026	-	12,000	19,426	19,426	-
Workforce investment council	51,767	447	-	447	-	-	-	-	51,767	447	-	447
Operating lease-equipment	11,844	11,844	11,844	-	-	-	-	-	11,844	11,844	11,844	-
Emergency and contingency reserve funds	-	1,252	-	1,252	-	-	-	-	-	1,252	-	1,252
Pay-as-you-go capital fund	86,467	150,284	150,284	-	-	-	-	-	86,467	150,284	150,284	-
Non-departmental	6,272	379	-	379	-	-	-	-	6,272	379	-	379
Total expenditures and other uses	9,123,683	9,286,896	9,090,995	195,901	3,519,822	3,482,257	3,204,300	277,957	12,643,505	12,769,153	12,295,295	473,858
Excess of revenues and other sources over expenditures and other uses - budgetary basis	**$ 25,201**	**$ 319,068**	**$ 476,865**	**$ 157,797**	**$ -**	**$ -**	**$ 22,229**	**$ 22,229**	**$ 25,201**	**$ 319,068**	**$ 499,094**	**$ 180,026**

The accompanying notes are an integral part of this statement.

Exhibit 3-a

DISTRICT OF COLUMBIA
STATEMENT OF NET POSITION
Proprietary Funds
September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals 2019	Totals 2018
ASSETS					
Current assets:					
Cash and cash equivalents	$ 13,214	$ -	$ 31,933	$ 45,147	$ 40,952
Accounts receivable, net	3,858	13,643	18,295	35,796	38,628
Due from federal government	-	698	-	698	786
Due from other funds	-	455	139	594	420
Due from component units	-	-	309	309	-
Inventories	-	-	1,273	1,273	1,520
Other current assets	3	-	1,955	1,958	1,942
Cash and cash equivalents (restricted)	-	524,003	-	524,003	481,740
Total current assets	17,075	538,799	53,904	609,778	565,988
Noncurrent assets:					
Investments (restricted)	1,190	-	-	1,190	1,547
Depreciable capital assets, net	595	-	59,314	59,909	63,952
Non-depreciable capital assets	-	-	8,940	8,940	8,517
Total noncurrent assets	1,785	-	68,254	70,039	74,016
Total assets	18,860	538,799	122,158	679,817	640,004
LIABILITIES					
Current liabilities:					
Accounts payable	2,123	32,916	12,129	47,168	50,304
Accrued compensated absences	350	-	8,588	8,938	8,641
Due to other funds	14	16,488	-	16,502	24,550
Accrued liabilities	9,867	-	-	9,867	9,641
Unearned revenues	55	-	-	55	44
Other current liabilities	-	-	1,411	1,411	3,642
Long-term liabilities due within one year	456	-	-	456	443
Total current liabilities	12,865	49,404	22,128	84,397	97,265
Noncurrent liabilities:					
Long-term liabilities due in more than one year	1,300	-	8,129	9,429	6,827
Total noncurrent liabilities	1,300	-	8,129	9,429	6,827
Total liabilities	14,165	49,404	30,257	93,826	104,092
NET POSITION					
Net investment in capital assets	595	-	68,254	68,849	72,469
Restricted - expendable	-	489,395	14,036	503,431	459,203
Unrestricted	4,100	-	9,611	13,711	4,240
Total net position	**$ 4,695**	**$ 489,395**	**$ 91,901**	**$ 585,991**	**$ 535,912**

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 POSITION
Proprietary Funds
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals 2019	Totals 2018
OPERATING REVENUES					
Employer taxes	$ -	$ 142,877	$ -	$ 142,877	$ 144,068
Charges for services	213,072	-	110,335	323,407	307,189
Benefit contributions	-	17,840	-	17,840	16,836
Operating grants and contributions	-	-	479	479	3,953
Total operating revenues	213,072	160,717	110,814	484,603	472,046
OPERATING EXPENSES					
Benefits	-	120,010	14,115	134,125	147,309
Prizes and other expenses	134,935	-	-	134,935	128,525
Personnel services	8,200	-	57,258	65,458	66,058
Supplies	-	-	13,604	13,604	15,890
Utilities	-	-	3,139	3,139	2,893
Insurance	-	-	3,055	3,055	2,844
Rent	-	-	945	945	708
Repairs and maintenance	-	-	3,091	3,091	1,583
Other expenses	-	-	1,782	1,782	1,663
Contractual services	25,150	-	41,298	66,448	63,024
Depreciation	169	-	11,449	11,618	11,858
Total operating expenses	168,454	120,010	149,736	438,200	442,355
Operating income (loss)	44,618	40,707	(38,922)	46,403	29,691
NONOPERATING REVENUES					
Interest, investment and other income	467	11,949	-	12,416	11,043
Total nonoperating revenues	467	11,949	-	12,416	11,043
Income (loss) before transfers	45,085	52,656	(38,922)	58,819	40,734
Transfer in (out)	(45,050)	-	36,310	(8,740)	(12,080)
Change in net position	35	52,656	(2,612)	50,079	28,654
Net position as of October 1	4,660	436,739	94,513	535,912	507,258
Net position as of September 30	**$ 4,695**	**$ 489,395**	**$ 91,901**	**$ 585,991**	**$ 535,912**

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, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Totals 2019	Totals 2018
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash receipts from customers/employers	$ 213,096	$ 158,969	$ 87,999	$ 460,064	$ 447,072
Other cash receipts	10	-	30,624	30,634	25,815
Cash payments to vendors	(22,871)	-	(72,170)	(95,041)	(80,083)
Cash payments to employees	(8,103)	-	(71,098)	(79,201)	(82,017)
Cash payments to claimants	-	(122,686)	-	(122,686)	(133,399)
Other cash payments, including prizes	(137,021)	(5,969)	-	(142,990)	(129,325)
Net cash provided (used) by operating activities	45,111	30,314	(24,645)	50,780	48,063
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Interfund transfers out	(45,050)	-	-	(45,050)	(49,500)
Net cash used in noncapital financing activities	(45,050)	-	-	(45,050)	(49,500)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Acquisition of capital assets	(118)	-	(7,880)	(7,998)	(4,590)
Interfund transfers in	-	-	36,310	36,310	37,420
Repayment of capital lease obligation	-	-	-	-	(36)
Net cash provided (used) in capital and related financing activities	(118)	-	28,430	28,312	32,794
CASH FLOWS FROM INVESTING ACTIVITIES					
Receipts of interest and dividends	467	11,949	-	12,416	10,600
Net cash provided by investing activities	467	11,949	-	12,416	10,600
NET INCREASE IN CASH AND CASH EQUIVALENTS	410	42,263	3,785	46,458	41,957
Cash and cash equivalents at October 1	12,804	481,740	28,148	522,692	480,735
Cash and cash equivalents at September 30	$ 13,214	$ 524,003	$ 31,933	$ 569,150	$ 522,692
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES					
Operating income (loss)	$ 44,618	$ 40,707	$ (38,922)	$ 46,403	$ 29,691
Depreciation	169	-	11,449	11,618	11,858
Decrease (increase) in assets:					
Accounts receivable	22	(1,837)	4,613	2,798	(326)
Other current assets	(1)	88	(216)	(129)	2,122
Increase (decrease) in liabilities:					
Accounts payable	(45)	(8,644)	(2,510)	(11,199)	4,615
Accrued liabilities	215	-	275	490	1,318
Unearned revenues	11	-	-	11	5
Other current liabilities	122	-	666	788	(1,220)
Net cash provided (used) by operating activities:	**$ 45,111**	**$ 30,314**	**$ (24,645)**	**$ 50,780**	**$ 48,063**

The accompanying notes are an integral part of this statement.

Exhibit 4-a

DISTRICT OF COLUMBIA
STATEMENT OF FIDUCIARY NET POSITION
Fiduciary Funds
September 30, 2019
($000s)

	Pension/ OPEB Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS			
Cash and cash equivalents	$ 187,668	$ 7,516	$ 76,001
Investments:			
Equities	5,504,761	332,768	-
Fixed income securities	3,162,446	182,320	-
Guaranteed investment contracts	-	168,867	-
Real estate	685,113	-	-
Private equity	465,263	-	-
Commodities	40,423	-	-
Accounts receivable	-	1,047	18,099
Benefit contributions receivable	6,067	-	-
Due from federal government	1,598	-	23,041
Other current assets	6,196	-	-
Total assets	10,059,535	692,518	**$ 117,141**
LIABILITIES			
Accounts payable	18,602	584	$ 1,081
Other current liabilities	10,985	-	116,060
Total liabilities	29,587	584	**$ 117,141**
NET POSITION			
Net position restricted for pensions, OPEB benefits and other purposes	**$ 10,029,948**	**$ 691,934**	

The accompanying notes are an integral part of this statement.

Exhibit 4-b

DISTRICT OF COLUMBIA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Fiduciary Funds
For the Year Ended September 30, 2019
($000s)

	Pension/ OPEB Trust Funds	Private Purpose Trust Fund
ADDITIONS		
Contributions:		
Employer	$ 190,627	$ -
Plan members	79,509	89,121
Total contributions	270,136	89,121
Investment earnings:		
Net increase in fair value of investments	281,776	15,316
Other revenue	280	-
Interest and dividends	78,558	10,961
Total investment gain	360,614	26,277
Less: investment expenses	(21,933)	(494)
Net gain from investing activities	338,681	25,783
Other Income	3,318	-
Total additions	612,135	114,904
DEDUCTIONS		
Benefits	230,442	-
Administrative expenses	13,651	2,039
Distributions to participants	-	40,634
Total deductions	244,093	42,673
Change in net position	368,042	72,231
Net position as of October 1	9,661,906	619,703
Net position as of September 30	**$ 10,029,948**	**$ 691,934**

The accompanying notes are an integral part of this statement.

Exhibit 5-a

DISTRICT OF COLUMBIA
COMBINING STATEMENT OF NET POSITION
Discretely Presented Component Units
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Housing Finance Agency	University of the District of Columbia	Totals 2019	Totals 2018
ASSETS						
Current assets:						
Cash and cash equivalents	$ 68,636	$ 17,146	$ 21,805	$ 28,145	$ 135,732	$ 136,426
Investments	-	140,100	52,732	38,465	231,297	274,816
Receivables, net:						
Accounts	1,722	5,656	-	7,939	15,317	14,101
Other	1,255	687	10,686	6,007	18,635	23,424
Due from primary government	83	21,260	3,307	2,964	27,614	20,088
Other current assets	-	3,029	12,263	210	15,502	14,293
Restricted cash	-	5,414	175,558	4,138	185,110	228,433
Restricted investments	31,832	214,339	300,259	26,179	572,609	484,212
Total current assets	103,528	407,631	576,610	114,047	1,201,816	1,195,793
Noncurrent assets:						
Loans receivable	-	-	1,298,317	-	1,298,317	1,217,779
Other	-	40,463	-	894	41,357	54,729
Total noncurrent assets	-	40,463	1,298,317	894	1,339,674	1,272,508
Capital assets, net						
Property and equipment	72,270	566,342	2,002	189,109	829,723	757,201
Non-depreciable capital assets	-	7,527	573	23,554	31,654	94,105
Total assets	175,798	1,021,963	1,877,502	327,604	3,402,867	3,319,607
DEFERRED OUTFLOWS OF RESOURCES	-	10,165	198	-	10,363	10,899
LIABILITIES						
Current liabilities:						
Payables:						
Accounts	30,607	13,632	267	9,936	54,442	58,146
Compensation	578	1,778	646	13,936	16,938	15,751
Due to primary government	663	3,940	-	770	5,373	3,887
Accrued liabilities	544	12,334	-	106	12,984	13,119
Current maturities	-	24,380	25,661	-	50,041	51,461
Unearned revenue	-	2,788	-	11,783	14,571	15,059
Other current liabilities	14	6,294	232,596	6,075	244,979	204,056
Total current liabilities	32,406	65,146	259,170	42,606	399,328	361,479
Noncurrent liabilities:						
Long-term debt:						
Bonds payable	-	492,501	1,477,298	-	1,969,799	1,931,453
Other long-term liabilities	-	6,015	-	-	6,015	6,056
Total noncurrent liabilities	-	498,516	1,477,298	-	1,975,814	1,937,509
Total liabilities	32,406	563,662	1,736,468	42,606	2,375,142	2,298,988
DEFERRED INFLOWS OF RESOURCES	-	15,042	-	-	15,042	13,922
NET POSITION						
Net investment in capital assets	72,270	247,243	2,575	212,183	534,271	507,137
Restricted - expendable	-	158,482	47,276	2,223	207,981	180,127
Restricted - nonexpendable	-	-	-	27,222	27,222	17,932
Unrestricted	71,122	47,699	91,381	43,370	253,572	312,400
Total net position	**$ 143,392**	**$ 453,424**	**$ 141,232**	**$ 284,998**	**$ 1,023,046**	**$ 1,017,596**

The accompanying notes are an integral part of this statement.

Exhibit 5-b

DISTRICT OF COLUMBIA
COMBINING STATEMENT OF ACTIVITIES
Discretely Presented Component Units
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Health Benefit Exchange Authority	Washington Convention and Sports Authority	Housing Finance Agency	University of the District of Columbia	Totals 2019	Totals 2018
EXPENSES	$ 45,574	$ 216,080	$ 89,079	$ 172,588	$ 523,321	$ 447,834
Program revenues:						
Charges for services, fees, fines & forfeitures	4,743	31,165	70,327	32,014	138,249	131,038
Operating grants and contributions	-	-	-	22,179	22,179	24,957
Capital grants and contributions	-	-	-	15,153	15,153	11,649
Net expense	(40,831)	(184,915)	(18,752)	(103,242)	(347,740)	(280,190)
GENERAL REVENUES						
Investment earnings	1,046	8,478	9,767	1,166	20,457	13,708
Miscellaneous	30,232	25,181	28,650	12,033	96,096	123,225
Subsidy from primary government	-	147,633	-	89,004	236,637	221,448
Total general revenues	31,278	181,292	38,417	102,203	353,190	358,381
Change in net position	(9,553)	(3,623)	19,665	(1,039)	5,450	78,191
Net position as of October 1	152,945	457,047	121,567	286,037	1,017,596	939,405
Net position as of September 30	**$ 143,392**	**$ 453,424**	**$ 141,232**	**$ 284,998**	**$ 1,023,046**	**$ 1,017,596**

The accompanying notes are an integral part of this statement.

NOTES TO THE BASIC FINANCIAL STATEMENTS

September 30, 2019

(Dollar amounts expressed in thousands unless specifically disclosed)

INDEX

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES 66
A. BACKGROUND AND HISTORY OF THE GOVERNMENTAL UNIT 66
B. FINANCIAL REPORTING ENTITY 66
C. BASIS OF PRESENTATION 68
D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING 70
E. BASIS OF BUDGETING AND BUDGETARY CONTROL POLICIES 72
F. CASH AND INVESTMENTS 73
G. INVENTORY 74
H. RESTRICTED ASSETS 74
I. PREPAID ITEMS 74
J. RECEIVABLES AND PAYABLES 74
K. TRANSFERS AND OTHER TRANSACTIONS BETWEEN FUNDS 74
L. CAPITAL ASSETS 75
M. DEFERRED OUTFLOWS OF RESOURCES 76
N. CAPITAL LEASES 76
O. COMPENSATED ABSENCES 76
P. LONG-TERM LIABILITIES 76
Q. DEFERRED INFLOWS OF RESOURCES 77
R. ADOPTION OF NEW ACCOUNTING STANDARDS 77
S. NEW ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED IN THE FUTURE 77
T. NET POSITION AND FUND BALANCE 78
U. POSTEMPLOYMENT BENEFITS 82
V. USE OF ESTIMATES 82
W. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS 83
X. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS 83
NOTE 2. CASH AND INVESTMENTS 84
A. CASH 84
B. INVESTMENTS 84
C.SECURITIES LENDING 98
NOTE 3. RESTRICTED ASSETS 99
NOTE 4. RECEIVABLES, INTERFUND TRANSFERS/BALANCES 100
A. RECEIVABLES 100
B. INTERFUND TRANSFERS 100
C. RECEIVABLES AND PAYABLES BETWEEN FUNDS AND COMPONENT UNITS 101
NOTE 5. CAPITAL ASSETS 102
A. CAPITAL OUTLAYS 102
B. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS BY CLASS 102
C. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS BY FUNCTION 102
D. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS ACCUMULATED DEPRECIATION BY FUNCTION 103
E. BUSINESS-TYPE ACTIVITIES: CAPITAL ASSETS 103
F. CONSTRUCTION IN PROGRESS 104
G. DISCRETELY PRESENTED COMPONENT UNITS: CAPITAL ASSETS 105
NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS 107
A. INDUSTRIAL REVENUE BOND PROGRAM 107

INDEX

B. ENTERPRISE ZONE FACILITY BONDS 107
C. TAX INCREMENT FINANCING NOTES 107
D. PAYMENT IN LIEU OF TAXES REVENUE NOTES 108
E. GROUND LEASE AGREEMENT RELATED TO THE WASHINGTON CONVENTION CENTER HEADQUARTERS HOTEL 109
F. NONEXCHANGE FINANCIAL GUARANTEES 109
NOTE 7. LONG-TERM LIABILITIES 113
A. LONG-TERM LIABILITIES 113
B. ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY 117
C. LONG-TERM DEBT ACTIVITY 120
D. DIRECT PLACEMENTS AND DIRECT BORROWINGS 122
E. EVENTS OF DEFAULTS AND REMEDIES 123
F. COMPONENT UNITS 123
NOTE 8. RETIREMENT PROGRAMS 126
A. DEFINED BENEFIT PENSION PLANS 126
B. DEFINED CONTRIBUTION PENSION PLAN 131
C. DEFERRED COMPENSATION PLANS 131
NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB) 133
NOTE 10. FUND BALANCE/NET POSITION 138
A. FUND BALANCE 138
B. NET POSITION OF THE PROPRIETARY AND FIDUCIARY FUNDS 138
NOTE 11. TAX ABATEMENTS 139
NOTE 12. JOINT VENTURE AND TRANSACTIONS WITH COMPONENT UNITS 140
A. WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY 140
B. SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS 140
NOTE 13. TRANSACTIONS WITH THE FEDERAL GOVERNMENT 141
A. FEDERAL CONTRIBUTIONS 141
B. EMERGENCY PREPAREDNESS 141
C. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM 141
D. GRANTS 141
NOTE 14. LEASES 142
NOTE 15. COMMITMENTS AND CONTINGENCIES 143
A. RISK MANAGEMENT 143
B. GRANTS AND CONTRACTS 143
C. CONTINGENCIES RELATED TO DERIVATIVE INSTRUMENTS 143
D. LITIGATION 143
E. DISABILITY COMPENSATION 144
NOTE 16. SUBSEQUENT EVENTS 145
A. INCOME TAX SECURED REVENUE BONDS - TAX EXEMPT 145
B. INCOME TAX SECURED REVENUE BONDS - FEDERALLY TAXABLE 145
C. INCOME TAX SECURED REVENUE REFUNDING BONDS - TAX EXEMPT 145
D. TAX INCREMENT REVENUE BONDS - THE BRYANT STREET PROJECT 145
E. PILOT REVENUE NOTE AMENDMENT - THE YARD PROJECT 145

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BACKGROUND AND HISTORY OF THE GOVERNMENTAL UNIT

General Operations

Article 1, Section 8, Clause 17 of the United States Constitution empowered Congress to establish the seat of government for the United States. Pursuant to the cited Constitutional provisions, the District of Columbia (the District) was established as the nation's capital on July 16, 1790, from territory ceded by Maryland and Virginia.

On January 2, 1975, Congress granted the District a Home Rule Charter, which became effective through the enactment of the Home Rule Act. Pursuant to its charter, the District is a municipal corporation, which operates under an elected Mayor-Council form of government. Accordingly, an Act of the Council, other than a Budget Request Act, becomes law unless Congress and the President of the United States disapprove of it after it has been adopted. Citizens residing in the District have the right to vote for the President and Vice-President of the United States but not for members of Congress. The District does, however, have an elected, non-voting Delegate to the United States House of Representatives.

Due to its unique organizational structure (i.e., not part of a state government), the District provides a broad range of services to its residents, including those normally provided by a state. These services include: public safety and protection, fire and emergency medical services, human support and welfare services, public education, and many others.

B. FINANCIAL REPORTING ENTITY

Primary Government

A financial reporting entity consists of a primary government and its component units. Accordingly, for financial reporting purposes, the primary government is the District of Columbia, including all of the agencies that make up its legal entity.

Discretely Presented Component Units

The criteria used to determine whether organizations are to be included as component units within the District's financial reporting entity are as follows:

- The organization is a legally separate entity.
- The District appoints a voting majority of the organization's board.
- There is a financial benefit/burden relationship between the District and the organization, or the District is able to impose its will on the organization.

Organizations meeting the above criteria are included in the District's financial reporting entity as discretely presented component units. Legally separate organizations that do not otherwise meet the criteria for inclusion as a component unit may be included in the financial reporting entity, if it is determined that their exclusion would render the financial statements misleading. This determination is based on the nature and significance of the organization's relationship with the District.

Based on the application of the criteria outlined above, the District includes four discretely presented component units in its reporting entity: Health Benefit Exchange Authority, Washington Convention and Sports Authority, Housing Finance Agency, and University of the District of Columbia. Each of these organizations is a legally separate entity with a governing board that is appointed by the Mayor, with the advice and consent of the Council. In addition, with respect to each of these entities, one or both of the following conditions exists: (a) there is a financial benefit or burden relationship between the District and the organization or (b) the District is able to impose its will on the organization. Each entity's relationship with the District is discussed briefly below.

Health Benefit Exchange Authority

The District has the ability to impose its will on the Health Benefit Exchange Authority (the Authority or HBX) because the District is able to approve or modify the entity's budget and may overrule, veto, or modify certain decisions made by the Authority's governing board (i.e., the awarding of contracts valued at $1 million or more). In addition, the Council must approve or disapprove the rules adopted by the Authority; therefore, the District has the ability to modify or approve the rates or fees charged by the Authority.

Washington Convention and Sports Authority

There is a financial benefit/burden relationship between the Washington Convention and Sports Authority (t/a Events DC) and the District because the District is legally obligated or has otherwise assumed the obligation to provide financial support to the Washington Convention and Sports Authority through the transfer of certain dedicated taxes which are linked directly to the hospitality sector. In addition, the District is able to impose its will on the Washington Convention and Sports Authority because the District has the ability to modify or approve the Washington Convention and Sports Authority's budget and the rates or fees charged by the entity.

Housing Finance Agency

The District is able to impose its will on the Housing Finance Agency because the Council has the ability to modify the financing for Housing Finance Agency projects and, consequently, has the ability to affect the Housing Finance Agency's budget. In addition, the District has the authority to approve or modify rental rates and may overrule certain decisions made by the Housing Finance Agency's Board (i.e., the awarding of contracts valued at $1 million or more).

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

University of the District of Columbia

A financial benefit/burden relationship exists between the University of the District of Columbia (the University) and the District because the District provides financial support to the University in the form of subsidy payments. In addition, the District is able to impose its will on the University because the District has the ability to approve and/or modify the University's budget.

The combined financial data for these organizations is presented in a separate column in the government-wide financial statements to emphasize that these entities are legally separate from the District.

The financial statements of each discretely presented component unit may be obtained from the following locations and websites:

Health Benefit Exchange Authority
Executive Director
1225 Eye Street, NW, Suite 400
Washington, DC 20005
https://hbx.dc.gov

Washington Convention and Sports Authority
t/a Events DC
General Manager
801 Mount Vernon Place, NW
Washington, DC 20001
http://eventsdc.com

Housing Finance Agency
Executive Director
815 Florida Avenue, NW
Washington, DC 20001
https://www.dchfa.org

University of the District of Columbia
President
Van Ness Campus
4200 Connecticut Avenue, NW
Washington, DC 20008
https://www.udc.edu

Blended Component Units

Entities which meet any one of the following characteristics, in addition to the criteria for inclusion as a component unit described above, are blended component units of the District:

- The organization's governing body is substantively the same as the District's governing body and (1) there is a financial benefit or burden relationship between the District and the organization, or (2) management of the District has operational responsibility for the organization.
- The organization provides services entirely, or almost entirely, to the District, or otherwise exclusively or almost exclusively benefits the District even though it does not provide services directly to it.
- The organization's total debt outstanding, including leases, is expected to be repaid entirely or almost entirely with District resources.
- The organization is a not-for-profit corporation, in which the District is the sole corporate member.

Based on the application of the criteria outlined above, the District includes two blended component units:

District of Columbia Tobacco Settlement Financing Corporation

The District of Columbia Tobacco Settlement Financing Corporation (the Tobacco Corporation) was created by the Tobacco Settlement Financing Act of 2000 as a special purpose, independent instrumentality of the District government. The Tobacco Corporation, which is legally separate from the District, was established to purchase all of the District's rights, title, and interest in the Master Settlement Agreement executed by participating cigarette manufacturers, states and other jurisdictions. The Tobacco Corporation issued bonds in FY 2001 to finance the purchase of the District's securitized right, title and interest in the tobacco settlement revenues. The Tobacco Corporation is a blended component unit because: (a) the District appoints the Tobacco Corporation's Board; (b) the District is legally entitled to and can otherwise access the Tobacco Corporation's resources, thereby establishing a benefit/burden relationship; (c) the District has the ability to modify or approve the Tobacco Corporation's budget, thereby, giving the District the ability to impose its will on the Tobacco Corporation; and (d) the Tobacco Corporation provides services entirely to the District.

Not-for-Profit Hospital Corporation

The Not-for-Profit Hospital Corporation (d/b/a United Medical Center) was established pursuant to the Not-for-Profit Hospital Corporation Establishment Emergency Amendment Act of 2010, effective July 7, 2010 (D.C. Act 18-476; 57 DCR 6937) to provide community-centered health care east of the Anacostia River. The District of Columbia government is the sole owner of the Not-for-Profit Hospital Corporation; therefore, the District provides financial support to the Hospital Corporation to help sustain its operations, creating a financial benefit/burden relationship between the District and the Hospital Corporation. In addition, the District is able to impose its will on the Hospital Corporation because the District has the ability to modify or approve the Hospital Corporation's budget. The Not-for-Profit Hospital Corporation is a blended component unit because: (a) it is organized as a not-for-profit corporation and (b) the District is its sole owner.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Audited financial statements of each blended component unit are available at the following locations:

District of Columbia Tobacco Settlement Financing Corporation
Office of the Chief Financial Officer
Office of Finance and Treasury
1101 4th Street, SW, Suite 800 W
Washington, DC 20024

Not-for-Profit Hospital Corporation
d/b/a United Medical Center
Chief Executive Officer
1310 Southern Avenue, SE
Washington, DC 20032

Related Organizations

A related organization is an entity for which the District is not financially accountable even though the District appoints a voting majority of the organization's governing board. The District reports two entities as related organizations: the District of Columbia Housing Authority (Housing Authority) and the District of Columbia Water and Sewer Authority (DC Water), because the Mayor, with the consent and advice of the Council, appoints a majority of the voting members of these organizations' governing boards. However, the District's accountability for these organizations does not extend beyond these appointments.

Joint Ventures

A joint venture is a legal entity or other organization that results from a contractual arrangement and is owned, operated, or governed by two or more participants as a separate and specific activity subject to joint control, in which the participants retain: (a) an ongoing financial interest or (b) an ongoing financial responsibility. Joint control means that no single participant has the ability to unilaterally control the financial or operating policies of the joint venture. Generally, the purpose of a joint venture is to pool resources and share the costs, risks, and rewards of providing goods or services to the venture participants directly, or for the benefit of the public or specific service recipients.

The District participates with other local jurisdictions in a joint venture to plan, construct, finance and operate a public transit system serving the Metropolitan Washington Area Transit zone, which includes the District of Columbia; the cities of Alexandria, Falls Church, Fairfax, Manassas, and Manassas Park; the counties of Arlington, Fairfax, Loudoun, and Prince William in Virginia; and the counties of Montgomery, Anne Arundel, and Prince George's in Maryland. The Washington Metropolitan Area Transit Authority (WMATA) was created in February 1967 to fulfill the purposes of the joint venture.

Pursuant to P.L. 111-62, which revised the WMATA compact agreement, WMATA is governed by an eight-member board and eight alternates, comprised of two directors and two alternates for Maryland, Virginia, the District of Columbia, and the federal government. The directors and alternates for Maryland are appointed by the Washington Suburban Transit Commission from among its members; for Virginia, by the Northern Virginia Transportation Commission from among its members; for the District of Columbia, by the Council from its members and mayoral nominees; and for the federal government, by the Administrator for General Services. The District does not have explicit measurable equity interest in the joint venture; accordingly, the District does not include the financial activities of the joint venture in its financial statements. Condensed financial statements for this joint venture are presented as disclosures in Note 12 on page 140.

C. BASIS OF PRESENTATION

Government-Wide Financial Statements

The government-wide financial statements report information on all of the non-fiduciary activities of the primary government and its component units. The fiduciary funds are not incorporated into the government-wide financial statements because the assets of these funds are held for the benefit of a third-party and cannot be used to finance activities or obligations of the District. Governmental activities of the primary government, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely, to a significant extent on fees and charges for services. The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities.

Statement of Net Position

The Statement of Net Position reports all assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position of the District's governmental and business-type activities and its discretely presented component units. The District reports all debts and capital assets, including infrastructure, in the government-wide Statement of Net Position. The District reports net position in three distinct categories: (1) net investment in capital assets; (2) restricted; and (3) unrestricted.

Statement of Activities

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include fines and forfeitures; charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

function or segment; and grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not included in program revenues are reported as general revenues. The District also reports depreciation expense (i.e., the cost of "using up" capital assets) in the Statement of Activities.

Fund Financial Statements

Fund accounting is used to demonstrate legal compliance and segregate transactions related to certain District functions or activities. Each fund represents a separate accounting entity and the transactions in each fund are summarized in a separate set of self-balancing accounts which include assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenses/expenditures.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported in separate columns in the fund financial statements. Nonmajor governmental funds are aggregated into one column in the fund financial statements.

Governmental Funds

Governmental Funds are used to account for all of the District's general activities. The acquisition, use, and balance of the District's expendable financial resources, and the related liabilities and deferred inflows of resources (except those accounted for in the proprietary funds and the discretely presented component units), are accounted for in the governmental funds.

The District reports the following major governmental funds:

General Fund

The General Fund is used to account for all financial resources not accounted for in other governmental funds.

Federal and Private Resources Fund

The Federal and Private Resources Fund is used to account for proceeds of intergovernmental grants and other federal payments, private grants and private contributions that are legally restricted to expenditures for specified purposes.

Housing Production Trust Fund

The Housing Production Trust Fund is used to account for the financial resources which provide financial assistance to a variety of affordable housing programs and opportunities across the District such as: (a) initiatives to build affordable housing; (b) homeownership opportunities for low-income families; and (c) preservation of existing federally assisted housing. Subsidies from the General Fund and dedicated local tax revenues from deed transfers and recordations, are the main sources of revenue for the Housing Production Trust Fund. This fund is administered by the Department of Housing and Community Development.

General Capital Improvements Fund

The General Capital Improvements Fund is used to account for the purchase or construction of capital assets financed by operating transfers, capital grants and debt proceeds.

Nonmajor Governmental Funds

The Nonmajor Governmental Funds are comprised of: (1) five Special Revenue Funds, which include the Tax Increment Financing (TIF) Program, the Tobacco Settlement Financing Corporation (TSFC), the Payment in Lieu of Taxes (PILOT) Fund, the Baseball Project and the Universal Paid Leave Fund; (2) the Debt Service Fund; and (3) one Capital Projects Fund; the Highway Trust Fund.

Proprietary Funds

Proprietary Funds are used to account for activities similar to those found in the private sector. The criteria for inclusion as a proprietary fund include: (a) the costs (including depreciation) of providing goods or services primarily or solely to the public on a continuing basis are financed or recovered mostly through user charges; and (b) the determination of net income is necessary or useful for sound financial administration.

The District reports three proprietary funds that are discussed below.

Lottery and Gaming Fund

The Lottery and Games Fund is used to account for revenues from sale of lottery products, charitable gaming fees and other related income. Gaming activities are administered by the Office of Lottery and Gaming, which is an independent agency of the District.

Unemployment Compensation Fund

The Unemployment Compensation Fund is used to account for the accumulation of financial resources to be used for benefit payments to unemployed former employees of the District, federal agencies and private employers in the District. Resources are contributed by private employers at rates established by law, and by the federal government on a reimbursable basis. The administrative costs of the program are accounted for in the General Fund.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Unemployment insurance in general is a federal and state program that provides temporary benefits to workers who become unemployed through no fault of their own, and who are able and available for work. The benefits paid to unemployed workers reduce the hardship of unemployment, help maintain purchasing power of the unemployed, thereby supporting the local economy, and help to stabilize the workforce so that local workers are available to employers when they are ready to re-employ. The cost of the unemployment insurance program is financed by employers who pay state and federal taxes on part of the wages paid to each employee during a calendar year.

Not-for-Profit Hospital Corporation

The Not-for-Profit Hospital Corporation is used to account for revenues, expenses, and capital outlays related to inpatient, outpatient, psychiatric, skilled nursing, and emergency care services for District residents. It is a separate legal entity blended with the proprietary funds of the primary government for financial reporting purposes.

Fiduciary Funds

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations or other governments. Fiduciary funds are not included in the government-wide financial statements because the resources cannot be used for operations of the government. The District reports the following fiduciary funds:

Pension and Other Postemployment Benefits Funds

Pension and Other Postemployment Benefits Funds are used to report the activities of the District's postemployment benefits funds, which accumulate financial resources for pension benefit payments to eligible District employees and assets that are accumulated and benefits that are paid for postemployment healthcare and life insurance.

Private-Purpose Trust Fund

A Private-Purpose Trust Fund is used to report any trust arrangement not reported in pension trust funds under which principal and income benefit specific individuals, private organizations, or other governments. The District uses this fund to account for amounts held in its 529 College Savings Investment Plan, which was established to help families save for qualified college education expenses while also receiving certain tax benefits.

Agency Funds

Agency funds are used to account for refundable deposits required of various licensees and monies held in escrow as an agent for individuals, private organizations or other governments. Those resources which are held by the District in a purely custodial capacity do not involve measurement of results of operations.

Prior Year Information

The financial statements include summarized prior-year comparative information. Such information does not include sufficient details to constitute a presentation in conformity with U.S. generally accepted accounting principles (GAAP). Accordingly, such information should be read in conjunction with the District's financial statements for the year ended September 30, 2018, from which such summarized information was derived.

D. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The District's financial statements are prepared in accordance with GAAP applicable to state and local governmental entities as established by the Governmental Accounting Standards Board (GASB).

Government-Wide Financial Statements

The government-wide financial statements are reported using the flow of economic resources measurement focus and the accrual basis of accounting. Therefore, the Statement of Net Position reports all assets, including receivables regardless of when they will be collected, and capital assets (depreciable and non-depreciable); deferred outflows of resources; all liabilities regardless of when payment is due; deferred inflows of resources; and net position.

The Statement of Activities is designed to present the degree to which the direct expenses of a particular function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include charges for goods or services, grant revenues, and fines. Tax revenues are reported separately as general revenues.

The Statement of Activities reports: (a) expenses associated with governmental activities; (b) expenses associated with business-type activities; and (c) expenses of the discretely presented component units. The expenses of the governmental activities include governmental fund expenditures that are not eliminated or reclassified for the purpose of government-wide financial reporting, and current year depreciation expense on capital assets. The effect of interfund activities is eliminated from the government-wide financial statements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Fund Financial Statements

Governmental Funds

All governmental funds are accounted for using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this measurement focus, only current assets, deferred outflows of resources, current liabilities, deferred inflows of resources, and fund balances are reported on the Balance Sheet.

Operating statements of these funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance.

Under the modified accrual basis of accounting, revenues of the governmental funds are recognized in the year they become susceptible to accrual (both measurable and available) to pay current fiscal year liabilities. The District considers all revenues to be available if they are collected within 60 days of the end of the current fiscal year. Property taxes, individual and franchise taxes, sales taxes, federal grants and charges for services are significant revenues that are subject to accrual. All other revenue items are considered to be measurable and available only when cash is received by the government. The District accrues income tax revenue net of estimated income tax refunds relating to the fiscal year that will not be paid until after the fiscal year-end.

Expenditures and liabilities such as debt service, compensated absences, claims and judgments, and special termination benefits are recorded in the governmental fund statements only when they mature or become due for payment. Otherwise, such activity is reported in the government-wide financial statements as incurred.

Proprietary Funds, Pension and Other Postemployment Benefits (OPEB) Trust Funds, Private-Purpose Trust Fund, and Component Units

The proprietary funds, Pension and OPEB Trust Funds, Private-Purpose Trust Fund, and discretely presented component units are accounted for on a flow of economic resources measurement focus and the accrual basis of accounting. Under this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources associated with the operation of these funds are included on their respective statements of net position.

Net position of the proprietary funds is segregated into net investment in capital assets, restricted, and unrestricted components. Under the accrual basis of accounting, revenues are recognized in the fiscal year earned and expenses are recognized in the fiscal year incurred. The related operating statements of proprietary funds present increases (revenues) and decreases (expenses) in net position. Operating statements of pension and private-purpose trust funds present additions and deductions in fiduciary net position.

Proprietary funds classify revenues and expenses as either operating or nonoperating. Operating revenues and expenses generally result from providing services and/or producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The Pension and OPEB Trust Funds recognize additions to net position derived from various sources, as follows:

- Participants' contributions, when due;
- District contributions, when due and a formal commitment for payment has been made; and
- Net investment income, as earned.

Expenditures for benefits and refunds are recognized when due and payable. The Private-Purpose Trust Fund recognizes additions to net position when participants' contributions are received.

Revenue Recognition (By Type or Source)

Property Taxes

Property taxes are recognized as revenue in the tax year for which they are levied, provided they are available.

Real property taxes are levied as of October 1 on property values that were assessed as of the preceding January 1. Taxes levied are due and collectible in two equal installments on March 31 and September 15. After these dates, the tax bills become delinquent and the District may assess penalties and interest. Real property taxes attach as enforceable liens on property as of October 1 of the year after levy.

In the District, personal property tax is self-assessed. Each year, on or before July 31, property owners must file a personal property tax return covering the tax year beginning July 1 and ending June 30 of the next year. The return should report the remaining cost of all tangible personal property as of July 1 that is taxable in the District of Columbia. Property taxes are levied after the returns are filed. If a taxpayer fails to pay the levied taxes when due, the District would have a legal claim to the taxpayer's property. Pursuant to the Clarification of Personal Property Tax Reporting Temporary Act of 2011, effective February 24, 2012 (D.C. Law 19-91; 58 DCR 11209), the revenue budget for personal property tax is formulated with the understanding that 100% of collections are to be allocated for the year in which the tax was collected.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Other Taxes and Revenues

Sales and use taxes are recognized as revenue when the sales or uses take place. Interest on investments is recognized when earned. Charges for services are recorded as revenues when services are provided.

Intergovernmental Revenues

Intergovernmental revenues are amounts derived through agreements with other governments. In general, these revenues are comprised of contributions and grants made by the federal government to the District. Contributions are recognized as revenue when received. Generally, entitlements and shared revenues are recognized as revenue at the time of receipt or earlier, if measurable and available. Resources arising from grants are usually subject to certain eligibility requirements; therefore, most grant revenues are recognized as revenue only when all grant requirements are met. Grant funds received with all eligibility requirements met except for the timing requirement are recorded as deferred inflows of resources.

Supplemental Nutrition Assistance Program

The District participates in the federal government's Supplemental Nutrition Assistance Program (SNAP), which is designed to increase the food purchasing power of economically disadvantaged residents. The District uses the electronic benefits transfer (EBT) system that allows program beneficiaries to charge their qualifying food purchases, thereby eliminating the need for paper stamps. Revenues and expenditures are reported in the Federal and Private Resources Fund when the underlying transaction (i.e., the food purchase) occurs.

Revenues Susceptible to Accrual

Revenues which are susceptible to accrual include: taxes, federal contributions and grants, charges for services, and investment income.

Revenues Not Susceptible to Accrual

Licenses, permits, fines, and forfeitures are recorded as revenue when received in cash because they are generally not measurable until received. However, fines that remain unpaid after the allowable grace period or after appeals are denied become susceptible to accrual.

E. BASIS OF BUDGETING AND BUDGETARY CONTROL POLICIES

Process

On or about March 30th of each year, at the direction of the Council, the Mayor submits to the Council an annual budget for the District of Columbia government, which includes: (1) the budget for the forthcoming fiscal year, commencing October 1, specifying the agencies and purposes for which funds are being requested; (2) an annual budget message; (3) a multi-year plan for all agencies of the District government; and (4) a multi-year capital improvements plan by project for all agencies of the District government. The Council holds public hearings and adopts the budget through passage of a Local Budget Act and a Federal Portion Budget Request Act. The Mayor may not forward and the Council may not adopt any budget for which expenditures and other financing uses exceed revenues and other financing sources.

On or about May 25th of each year, after receipt of the budget proposal from the Mayor, and after the public hearings, the Council adopts the annual budget for the District of Columbia government. The Mayor submits the Federal Portion Budget Request Act to the President of the United States for transmission to Congress. Congress then approves the federal portion of the budget through an appropriations act. The Chairman of the Council submits the Local Budget Request Act to Congress, which then becomes law upon expiration of a 30-day review period.

Appropriations Act

The Local Budget Act and Federal Portion Budget Request Act (appropriations acts) comprise the District's appropriation authority after approval by Congress, and authorize District government expenditures at the function level or by appropriation title, such as Public Safety and Justice, Human Support Services, or Public Education System. In general, after approval by Congress of the District's appropriation, the District may transmit amendments or supplements to the budget by submitting a request for supplemental appropriation to the President and Congress, which would require active approval. However, within certain limits, pursuant to D.C. Code § 47-369.02, the District may supplement its General Fund budget with passive approval by Congress by sending notification not fewer than 30 days in advance of the changes taking place.

Pursuant to Section 446 of the Home Rule Act (D.C. Code § 1-204.46) and the Reprogramming Policy Act of 1980, as amended (D.C. Code § 47-363), the District may reallocate budget amounts. The appropriated budget amounts in the Budgetary Comparison Statement, which are presented in Exhibit 2-d found on page 55, include all approved reallocations and other budget changes. This statement reflects budget to actual comparisons at the function (appropriation title) level. Actual expenditures and uses may not legally exceed appropriated budgeted expenditures and uses at the function level as shown in this statement. A negative expenditure variance in the budgetary comparison statement for a particular function is a violation of the federal Antideficiency Act (31 U.S.C. §§ 1341, 1342, 1349, 1351, 1511-1519); the District of Columbia Anti-Deficiency Act (D.C.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Code § 47-355.01 et seq.); and Section 446 of the Home Rule Act (D.C. Code § 1-204.46). In addition, a negative expenditure variance for a particular agency within an appropriation title is also a violation of the D.C. Anti-Deficiency Act.

The appropriations acts specifically identify authorized expenditures but do not specify revenue amounts. The revenue budget is based primarily on the revenue estimates submitted to the President and Congress with the District's budget and is modified as new revenue estimates are issued. If a new revenue estimate indicates a decrease, the District reduces its planned expenditures or takes other steps to rebalance the budget.

The District budgets for the General Fund and the Federal and Private Resources Fund as presented in the Budgetary Comparison Statement in Exhibit 2-d. The budgetary basis of accounting used to prepare this statement differs from the GAAP basis used to prepare the General Fund and Federal and Private Resources Fund statements presented in Exhibit 2-b on page 53 due to basis differences. Basis Differences arise because the basis of budgeting differs from the basis of accounting prescribed by GAAP as indicated in Note 1X on page 83.

Budgetary Control

The District maintains budgetary controls designed to monitor compliance with expenditure limitations contained in the annual appropriated budget approved by Congress and the President. The level of budgetary control (i.e., the level at which expenditures and other obligations cannot legally exceed the appropriated amount) is established by function, fund, and agency within the General Fund and the Federal and Private Resources Fund.

Encumbrances

Encumbrance accounting is used in the governmental funds. Under this method of accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in order to reserve the required portion of an appropriation. Encumbrances outstanding at year-end do not constitute expenditures or liabilities for GAAP or budgetary purposes. Encumbered amounts lapse at year-end in the General Fund and may be re-appropriated and re-encumbered as part of the subsequent year's budget. However, encumbered amounts do not lapse at year-end in the Capital Projects Funds or the Special Revenue Funds.

As of September 30, 2019, the District did not have significant amounts in encumbrances in any of the major and nonmajor funds. Encumbered amounts at year-end have been included within the fund balances in **Table N10-1** on page 138.

F. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash from the governmental and proprietary funds is pooled unless prohibited by law. The cash management pool is used as a demand deposit account by each participating fund. If a fund overdraws its share of the pooled cash, that fund reports a liability (Due To) to the General Fund, which is deemed to have loaned the cash to the overdrawn fund. The General Fund reports a receivable (Due From) from the overdrawn fund.

The District's cash management pool is invested in cash equivalents. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and mature in such a short period of time that changes in interest rates have little or no impact on the value of the securities. For an investment to be considered a cash equivalent, it must have an original maturity date no greater than 90 days.

Investments

Cash that is not needed for immediate disbursement is invested to generate investment income. The District purchases legally authorized investments consistent with the provisions of the Financial Institutions Deposits and Investment Act of 2006 (D.C. Code §§ 47-351.01 and 47-351.08), and the District's Investment Policy, as adopted in November 2008. As of September 30, 2019, the District invested primarily in money market funds containing securities backed by the U.S. government which included obligations of Government Sponsored Enterprises (GSEs) that have the explicit and implicit guarantee of the U.S. federal government. Such investments are considered to be cash equivalents if they mature within 90 days after the date of purchase. The Pension Trust Funds are authorized to invest in fixed income, equity securities and other types of investments. Also, the Private-Purpose Trust Fund and Other Postemployment Benefits Fund are authorized to invest monies consistent with their respective Investment Policies. Historically, these Funds' investments have been comprised of equities, balanced funds, fixed income securities and other long-term investments.

The District's investments are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management's assumptions and information about market participant assumptions that is reasonably available.

Some portfolio investments of the Private-Purpose, Pension and OPEB Trust Funds are reported at net asset value (NAV) in the accompanying Statement of Fiduciary Net Position. The stability of the principal portfolio is valued in accordance with the terms of the corresponding funding agreement, inclusive of accrued interest. Security transactions, normally in shares of the underlying funds, are accounted for on the trade date basis. Realized gains and losses are reported on the identified cost basis. Income and capital gains distributions, if any, from investments in the underlying funds are recorded when incurred.

Money market investments must be in compliance with the requirements of Rule 2a-7 (17 CFR 270.2a-7) under the Investment Company Act of 1940 (15 U.S.C. 80a-1 et seq.). Money market investments that meet the criteria established by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, are reported at amortized cost, which approximates fair value. Other investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Investment purchases and sales are recorded as of the trade date. These transactions are not finalized until the settlement date. Cash received as collateral on securities lending transactions and investments made are reported as assets and related liabilities for collateral received.

G. INVENTORY

Inventory reported in the governmental funds consists of materials and supplies held for consumption. Inventory on hand at year-end is stated at cost (generally using the weighted average method). The District utilizes the consumption method to account for inventory whereby materials and supplies are recorded as inventory when purchased and as expenditures/expenses when they are consumed.

Consistent with District practices, inventories of the proprietary funds are recorded at the lower of weighted average cost or market. The Not-For-Profit Hospital Corporation is the only component unit which reports inventory recorded at the lower of cost or market. Cost is determined using the first-in-first-out (FIFO) method.

H. RESTRICTED ASSETS

Certain governmental and proprietary fund assets, some assets reported by the component units, and all fiduciary fund assets are restricted as to use by legal or contractual requirements. Any excess of restricted assets and deferred outflows of resources over the related liabilities and deferred inflows of resources is reported as part of the restricted net position in the government-wide, proprietary, and fiduciary financial statements and as restricted fund balance in the governmental fund financial statements, to indicate the portion of the net position or fund balance that is available for restricted purposes only. Restricted assets also include investments and cash deposited in bank accounts legally restricted for certain purposes such as the payment of bond principal and interest.

I. PREPAID ITEMS

Prepaid items are payments made by the District in the current fiscal year for services to be received in the subsequent fiscal year. Such advance payments are recorded as prepaid charges at the time of prepayment and recognized as expenditures/expenses when the related services are received.

In governmental funds, long-term debt premiums/(discounts) and issuance costs are recognized in the current period as other financing sources/(uses) and fiscal charges, respectively. In the government-wide financial statements, long-term debt premiums/(discounts) are capitalized and amortized over the term of the related debt using the effective interest method and issuance costs are expensed in the period incurred.

J. RECEIVABLES AND PAYABLES

Taxes receivable are taxes levied by the District, including interest and penalties on delinquent taxes, which have not been collected, canceled or abated, less the portion of the receivables estimated not to be collectible. Accounts receivable are amounts owed by customers for goods or services sold. Intergovernmental receivables are amounts owed by other governments to the District.

Accounts payable are amounts owed to vendors for goods or services purchased and received. Intergovernmental payables are amounts owed to other governments.

K. TRANSFERS AND OTHER TRANSACTIONS BETWEEN FUNDS

Interfund transactions are categorized as: (a) revenue and expenditure/expense transactions consisting of temporary interfund transactions which include reimbursements and quasi-external transactions; or (b) reallocation of resources, transactions including temporary interfund loans, advances or operating transfers. Reimbursements between funds occur when expenditures/expenses made from one fund are properly applicable to another fund.

Activities between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "Due To Other Funds" or "Due From Other Funds." Any remaining balances outstanding between the governmental

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

activities and business-type activities are reported in the government-wide financial statements as "Internal Balances." Short-term amounts owed between the primary government and a discretely presented component unit are classified as "Due To/From Primary Government" and "Due To/From Component Units" on the Statement of Net Position.

Transfers are included in the results of operations of both the governmental and proprietary funds. Accordingly, transfers are reported in the "Other Financing Sources/(Uses)" section of the Statement of Revenues, Expenditures, and Changes in Fund Balance of the Governmental Funds and in the "Transfers" section in the Statement of Revenues, Expenses, and Changes in Net Position of the Proprietary Funds.

L. CAPITAL ASSETS

Capital assets, which include buildings, land, equipment, land improvements, and infrastructure (i.e., roads, bridges, streets and sidewalks, drainage systems, lighting systems, and similar items), are reported in the applicable governmental or business-type activities or component units' columns in the government-wide financial statements and proprietary fund financial statements. All purchased capital assets are stated at cost when historical records are available and at estimated historical cost when no historical records exist.

Assets acquired through capital leases are stated at the lesser of the present value of the lease payments or the fair value of the asset at the date of lease inception. Donated capital assets are reported at their acquisition value on the date received. Acquisition value is defined as the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date, or the amount at which a liability with the counterparty could be liquidated. The cost of maintenance and repairs that do not add to the productivity of the assets or materially extend their useful lives is not capitalized. Betterments are capitalized as separate assets. Capital asset purchases are recorded as expenditures in the governmental fund financial statements. Depreciation expense is recorded in the government-wide financial statements, as well as the proprietary funds and component units' financial statements.

Intangible assets are assets that lack physical substance; have a useful life of more than one reporting year; and are nonfinancial in nature. For financial reporting purposes, intangible assets that meet the capitalization threshold are reported in the same category as the associated capital asset.

When the construction of assets is financed through the issuance of debt, interest is capitalized in the government-wide financial statements and proprietary funds. The amount of interest to be capitalized is calculated by offsetting interest expense incurred on tax-exempt debt from the date of borrowing until completion of the project with interest earned on invested proceeds over the same period.

Capitalization and Depreciation Policies

Capitalized assets have an original cost of $5 (thousand) or more per unit. Depreciation is calculated on each class of depreciable property using the straight-line method. **Table N1-1** presents the estimated useful lives for the capital assets by class.

Table N1-1
Estimated Useful Lives by Asset Class

Asset Class	Estimated Useful Life
Storm drains	45 years
Infrastructure	20-40 years
Improvements other than buildings	5-25 years
Buildings	15-60 years
Equipment and machinery	3-10 years
Furniture and fixtures	5 years
Mobile equipment (including street cars)	5-30 years
Books	5 years
Leasehold improvements	10 years, not to exceed term of lease

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

M. DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources represent the consumption of net position by the District that is applicable to a future reporting period. Deferred outflows of resources have a natural debit balance, and therefore increase net position in a manner similar to assets.

N. CAPITAL LEASES

In general, a lease is considered to be a capital lease if it meets any one of the following criteria:

- The lease transfers ownership of the property to the lessee at the end of the lease term.
- The lease contains an option to purchase the leased property at a bargain price.
- The lease term is equal to or greater than 75% of the estimated life of the leased property.
- The present value of minimum lease payments at the inception of the lease equals or exceeds 90% of the fair value of the leased property less any investment tax credit less executory cost retained by the lessor.

Leased property having elements of operational ownership is recorded in the government-wide and proprietary fund financial statements. The related obligations, in amounts equal to the present value of future minimum lease payments due during the term of the leases, are also recorded in these financial statements.

O. COMPENSATED ABSENCES

Benefit Accumulation Policies

The District's policy allows employees to accumulate unused sick leave, with no maximum limitation. Annual leave (vacation) may be accumulated up to 240 hours at the end of a calendar year, regardless of the employee's length of service, while there is no limit to the amount of compensatory leave (leave granted to eligible employees in lieu of paid overtime) that may be accumulated.

Recording of Accrual for Accumulated Leave

The District records vacation leave as an expenditure and related liability in the governmental fund financial statements only to the extent that the compensated absences have matured or come due for payment. Accumulated annual leave that has not matured by the end of the current fiscal year is reported in the government-wide financial statements. Accumulated annual leave of the proprietary funds and discretely presented component units is recorded as an expense and liability as the benefits accrue to employees.

The District does not record a liability for accumulated rights to receive sick pay benefits. At the time of retirement, however, unused sick leave can be used to determine employees' years of service. District employees earn sick leave credits that are considered termination payments at the time of retirement. For instance, one month would be added to the years and months of service of retiring District employees who have accumulated 22 days of sick leave regardless as to whether they participate in the Civil Service Retirement System or the District Retirement Program.

The District estimates the potential sick leave credits (termination payments) at fiscal year-end based on the number of employees who are currently eligible for retirement and sick leave payments upon separation, or who are expected to become eligible in the future to receive such payments.

P. LONG-TERM LIABILITIES

Debt Limits/Limitations on Borrowing

Pursuant to Section 603 of the Home Rule Act, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all general obligation debt to exceed 17% of the total General Fund revenues of the fiscal year in which the debt is issued. The legal debt limitation is calculated annually by dividing maximum annual principal and interest by current year total General Fund revenues.

In addition, consistent with the Limitation on Borrowing and Establishment of Operating Cash Reserve Act of 2008 (D.C. Code § 47-335.02), the Council shall not approve a District bond issuance if the applicable annual debt service on the District bond issuance would cause the debt service on all District bonds in the fiscal year in which the District bonds are issued, or in any of the five succeeding fiscal years, to exceed 12% of General Fund expenditures in any applicable fiscal year.

Capital Appreciation Bonds

Capital Appreciation Bonds (CABs) are original issue discount bonds with deferred debt service. The District has two CAB obligations: the Mandarin Oriental Hotel Tax Increment Financing (TIF) Revenue Bonds Series 2002, and the Tobacco Settlement Asset-Backed Bonds Series 2006. The Mandarin TIF CABs were issued to fund the Mandarin Oriental Hotel Project. Scheduled principal payments for the Mandarin TIF CABs began in July 2005. No interest is due on the Mandarin TIF CABs until maturity in 2022. Interest is compounded semi-annually and accrues to full value at maturity. The Tobacco CABs were issued by the District of Columbia Tobacco Settlement Financing Corporation in connection with a Master Settlement Agreement. The Tobacco CABs have deferred principal and interest payments. Interest on the Tobacco CABs is also compounded semi-annually and accrues to full value at maturity in 2046 and

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2055. Accreted interest on both CABs is calculated throughout the maturity periods of the bonds and is recorded in the government-wide financial statements.

Reporting Long-Term Liabilities

General obligation bonds, revenue bonds and other long-term liabilities directly related to and intended to be paid from proprietary funds or discretely presented component units are included in the accounts of such funds. All other long-term indebtedness of the District, such as disability compensation, compensated absences, employee separation incentives and accreted interest liabilities, which have been incurred but not financed, are reported in the government-wide financial statements. Such obligations are to be paid through the District's General Fund.

Q. DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources represent the acquisition of net position by the District that is applicable to a future reporting period. Deferred inflows of resources have a natural credit balance, and therefore, decrease net position in the same manner as liabilities do.

R. ADOPTION OF NEW ACCOUNTING STANDARDS

During fiscal year 2019, the District adopted the following new accounting standards issued by the Governmental Accounting Standards Board (GASB):

- Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain legally enforceable liabilities associated with the retirement of tangible capital assets. Such liabilities are referred to as asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and a corresponding deferred outflows of resources for AROs and requires that recognition occur when the liability is both incurred and reasonably estimable. The determination of when the liability is incurred should be based on the occurrence of external events such as laws, regulations, contracts, or court judgments, together with the occurrence of an internal event that obligates a government to perform asset retirement activities.
- Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, requires that additional essential information related to debt be disclosed in the notes to financial statements, including unused lines of credit; assets pledged as collateral for debt; terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

Implementation of Statement No. 83 had no impact on the District's fiscal year 2019 financial statements. The District expanded on disclosures related to debt, as required by Statement No. 88, by providing additional required information which is presented in Note 7 on pages 113 to 125.

More detailed information regarding the requirements contained in these GASB Statements may be found at: www.gasb.org.

S. NEW ACCOUNTING PRONOUNCEMENTS TO BE IMPLEMENTED IN THE FUTURE

The District will adopt the following new accounting standards issued by GASB by the required effective dates:

- Statement No. 84, *Fiduciary Activities*, establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on: (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, the District's fiscal year 2020.
- Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflows of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, the District's fiscal year 2021.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting and financial reporting requirements which will enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period. Statement No.89 requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2019, the District's fiscal year 2021.

- Statement No. 90, *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61*, establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as an investment or a component unit. This Statement also requires that a component unit in which a government has a 100 percent equity interest, accounts for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value, at the acquisition date.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2018, the District's fiscal year 2020.

- Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with: (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures.

  The requirements of this Statement are effective for reporting periods beginning after December 15, 2020, the District's fiscal year 2022.

The District has not determined the impact, if any, that the implementation of Statements No. 84 and 89 through 91 will have on its financial statements. Accordingly, no determination has been made regarding the materiality of impact. The District has determined, however, that Statement No. 87 will have an impact on the way the District reports on its leases. The District has started collecting data, reviewing the lease contracts, and developing a reliable methodology for the implementation.

More detailed information regarding the requirements contained in these GASB Statements may be found at: www.gasb.org.

T. NET POSITION AND FUND BALANCE

Net Position

Assets plus deferred outflows of resources less liabilities less deferred inflows of resources equal Net Position in the government-wide, proprietary fund, and fiduciary fund statements. Net Position is categorized as follows:

Net Investment in Capital Assets

This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt, net of unspent proceeds, that are attributable to the acquisition, construction, or improvement of these assets, reduce the balance in this category.

Restricted Net Position

This category presents net position subject to external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Nonexpendable restricted net position represents the portion of net position that must be held in perpetuity in accordance with donor stipulations.

Unrestricted Net Position

This category represents net position not restricted for any project or other purpose.

Fund Balance

Assets plus deferred outflows of resources, less liabilities, less deferred inflows of resources equal Fund Balance in the governmental fund statements. In accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in governmental fund financial statements, fund balances are classified as follows:

Nonspendable Fund Balance

This category includes resources which cannot be spent because they are either: (a) not in spendable form; or (b) legally or contractually required to be maintained intact. As of September 30, 2019, the District's nonspendable fund balance included:

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Inventory

This portion of the fund balance represents amounts not available for appropriation or expenditure because the underlying asset (inventory) is not an available financial resource for appropriation or expenditure.

Restricted Fund Balance

This category includes resources with use constraints which are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. As of September 30, 2019, the District's restricted fund balance included:

Emergency and Contingency Cash Reserves

This portion of the fund balance represents amounts that, in accordance with legislative mandate, are held in two funds: an emergency cash reserve fund and a contingency cash reserve fund, to be used for unanticipated and nonrecurring, extraordinary needs of an emergency nature. Additional information about the District's emergency and contingency cash reserves is presented in the Minimum Fund Balance Policies section on page 80.

Debt Service – Bond Escrow

This portion of the fund balance represents the portion of investments held in escrow that is available for future debt service obligations or cash requirements.

Budget Reserves

This portion of the fund balance represents unused fiscal year 2019 budget reserve amounts that are restricted for specific purposes and available for such purposes until expended.

Purpose Restrictions

This portion of the fund balance represents resources from grants and other revenues with externally imposed limitations on how the District may expend the funds. Other revenues include but not limited to resources restricted for Workers' Compensation Program, Charter Schools Enhancement fund, resources collected for Pepco cost sharing fund (D.C. Plug), and Storm Water Permit compliance activities.

Payment in Lieu of Taxes (PILOT)

This portion of the fund balance is restricted for payment of future debt service associated with the PILOT Revenue Bonds.

Tobacco Settlement

This portion of the fund balance is restricted to pay future debt service and related expenses associated with the Tobacco Corporation's issuance of Tobacco Settlement Asset-Backed Bonds in fiscal years 2001 and 2006.

Tax Increment Financing (TIF) Program

This portion of the fund balance is restricted for debt service on TIF Bonds.

Housing Production Trust

This portion of the fund balance is restricted to provide financial assistance to developers for the planning and production of low, very low, and extremely low-income housing and related facilities.

Highway Projects

This portion of the fund balance is restricted for the purpose of executing federal highway projects.

Baseball Special Revenue

This portion of the fund balance represents resources set aside for baseball debt service payments.

Universal Paid Leave

This portion of the fund balance represents resources set aside for benefits payment to covered employees of the Paid Family Leave program.

Committed Fund Balance

This category includes resources which can only be used for specific purposes pursuant to limitations imposed by formal action of the District government's highest level of decision-making authority. Resources can only be committed if the formal action is issued on or before the end of the fiscal year. Amounts in this category may be redeployed for other purposes with the appropriate due process. Committed amounts cannot be used for any other purpose unless the District government removes or changes the specified use by taking the same type of action it used to previously commit the amounts. The Executive Office of the Mayor and the Council have the highest level of decision-making authority for committed fund balance. The Council must pass legislation to establish, modify, or rescind a commitment of fund balance. As of September 30, 2019, the District's committed fund balance included:

Fiscal Stabilization Reserve

This portion of the fund balance is committed to purposes permitted for use of the Contingency Reserve Fund. Additional information about the District's fiscal stabilization reserve is presented in the Minimum Fund Balance Policies section on page 80.

Cash Flow Reserve

This portion of the fund balance is committed to cover cash flow needs; provided that any reserve amounts used must be replenished in the same fiscal year.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Budget Support Act

This portion of the fund balance is committed to various non-lapsing accounts established in the Budget Support Act, which is a local law.

Soccer Stadium

This portion of the fund balance represents resources set aside for financing the infrastructure costs associated with the construction of the soccer stadium.

Dedicated Taxes

This portion of the fund balance represents the portions of the District's tax revenue streams which are dedicated for specific purposes and are not available for general budgeting.

Housing Production Trust Fund

This portion of the fund balance, which represents 50% of all uncommitted amounts in the unrestricted fund balance of the General Fund, is to be deposited in the Housing Production Trust Fund, provided that, at the close of a fiscal year, the District has fully funded the Emergency, Contingency, Fiscal Stabilization and Cash Flow Reserves.

Pay-as-you-go Capital Projects

This portion of the fund balance, which represents 50% of all uncommitted amounts in the unrestricted fund balance of the General Fund, is reserved for Pay-as-you-go capital projects, provided that, at the close of a fiscal year, the District has fully funded the Emergency, Contingency, Fiscal Stabilization and Cash Flow Reserves.

Subsequent Years' Expenditures

This portion of the fund balance represents the amount to be used to finance certain policy initiatives and other expenditures included in the fiscal year 2020 budget approved by the District Council.

Other Special Purposes

This portion of the fund balance is committed to activities financed by specific sources of revenues as authorized by formal action of the District Council. For example, the Renewable Energy Development Fund, which is administered by the Department of Energy and Environment was established to support the creation of new solar energy sources, including the use of electrical upgrades, structural improvements, the installation of electrical and thermal storage systems, in addition to the implementation of the Renewable Portfolio Standard Expansion Act of 2016.

Assigned Fund Balance

This category includes resources neither restricted nor committed for which the District has a stated intended use as established by the highest level of decision-making authority, or a body or official to which the authority to assign amounts for specific purposes was delegated. These are resources where the constraints/restrictions are less binding than that for committed resources. Consistent with Sections 424, 448, and 450 of the Home Rule Act, the District's Mayor, Council, and Chief Financial Officer are responsible for managing the District's financial resources. In fulfilling their respective responsibilities, the Mayor, Council, or Chief Financial Officer, as authorized, may assign portions of fund balance for specific purposes; however, the assignment of fund balance must be formally documented in the form of an Executive Order, letter, or some other official directive. As of September 30, 2019, the District's assigned fund balance included:

Subsequent Years' Expenditures

This portion of the fund balance represents amounts set aside to finance certain policy initiatives and other expenditures pending formal approval of the District Council.

Unassigned Fund Balance

This category includes resources which cannot be classified in one of the other four categories. The general fund is the only fund that is permitted to report a positive unassigned fund balance amount. In other governmental funds, it is not possible to report a positive unassigned fund balance; if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes, any assigned amount within the fund must be reduced first and then, if there are no further assigned amounts to reduce, the negative residual amount should be reported as negative unassigned fund balance. As of September 30, 2019, the District's unassigned fund balance included:

Capital Projects

This portion of the fund balance is restricted for the purpose of executing capital projects. The Capital Projects Funds reported a negative unassigned fund balance at September 30, 2019 because expenditures were made in the Capital Projects Funds from resources that were advanced from the General Fund in anticipation of bond proceeds that will be restricted to the purpose for which those expenditures were made.

Additional information about the District's fund balances is presented in **Table N10-1** on page 138.

Minimum Fund Balance Policies

Restricted Fund Balances

Through Congressional mandate, established by Section 450A of the Home Rule Act, the District is required to maintain cash reserves totaling 6.00% of

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

the previous fiscal year's General Fund expenditures (local portion) less debt service cost. The 6.00% is comprised of a contingency cash reserve of 4.00% and an emergency cash reserve of 2.00%. These reserves are reported as restricted cash and restricted net position in the government-wide financial statements.

Contingency Cash Reserve

The contingency cash reserve may only be used for nonrecurring or unforeseen needs that arise during the fiscal year, including expenses associated with unforeseen weather conditions or other natural disasters, unexpected obligations created by federal law or new public safety or health needs or requirements that have been identified after the budget process has occurred, or opportunities to achieve cost savings. In addition, the contingency cash reserve may be used, as needed, to cover revenue shortfalls experienced by the District government for three consecutive months (based on a two-month rolling average) that are 5.00% or more below the budget forecast. The contingency cash reserve fund may not be used to fund any shortfalls in any projected reductions which are included in the budget proposed by the District for the fiscal year.

The District must replenish the contingency cash reserve for any amounts used from this reserve. During the annual budgeting process, the District takes the necessary measures to restore amounts used during the preceding year. When replenishing the contingency cash reserve, the District must comply with the following:

- At least 50% of the amount used from the reserve must be replenished in the first year after its use. The District also has the option of restoring the contingency cash reserve to the required 4.00% balance. The District should choose the option that involves the lesser amount.
- If the District replenishes only 50% of the amount used from the reserve in the first year after use, by the end of the second year, the remaining 50% is to be replenished or the amount needed to restore the reserve to the required 4.00% balance must be allocated. The District should choose the option that involves the lesser amount.

Emergency Cash Reserve

The emergency cash reserve fund may be used to provide for unanticipated and nonrecurring extraordinary needs of an emergency nature, including a natural disaster or calamity or unexpected obligations by federal law. The emergency cash reserve fund may also be used in the event that a State of Emergency is declared by the Mayor. However, the emergency cash reserve fund may not be used to fund: (a) any department, agency, or office of the District government which is administered by a receiver or other official appointed by a court; (b) shortfalls in any projected reductions which are included in the budget proposed by the District for the fiscal year; or (c) settlements and judgments made by or against the District government.

The District must replenish the emergency cash reserve for any amounts used from this reserve. During the annual budgeting process, the District takes the necessary measures to restore amounts used during the preceding year. When replenishing the emergency cash reserve, the District must comply with the following:

- At least 50% of the amount used from the reserve must be replenished in the first year after its use. The District also has the option of restoring the contingency cash reserve to the required 2.00% balance. The District should choose the option that involves the lesser amount.
- If the District replenishes only 50% of the amount used from the reserve in the first year after use, by the end of the second year, the remaining 50% is to be replenished or the amount needed to restore the emergency cash reserve to the required 2.00% balance must be allocated. The District should choose the option that involves the lesser amount.

Committed Fund Balances

Fiscal Stabilization Reserve

The fiscal stabilization reserve may be used by the Mayor for the same purposes for which the contingency cash reserve was established. Pursuant to D.C. Code § 47–392.02(j-1), as amended, the fiscal stabilization reserve account may be used by the Chief Financial Officer to cover cash flow needs; provided, that any amounts used shall be replenished to the fiscal stabilization reserve account in the same fiscal year. At full funding, for any given fiscal year, the fiscal stabilization reserve must equal 2.34% of the District's General Fund operating expenditures for that year.

Cash Flow Reserve

The cash flow reserve may be used by the District's Chief Financial Officer to cover cash flow needs. When amounts are used, the cash flow reserve must be replenished in the same fiscal year of use. At full funding, for any given fiscal year, the cash flow reserve must equal 8.33% of the District's General Fund operating budget for that fiscal year.

If either the fiscal stabilization reserve or the cash flow reserve is below full funding upon issuance of the Comprehensive Annual Financial Report, the District's Chief Financial Officer must commit 50% of the unassigned end-of-year fund balance to each reserve, or 100% of the end-of-year unassigned fund balance to the reserve that has not reached full capacity, to fully fund the reserves to the extent allowed by the end-of-year fund balance. If Congress takes action

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

to reduce the funding limits for the contingency cash reserve and the emergency cash reserve, the Council of the District of Columbia has legally mandated that the fiscal stabilization reserve be increased by that same amount.

If at the end of any given fiscal year, the District has fully funded the emergency cash, contingency cash, fiscal stabilization, and cash flow reserves, all additional uncommitted amounts in the unrestricted fund balance of the General Fund of the District, as certified by the Comprehensive Annual Financial Report for that fiscal year, must be used for the following purposes: (a) 50% must be deposited in the Housing Production Trust Fund; and (b) 50% must be reserved for Pay-as-you-go capital projects.

Use of Fund Balance

The policy of the District is to use restricted resources first, followed by committed resources and then assigned resources, when expenses are incurred for purposes for which any of these resources are available. Therefore, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available and considers committed fund balance to have been spent when an expenditure has been incurred for purposes for which committed, assigned, or unassigned amounts could have been used. The District does, however, reserve the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

U. POSTEMPLOYMENT BENEFITS

Defined Benefit Pension Plans

District full-time employees receive pension benefits through the federally administered Civil Service Retirement System (CSRS), the Social Security System, or the District's Retirement Funds. The District of Columbia Retirement Board (DCRB or Board) administers the District's Retirement Funds, which consist of two single-employer defined benefit pension plans: (1) the District of Columbia Teachers' Retirement Fund (TRF), and (2) the District of Columbia Police Officers and Fire Fighters' Retirement Fund (POFRF).

The District Retirement Funds' fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, as reported by DCRB. Accordingly, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the terms of the plans. Investments of the District Retirement Funds are reported at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Further information regarding the District Retirement Funds is presented in Note 8 on page 126 through 132.

Other Retirement Programs

The District sponsors a defined contribution pension plan with a qualified trust under the Internal Revenue Code (IRC)Section 401(a) and the provisions of D.C. Code §1-626.05, for permanent full-time employees covered under the Social Security System, where new District employees become eligible after one year of service. The District contributes 5.00% of base salaries for eligible employees each pay period (5.50% for detention officers). Contributions and earnings vest incrementally after two years of service, and fully, after five years of service. Additional information about the defined contribution pension plan and other retirement programs sponsored by the District such as: 1) the Internal Revenue Code Section 403(b) Plan and 2) the Internal Revenue Code Section 457 Plan are presented in Note 8 on pages 126 through 132.

Other Postemployment Benefits (OPEB)

In addition to the pension benefits described in Note 8 and pursuant to D.C. Code § 1-621.13, District employees hired after September 30, 1987, who retire may be eligible to continue their healthcare benefits. Furthermore, in accordance with D.C. Code §1- 622.16, these employees may convert their group life insurance to individual life insurance. The expense of providing such benefits to employees hired prior to October 1, 1987, is paid by the federal government and the District has no liability for these costs. However, the District provides health and life insurance benefits to retirees first employed by the District after September 30, 1987, through its OPEB plan.

The OPEB plan's fiduciary net position is determined using the economic resources measurement focus and the accrual basis of accounting, as reported by the OPEB plan. Accordingly, benefit payments are recognized when due and payable in accordance with the terms of the OPEB plan. Investments of the OPEB plan are reported at fair value in accordance with GASB Statement No. 72. Further information regarding OPEB is presented in Note 9 on pages 133 through 137.

V. USE OF ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to use estimates and make assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and the disclosure of contingent assets and liabilities at the date of the basic financial statements. The use of estimates may also affect the reported amounts of revenues, expenses and expenditures during the reporting period. Actual results could differ from the estimates used.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

W. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The governmental funds Balance Sheet includes a reconciliation between total fund balances of governmental funds and net position of governmental activities as reported in the government-wide Statement of Net Position. This reconciliation is presented in Exhibit 2-a on page 52.

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net changes in fund balances of governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. This reconciliation is presented in Exhibit 2-c on page 54.

X. RECONCILIATION OF BUDGETARY BASIS TO GAAP BASIS

Table N1-2 presents the reconciliation of the budgetary basis operating results to the GAAP basis.

Table N1-2
Reconciliation of Budgetary Basis to GAAP Basis ($000s)

	General Fund	Federal and Private Resources
Excess of revenues and other sources over expenditures and other uses - budgetary basis	$ 476,865	$ 22,229
Basis differences:		
Inventory is recorded using the purchase method for budgetary purposes and the consumption method on a GAAP basis	2,033	-
Transfers/Reclassifications	(1,965)	(5,056)
Excess (deficit) of revenues and other sources over (under) expenditures and other uses - GAAP basis	**$ 476,933**	**$ 17,173**

NOTE 2. CASH AND INVESTMENTS

A. CASH

The District of Columbia follows the practice of pooling cash and cash equivalents for some of its governmental funds and component units in order to provide better physical custody and control of these assets, to enhance operational efficiency, and to maximize investment opportunities. As of September 30, 2019, substantially all of the cash deposits in the custody of the District, were insured or collateralized with securities held by the District or by its agent in the District's name, in accordance with the provisions of the Financial Institutions Deposit and Investment Act of 1997 (D.C. Law 12-56). As of September 30, 2019, the carrying amount of cash and cash equivalents was $4,397,070 for the primary government, $271,185 for the fiduciary funds, and $320,842 for the component units.

B. INVESTMENTS

The Treasurer is authorized by District laws to invest funds in a manner that will preserve principal and meet the District's anticipated daily cash requirements, while maximizing investment earnings. The District purchases legally authorized investments consistent with the provisions of the Financial Institutions Deposit and Investment Act of 1997 (D.C. Law 12-56) and the District's Cash and Investment Management Policy, adopted in November 2008. The District's investment policy limits permitted investments to direct obligations of the United States and its agencies, money market funds, municipal obligations, federally insured or collateralized certificates of deposit, prime commercial paper, bankers' acceptances and repurchase agreements fully collateralized in obligations of the United States government and agency securities. During fiscal year 2019, the District's investments (other than those held by the District Retirement Funds, the OPEB Fund and the D.C. Library Trust Fund) consisted primarily of government money market funds, U.S. government securities, commercial paper and collateralized certificates of deposit.

Table N2-1 presents the District's cash, cash equivalents and investment balances as of September 30, 2019.

Table N2-1
District's Cash, Cash Equivalents and Investment Balances ($000s)

	Exhibit 1-a			Exhibit 4-a				
	Primary Government	Component Units	Total	Pension/ OPEB Trust Funds	Private-Purpose Trust Fund	Agency Funds	Total	Total Cash, Cash Equivalents and Investment Balances
Cash and cash equivalents	$ 2,282,811	$ 135,732	$ 2,418,543	$ -	$ -	$ -	$ -	$ 2,418,543
Investments	-	231,297	231,297	-	-	-	-	231,297
Cash and cash equivalents (restricted)	2,114,259	185,110	2,299,369	187,668	7,516	76,001	271,185	2,570,554
Investments (restricted)	97,455	572,609	670,064	9,858,006	683,955	-	10,541,961	11,212,025
Total	**$ 4,494,525**	**$ 1,124,748**	**$ 5,619,273**	**$ 10,045,674**	**$ 691,471**	**$ 76,001**	**$ 10,813,146**	**$ 16,432,419**

NOTE 2. CASH AND INVESTMENTS

Table N2-2 presents the District's cash, cash equivalents and investment balances by category as of September 30, 2019.

Table N2-2
District: Cash, Cash Equivalents and Investment Balances by Category ($000s)

	Primary Government	Fiduciary Funds	Component Units	Total
Cash and cash equivalents balances	$ 4,397,070	$ 271,185	$ 320,842	$ 4,989,097
Investments				
U.S. government securities	1,190	-	197,847	199,037
Commercial paper	40,246	-	-	40,246
Certificates of deposit	35,000	-	37,310	72,310
Mortgage-backed securities	4,987	-	-	4,987
Guaranteed investment contracts	2,147	168,867	-	171,014
Repurchase agreements	11,155	-	32,821	43,976
Exchange traded funds	1,586	-	1,956	3,542
Alternative investments	-	-	3,223	3,223
Commodities	-	40,423	-	40,423
Equity securities	185	5,837,529	37,488	5,875,202
Fixed income securities	-	3,344,766	33,727	3,378,493
Real assets	-	685,113	-	685,113
Private equity	-	465,263	-	465,263
Corporate securities	-	-	49,196	49,196
Investment contracts	-	-	113,578	113,578
Money market funds	959	-	295,563	296,522
Mutual funds	-	-	1,197	1,197
Total investments	97,455	10,541,961	803,906	11,443,322
Total cash, cash equivalents and investment balances	**$ 4,494,525**	**$ 10,813,146**	**$ 1,124,748**	**$ 16,432,419**

District Retirement Funds

The District of Columbia Retirement Board (DCRB) is authorized to manage and control the investments of the District Retirement Funds, which consist of the District of Columbia Teachers' Retirement Fund (TRF) and the District of Columbia Police Officers and Fire Fighters' Retirement Fund (POFRF). DCRB may invest in fixed income, equity securities and various other types of investments. As prescribed in D.C. Code §1-907.01 (2001 ED.), DCRB may not invest in debt instruments of the District, the Commonwealth of Virginia, or the State of Maryland governments, political subdivisions thereof, or any entity subject to control by them; debt instruments fully guaranteed by those governments; real property in those jurisdictions; or debt instruments secured by real property in those jurisdictions, subject to the exceptions in subsection (c) of D.C. Code §1-907.01 (2001 ED.).

Table N2-3 presents cash, cash equivalents and investment pools held in the control of DCRB as of September 30, 2019 and 2018.

Table N2-3
District Retirement Funds: Cash, Cash Equivalents and Investment Pools ($000s)

	September 30, 2019	September 30, 2018
Cash and cash equivalents	$ 76,434	$ 59,334
Investments		
Domestic equity	2,284,339	2,209,272
International equity	2,328,879	2,316,014
Fixed income	2,690,008	2,549,785
Real assets	685,113	693,111
Private equity	465,263	376,053
Total cash, cash equivalents and investments	**$ 8,530,036**	**$ 8,203,569**

NOTE 2. CASH AND INVESTMENTS

Other Postemployment Benefits Fund

During fiscal year 2019, the District's Other Postemployment Benefits (OPEB) Fund maintained certain cash, cash equivalents and investment balances. **Table N2-4** presents the OPEB Fund's cash, cash equivalents and investment balances as of September 30, 2019 and 2018.

Table N2-4
OPEB Fund: Cash, Cash Equivalents and Investment Balances ($000s)

	September 30, 2019	September 30, 2018
Cash and cash equivalents	$ 111,234	$ 64,918
Investments		
Equities	891,542	917,390
Debt securities	472,439	437,889
Commodities	40,423	45,468
Total cash, cash equivalents and investments	**$ 1,515,638**	**$ 1,465,665**

Deposit and Investment Risks

The District's investments and those of its discretely presented component units are subject to interest rate, credit, custodial credit, concentration of credit and foreign currency risks. The District, including DCRB on behalf of the District Retirement Funds, broadly diversifies the investment of District funds to minimize the risk of large losses, unless under the circumstances, it is clearly prudent not to do so. The OPEB Fund's investments are uninsured and unregistered and are held by the counterparty in the Fund's name. The types of risks to which the District (including the District Retirement Funds and the OPEB Fund) may be exposed are described as follows:

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

District of Columbia (Excluding Fiduciary Funds)

To mitigate credit risk, District policy requires that certain conditions are met for the following investments:

- Commercial paper - The issuing corporation, or its guarantor has a short-term rating of no less than A-1 (or its equivalent) by at least two credit rating agencies.
- Bankers' acceptances - The short-term paper of the issuer is rated not lower than A-1 or the equivalent by a credit rating agency.
- Municipal obligations - They are rated in either of the two highest rating categories by a credit rating agency without regard to gradation.
- Money market mutual funds - The fund is rated AAAm or the equivalent by a credit rating agency.
- Repurchase agreements - The counterparty has a long-term credit rating of at least AA- or the equivalent and does not have a "negative outlook" associated with such rating; has been in operation for at least five years; and is reputable among market participants.

District Retirement Funds

Unless specifically authorized in writing by DCRB, fixed income managers invest retirement funds in investment grade instruments rated in the top four rating categories by a recognized statistical rating service.

OPEB Fund

The OPEB Fund investment policy requires that the fixed income portion of the Fund's assets be invested in marketable fixed income securities of BBB- or higher by Standard & Poor's, Baa3 or higher by Moody's, or BBB- or higher by Fitch or a nationally recognized bond rating service as determined at the time of purchase, counting cash and cash equivalents toward such percentage. The average quality of all the Bond holdings in each investment manager's portfolio should be maintained at A or higher. For portfolios that were not individually managed as of September 30, 2019, the credit quality was on par with the index value of "BBB-" or higher.

Custodial Credit Risk

Custodial credit risk is the risk that, given a financial institution's failure, the government will not be able to recover deposits or collateral.

District of Columbia (Excluding Fiduciary Funds)

The District had no custodial credit risk exposure during the fiscal year. All District deposits in fiscal year 2019 were collateralized or insured. Collateral for deposits is held in the District's name by the Federal Reserve and the Bank of New York in a custodial account.

NOTE 2. CASH AND INVESTMENTS

District Retirement Funds

The District Retirement Funds had custodial credit risk exposure totaling $2,739 as of September 30, 2019. Investments held by the custodian on behalf of DCRB were held in an account in the name of DCRB. Funds not invested at the end of a given day were placed in overnight instruments in the name of DCRB.

OPEB Fund

The OPEB Fund's investments are generally uninsured, unregistered, and are held by the custodian in the Fund's name.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer.

District of Columbia (Excluding Fiduciary Funds)

The District's investment policy does not allow for an investment in any single issuer that is in excess of five percent of the District's total investment portfolio with the following exceptions: U.S. Treasury, 100% maximum; each federal agency, 40% maximum; each repurchase agreement counterparty, 25% maximum; and each money market mutual fund, 25% maximum. As of September 30, 2019, the District was in compliance with this policy.

District Retirement Funds

DCRB's investment guidelines generally do not permit direct investment in any single issuer in excess of five percent of the value of the portfolio. This excludes U.S. Treasuries, U.S. government-sponsored enterprises and U.S. government agency securities. As of September 30, 2019, DCRB was in compliance with this policy.

OPEB Fund

The OPEB Fund has no significant concentrations of exposure to credit risk that has not been reduced by collateral and other off-sets. The investment policy provides guidelines to the investment managers regarding maximum issuer holdings and overall portfolio diversification.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. An investment with a longer maturity will generally have greater sensitivity to fair value changes that are related to market interest rates.

District of Columbia (Excluding Fiduciary Funds)

The District's investment policy limits the District's portfolio to specific maturities as a means of limiting its exposure to fair value losses resulting from rising interest rates. **Table N2-5** presents the District's authorized investments and maturity limits as detailed in the District's investment policy.

Table N2-5
District's Investment Maturities and Limits

Type of Investment	Maturity	Maximum Investment
U.S. treasury obligations	Five years	100%
Federal agency obligations	Five years	100%
Repurchase agreements	90 days or less	100%
Commercial paper	180 days or less	30%
Bankers' acceptances	270 days or less	40%
Municipal obligations	Five years	20%
Federally insured or collateralized certificates of deposit	Not applicable	30%
Money market mutual funds	Not applicable	100%
Bank deposits	Not applicable	100%

District Retirement Funds

DCRB monitors the interest rate risk inherent in its portfolio by measuring the weighted average duration of its portfolio. Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as a percentage of the investment's full price. As a general rule, the risk and return of DCRB's fixed income segment of the portfolio is compared to the Barclays Capital U.S. Universal Index. To mitigate interest rate risk, the fixed income segment is expected to maintain a weighted average duration (sensitivity to interest rate changes) within +/-2 (two) years of the duration of this Index.

OPEB Fund

The OPEB Fund addresses interest rate risk through a process that focuses on the review of investment managers and fund returns. Those managers are

NOTE 2. CASH AND INVESTMENTS

tasked with managing risks within the scope of their mandate. The Fund also uses an independent consultant to examine how sensitive the fixed income portfolios' underlying assets are to movement in interest rates, and to recommend any appropriate investment manager changes.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely impact the fair value of an investment.

District of Columbia (Excluding Fiduciary Funds)

As of September 30, 2019, the District had no exposure to foreign currency risk.

District Retirement Funds

As a general policy of DCRB, investment managers with authority to invest in securities denominated in a foreign currency may reduce exposure to currency risk by systematically hedging foreign currency positions back to U.S. dollars through the forward currency markets. Since the forward exchange rate is seldom equal to the spot exchange rate, forward hedging gains and losses may arise. At the end of fiscal year 2019, the District Retirement Funds held investments that were denominated in a currency other than the United States dollar, as presented in **Table N2-6**.

Table N2-6
District Retirement Funds' Investments Denominated in Foreign Currency ($000s)

Foreign currency	Private Equity
Canadian dollar	$ 18,057
British sterling	13,808
Euro	40,961
Total foreign currency	**$ 72,826**

OPEB Fund

The OPEB Fund does not have a formal policy for limiting its exposure to changes in exchange rates. **Table N2-7** presents the OPEB Fund's investments that were denominated in a currency other than the United States dollar.

Table N2-7
OPEB Fund's Investments Denominated in Foreign Currency ($000s)

International securities	Short-Term and Cash	Convertible and Fixed Income	Total
Australian dollar	$ (18)	$ -	$ (18)
Brazilian real	(11)	-	(11)
British pound sterling	(172)	11,131	10,959
Canadian dollar	(14)	12,300	12,286
Chilean peso	34	-	34
Euro	799	51,665	52,464
Indian rupee	(17)	-	(17)
Indonesian rupiah	34	985	1,019
Japanese yen	123	31,258	31,381
Malaysian ringgit	207	4,540	4,747
Mexican peso	(81)	1,576	1,495
New Israeli shekel	(21)	-	(21)
New Zealand dollar	20	-	20
Norwegian krone	(122)	-	(122)
Polish zloty	88	-	88
Russian ruble	44	1,911	1,955
Singapore dollar	25	1,272	1,297
South African rand	9	377	386
Swedish krona	96	3,642	3,738
Total international securities	**$ 1,023**	**$ 120,657**	**$ 121,680**

NOTE 2. CASH AND INVESTMENTS

Fair Value of Investments

The District (including the District Retirement Funds and the OPEB Fund) categorizes its fair value measurements within the fair value hierarchy established by GAAP. A three-level valuation hierarchy, based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date, was established by GAAP for disclosure of fair value measurements.

The three levels are defined as follows:

- Level 1 - Observable market inputs that are unadjusted quoted prices for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly (for example, quoted prices for similar assets or liabilities in active markets).
- Level 3 - Unobservable inputs (including the District's own assumptions in determining the fair value of investments).

An asset or a liability categorization within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement.

District of Columbia Investments (Excluding Fiduciary Funds)

Table N2-8 presents the District's investments measured at fair value as of September 30, 2019.

Table N2-8
District's Investments Measured at Fair Value, Excluding Fiduciary Funds ($000s)

		Fair Value Measurement Using		
	September 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
U.S. equity securities	$ 185	$ 185	$ -	$ -
Exchange-traded funds				
U.S. government bond fund	269	269	-	-
International equity funds	332	332	-	-
U.S. equity funds	388	388	-	-
Corporate bond funds	420	420	-	-
High yield bond funds	120	120	-	-
Commodity funds	57	57	-	-
Total exchange-traded funds	1,586	1,586	-	-
Non exchange-traded funds				
Mortgage-backed securities	4,987	-	4,987	-
Repurchase agreements	11,155	-	11,155	-
Guaranteed investment contracts	2,147	-	-	2,147
Total non exchange-traded funds	18,289	-	16,142	2,147
Total investments measured at fair value	**$ 20,060**	**$ 1,771**	**$ 16,142**	**$ 2,147**

U.S. Equity Securities

U.S. equity securities are valued using prices quoted in active markets. These securities are classified as Level 1 in the fair value hierarchy as presented in **Table N2-8.**

Exchange-Traded Funds

An exchange-traded fund (ETF) is a marketable security that tracks an index, a commodity, bonds, or a basket of assets like an index fund. The District has invested in ETFs within the asset classes noted in **Table N2-8**. ETF shares are traded on a national stock exchange and at market prices that may or may not be the same as the net asset value (NAV) of the shares. ETFs trade both at the end of trading day NAV per share or Intraday Value (market price), that fluctuates throughout the trading day. An ETF's market price is generally maintained close to the ETF's end-of-day NAV because of the arbitrage function inherent to the structure of the ETF. The basket of assets that are traded like an index fund are classified as Level 1 in the fair value hierarchy.

Mortgage-Backed Securities

Mortgage-backed securities are valued using quoted market prices, recent market transactions and spread data for similar instruments. The values of these assets were determined using a Level 2 measurement as presented in **Table N2-8**.

NOTE 2. CASH AND INVESTMENTS

Repurchase Agreements

The fair values of repurchase agreements are determined using quantitative models, including discounted cash flow models that require the use of multiple market inputs, including interest rates and spreads to generate continuous yield or pricing curves, and volatility factors. The majority of market inputs is actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services. The valuation of repurchase agreements is classified as Level 2 in **Table N2-8**.

Guaranteed Investment Contracts

Guaranteed investment contracts are valued at fair value by discounting the related cash flows based on current yields of similar instruments, with comparable durations considering the credit-worthiness of the issuer. The determination of fair value includes certain unobservable inputs assessed through the review of contract terms (for example, duration or payout date) while others are substantiated utilizing available market data. These fair value amounts were determined by using Level 3 measurement as presented in **Table N2-8**.

District Retirement Funds' Investments

Table N2-9 presents the District Retirement Funds' investments measured at fair value as of September 30, 2019.

Table N2-9
District Retirement Funds' Investments Measured at Fair Value ($000s)

		Fair Value Measurement Using		
	September 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Domestic equity	$ 288,973	$ 278,237	$ 10,736	$ -
International equity	206,937	206,937	-	-
Fixed income	623,222	-	623,222	-
Real assets	421,396	-	-	421,396
Private equity	465,263	-	-	465,263
Total investments by fair value level	2,005,791	$ 485,174	$ 633,958	$ 886,659
Investments measured at the net asset value (NAV)				
Domestic equity	1,995,366			
International equity	2,121,942			
Fixed income	2,066,786			
Real assets	263,717			
Total investments measured at the net asset value (NAV)	6,447,811			
Total investments measured at fair value	**$ 8,453,602**			

Equity Securities

Equity securities classified in Level 1 of the fair value hierarchy are valued at the last sale price or official close price as of the close of trading on the applicable exchange where the security principally trades. Some of the domestic equity securities that are valued at prices provided by independent pricing vendors are classified in Level 2 of the fair value hierarchy. Private equity securities classified in Level 3 of the fair value hierarchy are valued with last trade data having limited trading volume.

Fixed Income Securities

Fixed income securities classified in Level 2 of the fair value hierarchy are valued at prices provided by independent pricing vendors. The vendors provide these prices after evaluating observable inputs, including, but not limited to: quoted prices for similar securities, the mean between the last reported bid and ask prices (or the last bid price in the absence of an asked price), yield curves, yield spreads, credit ratings, deal terms, tranche level attributes, default rates, cash flows, prepayment speeds, broker/dealer quotations, inflation and reported trades.

NOTE 2. CASH AND INVESTMENTS

Real Assets

Real assets classified in Level 3 of the fair value hierarchy are real estate investments generally valued using the income approach by internal manager reviews or independent external appraisers.

Table N2-10 presents additional information about the nature of investments measured at the net asset value per share.

Table N2-10
District Retirement Funds' Investments Measured at the Net Asset Value (NAV) ($000s)

	September 30, 2019	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments measured at the NAV				
Domestic equity	$ 1,995,366	$ -	Daily	None
International equity	2,121,942	-	3 times per month, monthly	2-5 days
Fixed income	2,066,786	-	Daily, monthly	3-30 days
Real assets	263,717	365,899	None	N/A
Total investments measured at the NAV	**$ 6,447,811**	**$ 365,899**		

Domestic and International Equities

DCRB has investments in three funds with a domestic focus and five funds with an international focus, in which the equity securities maintain some level of market exposure; however, the level of market exposure may vary through time.

Fixed Income

DCRB has investments in six funds, including corporate bonds, and U.S. Treasury obligations, with redemption notifications not greater than 30 days.

Real Assets

DCRB has made commitments to purchase partnership interests in real asset funds as part of its long-term asset allocation plan for private markets. The unfunded commitments totaled $365,899, as of September 30, 2019, as presented in **Table N2-10**. This represents global investments in 39 real asset funds.

In general, investments in the private markets program are illiquid and redemptions are structurally limited over the life of the investment. The private equity program spans a range of underlying strategies, including buyouts, growth equity/venture, private debt, secondaries and fund-of-funds. The real asset program includes investments in a broad range of real estate strategies (i.e., core, value-added, opportunistic), infrastructure and natural resources funds.

OPEB Fund Investments

Table N2-11 presents the OPEB Fund's investments measured at fair value as of September 30, 2019, in accordance with GASB Statement No. 72 valuation hierarchy.

NOTE 2. CASH AND INVESTMENTS

Table N2-11
OPEB Fund's Investments and Derivative Instruments Measured at Fair Value ($000s)

		Fair Value Measurement Using		
	September 30, 2019	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
INVESTMENTS BY FAIR VALUE LEVEL				
Equity securities				
U.S. equities (by Industry)				
Industrials	$ 117,984	$ 117,984	$ -	$ -
Consumer retail	105,643	105,643	-	-
Information technology	105,130	105,130	-	-
Financial institutions	78,336	78,336	-	-
Healthcare	94,863	94,863	-	-
International equities (by Industry)				
Industrials	4,660	4,660	-	-
Consumer retail	21,847	21,847	-	-
Financial institutions	2,521	2,521	-	-
Healthcare	4,445	4,445	-	-
Real estate investment trust securities	20,514	20,514	-	-
Total equity securities	555,943	555,943	-	-
Debt securities				
U.S. government issues	94,071	-	94,071	-
Corporate bonds	63,706	-	63,706	-
Mortgage-backed securities	184	-	184	-
Credit card/automotive receivables	11,441	-	11,441	-
U.S. state and local government bonds	6,523	-	6,523	-
Mutual funds	33,012	33,012	-	-
International debt securities				
Government issues	93,025	-	83,702	9,323
Corporate bonds	41,932	-	41,932	-
Credit card/automotive receivables	255	-	255	-
Other government bonds	4,895	-	4,895	-
Total debt securities	349,044	33,012	306,709	9,323
Commodity investments				
Gresham commodities fund	40,423	-	-	40,423
Total commodity investments	40,423	-	-	40,423
Total investments by fair value level	**945,410**	**$ 588,955**	**$ 306,709**	**$ 49,746**
Investments measured at the Net Asset Value (NAV)				
SSgA emerging market index fund	$ 93,939			
SSgA Russell 2000 index fund	84,997			
SSgA U.S. aggregate bond index fund	88,483			
Baillie Gifford international growth equity	86,387			
Artisan international value equity	70,276			
BlueBay emerging market bond	34,912			
Total investments measured at the NAV	458,994			
Total investments measured at fair value	**$ 1,404,404**			
Investment derivative instruments				
Interest rate swaps	$ 64	$ -	$ 64	$ -
Credit defaults swaps	(630)	-	(630)	-
Foreign exchange forwards	(538)	-	(538)	-
Total investment derivative instruments	**$ (1,104)**	**$ -**	**$ (1,104)**	**$ -**

NOTE 2. CASH AND INVESTMENTS

Investments Measured at Fair Value

The following provides a summary of OPEB Fund's investments measured at fair value as presented in **Table N2-11**.

Equity Securities and Mutual Funds

These investments are classified as Level 1 of the fair value hierarchy, and are valued using prices quoted in active markets for those securities. The mutual funds held in equities are deemed to be actively traded, and support classification of the fair value measurement as Level 1 in the fair value hierarchy.

Real Estate Investment Trust Securities

These investments are classified as Level 1 of the fair value hierarchy because they are actively traded securities.

Debt Securities

These investments are classified as Level 2 of the fair value hierarchy, and are valued using market pricing and other observable market inputs for similar securities from a number of data providers, standard in the industry; or a broker quote in a non-active market. International government issues include structured debt which are valued using inflation adjusted mid evaluation and are classified as Level 3 in the fair value hierarchy. Collateralized auto loan securities, which are included in collateralized debt obligations, are classified as Level 2; and are valued using consensus pricing. The mutual funds held in bonds are classified as Level 1.

Commodities Fund

The investment objective of the fund is to provide a partial price hedge with an attractive risk/return profile, as compared to other products using a commodity index or a pool of commodities. Partial or complete redemption may be made, upon five days prior written notice, on the last business day of each calendar month or at such times and on such terms as the General Partner of the fund may, in his/her sole discretion, allow. The valuation techniques and inputs categorization within the valuation hierarchy is based upon Level 3; and uses the income approach, where the advisor considers a list of factors to determine whether there has been significant decrease in relation to normal market activity.

Investment Derivative Instruments

OPEB's derivative financial instruments are valued by a third-party investment fund manager, based on prevailing market data derived from proprietary models, and are carried at fair value. The Fund had two types of off-balance sheet derivative financial instruments outstanding: swaps and currency forwards. These derivative instruments are financial contracts, the values of which depend on the value of one or more underlying assets, or reference rates or financial indices, which dictate the rate of change of output with respect to the financial contracts. The financial instruments' categorization within the valuation hierarchy is based upon Level 2.

Investments Measured at the NAV

This investment category consists of six funds that include funds or products that employ dynamic trading strategies aimed at achieving absolute returns. Certain investment funds do not redeem shares on a daily basis. The funds have varying restrictions on liquidity and transferability. The fair values of the investments in this type have been determined, using the NAV per share of the investments. **Table N2-12** presents additional information about the nature of investments measured at the net asset value per share.

Table N2-12
OPEB Fund's Investments Measured at the Net Asset Value (NAV) ($000s)

	September 30, 2019	Unfunded Commitments	Redemption Frequency (If Currently Eligible)	Redemption Notice Period
Investments measured at the NAV				
SSgA emerging market index fund	$ 93,939	$ -	Monthly	5 days
SSgA Russell 2000 index fund	84,997	-	Daily	N/A
SSgA U.S. aggregate bond index fund	88,483	-	Daily	N/A
Baillie Gifford international growth equity	86,387	-	Monthly	5 days
Artisan international value equity	70,276	-	Monthly	5 days
BlueBay emerging market bond	34,912	-	Monthly	30 days
Total investments measured at the NAV	**$ 458,994**	**$ -**		

NOTE 2. CASH AND INVESTMENTS

SSgA Emerging Market Index Fund

This fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the MSCI Emerging Markets Index, which is a free float-adjusted market capitalization index that is designed to measure equity market performance of emerging markets. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. Equity securities held by the fund may be denominated in foreign currencies and may be held outside the United States. In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio.

SSgA Russell 2000 Index Fund

This fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to match, before expenses, the performance of the Index. SSgA will typically attempt to invest in the equity securities comprising the Index, in approximately the same proportions as they are represented in the Index. Equity securities may include common stocks, preferred stocks, depository receipts, or other securities convertible into common stock. The strategy may include purchasing securities in their initial public offerings ("IPOs"). In some cases, it may not be possible or practicable to purchase all the securities comprising the Index, or to hold them in the same weightings as they represent in the Index. In those circumstances, SSgA may employ a sampling or optimization technique to construct the portfolio in question.

SSgA U.S. Aggregate Bond Index Fund

This fund seeks an investment return that approximates as closely as practicable, before expenses, the performance of the Barclays Capital U.S. Aggregate Bond Index (the "Index") over the long term. The fund is managed using a "passive" or "indexing" investment approach, by which SSgA attempts to replicate, before expenses, the performance of the Index. The fund may attempt to invest in the securities comprising the Index in the same proportions as they are represented in the Index. However, due to the large number of securities in the Index and the fact that many of the securities comprising the Index may be unavailable for purchase, it may not be possible for the fund to purchase some of the securities comprising the Index.

Baillie Gifford International Growth Equity

This fund is designed to pursue long-term capital appreciation by investing in high-quality, attractively valued, non-U.S. growth companies of all market capitalizations. Their investment process is based on a highly analytical research-driven process, and builds portfolios from the bottom-up. The strategy invests primarily in developed markets, but also may invest up to 20% of the Fund's net assets at market value, at the time of purchase, in emerging markets. Currency hedging is used for defensive purposes, and are only used under certain conditions.

Artisan International Value Equity

This fund seeks to invest in undervalued companies that are generating high returns on capital, are financially strong and are managed by people who are working to build value over time. The fund's investment team seeks to invest in companies with histories of generating strong, free cash flow, improving returns on capital and strong competitive positions in their industries. The team also believes that investing in companies with strong balance sheets helps to reduce the potential for capital risk and provides company management the ability to build value when attractive opportunities are available.

BlueBay Emerging Market Bond

This fund invests predominantly in fixed income securities issued by emerging market countries or issuers based in such countries. The fund seeks to generate excess returns via superior country and issue selection through an in-depth country and security selections process focusing on value in external credit spreads, local currencies and local interest rates. Particular emphasis is given to avoid deteriorating credits and one-off currency devaluations. The fund has a focus on absolute returns, both their long-only and alternative strategies use short exposures (either directly or via credit derivatives) as one of a number of techniques designed to deliver absolute-style returns. There is a strong emphasis on capital preservation and the use of credit derivatives helps to maximize portfolio efficiency and potentially minimize risk.

NOTE 2. CASH AND INVESTMENTS

Derivative Instruments

Derivative instruments are generally defined as contracts, the value of which depends on or derives from the value of an underlying asset, reference rate or index. Some structured financial instruments are also defined as derivatives, such as mortgage-backed securities, asset-backed securities, and floating rate notes. Other common types of derivatives used by governments include: interest rate and commodity swaps, interest rate locks, and forward contracts.

Table N2-13 presents the fair value balances and notional amounts of the District's derivative instruments outstanding as of September 30, 2019, classified by type, and the changes in fair value of such derivative instruments for the year then ended.

Table N2-13
District's Derivative Instruments Outstanding as of September 30, 2019 ($000s)

	Changes in Fair Value		Fair Value at September 30, 2019		
	Classification	Amount	Classification	Amount	Notional
Governmental Activities					
Cash flow hedges:					
Floating to fixed interest rate swaps:					
2004B Swap	Deferred outflows	$ 18	Swap	$ (162)	$ 9,460
2007 AWC Swap	Deferred outflows	283	Swap	(1,240)	28,945
2016C (formerly Series 2002-2008C, then 2014B) Swap*	Deferred outflows	(6,930)	Swap	(26,258)	224,300
Derivative instrument liabilities, at end of year				**$ (27,660)**	
Floating to floating interest rate swaps:					
2001C/D Basis Swap	Investment revenue	$ 20	Swap	$ 379	$ 118,040
Derivative instrument assets, at end of year				**$ 379**	

Note:
** Combines two interest rate swap transactions*

District of Columbia (Excluding Fiduciary Funds)

The District is a party to five interest rate swap agreements recorded in the financial statements in accordance with GAAP, which requires all derivatives to be reported in the statement of net position at fair value, and all hedges must be tested for effectiveness to qualify for hedge accounting. Depending on the test results, the change in fair value is either reported in the Statement of Net Position, or in the Statement of Activities. The District retained an independent party to perform the required tests and valuation under GASB Statement No. 53 and GASB Statement No. 72 on these five swaps.

The expected swap cash flows are calculated using the zero-coupon discounting method which takes into consideration the prevailing interest rate environment, the specific terms and conditions of a given transaction, and assumes that the current forward rates implied by the yield curve are the market's best estimate of future spot interest rates. The income approach is then used to obtain the fair value of the swaps, where future amounts (the expected swap cash flows) are converted to a single current (discounted) amount, using a rate of return that takes into account the relative risk of non-performance associated with the cash flows, and time value of money. Where applicable under the income approach, the option pricing model technique, such as the Black-Derman-Toy model, or other appropriate option pricing model is used. The observability of inputs used to perform the measurement results in the swap fair values were categorized as Level 2.

Objectives and Terms of Hedging Derivative Instruments

Table N2-14 presents the objectives and terms of the District's hedging derivative instruments outstanding as of September 30, 2019, along with the credit rating of the associated counterparty.

NOTE 2. CASH AND INVESTMENTS

Table N2-14
Objectives and Terms: District's Hedging Derivative Instruments Outstanding as of September 30, 2019 ($000s)

Type	Objectives	Notional Amount	Effective Date	Maturity Date	Terms	Counterparty Credit Rating
Pay-fixed interest rate swaps						
2004B Swap	Hedge of changes in cash flows on the Series 2004B General Obligation Bonds	$ 9,460	12/8/2004	6/1/2020	Pay fixed rate of 5.12%; receive the rate that matches the rate on the underlying bonds (Muni CPI Index) plus 1.81%	A2/A-/AA-
2007 AWC Swap	Hedge of changes in cash flows on the Series 2007 AWC PILOT Revenue Bonds	28,945	9/20/2007	12/1/2021	Pay fixed rate of 4.46%; receive the rate that matches the rate paid on the underlying bonds (SIFMA) plus 0.70%	Aa2/A+/AA-
2016C Swap (formerly Series 2002-2008C, then 2014B) *	Hedge of changes in cash flows on the Series 2016C Bonds (formerly 2014B Bonds)	224,300	11/13/2002	6/1/2027	Pay fixed rate of 3.62%; receive 67% of 1-month LIBOR	A3/BBB+/A
Pay floating basis swaps						
2001C/D Basis Swap	Reduces basis risk by providing for a closer match between the underlying variable rate bonds and the variable rate swap receipts from the counterparty	118,040	6/2/2003	6/1/2029	Pay 67% of LIBOR; receive variable rate as a percentage of the actual LIBOR reset each month ranging from 60% to 90% of LIBOR	Aa2/A+/AA

Note:
** Combines two interest rate swap transactions*

Risks

Credit Risk

The mark-to-market values of the interest rate swaps represent the District's obligation to the respective counterparties if the swap agreements were terminated. The District is exposed to credit risk when hedging derivative instruments have positive mark-to-market values (or are in asset positions). To minimize its exposure to loss related to credit risk, the District diversified its counterparties and as such, has a different counterparty for each of its outstanding swaps. The credit ratings of each of the counterparties as of September 30, 2019, were as presented in **Table N2-14**.

As of September 30, 2019, the District was not exposed to credit risk because each of the hedging derivative instruments had a negative mark-to-market value, all totaling $27,660. However, should interest rates change and the mark-to-market value of any of the swaps become positive, the District would be exposed to credit risk in the amount of the derivative's mark-to-market value. The negative mark-to-market value represents the maximum loss that would be recognized at the reporting date if all counterparties failed to perform as contracted. In each of the District's swap agreements, the payments are netted against the obligations within each swap. As such, if the District is owed any payment due to an event of default by the counterparty that payment can be netted against any outstanding obligations within that specific swap agreement.

Interest Rate Risk

The District is exposed to interest rate risk on its interest rate swaps. As the LIBOR or the SIFMA swap index decreases, the District's net payment on its pay-fixed receive variable interest rate swaps increases.

The District entered into a floating-to-floating rate swap in connection with its $214,155 Multimodal General Obligation Bonds, Series 2001C and its $69,715 Multimodal General Obligation Refunding Bonds, Series 2001D (2001C/D Swap). As of September 30, 2019, the notional amount of the 2001C/D Swap was $118,040. The District pays the counterparty 67% of LIBOR, and the counterparty pays the District a variable rate as a percentage of the actual LIBOR

NOTE 2. CASH AND INVESTMENTS

reset each month. The original swap agreement was executed on December 6, 2001, and the District entered into an enhanced swap agreement on June 2, 2003. The 2001C/D swap matures in June 2029. As of September 30, 2019, this interest rate swap had a fair value of $379.

Basis Risk

Basis risk is the risk that the interest rate paid by the District on underlying variable rate bonds to bondholders differs from the variable swap rate received from the applicable counterparty. The District has mitigated its basis risk on all of its hedges by ensuring a match between the variable rates paid on the hedged variable rate bonds and the variable rates received on the swaps. The interest paid on the Series 2016C Bonds is based on a percentage of LIBOR as is the variable swap rate received. The interest paid on the Series 2007 AWC Bonds is tax-exempt and the swap variable rate received is based on SIFMA Swap Index which is tax-exempt as well. The interest paid on the Series 2004B Bonds is based on the Muni CPI Index as is the variable swap rate received from the associated swaps. Consequently, as of September 30, 2019, the District had no exposure to basis risk.

Termination Risk

The District or its counterparties may terminate a derivative instrument if the other party fails to perform under the terms of the associated contract. The District is exposed to termination risks on its pay-fixed interest rate swap agreements, which incorporate the International Swap Dealers Association (ISDA) Master Agreement. The ISDA Master Agreement includes standard termination events. Accordingly, an interest rate swap may be terminated if a counterparty or its Credit Support Provider, or the District has one or more outstanding issues of rated unsecured, unenhanced senior debt and none of such issues has a rating of at least: (i) BAA3 or higher as determined by Moody's Investors Service, Inc.; (ii) BBB- or higher as determined by Standard & Poor's Global Ratings; or (iii) an equivalent investment grade rating determined by a nationally recognized rating service acceptable to both parties.

If at the time of termination, a hedging derivative instrument is in a liability position, the District would be liable to the counterparty for a payment equal to the liability, subject to netting arrangements, as applicable.

Rollover Risk

The District is exposed to rollover risk when the derivative instruments that are hedged with debt mature prior to the maturity date of the hedged debt. When these hedging derivative instruments terminate, or in the case of a termination option, if the counterparty exercises its option, the District will be re-exposed to the risks being hedged by the hedging derivative instruments. In order to mitigate this risk, the District matches the maturity of each fixed to floating rate swap with the maturity date of the underlying bonds. The District was not exposed to rollover risk during fiscal year 2019.

District of Columbia Fiduciary Funds

District Retirement Funds' Derivatives

The District Retirement Funds, in accordance with the policies of the District of Columbia Retirement Board (DCRB) and through the District Retirement Funds' investment managers who have full discretion over investment decisions, invested in various derivative instruments either to increase potential earnings or to hedge against potential losses.

The District Retirement Funds may also hold derivative instruments indirectly by participating in pooled, commingled, or short-term funds that hold derivatives. **Table N2-15** presents a list of the District Retirement Fund's derivatives as of September 30, 2019.

Additional information regarding the District Retirement Funds' derivative holdings is presented in the Funds' separately issued audited financial statements which may be obtained from:

District of Columbia Retirement Board
900 7th Street, NW
Washington, DC 20001
Website: https://dcrb.dc.gov

Table N2-15
District Retirement Funds' Derivatives ($000s)

Type of Derivative	Market Value at September 30, 2019
Equity index futures	$ 10,582
Fixed income - convertible bonds	2
Fixed income futures	2
Synthetic equity swaps	235
Warrants	2,031
Swaps	25,714
Total	**$ 38,566**

NOTE 2. CASH AND INVESTMENTS

Other Postemployment Benefits Fund's Derivatives

In accordance with the OPEB Fund's investment policies, the OPEB Fund regularly invests in derivative financial instruments with off-balance-sheet risk in the normal course of its investing activities, in order to enhance return on investment and manage exposure to certain risks within the funds. Derivative instruments are financial contracts, the values of which depend on the value of one or more underlying assets, reference rates, or financial indices. During fiscal year 2019, the OPEB Fund invested directly in forward currency contracts.

As of September 30, 2019, OPEB had two types of off-balance sheet derivative financial instruments outstanding: swaps, and currency forwards. The interest rate swaps and credit default swaps are used to hedge interest rate and credit exposure risks. Currency forwards represent foreign exchange contracts, and are used to affect settlements and to protect the base currency value of portfolio assets denominated in foreign currencies, against fluctuations in the exchange rates of those currencies; or to gain exposure to the change in market value of a specific currency. A forward foreign currency exchange contract is a commitment to purchase or sell a foreign currency at a future date and at a negotiated price. The credit risk of currency contracts that are exchange-traded lies with the clearinghouse of the exchange where the contracts are traded. The credit risk of currency contracts traded over the counter lies with the counterparty, and exposure usually is equal to the unrealized profit on in-the-money contracts. The market risk in foreign currency contracts is related to adverse movements in currency exchange rates.

All of OPEB's derivative instruments include provisions that require OPEB to post collateral in the event that its credit rating falls below "AA" as issued by Standard & Poor's, or "Aa" as issued by Moody's Investors Services. The collateral posted is to be in the form of U.S. Treasury funds in the amount of the fair value of hedging derivative instruments in liability positions, net of the effect of applicable netting arrangements. If OPEB does not post collateral, the hedging derivative instrument may be terminated by the counterparty. If the collateral posting requirements were triggered, OPEB would be required to post the aggregate fair value in collateral to its counterparties. The District had an "AA+" and "Aaa" credit ratings issued by Standard & Poor's and Moody's Investors Services, respectively; therefore, no collateral had been required to be posted as of September 30, 2019. The net unrealized loss on foreign currency spot and forward contracts for the year ended September 30, 2019, was $537. **Table N2-16** presents a list of the OPEB Fund's derivatives aggregated by type as of September 30, 2019.

Additional information regarding the OPEB Fund's derivative holdings is presented in the Fund's separately issued audited financial statements which may be obtained from:

Office of Finance and Treasury
1101 4th Street, SW, Suite 850W
Washington, DC 20024

Table N2-16
OPEB Fund's Derivative Investments Aggregated by Type ($000s)

	Changes in Fair Value		Fair Value at September 30, 2019		
Type of Derivative	Classification	Amount	Classification	Amount	Notional
Credit default swaps bought	Investment revenue	$ (44)	Swaps	$ 43	$ 709
Credit default swaps written	Investment revenue	217	Swaps	(673)	1,515
Fixed income futures long	Investment revenue	989	Futures	-	52,077
Fixed income futures short	Investment revenue	121	Futures	-	(33,542)
Foreign exchange forwards	Investment revenue	(3,405)	Forwards	(538)	150,442
Pay fixed interest rate swaps	Investment revenue	(57)	Swaps	153	1,515
Receive fixed interest rate swaps	Investment revenue	(89)	Swaps	(89)	73,250
Total		**$ (2,268)**		**$ (1,104)**	

C. SECURITIES LENDING

Consistent with District statutes and DCRB policies, the District Retirement Funds may participate in securities lending transactions. When entering into such transactions, the District Retirement Funds are to rely upon a Securities Lending Authorization Agreement, which authorizes the master custodian to lend the Funds' securities to qualified broker-dealers and banks pursuant to a loan agreement. During fiscal year 2019, the District Retirement Funds did not participate in any security lending transactions.

NOTE 3. RESTRICTED ASSETS

As of September 30, 2019, restricted assets of the primary government, component units, and fiduciary funds totaled $13,782,579. **Table N3-1** presents a summary of the District's restricted assets as of September 30, 2019.

Table N3-1
Summary of Restricted Assets ($000s)

	Governmental Funds/Governmental Activities					
	General	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Funds	Total
Bond escrow accounts	$ 530,117	$ -	$ -	$ -	$ -	$ 530,117
Capital projects	-	-	-	30,136	48,070	78,206
Emergency cash reserves	149,262	-	-	-	-	149,262
Contingency cash reserves	298,525	-	-	-	-	298,525
Other	55,436	111,397	132,814	-	330,764	630,411
Total	**$ 1,033,340**	**$ 111,397**	**$ 132,814**	**$ 30,136**	**$ 378,834**	**$ 1,686,521**

	Proprietary Funds/Business-Type Activities			Fiduciary Funds	Component Units
	Office of Lottery and Gaming	Unemployment Compensation	Total		
Bond escrow accounts	$ -	$ -	$ -	$ -	$ 251,585
Unpaid prizes	1,190	-	1,190	-	-
University endowment	-	-	-	-	30,317
Benefits	-	524,003	524,003	10,813,146	-
Purpose restrictions	-	-	-	-	475,817
Total	**$ 1,190**	**$ 524,003**	**$ 525,193**	**$ 10,813,146**	**$ 757,719**

NOTE 4. RECEIVABLES, INTERFUND TRANSFERS/BALANCES

A. RECEIVABLES

Receivables are valued at their estimated collectible amounts. **Table N4-1** presents the District's receivables categorized in various funds as of September 30, 2019.

Table N4-1
Receivables ($000s)

	General	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Office of Lottery and Gaming	Unemployment Compensation	Not-for-Profit Hospital Corporation	Fiduciary Funds
Gross Receivables									
Taxes	$ 496,453	$ -	$ -	$ -	$ 3,972	$ -	$ -	$ -	$ -
Accounts and other	1,151,123	7,409	252	7,525	33,081	3,858	39,453	27,638	25,213
Federal	53	454,580	-	114,392	-	-	698	-	24,639
Total gross receivables	1,647,629	461,989	252	121,917	37,053	3,858	40,151	27,638	49,852
Less: allowance for doubtful accounts	777,882	-	-	6,870	-	-	25,810	9,343	-
Total net receivables	**$ 869,747**	**$ 461,989**	**$ 252**	**$ 115,047**	**$ 37,053**	**$ 3,858**	**$ 14,341**	**$ 18,295**	**$ 49,852**

B. INTERFUND TRANSFERS

All interfund transfers are eliminated in the government-wide financial statements except transfers between the proprietary funds (Office of Lottery and Gaming and the Not-for-Profit Hospital Corporation) and the General Fund, which are reported on the Statement of Activities. **Table N4-2** presents a summary of interfund transfers for the fiscal year ended September 30, 2019.

Table N4-2
Summary of Interfund Transfers ($000s)

	Transfer To (In)						
Transfer From (Out)	General	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds	Not-for-Profit Hospital Corporation	Total
General Fund							
Motor fuel taxes dedicated to the Highway Trust Fund	$ -	$ -	$ -	$ 27,935	$ 27,935	$ -	$ 27,935
Right of way dedicated to the Highway Trust Fund	-	-	-	2,750	2,750	-	2,750
PAYGO - Projects financed by the General Fund	-	-	67,599	-	67,599	-	67,599
Capital Improvements Fund	-	-	82,694	-	82,694	-	82,694
Funds for housing projects and services	-	36,151	-	-	36,151	-	36,151
Operating subsidies	-	-	-	-	-	34,261	34,261
Total General Fund	**-**	**36,151**	**150,293**	**30,685**	**217,129**	**34,261**	**251,390**
Federal & Private Resources							
Revenues generated from indirect cost recovery	500	-	-	-	500	-	500
Total Federal and Private Resources	**500**	**-**	**-**	**-**	**500**	**-**	**500**
General Capital Improvements							
Unspent Capital PAYGO transferred back to the General Fund	19,394	-	-	-	19,394	-	19,394
Capital subsidies	-	-	-	-	-	2,049	2,049
Capital transfer-new community initiative	22,694	-	-	-	22,694	-	22,694
Total General Capital Improvements	**42,088**	**-**	**-**	**-**	**42,088**	**2,049**	**44,137**
Nonmajor Governmental Funds							
Excess collections above PILOT debt service requirements	447	-	-	-	447	-	447
Excess collections above TIF debt service requirements	9,469	-	-	-	9,469	-	9,469
Funds for baseball debt service payments	-	-	-	70,476	70,476	-	70,476
Total Nonmajor Governmental Funds	**9,916**	**-**	**-**	**70,476**	**80,392**	**-**	**80,392**
Total Governmental Funds	**52,504**	**36,151**	**150,293**	**101,161**	**340,109**	**36,310**	**376,419**
Office of Lottery and Gaming	45,050	-	-	-	45,050	-	45,050
Total Interfund Transfers	**$ 97,554**	**$ 36,151**	**$ 150,293**	**$ 101,161**	**$ 385,159**	**$ 36,310**	**$ 421,469**

NOTE 4. RECEIVABLES, INTERFUND TRANSFERS/BALANCES

C. RECEIVABLES AND PAYABLES BETWEEN FUNDS AND COMPONENT UNITS

Table N4-3 presents due to/due from and interfund receivable and payable balances for each fund and individual component unit as of September 30, 2019. All interfund balances within the governmental funds are eliminated in the government-wide financial statements.

Table N4-3
Summary of Due To / Due From and Interfund Balances ($000s)

	Primary Government / Component Units		Interfund	
	Receivables	Payables	Receivables	Payables
Major funds				
General	$ 3,399	$ 19,188	$ 468,830	$ 35,157
Federal & private resources	-	1,834	16,181	206,809
Housing production trust	-	-	9,874	-
General capital improvements	-	1,704	-	249,679
Nonmajor funds				
Tax increment financing	1,000	4,888	7,864	1,000
PILOT special revenue	-	-	4,120	-
Baseball special revenue	665	-	1,684	-
Proprietary funds				
Unemployment compensation	-	-	455	16,488
Not-for-Profit Hospital Corporation	309	-	139	-
Office of lottery and gaming	-	-	-	14
Component unit				
Health Benefit Exchange Authority	83	663	-	-
Washington Convention and Sports Authority	21,260	3,940	-	-
Housing Finance Agency	3,307	-	-	-
University of the District of Columbia	2,964	770	-	-
Total	**$ 32,987**	**$ 32,987**	**$ 509,147**	**$ 509,147**

Note:
The above balances represent the impact of transactions among the funds and component units, which will be settled during fiscal year 2020.

NOTE 5. CAPITAL ASSETS

A. CAPITAL OUTLAYS

Capital outlays reported in the General Capital Improvements and Highway Trust Funds totaled $1,420,756 during the fiscal year ended September 30, 2019. As construction progresses, capital expenditures which meet the criteria to be capitalized as set forth in **Note 1L**, are capitalized as Construction in Progress (CIP) in the governmental activities column of the government-wide financial statements. Upon completion of the project, all project costs are transferred from CIP into the appropriate "in-service" capital asset account.

B. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS BY CLASS

Table N5-1 presents the changes in governmental activities' capital assets by class for the primary government.

Table N5-1
Changes in Capital Assets by Asset Class: Governmental Activities ($000s)

Asset Class	Balance October 1, 2018	Additions	Transfers	Dispositions	CIP Transfers In (Out)	Balance September 30, 2019
Non-depreciable						
Land	$ 963,690	$ 593	$ -	$ (248)	$ 374	$ 964,409
Construction in progress	1,394,490	1,216,025	-	-	(934,172)	1,676,343
Total non-depreciable	2,358,180	1,216,618	-	(248)	(933,798)	2,640,752
Depreciable						
Infrastructure	6,707,178	-	-	-	328,455	7,035,633
Buildings	9,581,754	-	-	-	479,433	10,061,187
Equipment	1,848,466	19,269	-	(64,589)	125,910	1,929,056
Total depreciable	18,137,398	19,269	-	(64,589)	933,798	19,025,876
Less accumulated depreciation for:						
Infrastructure	(2,992,770)	(178,392)	-	-	-	(3,171,162)
Buildings	(2,301,699)	(191,921)	-	-	-	(2,493,620)
Equipment	(1,438,449)	(88,696)	-	59,738	-	(1,467,407)
Total accumulated depreciation	(6,732,918)	(459,009)	-	59,738	-	(7,132,189)
Total depreciable, net	11,404,480	(439,740)	-	(4,851)	933,798	11,893,687
Net governmental activities capital assets	**$ 13,762,660**	**$ 776,878**	**$ -**	**$ (5,099)**	**$ -**	**$ 14,534,439**

C. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS BY FUNCTION

Table N5-2 presents the changes in governmental activities' capital assets by function for the primary government.

Table N5-2
Changes in Capital Assets by Function: Governmental Activities ($000s)

Function	Balance October 1, 2018	Additions	Transfers	Dispositions	CIP Transfers In (Out)	Balance September 30, 2019
Governmental direction and support	$ 2,911,169	$ 2,459	$ -	$ (499)	$ 90,381	$ 3,003,510
Economic development and regulation	635,741	2,140	-	(1,167)	13,580	650,294
Public safety and justice	1,252,521	9,375	52	(52,423)	36,547	1,246,072
Public education system	5,205,318	4,597	-	(4,618)	365,902	5,571,199
Human support services	1,548,539	793	-	(3,348)	87,409	1,633,393
Public works	7,547,800	498	(52)	(2,782)	340,353	7,885,817
Construction in progress	1,394,490	1,216,025	-	-	(934,172)	1,676,343
Total	**$ 20,495,578**	**$ 1,235,887**	**$ -**	**$ (64,837)**	**$ -**	**$ 21,666,628**

NOTE 5. CAPITAL ASSETS

D. GOVERNMENTAL ACTIVITIES: CAPITAL ASSETS ACCUMULATED DEPRECIATION BY FUNCTION

Table N5-3 presents the changes in governmental activities' capital assets accumulated depreciation by function for the primary government.

Table N5-3
Changes in Accumulated Depreciation by Function: Governmental Activities ($000s)

Function	Balance October 1, 2018	Additions	Transfers	Dispositions	Balance September 30, 2019
Governmental direction and support	$ 1,241,590	$ 50,686	$ -	$ (469)	$ 1,291,807
Economic development and regulation	62,679	7,938	-	(779)	69,838
Public safety and justice	568,254	43,034	2	(48,070)	563,220
Public education system	1,072,784	113,822	-	(4,468)	1,182,138
Human support services	429,998	41,392	-	(3,203)	468,187
Public works	3,357,613	202,137	(2)	(2,749)	3,556,999
Total	**$ 6,732,918**	**$ 459,009**	**$ -**	**$ (59,738)**	**$ 7,132,189**

E. BUSINESS-TYPE ACTIVITIES: CAPITAL ASSETS

Table N5-4 presents the changes in Business-type activities' capital assets by class for the primary government.

Table N5-4
Changes in Capital Assets by Asset Class: Business-Type Activities ($000s)

Asset Class	Balance October 1, 2018	Additions	Transfers/ Dispositions	Balance September 30, 2019
Non-depreciable				
Land	$ 8,100	$ -	$ -	$ 8,100
Construction in progress	417	423	-	840
Total non-depreciable	8,517	423	-	8,940
Depreciable				
Buildings and improvements	75,172	2,429	-	77,601
Equipment	53,045	5,146	-	58,191
Total depreciable	128,217	7,575	-	135,792
Less accumulated depreciation for:				
Buildings and improvements	(25,804)	(5,754)	-	(31,558)
Equipment	(38,461)	(5,864)	-	(44,325)
Total accumulated depreciation	(64,265)	(11,618)	-	(75,883)
Total depreciable, net	63,952	(4,043)	-	59,909
Net capital assets	**$ 72,469**	**$ (3,620)**	**$ -**	**$ 68,849**

NOTE 5. CAPITAL ASSETS

F. CONSTRUCTION IN PROGRESS

Table N5-5 presents the changes in governmental activities' capital assets construction in progress by function and sub-function for the primary government.

Table N5-5
Changes in Construction in Progress by Function ($000s)

Function and Sub-function	Balance October 1, 2018	Additions/ Adjustments	CIP Transfers/ Dispositions	Balance September 30, 2019
Primary government				
Governmental direction and support				
Finance	$ 50,430	$ 8,631	$ (55,618)	$ 3,443
Legislative	3,611	1,870	(313)	5,168
Administrative	60,331	37,502	(34,010)	63,823
Executive	997	-	(512)	485
Total	115,369	48,003	(90,453)	72,919
Economic development and regulation				
Community development	114,739	34,510	(8,907)	140,342
Economic regulation	1,304	721	-	2,025
Employment services	-	4,673	(4,673)	-
Total	116,043	39,904	(13,580)	142,367
Public safety and justice				
Police	7,729	12,321	(11,599)	8,451
Fire	3,909	23,160	(23,379)	3,690
Corrections	764	3,524	(1,569)	2,719
Total	12,402	39,005	(36,547)	14,860
Public education system				
Schools	147,170	385,362	(363,487)	169,045
Culture	84,864	74,279	(2,136)	157,007
Total	232,034	459,641	(365,623)	326,052
Human support services				
Health and welfare	103,142	112,721	(68,019)	147,844
Recreation	41,640	45,556	(19,390)	67,806
Human relations	72	485	(207)	350
Total	144,854	158,762	(87,616)	216,000
Public works				
Environmental	773,788	470,710	(340,353)	904,145
Total	773,788	470,710	(340,353)	904,145
Total Construction in Progress	**$ 1,394,490**	**$ 1,216,025**	**$ (934,172)**	**$ 1,676,343**

NOTE 5. CAPITAL ASSETS

G. DISCRETELY PRESENTED COMPONENT UNITS: CAPITAL ASSETS

Table N5-6 presents the changes in discretely presented component units' capital assets by class and **Table N5-7** presents the changes in those assets and the related accumulated depreciation by entity.

Table N5-6
Changes in Capital Assets by Asset Class: Discretely Presented Component Units ($000s)

Asset Class	Balance October 1, 2018	Additions	Transfers/ Dispositions	CIP Transfers in (out)	Balance September 30, 2019
Non-depreciable					
Land	$ 12,814	$ -	$ -	$ -	$ 12,814
Artwork	3,183	39	-	-	3,222
Construction in progress	78,108	13,873	(9)	(76,354)	15,618
Total non-depreciable	94,105	13,912	(9)	(76,354)	31,654
Depreciable					
Buildings and improvements	1,279,745	46,977	-	73,485	1,400,207
Equipment	191,787	13,143	(1,550)	2,869	206,249
Total depreciable	1,471,532	60,120	(1,550)	76,354	1,606,456
Less accumulated depreciation for:					
Buildings and improvements	(628,907)	(45,549)	-	-	(674,456)
Equipment	(85,424)	(18,514)	1,661	-	(102,277)
Total accumulated depreciation	(714,331)	(64,063)	1,661	-	(776,733)
Total depreciable, net	757,201	(3,943)	111	76,354	829,723
Net capital assets	**$ 851,306**	**$ 9,969**	**$ 102**	**$ -**	**$ 861,377**

NOTE 5. CAPITAL ASSETS

Table N5-7
Changes in Capital Assets and Accumulated Depreciation: Discretely Presented Component Units ($000s)

	Capital Assets				Accumulated Depreciation				Net Capital Assets			
Component Units	Balance October 1, 2018	Additions	Transfers/ Dispositions	Balance September 30, 2019	Balance October 1, 2018	Additions	Transfers/ Dispositions	Balance September 30, 2019	Balance October 1, 2018	Additions	Transfers/ Dispositions	Balance September 30, 2019
University of the District of Columbia	$ 359,663	$ 15,528	$ (880)	$ 374,311	$ (148,910)	$ (13,609)	$ 871	$ (161,648)	$ 210,753	$ 1,919	$ (9)	$ 212,663
Washington Convention and Sports Authority	1,076,613	57,197	-	1,133,810	(522,113)	(37,828)	-	(559,941)	554,500	19,369	-	573,869
Health Benefit Exchange Authority	121,848	1,051	-	122,899	(38,348)	(12,281)	-	(50,629)	83,500	(11,230)	-	72,270
Housing Finance Agency	7,513	256	(679)	7,090	(4,960)	(345)	790	(4,515)	2,553	(89)	111	2,575
Total	**$ 1,565,637**	**$ 74,032**	**$ (1,559)**	**$ 1,638,110**	**$ (714,331)**	**$ (64,063)**	**$ 1,661**	**$ (776,733)**	**$ 851,306**	**$ 9,969**	**$ 102**	**$ 861,377**

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

This section discloses financing programs where limited obligations and other similar debt instruments are administered in support of third parties. Such obligations and debt instruments provide capital financing for third parties that are not part of the District's reporting entity. The District has no obligation for these debts and instruments beyond the repayment of resources provided by the associated third party or the remittance of incremental revenues collected.

A. INDUSTRIAL REVENUE BOND PROGRAM

The District has issued, under its Industrial Revenue Bond Program, private activity bonds for which the principal and interest are payable solely from defined revenues of private entities, including non-profit and for-profit organizations. The District has no obligation for this debt beyond resources that may have been provided by related leases or loans. Organizations participating in the Industrial Revenue Bond Program are allowed to borrow at the prevailing municipal bond rate. These private activity bonds provide economic incentive to construct, modernize or enhance private entity facilities in the District, thereby supporting the District's economic base. As of September 30, 2019, the aggregate outstanding principal amount for these conduit debt obligations was approximately $5,579,724. Such amounts are not reflected as liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2019.

B. ENTERPRISE ZONE FACILITY BONDS

Since January 1, 1998, businesses located in the District of Columbia Enterprise Zone have been eligible to obtain up to $15 million of tax-exempt financing. Similar to Industrial Revenue Bonds, the principal and interest are payable solely from defined revenues of private entities, including non-profit and for-profit organizations. The District has no obligation for this debt beyond resources that may have been provided by related leases or loans. As of September 30, 2019, the aggregate outstanding principal amount for Enterprise Zone Facility Bonds was $25,783. Such amounts are not reflected as liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2019.

C. TAX INCREMENT FINANCING NOTES

Tax Increment Financing (TIF) is an economic development tool used to facilitate the financing of business investment activities within a locality. The main source of repayment of the TIF Notes is the incremental sales and/or real property tax revenues generated from the associated project or TIF area; therefore, the District has no obligation to make any payments on the TIF Notes other than through the remittance of the incremental revenues to the paying agent. TIF Notes are not obligations of the District and are not included as long-term liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2019.

Downtown Retail Priority Area (Forever 21)

Since March 2006, the Mayor has executed several TIF Notes under the Downtown Retail Priority Area Program; most of which were fully repaid over the years. The Forever 21 TIF Note was executed in February 2011 in the amount of $4,985. The interest rate on the Note is 6.00%, with a maturity date of February 1, 2021.

Table N6-1 presents the original loan amount of the Downtown Retail Priority Area TIF Note which remained outstanding as of September 30, 2019.

Table N6-1
Downtown Retail Priority Area TIF Note ($000s)

Issuance Date	Description	Amount	Terms
February 2011	Forever 21 TIF Note	$ 4,985	Maturity date: February 1, 2021; interest rate: 6.00%

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

Capital One Arena

In December 2007, the District issued $50,000 in taxable financing notes to finance upgrades at the Capital One Arena (formerly known as Verizon Center). The Series 2007A Note was issued in the amount of $43,570 at a fixed interest rate of 6.73% and matures on August 15, 2047. The Series 2007B Note was issued in the amount of $6,430 at a fixed interest rate of 6.58% with a maturity date of August 15, 2027. These Notes are a special limited obligation of the District and are secured by a portion of the taxes on certain on-site personal property, services and public ticket sales at the Capital One Arena. In the event such taxes are insufficient, the Notes are further secured by incremental tax revenues from the Downtown TIF Area, which are subordinate to the pledge of such revenues to the TIF Bonds that were issued to finance the Mandarin Oriental Hotel.

Great Streets Retail Priority Areas

In September 2009, the Mayor executed the first Great Streets TIF, the Georgia Avenue Retail Project Great Streets Initiative TIF Note, Series 2009, in the amount of approximately $1,935. The interest rate on the Note is 5.00%. The Note has a maturity date of June 1, 2035.

In May 2011, the Mayor executed the Howard Theatre TIF Note in the amount of $4,000. The interest rate on the Note is 6.50%, and the Note has a maturity date of May 26, 2021.

D. PAYMENT IN LIEU OF TAXES REVENUE NOTES

The District issues Payment in Lieu of Taxes (PILOT) Revenue Notes pursuant to the provisions of the District of Columbia Home Rule Act (D.C. Code § 1-201.01, et seq), the Payment in Lieu of Taxes Act of 2004 (D.C. Code §1-308.01, et seq. (2001 ED.)), and the Payment in Lieu of Taxes Revenue Bonds Southeast Federal Center Approval Resolution of 2006, to assist project developers with financing, refinancing or reimbursing certain development costs. These PILOT Revenue Notes are non-recourse to the District and do not constitute a pledge of or involve the full faith and credit or taxing power of the District. Accordingly, such Notes are not obligations of the District and are not reported as liabilities of the District in the accompanying government-wide Statement of Net Position as of September 30, 2019.

Southeast Federal Center PILOT Program (Foundry Lofts Project)

In August 2010, the Mayor executed the first PILOT Note under the Southeast Federal Center PILOT Program, for the Foundry Lofts Project. The Note, in the amount of $5,660, bears interest at 5.16% and will mature on January 1, 2038. The Note is to be repaid from PILOT revenues generated from the project. If such PILOT revenues are insufficient to pay the principal and interest on the Note when due, the payment shortfall will not constitute a default; However, previous shortfalls remain obligations which the District would pay to the development sponsor, without any penalty interest or premium thereon, when the PILOT revenues become sufficient.

Rhode Island PILOT Note

In August 2011, the Mayor executed a revised PILOT Revenue Note for the Rhode Island Metro Plaza Project, in the amount of $7,200. The Note will mature on September 30, 2032 and has an interest rate of 5.78%. The Note is to be repaid from PILOT revenues from the Rhode Island PILOT Area.

Table N6-2 presents a summary of the original amounts of the PILOT Revenue Notes.

Table N6-2
PILOT Revenue Notes ($000s)

Issuance Date	Description	Amount	Terms
August 2010	Foundry Lofts Project, Series 2010	$ 5,660	Maturity date: January 1, 2038; interest rate: 5.16%
August 2011	Rhode Island Metro Plaza Project, Series 2010	7,200	Maturity date: September 30, 2032; interest rate: 5.78%

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

E. GROUND LEASE AGREEMENT RELATED TO THE WASHINGTON CONVENTION CENTER HEADQUARTERS HOTEL

Pursuant to an agreement dated October 26, 2010, the District and the Washington Convention and Sports Authority (WCSA), as landlords, leased land to HQ Hotel, LLC (tenant) for a period of 99 years in connection with the development and operation of a convention center hotel. The lease payments are structured to repay the District and WCSA for their costs of acquiring the land and structures for the hotel. All lease payments are dedicated to the repayment of the WCSA bonds that were issued to finance the hotel. The land is to be continuously used for the operation of the hotel, including any associated ancillary uses and amenities.

Under the agreement, HQ Hotel, LLC is to pay rent to the District and WCSA as follows:

- Lease payments to the District began on June 1, 2017. Over the lease period, HQ Hotel, LLC is to pay the District the net present value of approximately $69.7 million, which shall be paid in advance in monthly installments, consistent with the basic lease payment schedule established for each year of the lease. As of September 30, 2019, the monthly installments were $292. The installment will increase to $349 in June 2020.
- Lease payments to WCSA began on October 1, 2014. Over the lease period, HQ Hotel, LLC is to pay WCSA the net present value of $30.5 million, which shall be paid in advance in monthly installments, consistent with the basic lease payment schedule established for each year of the lease. As of September 30, 2019, the monthly installment was $216. This installment increased to $222 on October 1, 2019.

F. NONEXCHANGE FINANCIAL GUARANTEES

Credit Enhancement Facility Agreements

The District, through its Office of the State Superintendent for Education (OSSE), Office of Public Charter School Financing and Support, provides enhanced credit, lease guarantees, and access to financial assistance to eligible public charter schools for the acquisition, renovation, and/or construction of school facilities. As of September 30, 2019, the total outstanding guaranteed amount under credit enhancement facility agreements was $6,080.

In the event that a public charter school defaults on the monetary obligations associated with its credit enhancement facility agreement, the District (OSSE) may, at its sole discretion, cure the default on the school's behalf. Provisions are included in each credit enhancement facility agreement for the school to repay the District for any amounts paid on its behalf or associated costs incurred in fulfilling the guarantee.

During fiscal year 2019, the District did not make any payments related to the credit enhancement facility agreements. In addition, based on an assessment of relevant qualitative factors, there is no indication that it is "more likely than not" that the District will be required to make payments in connection with these outstanding guarantees. Therefore, as of September 30, 2019, no liability had been recorded in connection with these agreements.

Table N6-3 presents additional information regarding the OSSE nonexchange financial guarantees.

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

Table N6-3
Summary of OSSE Credit Enhancement Facility Agreements ($000s)

School	Type of Obligation Guaranteed	Beneficiary	Guarantee Amount	Effective Date	Termination Terms/Date	Outstanding Amount at September 30, 2019
Charter School Incubator Initiative	Guarantee to facilitate funding for the costs of renovation and construction of the property located at 500 19th Street, NE, Washington, DC	United Bank	$ 1,000	10/28/2015	Earlier of: (1) the payment in full of all amounts owed to the lender under the loan agreement, or (2) on the fifteenth business day after the fifth anniversary of the date of execution of the guarantee	$ 1,000
Two Rivers Public Charter School	Guarantee to support the refinancing of construction costs of the Charles E. Young School Property	SunTrust Bank	1,000	12/11/2015	Earlier of: (1) the payment in full of all amounts owed to the lender under the loan agreement, or (2) on the fifteenth business day after the fifth anniversary of the date of execution of the guarantee	1,000
Paul Public Charter School	Guarantee to refinance certain debt and to finance the renovation and construction costs of the property located at 5800 8th Street, NW, Washington, DC	Eagle Bank	1,000	6/21/2017	Five years from the date of the credit enhancement closing	1,000
Washington Global Public Charter School	Guarantee to facilitate funding for the costs of renovation and construction of the property located at 525 School Street, SW, Washington, DC	United Bank	900	10/20/2017	Earlier of: (1) the payment in full of all amounts owed to the lender under the loan agreement, or (2) on the fifteenth business day after the fifth anniversary of the date of execution of the guarantee	900
District of Columbia International School	Guarantee to finance renovation and construction costs of the property located at 6900 Georgia Avenue, NW, Washington, DC	City First Enterprises, Inc.	830	12/15/2017	Earlier of: (1) the payment in full of all amounts owed to the lender under the loan agreement, or (2) on the fifth anniversary of the date of execution of the guarantee	830
Statesmen College Preparatory Academy	Guarantee to finance the use of a portion of the premises located at 4250 Massachusetts Avenue, SE, Washington, DC	Rocketship Education DC, Public Charter School, Inc.	350	8/20/2018	Earlier of: (1) the payment in full of all amounts owed to the lender under the credit enhancement agreement, or (2) on the first anniversary of the date of execution of the guarantee	350
Breakthrough Montessori Public Charter School	Guarantee to finance leasehold improvements and renovation costs of the property located at 6856 Eastern Avenue, NW, Washington, DC	City First Bank of DC, N.A.	1,000	9/12/2018	Earlier of: (1) the payment in full of all amounts owed to the lender under the credit enhancement agreement, or (2) on the fifth anniversary of the date of execution of the guarantee	1,000
					Total outstanding guaranteed amount	**$ 6,080**

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

Incremental Tax Revenue from Downtown TIF Area

The District secures TIF Notes for certain projects by pledging to use a portion of the incremental tax revenues from the District's Downtown TIF Area, if necessary.

Table N6-4 presents the downtown TIF Area projects and their estimated future outflows as of September 30, 2019, under each TIF.

Table N6-4
Projects with Financial Guarantee Funded by Incremental Tax Revenues from Downtown TIF Area ($000s)

Project	Type of Financing	Issuance Date	Maturity Date	Amount	Estimated Future Outflows at September 30, 2019*
Capital One Arena	TIF Note	December 2007	8/15/2047	$ 50,000	$ 3,481
Howard Theatre	TIF Note	May 2011	5/26/2021	4,000	350
				Total	**$ 3,831**

Note:
** Release of incremental taxes related to the specific project*

District of Columbia Collateral Support Program

Pursuant to the Small Business Jobs Act of 2010 (Public Law 111-240), the District sponsors the District of Columbia Collateral Support Program (DCCSP), a Small Business Credit Initiative, which is funded by the U.S. Department of Treasury and administered by the Department of Insurance, Securities and Banking (DISB). The DCCSP provides capital to small businesses with insufficient collateral for a loan by depositing cash collateral with lenders. In turn, the lenders extend loans to eligible businesses that otherwise might not qualify for such loans due to a collateral value shortfall. Participating lenders including federally chartered banks, insured credit unions and community financial institutions are required to sign a participation agreement with DISB. Eligible borrowers must obtain Certified Business Certification, a designation granted by the District Department of Small and Local Business Development, and also meet the DCCSP eligibility requirements. The DCCSP allows small businesses to use the loan proceeds to: purchase equipment and inventory; fund expansion, renovation, start-up; leasehold improvements and refinancing costs; and fulfill other approved business needs.

Unless an extension is granted by DISB, at the maturity date of the term loan, or the termination date of the line of credit, the security interest granted by the cash collateral deposit agreement is automatically terminated and all funds and other investment property representing the cash collateral are to be disbursed to DISB. In the event that the borrower defaults on its monetary obligations associated with the cash collateral deposit agreement, the participating lender may apply up to 100% of the cash collateral to the remaining default principal balance. Provisions are included in each cash collateral deposit agreement for the lender to first pursue and exhaust all applicable collection efforts prior to drawing from the cash collateral account associated with the DCCSP.

During fiscal year 2019, the District did not make any payments related to the District of Columbia Collateral Support Program. In addition, based on an assessment of relevant qualitative factors, there is no indication that it is "more likely than not" that the District will be required to make payments in connection with these outstanding guarantees. Therefore, as of September 30, 2019, no liability had been recorded in connection with these cash collateral deposit agreements. As of September 30, 2019, the total outstanding guaranteed amount under the cash collateral agreements by DCCSP was $4,011.

Table N6-5 presents additional information regarding DCCSP guarantees.

NOTE 6. CONDUIT DEBT AND OTHER FINANCING PROGRAMS

Table N6-5
District of Columbia Collateral Support Program Financial Guarantees ($000s)

Borrower	Type of Financing	Guarantee Amount	Effective Date	Lender	Termination/ Maturity Date	Outstanding Amount at September 30, 2019
Brougton Construction Company, LLC	Line of credit	$ 750	4/1/2013	Industrial Bank	8/6/2022	$ 630
Forney Enterprises, Inc.	Line of credit	500	4/15/2013	Industrial Bank	12/31/2019	474
Baked by Yael, LLC	Term loan	188	9/15/2014	Revere Bank	6/15/2025	134
Big City Foods III, LLC	Term loan	120	9/24/2014	Industrial Bank	Ongoing	33
Joon Hokim, Inc.	Term loan	139	9/29/2014	Premara Bank	1/6/2020	134
Ivy and Coney, LLC	Term loan	100	4/15/2015	Revere Bank	4/15/2020	47
Elite Physical Therapy & Wellness Center, Inc.	Term loan and line of credit	61	4/27/2015	Industrial Bank	6/1/2020	27
Baked by Yael, LLC	Term loan	25	6/8/2015	Revere Bank	6/8/2025	21
First Choice Masonry, Inc.	Line of credit	982	8/13/2015	United Bank	10/31/2019	982
Union Kitchen, LLC	Line of credit	75	10/23/2015	Revere Bank	6/1/2020	50
Hot Yoga Ivy City, LLC	Term loan	66	11/9/2015	Washington Area Community Investment, Inc.	11/9/2020	42
Solar Solution, LLC	Line of credit	1,250	6/10/2016	First National Bank	8/31/2020	832
SwatchRoom, LLC	Line of credit	150	6/20/2016	Colombo Bank	6/1/2020	150
Union Kitchen, LLC	Line of credit	275	6/22/2016	Revere Bank	6/22/2023	245
David's Stars Child Development Center, Inc.	Term loan	25	9/6/2016	Latino Economic Development Corporation	11/15/2021	25
Ice Cream Jubilee, LLC	Term loan	75	9/6/2016	Revere Bank	9/30/2022	69
VOW Transportation, LLC	Term loan	21	2/28/2017	City First Bank of DC	9/1/2020	16
Lydia's House in South East	Line of credit	75	4/3/2017	Industrial Bank	7/1/2020	75
Somewhere International, LLC	Term loan	25	3/7/2019	Latino Economic Development Corporation	3/10/2024	25
				Total outstanding guaranteed amount		**$ 4,011**

NOTE 7. LONG-TERM LIABILITIES

A. LONG-TERM LIABILITIES

Table N7-1 presents long-term liabilities for the District's governmental activities and the business-type activities for the year ended September 30, 2019.

Table N7-1
Summary of Long-Term Liabilities Outstanding as of September 30, 2019 ($000s)

GOVERNMENTAL ACTIVITIES	Outstanding
General obligation (GO) bonds	
Publicly offered:	
Series 1998B, issued on April 16, 1998, in the amount of $451,635, to refund the District's General Obligation Bonds (Series 1991A, 1992B, 1994B, and 1996A) and pay the costs and expenses of delivering the Bonds; final maturity date: June 1, 2026; interest rates ranging from 4.50% to 6.00%	$ 19,580
Series 2004B, issued on December 8, 2004, in the amount of $38,250, to finance a portion of the District's fiscal year 2005 capital improvements plan, and pay the costs and expenses of delivering the Bonds; final maturity date: June 1, 2020; interest rate: MUNI-CPI Rate	9,460
Series 2005B, issued on December 15, 2005, in the amount of $116,475, to redeem or defease a portion of the District's General Obligation Bonds (Series 1994B,1997A, 1998A, 1998B and 2001B) and to pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2027; interest rates ranging from 4.00% to 5.25%	395
Series 2007A, issued on June 1, 2007, in the amount of $576,475, to finance capital project expenditures and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2037; interest rates ranging from 3.00% to 4.75%	21,080
Series 2007B, issued on June 7, 2007, in the amount of $251,155, to redeem or defease a portion of the District's General Obligation Bonds (Series 2001B, 2003A, 2003B, and 2005A) and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2030; interest rates ranging from 4.50% to 5.25%	56,905
Series 2010A, Build America Bonds, issued on December 22, 2010, in the amount of $181,330, to finance capital project expenditures and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2023; interest rates ranging from 1.91% to 5.92%	58,125
Series 2013A, issued on December 18, 2013, in the amount of $495,425, to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2030; interest rates ranging from 2.00% to 5.00%	373,910
Series 2014C, issued on October 23, 2014, in the amount of $379,355, to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2038; interest rates ranging from 3.00% to 5.00%	379,055
Series 2014D, issued on October 23, 2014, in the amount of $136,190, to refund the District's Multimodal General Obligation Refunding Bonds (Series 2008A and 2008D); and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2033; interest rates ranging from 1.00% to 5.00%	91,210
Series 2015A, issued on June 24, 2015, in the amount of $500,000, to finance capital project expenditures under the District's capital improvements plan; and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2040; interest rates ranging from 4.00% to 5.00%	486,910
Series 2015B, issued on June 24, 2015, in the amount of $34,190, to refund a portion of the District's General Obligation Refunding Bonds, Series 2005B; and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2027; interest rate: 5.00%	34,190
Series 2016A, issued on June 23, 2016, in the amount of $431,815, to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2041; interest rates ranging from 1.75% to 5.00%	420,140
Series 2016D, issued on December 20, 2016, in the amount of $398,910, to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2041; interest rates ranging from 3.00% to 5.00%	398,810
Series 2016E, issued on December 20, 2016, in the amount of $190,635, to advance refund a portion of the District's General Obligation Bond Series 2007C and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2033; interest rate: 5.00%	168,570
Series 2017A, issued on June 1, 2017, in the amount of $563,520, to refund a portion of the District's General Obligation Bonds Series 2007A and General Obligation Refunding Bonds Series 2007B, and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2037; interest rates ranging from 3.00% to 5.00%	563,420
Series 2017D, issued on December 21, 2017, in the amount of $521,705, to pay or reimburse the District for capital projects' expenditures under the District's capital improvements plan and pay the cost and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2042; interest rates ranging from 4.00% to 5.00%	521,705
Series 2018A, issued on August 1, 2018, in the amount of $214,525, to pay or reimburse the District for capital project expenditures under the District's capital improvements plan and pay the cost and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2043; interest rate: 5.00%	214,525
Series 2018B, issued on August 1, 2018, in the amount of $301,160, to refund the District's General Obligation Bonds, Series 2008E and General Obligation Refunding Bonds, Series 2008F; and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2033; interest rates ranging from 3.00% to 5.00%	281,535

NOTE 7. LONG-TERM LIABILITIES

Series 2019A, issued on February 21, 2019, in the amount of $937,775, to finance capital expenditures under the District's capital improvements plan, refund the District's outstanding General Obligation Bond Anticipation Notes, Series 2018, and pay the costs and expenses of issuing and delivering the Series 2019A Bonds; final maturity date: October 15, 2044; interest rates ranging from 4.00% to 5.00%		937,775
Total publicly offered		**5,037,300**
Direct placements:		
Series 2016B, issued on November 18, 2016, with Bank of America, N.A., in the amount of $190,145, of which $99,985 was to refund the District's Multimodal General Obligation Refunding Bonds Series 2014A; and $90,160 to refund Income Tax Secured Revenue Refunding Bonds Series 2015A; final maturity date: June 1, 2039; variable rate bonds bearing interest at varying monthly rates (LIBOR Index rate)		176,080
Series 2016C, issued on November 18, 2016, with Bank of America, N.A., in the amount of $224,315, to refund the District's Multimodal General Obligation Refunding Bonds Series 2014B; final maturity date: June 1, 2027; variable rate bonds bearing interest at varying monthly rates (LIBOR Index rate)		224,300
Series 2017B, issued on November 21, 2017, with RBC Municipal Products, LLC, in the amount of $100,000, to finance capital project expenditures under the District's capital improvements plan and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2042; interest rates: variable equal to an Adjusted SIFMA Rate (1.58% as of September 30, 2019)		100,000
Series 2017C, issued on November 21, 2017, with RBC Municipal Products, LLC, in the amount of $99,935, to refund the District's Income Tax Secured Revenue Refunding Bonds, Series 2011E and Series 2014B; final maturity date: June 1, 2033; interest rates: variable equal to an Adjusted SIFMA Rate (1.58% as of September 30, 2019)		74,135
Total direct placements		**574,515**
Total general obligation bonds		**$ 5,611,815**
Qualified zone academy bonds (QZAB) - Direct Placements		
Qualified Zone Academy Bonds, issued on December 28, 2005, in the amount of $3,191, for traditional public and public charter schools; final maturity date: December 28, 2020 (non-interest bearing)	$	355
Qualified Zone Academy Bonds, issued on June 30, 2010, in the amount of $4,143, for traditional public and public charter schools; final maturity date: December 1, 2024 (non-interest bearing)		1,657
Total direct placements		**$ 2,012**
Income tax secured revenue bonds		
Series 2009A, issued on March 19, 2009, in the amount of $491,645, to provide funds for capital projects and pay for financing costs; final maturity date: December 1, 2034; interest rates ranging from 4.00% to 5.50%	$	378,655
Series 2009B, issued on March 19, 2009, in the amount of $309,685, to refund the District's Multimodal General Obligation Bonds (Series 2000A, 2000B, 2003C and 2003D) and pay for financing costs; final maturity date: December 1, 2029; interest rates ranging from 4.00% to 5.25%		219,980
Series 2009C, issued on September 3, 2009, in the amount of $270,455, to refund the District's General Obligation Bonds, Series 1999A and General Obligation Refunding Bonds, Series 1999B, and pay for financing costs; final maturity date: December 1, 2028; interest rates ranging from 3.00% to 5.00%		83,660
Series 2009E, issued on December 22, 2009, in the amount of $501,290, to provide funds for capital projects, pay for financing costs, and fund capitalized interest on the Bonds; final maturity date: December 1, 2034; interest rates ranging from 4.34% to 5.59%		479,320
Series 2010A, issued on March 25, 2010, in the amount of $694,300, to refund the District's General Obligation Bonds (Series 1998B, 1999A, 2001B, 2001C, 2001D, 2002D, 2003A, 2003B, 2004A, 2005A, 2007C, 2008E and 2008F) and pay for the financing costs of the Bonds; final maturity date: December 1, 2031; interest rates ranging from 3.00% to 5.00%		641,840
Series 2010D Qualified School Construction Bonds, issued on June 3, 2010, in the amount of $32,945, to pay for the costs of Qualified School Construction projects and financing cost; final maturity date: December 1, 2026; interest rate: 5.00%		32,945
Series 2010F Build America Bonds, issued on December 22, 2010, in the amount of $342,615, to pay for costs of capital projects and the costs and expenses of issuing and delivering the Bonds; final maturity date: December 1, 2035; interest rates ranging from 4.71% to 5.58%		342,615
Series 2011A, issued on September 29, 2011, in the amount of $138,470, to pay for costs of capital projects and the costs and expenses of issuing and delivering the Bonds; final maturity date: December 1, 2036; interest rates ranging from 1.00% to 5.00%		110,635
Series 2011F-G, issued on December 22, 2011, in the amount of $400,720, to pay for costs of capital projects and costs and expenses of issuing and delivering the Bonds; final maturity date: December 1, 2036; interest rates ranging from 2.00% to 5.00%		333,780
Series 2012A-B, issued on May 16, 2012, in the amount of $314,110, to refund a portion of the District's General Obligation Refunding Bonds, Series 2002C, and General Obligation Bonds Series 2004A and 2005A; and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: December 1, 2027; interest rates ranging from 2.00% to 5.00%		231,685
Series 2012C-D, issued on November 28, 2012, in the amount of $775,770, to pay costs associated with capital projects, bond issuance costs, and refund the outstanding PILOT Revenue Bond Anticipation Notes (Arthur Capper/Carrollsburg Public Improvement Issue); final maturity date: December 1, 2037; interest rates ranging from 2.00% to 5.00%		663,235
Series 2014A, issued on September 10, 2014, in the amount of $155,665, to current refund the District's Certificates of Participation, Series 2003 and to advance refund the District's Certificates of Participation, Series 2006, and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: December 1, 2025; interest rates ranging from 1.00% to 5.00%		98,875
Total income tax secured revenue bonds		**$ 3,617,225**

NOTE 7. LONG-TERM LIABILITIES

Tobacco settlement asset-backed bonds		
Series 2001, issued on February 1, 2001, in the amount of $521,105, to refund and defease certain obligations of the District, to fund the Debt Service Reserve Account at its required amount, and to pay certain costs of issuing the Bonds; final maturity date: May 15, 2040; interest rates ranging from 5.20% to 6.75%	$	290,380
Series 2006, issued on August 30, 2006, in the amount of $248,264, to pay the cash portion of the purchase price for the Residual Tobacco Assets, and pay certain costs of issuing the Bonds; final maturity date: June 15, 2055; interest rates ranging from 6.25% to 7.25%		248,264
Total tobacco settlement asset-backed bonds	**$**	**538,644**
Tax increment financing (TIF) bonds		
Publicly offered:		
Mandarin Oriental Hotel Project, Series 2002, issued on April 1, 2002, in the amount of $45,995, to finance certain development costs of the project, fund the Reserve Account of the Bond Service Fund, fund capitalized interest, and pay the costs of issuing the Bonds; final maturity date: July 1, 2022; interest rate yields ranging from 4.26% to 5.91%	$	8,682
City Market at O Street Project, Series 2011, issued on November 17, 2011, in the amount of $38,650, to provide funds to finance or reimburse certain costs incurred for the acquisition, construction, installation and equipping of a mixed-use project within the City Market at O Street TIF Area, fund capitalized interest, pay certain administrative expenses and certain costs of issuing the Bonds; final maturity date: June 1, 2041; interest rates ranging from 3.00% to 5.13%		37,330
Gallery Place Project, Series 2012, issued on June 21, 2012, in the amount of $52,365 to refund the Gallery Place Project Tax Increment Revenue Bonds, Series 2002, and pay the costs and expenses of issuing and delivering the Bonds; final maturity date: June 1, 2031; interest rates ranging from 3.00% to 5.00%		38,210
Total publicly offered		**84,222**
Direct placements:		
Skyland Town Center Project, Series 2018, issued on May 31, 2018, with Capital One Public Funding, LLC, in the amount of $17,400, to reimburse Skyland Holdings, LLC and Skyland Associates, Inc. for eligible development costs associated with the phased development of Skyland Town Center; final maturity date: December 1, 2038; interest rate: 3.94%		17,400
Total direct placements		**17,400**
Total tax increment financing (TIF) bonds	**$**	**101,622**
Ballpark revenue bonds		
Series 2006A, issued on May 15, 2006, in the amount of $154,835 (Taxable) to finance a portion of the cost of construction of the District's baseball stadium; final maturity date: February 1, 2036; interest rates ranging from 5.96% to 6.17%	$	143,810
Series 2006B-1, issued on May 15, 2006, in the amount of $354,965 (Tax-Exempt) to finance a portion of the cost of construction of the District's baseball stadium; final maturity date: February 1, 2036; interest rates ranging from 4.00% to 5.50%		86,355
Total ballpark revenue bonds	**$**	**230,165**
Federal highway grant anticipation revenue bonds (GARVEE)		
Series 2011, issued on February 16, 2011, in the amount of $82,610, to: (a) finance a portion of the 11th Street Bridge Project, (b) pay certain costs of issuing the Bonds, and (c) fund the Senior Lien Bonds Debt Service Reserve Subaccount; final maturity date: December 1, 2025; interest rates ranging from 2.00% to 5.25%	$	45,710
Series 2012, issued on October 10, 2012, in the amount of $42,935, to: (a) finance Phase II of the 11th Street Bridge Project, and (b) pay costs of issuing the Bonds; final maturity date: December 1, 2027; interest rates ranging from 2.00% to 5.00%		29,005
Total federal highway grant anticipation revenue bonds (GARVEE)	**$**	**74,715**
Deed tax revenue bonds (Housing production trust fund program)		
Series 2007A, issued on May 31, 2007, in the amount of $34,105, to finance, refinance and reimburse a portion of the costs of redeveloping, constructing, acquiring, furnishing and equipping the Northwest One New Communities Project and pay the costs of issuing the Bonds; final maturity date: June 1, 2037; interest rates ranging from 4.00% to 5.00%	$	25,845
Series 2010A-C, issued on August 24, 2010, in the amount of $53,190 to: (a) finance, refinance and reimburse a portion of the costs of the New Communities Initiatives, (b) satisfy the debt service reserve requirement, and (c) pay costs of issuing the Bonds. Series 2010C was paid off in fiscal year 2014. The outstanding balance is related to Series 2010A-B which has a final maturity date of June 1, 2040; interest rates ranging from 3.39% to 5.00%		44,230
Series 2012A-B, issued on December 6, 2012, in the amount of $39,585 to: (a) fund portions of the New Communities Projects, (b) fund a deposit to the Debt Service Reserve Fund, and (c) pay cost of issuing the Bonds; final maturity date: June 1, 2042; interest rates ranging from 3.00% to 5.00%		34,325
Total deed tax revenue bonds (Housing production trust fund program)	**$**	**104,400**

NOTE 7. LONG-TERM LIABILITIES

Payment in lieu of taxes (PILOT) revenue bonds and notes		
Publicly offered:		
Southwest Waterfront Project Revenue Bond (The Wharf Project) Series 2015 issued on September 3, 2015, in the amount of $145,445, to finance construction of public infrastructure at the Southwest Waterfront (The Wharf); final maturity date: June 1, 2040; interest rates ranging from 2.82% to 5.04%	$	145,445
Total publicly offered		**145,445**
Direct placements:		
Anacostia Waterfront Corporation (AWC) PILOT Revenue Bonds, issued on September 20, 2007, with Wells Fargo & Company, in the amount of $111,550, to finance, refinance and reimburse the AWC for development costs associated with park and infrastructure projects along the Anacostia River Waterfront; final maturity date: December 1, 2021; interest rate: 4.46%		28,945
Southeast Federal Center PILOT Revenue Note (The Yards Project) Series 2014, issued on December 18, 2014, with U.S. Bank National Association, in the amount of $34,800, to reimburse Forest City SEFC, LLC; final maturity date: December 1, 2037; interest rate: 75.00% of the LIBOR 30-day index plus 1.70%. (Structured as a 5-year interest-only draw-down note, with interest paid on drawn funds and has a mandatory repurchase date of December 18, 2019 when it will be extended or refinanced. Total cumulative draw-downs as of September 30, 2019 is $29,468).		17,431
Southwest Waterfront Project Revenue Bond (The Wharf Project) Series 2018 issued on August 23, 2018, with U.S. Bank National Association, in the amount of $27,500, to finance construction of public infrastructure at the Southwest Waterfront (The Wharf); final maturity date: June 1, 2040; interest rate: LIBOR 30-day index plus 0.85%. (Structured as a 5-year interest-only draw-down bond, with interest paid on drawn funds and has a mandatory repurchase date of August 23, 2023, when it will be extended or refinanced. Total cumulative draw-downs as of September 30, 2019 is $27,493).		6,857
Total direct placements		**53,233**
Total payment in lieu of taxes revenue bonds and notes	**$**	**198,678**
Total bonds and notes	**$**	**10,479,276**
Other long-term liabilities		
225 Virginia Avenue lease	$	78,820
Premium on long-term debt		849,031
Bond anticipation notes		375,000
Equipment financing program		4,438
Accreted interest		331,524
Long-term tax refunds		115,830
Long-term payroll accrual		1,217
Annual leave		200,128
Disability compensation		75,279
Grant disallowances		11,970
Claims and judgments		158,120
Net pension liabilities		229,809
Total other long-term liabilities	**$**	**2,431,166**
Total long-term liabilities – governmental activities	**$**	**12,910,442**
BUSINESS-TYPE ACTIVITIES		
Obligation for unpaid prizes	$	1,190
Compensated absences		566
Estimated third party settlements		6,012
Malpractice loss reserves		2,117
Total long-term liabilities – business-type activities	**$**	**9,885**

NOTE 7. LONG-TERM LIABILITIES

B. ANNUAL DEBT SERVICE REQUIREMENTS TO MATURITY

Tables N7-2 through **N7-19** present annual debt service requirements to maturity for the District's outstanding long-term liabilities as of September 30, 2019.

Table N7-2
General Obligation Bonds - Publicly Offered ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 164,215	$ 253,595	$ 417,810
2021	168,260	238,313	406,573
2022	167,880	229,790	397,670
2023	165,110	220,718	385,828
2024	168,850	212,454	381,304
2025-2029	934,415	930,409	1,864,824
2030-2034	1,318,985	659,358	1,978,343
2035-2039	1,286,225	319,416	1,605,641
2040-2044	597,290	78,683	675,973
2045	66,070	1,625	67,695
Total	**$ 5,037,300**	**$ 3,144,361**	**$ 8,181,661**

Table N7-3
General Obligation Bonds - Direct Placements ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 29,650	$ 21,097	$ 50,747
2021	25,860	19,809	45,669
2022	35,705	18,542	54,247
2023	51,055	16,910	67,965
2024	42,080	14,995	57,075
2025-2029	159,890	47,634	207,524
2030-2034	30,455	32,588	63,043
2035-2039	99,920	28,348	128,268
2040-2042	99,900	7,491	107,391
Total	**$ 574,515**	**$ 207,414**	**$ 781,929**

Table N7-4
Qualified Zone Academy Bonds (QZAB) - Direct Placements ($000s)

Year Ending September 30	Principal
2020	$ 454
2021	454
2022	276
2023	276
2024	276
2025	276
Total	**$ 2,012**

Table N7-5
Income Tax Secured Revenue Bonds ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 145,470	$ 178,888	$ 324,358
2021	170,485	171,509	341,994
2022	197,410	162,733	360,143
2023	221,770	152,570	374,340
2024	230,215	141,454	371,669
2025-2029	1,258,685	518,251	1,776,936
2030-2034	961,235	225,396	1,186,631
2035-2038	431,955	31,032	462,987
Total	**$ 3,617,225**	**$ 1,581,833**	**$ 5,199,058**

Table N7-6
Tobacco Settlement Asset-Backed Bonds ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 50,155	$ 19,344	$ 69,499
2021	30,530	16,083	46,613
2022	31,225	14,099	45,324
2023	32,225	12,047	44,272
2024	33,635	9,872	43,507
2025-2026	112,610	12,898	125,508
2046	159,733	1,697,592	1,857,325
2055	88,531	2,478,469	2,567,000
Total	**$ 538,644**	**$ 4,260,404**	**$ 4,799,048**

NOTE 7. LONG-TERM LIABILITIES

Table N7-7
TIF - Mandarin Oriental Hotel Bonds - Publicly Offered ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 1,448	$ 3,057	$ 4,505
2021	2,954	1,555	4,509
2022	4,280	225	4,505
Total	**$ 8,682**	**$ 4,837**	**$ 13,519**

Table N7-8
TIF - City Market at O Street Bonds - Publicly Offered ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 550	$ 1,836	$ 2,386
2021	625	1,817	2,442
2022	725	1,792	2,517
2023	850	1,763	2,613
2024	1,150	1,729	2,879
2025-2029	7,190	7,694	14,884
2030-2034	9,095	5,789	14,884
2035-2039	11,620	3,259	14,879
2040-2041	5,525	428	5,953
Total	**$ 37,330**	**$ 26,107**	**$ 63,437**

Table N7-9
TIF - Gallery Place Bonds - Publicly Offered ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 2,400	$ 1,911	$ 4,311
2021	2,520	1,791	4,311
2022	2,645	1,665	4,310
2023	2,780	1,532	4,312
2024	2,920	1,393	4,313
2025-2029	16,930	4,626	21,556
2030-2031	8,015	606	8,621
Total	**$ 38,210**	**$ 13,524**	**$ 51,734**

Table N7-10
TIF - Skyland Town Center Project - Direct Placements ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ -	$ 686	$ 686
2021	-	686	686
2022	682	672	1,354
2023	709	645	1,354
2024	737	616	1,353
2025-2029	4,144	2,613	6,757
2030-2034	5,028	1,712	6,740
2035-2039	6,100	619	6,719
Total	**$ 17,400**	**$ 8,249**	**$ 25,649**

Table N7-11
Ballpark Revenue Bonds ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 3,055	$ 13,074	$ 16,129
2021	3,510	12,873	16,383
2022	3,995	12,642	16,637
2023	4,525	12,380	16,905
2024	17,215	11,781	28,996
2025-2029	109,755	42,715	152,470
2030-2034	57,255	18,936	76,191
2035-2036	30,855	1,939	32,794
Total	**$ 230,165**	**$ 126,340**	**$ 356,505**

Table N7-12
Federal Highway Grant Anticipation Revenue Bonds - GARVEE ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 8,255	$ 3,514	$ 11,769
2021	8,640	3,127	11,767
2022	9,060	2,705	11,765
2023	9,510	2,257	11,767
2024	10,010	1,758	11,768
2025-2028	29,240	2,277	31,517
Total	**$ 74,715**	**$ 15,638**	**$ 90,353**

Table N7-13
Deed Tax Revenue Bonds - Housing Production Trust Fund ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 3,140	$ 4,689	$ 7,829
2021	3,275	4,551	7,826
2022	3,440	4,387	7,827
2023	3,605	4,215	7,820
2024	3,790	4,035	7,825
2025-2029	21,720	17,398	39,118
2030-2034	26,915	12,197	39,112
2035-2039	29,005	5,823	34,828
2040-2042	9,510	669	10,179
Total	**$ 104,400**	**$ 57,964**	**$ 162,364**

NOTE 7. LONG-TERM LIABILITIES

Table N7-14
PILOT - Southwest Waterfront Project Revenue Bonds - The Wharf - Publicly Offered ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 4,330	$ 6,636	$ 10,966
2021	4,350	6,514	10,864
2022	4,705	6,380	11,085
2023	4,970	6,218	11,188
2024	5,150	6,038	11,188
2025-2029	29,030	26,920	55,950
2030-2034	36,185	19,751	55,936
2035-2039	46,075	9,870	55,945
2040	10,650	537	11,187
Total	**$ 145,445**	**$ 88,864**	**$ 234,309**

Table N7-15
PILOT - Anacostia Waterfront Corporation Revenue Bonds - Direct Placements ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 9,360	$ 1,190	$ 10,550
2021	9,685	767	10,452
2022	9,900	221	10,121
Total	**$ 28,945**	**$ 2,178**	**$ 31,123**

Table N7-16
PILOT - The Yards Revenue Note - Direct Placements ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 17,431	$ 132	$ 17,563
Total	**$ 17,431**	**$ 132**	**$ 17,563**

Table N7-17
PILOT - Southwest Waterfront Project Revenue Bonds - The Wharf - Direct Placements ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ -	$ 211	$ 211
2021	-	211	211
2022	-	211	211
2023	6,857	176	7,033
Total	**$ 6,857**	**$ 809**	**$ 7,666**

Table N7-18
225 Virginia Avenue Lease ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 4,078	$ 5,195	$ 9,273
2021	4,362	4,911	9,273
2022	4,666	4,608	9,274
2023	4,991	4,283	9,274
2024	5,338	3,935	9,273
2025-2029	32,811	13,557	46,368
2030-2032	22,574	2,156	24,730
Total	**$ 78,820**	**$ 38,645**	**$ 117,465**

Table N7-19
Equipment Financing Program ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 4,438	$ 48	$ 4,486
Total	**$ 4,438**	**$ 48**	**$ 4,486**

Table N7-20 presents aggregate debt service requirements and net receipts/payments on the associated hedging derivative instruments as of September 30, 2019. These amounts are based on the assumption that current interest rates on variable rate bonds and the current reference rates of hedging derivative instruments will remain the same for their term.

As these rates vary, interest payments on variable rate bonds and net receipts/payments on the hedging derivative instruments will vary. Information on the District's derivative instruments is presented in Note 2 on page 95.

Table N7-20
Aggregate Debt Service Requirements and Net Receipts/Payments on Hedging Derivative Instruments ($000s)

Year Ending September 30	Principal	Interest	Hedging Derivatives, Net	Total
2020	$ 43,270	$ 5,191	$ 6,024	$ 54,485
2021	34,860	4,211	5,816	44,887
2022	36,400	3,517	4,988	44,905
2023	27,475	2,898	4,055	34,428
2024	28,350	2,371	3,298	34,019
2025-2027	92,350	3,561	4,959	100,870
Total	**$ 262,705**	**$ 21,749**	**$ 29,140**	**$ 313,594**

NOTE 7. LONG-TERM LIABILITIES

C. LONG-TERM DEBT ACTIVITY

Table N7-21 presents the District's long-term debt activity for the year ended September 30, 2019.

Table N7-21
Long-Term Debt Activity ($000s)

	Balance October 1, 2018	Additions	Reductions	Balance September 30, 2019	Due Within One Year
Governmental Activities					
General obligation bonds - publicly offered	$ 4,234,720	$ 937,775	$ (135,195)	$ 5,037,300	$ 164,215
General obligation bonds - direct placements	592,385	-	(17,870)	574,515	29,650
Qualified zone academy bonds (QZAB) - direct placements	2,466	-	(454)	2,012	454
Income tax secured revenue bonds	3,776,255	-	(159,030)	3,617,225	145,470
Tobacco settlement asset-backed bonds	561,119	-	(22,475)	538,644	50,155
Tax increment financing bonds - publicly offered	88,506	-	(4,284)	84,222	4,398
Tax increment financing bonds - direct placements	17,400		-	17,400	-
Ballpark revenue bonds	285,480	-	(55,315)	230,165	3,055
Federal highway grant anticipation revenue bonds (GARVEE)	82,620	-	(7,905)	74,715	8,255
Deed tax revenue bonds (housing production trust fund program)	107,390	-	(2,990)	104,400	3,140
PILOT revenue bonds - publicly offered	145,445	-	-	145,445	4,330
PILOT revenue bonds and notes - direct placements	74,253	10,630	(31,650)	53,233	26,791
225 Virginia Avenue lease	82,633	-	(3,813)	78,820	4,078
Premium on long-term debt	771,523	157,046	(79,538)	849,031	79,601
Bond anticipation notes	275,000	390,000	(290,000)	375,000	40,000
Equipment financing program	16,052	-	(11,614)	4,438	4,438
Accreted interest	297,686	33,838	-	331,524	-
Long-term tax refunds	143,138	-	(27,308)	115,830	-
Long-term payroll accrual	1,715	-	(498)	1,217	-
Annual leave	192,724	7,938	(534)	200,128	197,785
Disability compensation	108,535	-	(33,256)	75,279	-
Grant disallowances	11,970	-	-	11,970	-
Claims and judgment	153,144	52,795	(47,819)	158,120	-
Net pension liability	85,761	144,048	-	229,809	-
Total long-term liabilities - governmental activities	**$ 12,107,920**	**$ 1,734,070**	**$ (931,548)**	**$ 12,910,442**	**$ 765,815**
Business-Type Activities					
Obligation for unpaid prizes	1,547	-	(357)	1,190	410
Compensated absences	491	511	(436)	566	46
Estimated third party settlements	2,816	5,455	(2,259)	6,012	-
Malpractice loss reserves	2,416	-	(299)	2,117	-
Total long-term liabilities - business-type activities	**$ 7,270**	**$ 5,966**	**$ (3,351)**	**$ 9,885**	**$ 456**

The District finances its Capital Improvements Plan (CIP), the six-year capital budget which identifies the District's long-term capital projects, through the issuance of General Obligation (GO) and Income Tax Revenue Secured (ITS) Bonds. The District also utilizes Bond Anticipation Notes as interim funding in anticipation of the issuance of long-term GO or ITS bonds.

In addition to financing the CIP, the District has issued Tax Increment Financing (TIF) and Payments In Lieu of Taxes (PILOT) Bonds and Notes to encourage economic development within the District; Ballpark Revenue Bonds to finance a portion of the cost of construction of the Washington Nationals Baseball Stadium; Deed Tax Revenue Bonds to provide funds for affordable housing initiatives; Washington Convention Center and Sports Authority Revenue Bonds to fund convention center, stadium and armory complex capital projects; and Qualified Zone Academy Revenue Bonds to fund capital projects at qualifying public schools.

Special long-term obligations not supported by general tax revenue include Federal Highway Grant Revenue Bonds and Tobacco Settlement Asset-Backed Bonds. As of September 30, 2019, the total bonds and notes outstanding including Equipment Financing Program totaled $10,858,714.

General Obligation Bonds

The Home Rule Act authorizes the District to issue GO bonds or Bond Anticipation Notes to fund capital projects. The full faith and credit of the District is pledged to pay principal and interest on GO debt. The General Obligation Bond and Bond Anticipation Note Act (the Bond Act) provides for the collection of Special Real Property Taxes, which are taxes on real property in the District that satisfy debt service coming due on outstanding GO debt each fiscal year. Revenue derived from Special Real Property Taxes is irrevocably pledged for the benefit of bondholders. Debt service on general obligation debt totaled $375,259 in fiscal year 2019. As of September 30, 2019, the total General Obligation Bonds outstanding was $5,611,815.

NOTE 7. LONG-TERM LIABILITIES

New General Obligation Bond Issuance

In February 2019, the District issued $937,775 Series 2019A General Obligation Bonds. The proceeds of the bonds were used to finance capital project expenditures under the District's capital improvements plan, refinance GO bond anticipation notes and pay the costs and expenses of issuing the bonds. Interest rates on the Series 2019A Bonds range from 4.00% to 5.00%.

Income Tax Secured Revenue Bonds

The Income Tax Secured Bond Authorization Act (ITS Bond Act) authorizes the District to issue up to $9,200,000 of Income Tax Secured Revenue (ITS) Bonds to fund capital projects. As of September 30, 2019, the ITS bonds outstanding totaled $3,617,225.

Pledged Tax Revenues for Debt Service on Income Tax Secured Revenue Bonds

The ITS Bond Act pledges the District's income and business franchise taxes to pay principal and interest on ITS debt. In fiscal year 2019, debt service on the ITS bonds totaled $345,082. During fiscal year 2019, the District collected $2,941,982 in income and business franchise taxes. The debt service coverage ratio was 8.53 to 1: Total available taxes of $2,941,982 divided by FY 2019 debt service of $345,082. Of the amount collected, $350,953 or 11.93%, was held in a restricted bond escrow account in the General Fund for the payment of debt service on outstanding Income Tax Secured Revenue Bonds in fiscal year 2020. The anticipated debt service amount for fiscal year 2020 is $324,358. Therefore, total available tax revenues collected, set aside and held in escrow in the General Fund in fiscal year 2019 fulfill the total anticipated Income Tax Secured Revenue Bonds debt service obligation for fiscal year 2020 as presented in **Table N7-22**.

Table N7-22
Debt Service Coverage Ratio
Income Tax Secured Revenue Bonds ($000s)

Available Tax Revenues Collected in FY 2019			
Individual income		$	2,299,326
Business franchise			642,656
Total		**$**	**2,941,982**
Amount held in escrow for FY 2020 debt service	(a)		350,953
FY 2020 debt service amount	(b)		324,358
Rate of coverage (c)=(a)/(b)	(c)		108%

Bond Anticipation Notes

The District uses Bond Anticipation Notes (BANs) in the form of commercial paper (CP) and other notes to provide interim financing for capital project expenditures. The District issues CP notes maturing between one and 270 days. Interest on outstanding CP notes is paid at maturity and principal is paid with newly issued CP notes, referred to as a rollover, or with proceeds from the issuance of long-term bonds. The District's revolving note facility allows the District to issue Notes held by the credit provider. Interest due on outstanding Notes is based on a spread to the LIBOR index and is paid monthly. District statute stipulates that BANs are to be paid or refinanced with long-term debt, no later than the last day of the third fiscal year following the fiscal year of issuance.

In fiscal year 2017, the District established a revolving credit facility with U.S. Bank National Association (US Bank). The facility allows the District to draw up to a maximum principal amount of $200,000 in the form of general obligation bond anticipation notes (2017 Notes) held by U.S. Bank. The facility expires in March 2021. As of September 30, 2019, there were no 2017 Notes outstanding.

In fiscal year 2018, the District established a direct pay letter of credit with Industrial and Commercial Bank of China Limited (2018 CP Notes). The letter of credit supports the District's issuance, up to a maximum principal amount of $300,000, of general obligation commercial paper bond anticipation notes. Principal on all outstanding 2018 CP Notes will be paid on or before the expiration of the letter of credit in September 2021. As of September 30, 2019, the 2018 GO CP Notes outstanding totaled $205,000.

New General Obligation Bond Anticipation Notes

In fiscal year 2019, the District established a direct pay letter of credit with Barclays Bank PLC. The letter of credit supports the District's issuance, up to a maximum principal amount of $500,000, of general obligation commercial paper bond anticipation notes (2019 CP Notes). Principal on all outstanding 2019 CP Notes will be paid on or before the expiration of the letter credit in April 2022. As of September 30, 2019, the 2019 CP Notes outstanding totaled $130,000.

New Income Tax Secured Revenue Notes

In March 2019, the District issued $40,000 Series 2019A Income Tax Secured Bond Anticipation (ITS Notes) to Morgan Stanley & Co. LLC. The ITS Notes provide interim financing for the District's New Communities Initiative and or; housing infrastructure with a special focus on affordable housing. Principal on the ITS Notes will be paid with proceeds from the issuance of ITS bonds on or before the mandatory tender date of December 1, 2019. As of September 30, 2019, the Series 2019 Income Tax Secured Bond Anticipation Notes outstanding totaled $40,000.

Refunding and Bond Defeasances

In fiscal year 2019, the District refinanced $200,000 of 2017 Bond Anticipation Notes and $90,000 of 2018 Commercial Paper Bond Anticipation Notes with proceeds from the issuance of the Series 2019A GO

NOTE 7. LONG-TERM LIABILITIES

Bonds. The current refunding produced no economic gain or loss as well as no estimated aggregate difference in debt service.

Equipment Financing Program

The District began its Master Equipment Lease Purchase Program in 1998 as a means of providing tax-exempt financing for assets with short-term to intermediate-term useful lives. Beginning in fiscal year 2018, these assets were financed through Bond Anticipation Notes. The final payment associated with the Equipment Lease Purchase Program is due on September 25, 2020. As of September 30, 2019, the Equipment Financing Program's outstanding principal totaled $4,438.

Tax Increment Financing and Payments in Lieu of Taxes

The Tax Increment Financing Act provides the District the authority to issue tax increment financing (TIF) and payments in lieu of taxes (PILOT) obligations that fund economic development projects within the District. TIF and PILOT obligations are payable from incremental increases in certain dedicated real property tax (or payments in lieu of real property tax) and sales tax revenues within defined geographic areas where the proceeds from TIF and PILOT obligations are deployed. As of September 30, 2019, the TIF and PILOT debt outstanding totaled $300,300.

Ballpark Revenue Bonds

The Ballpark Financing Act authorized the issuance of Ballpark Revenue Bonds to finance a portion of the cost of construction of the Washington Nationals baseball stadium. Ballpark revenue bonds are limited obligations of the District, secured by a pledge of stadium rent paid by Major League Baseball, sales taxes collected within the stadium, utility tax and ballpark fees. As of September 30, 2019, the Ballpark Revenue Bonds outstanding totaled $230,165.

Ballpark Revenue Bond Redemptions

In fiscal year 2019, the District paid $52,680 of principal on the outstanding Series 2006B-1 Ballpark Revenue Bonds prior to their scheduled maturity. The additional payments were made from surplus revenues dedicated to the payment of Ballpark Revenue Bonds.

Deed Tax Revenue (Housing Production Trust Fund) Bonds

The Housing Production Trust Fund Act authorized the issuance of Deed Tax Revenue Housing Production Trust Fund (HPTF) bonds to fund the New Communities Initiatives and or; the District's comprehensive plan for affordable housing infrastructure. HPTF bonds are obligations of the District secured by an allocation of real property transfer taxes and deed recordation taxes. Beginning in fiscal year 2013, New Communities Initiatives are financed through the issuance of ITS bonds. As of September 30, 2019, HPTF bonds outstanding totaled $104,400.

Qualified Zone Academy Revenue Bonds

The District has two Qualified Zone Academy Revenue (QZABs) bond issues outstanding that were sold as direct placements. Proceeds were used to rehabilitate, repair and equip certain public schools in the District. QZABs are federal tax credit bonds that allow a credit to investors. The bonds are secured by real property tax revenue on deposit in the QZAB Pledged Revenue Account. As of September 30, 2019, the QZAB Bonds outstanding totaled $2,012.

Federal Highway Grant Anticipation Revenue (GARVEE) Bonds

The Transportation Infrastructure Improvements GARVEE Bond Financing Act authorizes the issuance of GARVEE bonds to finance transportation related infrastructure. GARVEE bonds are limited obligations of the District, secured by a pledge of Federal Transportation Funds paid to the District, including funds held in the Transportation Infrastructure Improvement Fund. As of September 30, 2019, the GARVEE bonds outstanding totaled $74,715.

Obligation for Unpaid Prizes

The Office of Lottery Gaming (the Lottery) is a member of the Multi-State Lottery Association (MUSL), which is responsible for payments to Lotto-America and Powerball winners. MUSL is responsible for providing cash to the Lottery for funding these installment payments.

As of September 30, 2019, MUSL purchased for the Lottery, U.S. government securities totaling $1,210 to fund future installment payments to winners. The fair market value of these securities as of September 30, 2019, was $1,190. The Lottery has reflected the fair market value of the securities as restricted investments and as corresponding obligations for unpaid prizes on the statement of net position.

D. DIRECT PLACEMENTS AND DIRECT BORROWINGS

Direct placements and direct borrowings are bonds and notes which have terms negotiated directly with investors or lenders and are not offered for public sale. As of September 30, 2019, the District's governmental activities included direct placements with investors for General Obligation Bonds, Tax Increment Financing Bonds, and PILOT Revenue Bonds and Notes. The District did not have any direct borrowings with any lenders as of September 30, 2019.

NOTE 7. LONG-TERM LIABILITIES

General Obligation Bond Direct Placements

The District has four variable rate General Obligation Bonds outstanding that were sold as direct placements. The Series 2016B and Series 2016C LIBOR Index Bonds pay the holder a floating interest rate calculated as a percentage of the LIBOR. The Series 2017B and Series 2017C are Securities Industry and Financial Markets Association (SIFMA) Index Bonds and pay the holder a floating index rate based on the SIFMA Municipal Swap Index plus spread. As of September 30, 2019, the outstanding variable rate GO bonds direct placements totaled $574,515.

TIF Bonds and PILOT Revenue Bond and Note Direct Placements

The Anacostia Waterfront Corporation PILOT Revenue Bond Series 2007, PILOT Revenue Note Series 2014, TIF Revenue Note Series 2018, and Southwest Waterfront Project PILOT Revenue Bond Series 2018 obligations were sold as direct placements. As of September 30, 2019, TIF Bonds and PILOT revenue notes issued as direct placements outstanding balance totaled $70,633.

Unused Lines of Credit

The Southeast Federal Center PILOT Revenue Notes (The Yards Notes) and the Southwest Waterfront Project PILOT Revenue Bonds Series 2018 (The Wharf Project) are drawdown bonds. As of September 30, 2019, The Yards Notes and The Wharf Bonds had unused lines of credit in the amount of $17,369 and $20,643 respectively.

E. EVENTS OF DEFAULT AND REMEDIES

The District's failure to pay the principal or interest on any debt when due or failure to observe and perform any covenant, condition, agreement or provision in any indenture applicable to the District's various debt obligations, constitutes an event of default for the District. In the event of a default, bondholders may sue to enforce their rights or to enjoin any acts of the District that may be unlawful or in violation of their rights.

In addition to the events of default and remedies specified in the indentures for outstanding debt, the District's direct placements and credit agreements are supplemented by Continuing Covenants Agreements (CCA) and Credit Agreements (CA). Events of default can include, but are not necessarily limited to: payment defaults by the District; the District's failure to observe certain covenants; District representations in bond documents prove to be incorrect; bankruptcy or insolvency of the District; the District's long-term general obligation bond or note rating is withdrawn or suspended for credit-related reasons, or downgraded below certain thresholds; or the District fails to satisfy non-appealable monetary judgments above a certain amount.

Purchasers, credit providers and note holders may sue to enforce their rights or to enjoin any acts of the District that may be unlawful or in violation of their rights. If the District is found to be in default and that default is continuing, the District is obligated to pay interest at the default rate not to exceed 12% per annum.

F. COMPONENT UNITS

Washington Convention and Sports Authority (WCSA)

On September 28, 1998, WCSA issued $524,500 in Senior Lien Dedicated Tax Revenue Refunding Bonds (Series 1998A bonds) to finance the construction of a new Washington Convention Center.

On February 1, 2007, WCSA issued $492,500 of refunding bonds, Series 2007A Bonds, to refund the Series 1998A Bonds. The refunding bonds have maturities ranging from October 1, 2008 to October 1, 2036 and interest rates ranging from 3.75% to 5.00%. The net proceeds of these refunding bonds were used to advance refund all the Series 1998A Bonds in the aggregate principal amount of $480,600. As a result, the refunded bonds were considered defeased and the liabilities for those bonds were extinguished. The aggregate difference in debt service between the refunded debt and the refunding debt was $9,700. Between June 2006 and July 2009, the Council passed a series of legislative acts, which authorized the financing, construction and development of a privately owned and operated headquarters hotel for the Convention Center.

In October 2010, WCSA issued Senior Lien Dedicated Tax Revenue Bonds (Series 2010 Bonds) with a face value of $249,200, with maturities ranging from October 2015 to October 2040, at interest rates ranging from 3.10% to 7.00%. The proceeds were to be used to fund, as needed, a portion of the costs of acquiring, developing, constructing, and equipping the Convention Center Hotel project. A portion of the proceeds was also used to defease to the earliest optional redemption date that portion of WCSA's outstanding Senior Lien Dedicated Tax Revenue and Refunding Bonds, Series 2007A maturing on December 1, 2036, in the aggregate principal amount of $25,400. In addition, net proceeds from the issuance of the Series 2010 Bonds were used to purchase U.S. government securities, which were deposited in an irrevocable trust to provide debt service payments until the Series 2007A bonds are called or mature. Consequently, the aggregate principal amount of $25,400 from Series 2007A Bonds is defeased and therefore has been removed as a liability from WCSA's financial statements. The amount was fully paid by the Trustee on October 1, 2016.

NOTE 7. LONG-TERM LIABILITIES

On February 22, 2018, WCSA issued $333,100 in Series 2018A and Series 2018B Senior Lien Dedicated Tax Revenue Refunding Bonds with interest rates ranging from 1.39% to 3.00%. The proceeds from the Bonds were used to current refund outstanding maturities of Series 2007 and advance refund Series 2010C, respectively. WCSA deposited the net proceeds from Series 2018B along with other WCSA funds in an irrevocable trust to provide for all future debt service on the refunded Series 2010C Bonds. As a result, the Series 2010C Bonds are considered legally defeased and, as such, are not reflected in "Bonds Payable" at September 30, 2019.

Table N7-23 presents the debt service requirements to maturity for principal and interest for WCSA's outstanding bonds.

Table N7-23
Debt Service Requirements to Maturity
Washington Convention and Sports Authority ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 24,380	$ 24,069	$ 48,449
2021	25,600	22,840	48,440
2022	27,590	21,531	49,121
2023	28,960	20,137	49,097
2024	12,480	19,111	31,591
2025-2029	138,680	80,190	218,870
2030-2034	118,500	39,400	157,900
2035-2039	74,920	18,431	93,351
2040-2041	30,025	1,346	31,371
Subtotal	481,135	247,055	728,190
Add:			
Unamortized bond premium, net	35,746	-	35,746
Total	**$ 516,881**	**$ 247,055**	**$ 763,936**

Housing Finance Agency

The Housing Finance Agency (HFA) issues bonds primarily to finance its housing programs. Such bonds are collateralized by: (a) mortgage-backed securities in connection with underlying loans; (b) mortgage loans made on the related multi-family developments or single-family residential mortgage loans purchased; or (c) investment of bond proceeds, debt service reserves and escrow accounts, and all revenues, mortgage payments, and recovery payments received by the Agency from investments, mortgage loans, and mortgage-backed securities in connection with the related developments.

Bonds issued by HFA are special obligations of the Agency and are payable from the revenue and special funds of the applicable indentures. The bonds and notes do not constitute debt of and are not guaranteed by the District or any other program of the District. All mortgage revenue bonds for multifamily projects financed to date have been issued by the Agency as standalone pass-through financings with no direct economic recourse to the Agency as the issuer.

The provisions of the various bond indentures require or allow for the special redemption of bonds at par through the use of unexpended bond proceeds and excess funds accumulated primarily through prepayment of mortgage loans and mortgage-backed securities. All outstanding bonds are subject to redemption at the option of HFA or the borrower, in whole or in part at any time, after certain dates, as specified in the respective bond indentures and bond resolutions, at prescribed redemption prices. The redemption premiums typically do not exceed 5.00%. Under the Multi-Family (Conduit Bond) Program, this option generally cannot be exercised until the bonds have been outstanding for ten years as provided in the various indentures. Term bonds are generally subject to redemption, without premium, from mandatory sinking fund payments.

Bond Issuances in Fiscal Year 2019

During fiscal years 2010 through 2019, HFA issued certain multifamily revenue bonds in a draw-down mode. Consequently, out of the total amount of bonds closed, only a portion may get drawn during any given reporting period.

Table N7-24 presents the debt service requirements to maturity for principal and interest for the Housing Finance Agency's outstanding bonds.

Table N7-24
Debt Service Requirements to Maturity
Housing Finance Agency ($000s)

Year Ending September 30	Principal	Interest	Total
2020	$ 25,661	$ 55,711	$ 81,372
2021	72,819	55,760	128,579
2022	21,166	57,324	78,490
2023	50,251	53,740	103,991
2024	16,643	52,201	68,844
2025-2029	155,887	242,026	397,913
2030-2034	158,482	209,390	367,872
2035-2039	342,746	189,018	531,764
2040-2044	129,783	115,950	245,733
2045-2049	271,146	89,581	360,727
2050-2054	222,725	29,111	251,836
2055-2059	5,140	5,136	10,276
2060-2064	29,495	2,034	31,529
Subtotal	1,501,944	1,156,982	2,658,926
Add:			
Unamortized bond premium, net	1,015	-	1,015
Total	**$ 1,502,959**	**$ 1,156,982**	**$ 2,659,941**

For more information on HFA's long-term debt activity during fiscal year 2019, refer to the separately issued financial statements for that year. The contact information can be found in Note 1 on page 67.

NOTE 7. LONG-TERM LIABILITIES

Tobacco Settlement Asset-Backed

The Tobacco Settlement Financing Corporation (the Tobacco Corporation) is a special purpose, independent instrumentality of the District created by the Tobacco Settlement Financing Act of 2000 (the Tobacco Act). Pursuant to the Tobacco Act, and a purchase and sale agreement between the District and the Tobacco Corporation, the District sold to the Tobacco Corporation, substantially all of its rights, title and interests in certain amounts paid or payable to the District under the Master Settlement Agreement, or MSA (settlement of certain smoking-related litigation), entered into by participating cigarette manufacturers, the District, forty-six states and five other U.S. jurisdictions in 1998. The Tobacco Corporation issued bonds secured by, and payable solely from, the amounts payable to the District under the MSA. The Tobacco Corporation had $538,644 in bonds outstanding as of September 30, 2019.

Events of Default and Remedies

Events of default under the Tobacco Corporation's indenture can include, but are not necessarily limited to: payment defaults by the Corporation; the Corporation's failure to observe certain provisions of the indenture that are not remedied within 30 days after receiving written notice of failure from the Corporation's Trustee; bankruptcy or insolvency of the Corporation; or the District fails to pay the Corporation any pledged Tobacco Settlement Revenue (TSR); the District consents or acquiesces in an amendment or modification of the MSA that materially reduces the amount of TSR payable under the MSA.

The indenture provides that in the event of default the Trustee, on behalf of bondholders, may file a lawsuit against the District.

NOTE 8. RETIREMENT PROGRAMS

A. DEFINED BENEFIT PENSION PLANS

District full-time employees receive pension benefits through the federally administered Civil Service Retirement System (CSRS), the Social Security System, or the District Retirement Funds.

Civil Service Retirement System (CSRS)

Plan Description

The District contributes to the CSRS, a defined benefit, contributory retirement system, administered by the federal government's Office of Personnel Management (OPM). CSRS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. Permanent full-time District employees hired before October 1, 1987, except those covered by the District Retirement Funds, are covered by CSRS. As of September 30, 2019, there were 1,201 District employees who were covered by CSRS. The OPM issues a publicly available financial report that includes financial statements and required supplementary information for CSRS, which may be obtained at www.opm.gov.

Funding Policy

CSRS-covered employees contribute 7.00% of their base pay (annual salary) to CSRS, and the District matches the contributions made by employees. Contribution requirements of those participating in the CSRS are established (and may be amended) by OPM. The District contributed 100% of the required amount to the CSRS for each of the past three fiscal years. The District's CSRS contributions for the years ended September 30, 2019, 2018, and 2017, were $7,469, $8,197, and $9,167, respectively.

Social Security System

Plan Description

The District also contributes to the federal government's Social Security System, a program that provides benefits for retirement, disability, survivorship, and death, which is funded by dedicated payroll taxes. The Social Security Administration and the U.S. Departments of Health and Human Services, Labor, and Treasury administer this program. The authority to establish and amend policy and benefit provisions rests with the President and Congress of the United States.

Funding Policy

Consistent with the Federal Insurance Contributions Act (FICA), a 6.20% Social Security tax is to be withheld from the gross salary/wages of District employees, up to but not exceeding the applicable social security wage base, which was $132,900 (not in thousands) for 2019, in addition to the District's matching contribution of 6.20% FICA taxes on behalf of the District employees. Moreover, the District also pays a 1.45% payroll tax for Medicare with an additional 1.45% being withheld from each employee's salary/wages as the employee's portion of the Medicare tax.

Beginning January 1, 2013, Additional Medicare Tax applies to an individual's Medicare wages that exceed a threshold amount, ranging from $125,000 to $250,000, based on the taxpayer's filing status. Employers, including the District, are responsible for withholding the 0.90% Additional Medicare Tax on an individual's wages paid in excess of the threshold in a calendar year. An employer is required to begin withholding Additional Medicare Tax in the pay period in which wages paid to an employee in the calendar year exceed the threshold. There is no employer match for the Additional Medicare Tax.

District contributions to the Social Security System for FICA for the years ended September 30, 2019, 2018 and 2017, were $108,073, $103,508, and $97,599, respectively. In addition, District contributions for Medicare for fiscal years 2019, 2018 and 2017 were $41,312, $38,789 and $37,771, respectively.

District Retirement Funds

General Information about the Pension Plans

Plan Description

The District of Columbia Retirement Board (DCRB or Board) administers the District Retirement Funds (D.C. Code §1-711 et seq.), which consist of two single-employer defined benefit pension plans, one established for the District's teachers (the District of Columbia Teachers' Retirement Fund or TRF), and the other for the District's police officers and firefighters (the District of Columbia Police Officers and Fire Fighters' Retirement Fund or POFRF). Each plan provides retirement, death and disability benefits, and annual cost of living adjustments to plan members and beneficiaries. Title 38, Chapter 20 of the D.C. Code (D.C. Code § 38-2001, et seq. (2001 ED.)) assigns the authority to establish and amend benefit provisions to the Council of the District of Columbia (the Council) for the Teachers' Plan. Retirement and disability benefit provisions for police officers and firefighters are established by the Policemen and Firemen's Retirement and Disability Act (D.C. Code §5-701 et seq. (2001 ED.)).

DCRB issues a publicly available financial report which includes financial statements and required supplementary information for the plans. This report can be obtained from:

District of Columbia Retirement Board
Executive Director
900 7th Street, NW, 2nd Floor
Washington, DC 20001
Website: https://dcrb.dc.gov

NOTE 8. RETIREMENT PROGRAMS

Benefits Provided

The District of Columbia Teachers' Retirement Fund

Permanent, temporary, part-time and probationary teachers and certain other employees of the District of Columbia public day schools are automatically enrolled in the Teachers' Retirement Fund on their date of employment. Certain D.C. Public Charter School employees are also eligible to participate. For employees hired before November 1, 1996, the annual retirement benefit is the average salary, as defined, multiplied by 1.50% for each of the first five years of service, plus 1.75% for each of the second five years; plus 2.00% for each additional year over 10 years. For employees hired on or after November 1, 1996, the annual retirement benefit is the average salary, as defined, multiplied by 2.00% for each year of service. The average salary is the highest average consecutive 36 months of pay.

The annuity may be further increased by crediting unused sick leave as of the date of retirement. Participants receiving retirement benefits receive an annual benefit increase proportional to changes in the Consumer Price Index; however, the annual increase may not exceed 3.00% for participants hired on or after November 1, 1996. Participants who have five years of school service and who become disabled and can no longer perform their jobs satisfactorily may be eligible for disability retirement. Voluntary retirement is available for teachers who have a minimum of five years of school service and who achieve certain age and length of service requirements. Employees who are involuntarily separated other than for cause and who have five years of school service may be eligible for retirement at any age with 25 years of service or at age 50 with 20 years of service. An involuntary retirement benefit is reduced if at the time of its commencement the participant is under the age of 55.

The District of Columbia Police Officers and Fire Fighters' Retirement Fund

A participant becomes a member when he/she begins work as a police officer or firefighter in the District. The benefit structure for members varies depending upon their date of hire.

Members hired before February 15, 1980 are eligible for optional retirement with full benefits at any age with 20 years of departmental service, or for deferred retirement at age 55 with five years of departmental service. The annual basic retirement benefit equals 2.50% of average base pay, which is defined as the highest average consecutive 12 months of base pay, multiplied by departmental service through 20 years; plus 3.00% of average base pay multiplied by average base pay times departmental service over 20 years; plus 2.50% of average base pay multiplied by years of other creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the member's average base pay. Members terminated after five years of police or firefighting service are entitled to a deferred pension beginning at age 55. Benefits are also provided to certain survivors of active, retired, or terminated vested members. Retirement benefits are increased by the same percentage in base pay granted to active participants. Members with a service-related disability receive a disability retirement benefit of 2.50% of average base pay multiplied by the number of years of creditable service. A minimum annual disability retirement benefit of 66.67% of average base pay and a maximum annual disability retirement benefit of 70% of average base pay apply. Members with a non-service related disability and at least five years of departmental service receive a disability retirement benefit of 2.00% of average base pay multiplied by the number of years of creditable service. A minimum annual disability retirement benefit of 40% of average base pay and a maximum annual disability retirement benefit of 70% of average base pay applies.

Members hired on or after February 15, 1980, and before November 10, 1996 are eligible for optional retirement with full benefits at age 50 with at least 25 years of departmental service, or after age 55 with five years of departmental service. The annual basic retirement benefit equals 2.50% of average base pay, which is defined as the highest average consecutive 36 months of base pay, multiplied by the number of years of creditable service through 25 years; plus 3.00% of average base pay multiplied by the number of years of departmental service over 25 years; plus 2.50% of average base pay multiplied by the number of years of other creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the member's average base pay. Members separated from the Police or Fire Department after five years of departmental service are entitled to a deferred pension beginning at age 55. Benefits are also provided to certain survivors of active, retired or terminated vested members. Members who retired after February 15, 1980, receive annual benefit increases proportional to changes in the Consumer Price Index.

Members hired on or after November 10, 1996 are eligible for retirement at any age, with at least 25 years of departmental service or after age 55 with five years of departmental service. The annual basic retirement benefit equals 2.50% of average base pay, which is defined as the highest average consecutive 36 months of base pay, multiplied by the number of years of creditable service; however, the aggregate annual basic retirement benefit may not exceed 80% of the average base pay. Members separated after five years of departmental service are entitled to a deferred pension beginning at age 55. Benefits are also provided to certain survivors of active, retired, or terminated vested members. Members receive annual benefit increases proportional to changes in the Consumer Price Index; however, the increase is

NOTE 8. RETIREMENT PROGRAMS

capped at 3.00%. Members with a service-related disability receive a disability retirement benefit of 70% of base pay multiplied by the percentage of disability. A minimum annual disability retirement benefit of 40% of base pay applies. Members with a non-service related disability and at least five years of departmental service receive a disability retirement benefit of 70% of base pay multiplied by the percentage of disability. A minimum annual disability retirement benefit of 30% of base pay applies.

Table N8-1 presents the number of plan members that were covered by the benefit terms as of September 30, 2019 and 2018.

Table N8-1
District Retirement Funds
Plan Members Covered by Benefit Terms

	2019	2018
TRF		
Inactive plan members (Retirees and survivors receiving benefits - post June 30, 1997)	4,059	3,990
Active plan members	5,226	5,066
Vested terminations	1,446	1,429
Total	**10,731**	**10,485**
POFRF		
Inactive plan members (Retirees and survivors receiving benefits - post June 30, 1997)	3,699	3,441
Active plan members	5,406	5,349
Vested terminations	261	315
Total	**9,366**	**9,105**

Note:
Numbers not in thousands

Contributions

The District is required to contribute the amounts necessary to finance the Plan benefits of its members through annual contributions at actuarially determined amounts in accordance with the provisions of the Police Officers, Firefighters, and Teachers Retirement Benefit Replacement Plan Act of 1998.The amount of the District's contributions for fiscal years 2019 and 2018 were equal to the amounts computed, if any, by DCRB's independent actuary. Plan members contribute by salary deductions at rates established by D.C. Code § 5-706 (2001 ED.). Members contribute 7.00% (or 8.00% for Teachers, Police Officers and Firefighters hired on or after November 1, 1996, and November 10, 1996, respectively) of annual gross salary, including any differential for special assignment and longevity, but excluding overtime, holiday, or military pay. Contribution requirements of members are established by D.C. Code § 5-706 and requirements for District of Columbia government contributions to the Fund are established by D.C. Code § 1-907.02 (2001 ED.), which may be amended by the Council. **Table N8-2** presents required amounts contributed by the District to the District Retirement Funds for fiscal years 2019 and 2018.

Table N8-2
District Retirement Funds
District Contributions ($000s)

Fiscal Year Ended	TRF	POFRF
September 30, 2019	$ 53,343	$ 91,284
September 30, 2018	59,046	105,596

Net Pension Liability

The District's net pension liability (asset) was measured as of September 30, 2019, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of September 30, 2019. **Table N8-3** presents the aggregate amounts of the District Retirement Funds as of September 30, 2019.

Table N8-3
District Retirement Funds
Aggregate Amounts ($000s)

	TRF	POFRF	TOTAL
Total pension liabilities	$ 2,494,291	$ 5,604,573	$ 8,098,864
Pension net position	2,264,482	6,256,363	8,520,845
Deferred outflows of resources	84,352	22,118	106,470
Deferred inflows of resources	8,699	195,012	203,711
Pension expense	78,416	74,038	152,454
Net pension liabilities (assets)	229,809	(651,790)	(421,981)

NOTE 8. RETIREMENT PROGRAMS

Actuarial Assumptions

The total pension liability was determined based on an actuarial valuation as of September 30, 2019, using actuarial assumptions presented in **Table N8-4**, which were applied to all periods included in the measurement date as of September 30, 2019.

Table N8-4
District Retirement Funds: Summary of Actuarial Assumptions Used to Determine Total Pension Liability As of September 30, 2019

	TRF	POFRF
Inflation	3.50%	3.50%
Salary increases	5.50 - 8.63%, including wage inflation of 4.25%	4.25 - 6.34%, including wage inflation of 4.25%
Investment rate of return	6.50%, net of pension plan investment expense	6.50%, net of pension plan investment expense
Mortality	Pre-retirement and post-retirement mortality rates were based on the RPH-2014 Blue Collar Mortality Table generationally projected with scale BB, set back 1 year for males. Post-disability mortality rates were based on the RPH-2014 Disabled Mortality Table set back 6 years for males and set forward 7 years for females.	Pre-retirement and post-retirement mortality rates were based on the RPH-2014 Blue Collar Mortality Table generationally projected with scale BB, set back 1 year for males. Post-disability mortality rates were based on the RPH-2014 Disabled Mortality Table set back 6 years for males and set forward 7 years for females.
Cost of Living Adjustments	3.50% for those hired before 11/1/1996; Limited to 3.00% for those hired on or after 11/1/1996	3.50% for those hired before 11/1/1996; Limited to 3.00% for those hired on or after 11/1/1996

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of the most recent actuarial experience investigation for the period October 1, 2011 to September 30, 2015, dated July 18, 2017.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. **Table N8-5** presents target allocation and best estimates of geometric real rates of return for each major asset class.

Table N8-5
District Retirement Funds: Summary of Target Allocation and Long-Term Expected Real Rate of Return by Asset Class

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	20.00 %	7.80 %
Foreign equity (developed)	16.00 %	8.10 %
Foreign equity (emerging)	10.00 %	10.50 %
U.S. core fixed income	11.00 %	4.40 %
Treasury inflation-protected securities (TIPS)	6.00 %	3.30 %
High yield bonds	4.00 %	6.80 %
Bank loans	3.00 %	5.70 %
Foreign bonds (developed)	2.00 %	2.60 %
Emerging markets debt (local)	4.00 %	5.90 %
Real estate	6.00 %	7.10 %
Natural resources (private)	2.00 %	7.80 %
Infrastructure	3.00 %	7.80 %
Private equity	9.00 %	9.40 %
Absolute return	4.00 %	5.60 %
Total	**100.00 %**	

NOTE 8. RETIREMENT PROGRAMS

Discount Rate

The discount rate used to measure the total pension liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that the District contributions will be made in accordance with the Board's funding policy adopted in 2012 and revised in 2017. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Table N8-6 presents changes in the District's net pension liability (asset) for the year ended September 30, 2019.

Table N8-6
District Retirement Funds
Changes in Net Pension Liability (Asset) ($000s)

	Increase (Decrease)					
	Teachers' Retirement Fund			Police Officers and Fire Fighters' Retirement Fund		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (Asset) (a)-(b)
Balances at September 30, 2018	$ 2,261,867	$ 2,176,106	$ 85,761	$ 5,265,874	$ 6,023,770	$ (757,896)
Changes for the year						
Service cost	72,429	-	72,429	180,928	-	180,928
Interest	144,165	-	144,165	338,288	-	338,288
Difference between expected and actual experience	103,719	-	103,719	(57,642)	-	(57,642)
Contributions - employer	-	53,343	(53,343)	-	91,284	(91,284)
Contributions - employees	-	40,432	(40,432)	-	38,243	(38,243)
Net investment income	-	85,047	(85,047)	-	232,987	(232,987)
Benefit payments, including refunds of employee contributions	(87,889)	(87,889)	-	(122,875)	(122,875)	-
Administrative expenses	-	(3,440)	3,440	-	(9,481)	9,481
Other income	-	883	(883)	-	2,435	(2,435)
Net Changes	232,424	88,376	144,048	338,699	232,593	106,106
Balances at September 30, 2019	**$ 2,494,291**	**$ 2,264,482**	**$ 229,809**	**$ 5,604,573**	**$ 6,256,363**	**$ (651,790)**

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate

Table N8-7 presents the net pension liability (asset) of the TRF and POFRF Plans, calculated using the discount rate of 6.50%, as well as the Plans' net pension liability (asset), calculated using a discount rate that is 1-percentage point lower (5.50%) or 1-percentage point higher (7.50%) than the current rate.

Table N8-7
District Retirement Funds: Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate ($000s)

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Teachers' plan's net pension liability (asset)	$ 669,520	$ 229,809	$ (117,925)
Police officers and fire fighters' plan's net pension liability (asset)	372,957	(651,790)	(1,460,879)

Pension Plans' Fiduciary Net Position

Detailed information about the Plans' fiduciary net position is available in the separately issued District Retirement Funds financial statements and required supplementary information issued by the District of Columbia Retirement Board.

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions

For the year ended September 30, 2019, the District recognized pension expenses of $78,416 and $74,038 for TRF and POFRF, respectively. **Table N8-8** presents deferred outflows of resources and deferred inflows of resources related to pensions as of September 30, 2019.

NOTE 8. RETIREMENT PROGRAMS

Table N8-8
District Retirement Funds
Deferred Outflows of Resources and Deferred Inflows of Resources ($000s)

	TRF		POFRF	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 77,789	$ 8,699	$ -	$ 187,493
Changes of assumptions	-	-	22,118	-
Net difference between projected and actual earnings on plan investments	6,563	-	-	7,519
Total	**$ 84,352**	**$ 8,699**	**$ 22,118**	**$ 195,012**

Table N8-9 presents deferred outflows of resources and deferred inflows of resources that will be recognized in pension expenses in future periods.

Table N8-9
District Retirement Funds
Schedule of Amortization of Deferred Outflows (Deferred Inflows) of Resources ($000s)

Year ended September 30	TRF	POFRF
2020	$ 4,732	$ (116,193)
2021	16,087	(60,483)
2022	44,142	19,698
2023	10,692	10,158
2024	-	(17,840)
Thereafter	-	(8,234)

Payable to the Pension Plans

The District's contributions for fiscal years 2019, 2018, and 2017 were equal to the fund's independent actuary's recommendation; therefore, there were no outstanding amounts due to the plans as of September 30, 2019.

B. DEFINED CONTRIBUTION PENSION PLAN

Plan Description

Under the provisions of D.C. Code §1-626.05, the District sponsors a defined contribution pension plan with a qualified trust under Internal Revenue Code (IRC) Section 401(a) for permanent full-time employees covered under the Social Security System. As of September 30, 2019, there were 19,595 employees participating in the Section 401(a) plan. Employees do not contribute to the plan and are eligible to participate after one year of service.

The District contributes 5.00% of base salaries for eligible employees each pay period. This contribution rate is 5.50% of base salaries for detention officers. Contributions and earnings vest incrementally beginning after two years of service, including a one-year waiting period, and vest fully after five years of service, including the one-year waiting period. Contributions and earnings are forfeited for the period of service during which the employee does not achieve incremental vesting, if separation occurs before five years of credited service. These contributions are not considered assets of the District, and the District has no further liability to this plan. For the fiscal years ended September 30, 2019, 2018, and 2017, District's contributions to the plan were $73,753, $69,458, and $65,133, respectively.

This plan also covers employees of the D.C. Housing Authority and the Health Benefit Exchange Authority, while the employees of the Housing Finance Agency, Washington Convention and Sports Authority, the University of the District of Columbia, and the Not-for-Profit Hospital Corporation are covered under separate defined contribution plans.

C. DEFERRED COMPENSATION PLANS

Internal Revenue Code Section 403(b) Plan

The District sponsors an annuity purchase plan with insurance companies and other issuers in accordance with IRC Section 403(b) for public teachers covered by the District Retirement Program. The District does not contribute to this plan and has no liability to the plan. Under this annuity purchase plan, eligible employees were able to defer up to $19,000 (not in thousands) of their annual compensation for calendar year 2019. Employees with 15 years of service or more were able to defer an additional amount, not to exceed the lesser of: (a) $3,000 (not in thousands) in additional contributions; (b) $15,000 (not in thousands) reduced by amounts contributed under this special provision in prior years; or (c) $5,000 (not in thousands) times the number of years of service less the total elective deferrals from previous years. In addition, employees who were 50 years old or older by the end of the plan year were able to defer an additional amount as a catch up contribution. The maximum amount for such catch up contributions was $6,000 (not in thousands) in 2019. As of September 30, 2019, there were 3,353 employees participating in the Section 403(b) plan. District employees contributed $23,465 to this annuity plan in fiscal year 2019. Contributions vest immediately and are not assets of the District.

NOTE 8. RETIREMENT PROGRAMS

Internal Revenue Code Section 457 Plan

The District offers its employees a deferred compensation plan (D.C. Code §47-3601) created in accordance with IRC Section 457. Employees, including teachers, were able to defer the lesser of $19,000 (not in thousands) or 100% of includable compensation in calendar year 2019. A special catch-up provision is also available to participants that allows them to "make up" or "catch up" for prior years in which they did not contribute the maximum amount to the plan. The "catch up" limit is the lesser of: (a) twice the annual contribution limit, $38,000 (not in thousands); or (b) the annual contribution limit for the year plus underutilized amounts from prior taxable years. An additional deferral of $6,000 (not in thousands) is available to participants who are at least 50 years old before the end of the calendar year.

As described in the Legislative Branch Employee Retirement Benefits Match Amendment Act of 2017 (D.C. Act 22-130, Section 1112 (b)), which became effective December 13, 2017, for employees of the Council, the Office of the District of Columbia Auditor, and the Office of Advisory Neighborhood Commissions participating in the deferred compensation plan established by D.C. Code § 1-626.05 (2), the District shall contribute each pay period an amount equal to the employee's contribution for that pay period pursuant to D.C. Code § 1-626.09; provided, that the District's contribution on behalf of the employee shall not exceed 3.00% of the employee's base salary during that pay period.

Compensation deferred and income earned are taxable when paid, or made available to the participant or beneficiary, upon retirement, death, termination, or unforeseeable emergency. As of September 30, 2019, there were 16,500 employees participating in the Section 457 plan. District employees contributed $77,769 to this plan in fiscal year 2019. Contributions are not assets of the District, and the District has no further liability to the plan.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

General Information About the OPEB Plan

Plan Description

The District of Columbia Other Postemployment Benefits (OPEB) Plan is a single-employer defined benefit healthcare and life insurance plan administered jointly by the Department of Human Resources and the Office of Finance and Treasury. The OPEB Plan is administered as an irrevocable trust through which assets are accumulated and benefits are paid as they become due in accordance with the substantive plan. All employees hired after September 30, 1987, and employees who retire under the Teachers' Retirement Plan and Police Officers and Fire Fighters' Retirement Plan or who are eligible for retirement benefits under the Social Security Act, are eligible to participate in the OPEB plan. This plan provides medical care and life insurance benefits to eligible employees.

D.C. Code §1-621.09 authorizes the Mayor to determine the amount of the District's contribution for enrollments before the beginning of each contract period. In addition, the Mayor may propose amendments to establish and/or revise benefit provisions and the Council may elect to pass the appropriate legislation. The OPEB Plan administrators issue a publicly available financial report that includes financial statements and required supplementary information for the OPEB Plan. This report may be obtained from the following location:

Office of Finance and Treasury
1101 4th Street, SW, Suite 800W
Washington, DC 20024

Northern Trust Company serves as the Master Custodian for the OPEB Plan and as an independent source, provides information on investment transactions, thereby confirming or disputing information provided by the plan's investment managers.

Benefits Provided

Cost sharing arrangements for annuitants vary depending on whether the employee was a General Employee, Teacher, Police Officer or Firefighter. For General Employees and Teachers, annuitants with at least 10 years of creditable District service but less than 30 years of creditable District service pay a percentage of their health insurance premiums and the District pays the remainder. The percentage paid by the annuitant is 75%, reduced by an additional 2.50% for each year of creditable service over 10 years up to a maximum of 20 such additional years. Thus, the District's contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 30 or more years of creditable District service, the District pays 75% of the cost of the selected health benefit plan and the annuitant pays 25% of the cost of the selected health benefit plan.

Covered family members of General Employee and Teacher annuitants with at least 10 years of creditable District service but less than 30 years of creditable District service pay a percentage of their health insurance premiums and the District pays the remainder. The percentage paid by the covered family member is 80%, reduced by an additional 1.00% for each year of creditable District service over 10 years up to a maximum of 20 such additional years. Thus, the District's contribution shall not exceed 40% of the cost of the selected health benefit plan for covered family members of an annuitant with 30 or less years of creditable District service; and the family members of an annuitant with 30 or more years of creditable District service pays up to 60% of the cost of the selected health benefit plan.

For Police Officers and Firefighters, annuitants with at least 10 years of creditable District service but less than 25 years of creditable District service, pay a percentage of their health insurance premiums and the District pays the remainder. The percentage paid by the annuitant is 70%, reduced by an additional 3.00% for each year of creditable service over 10 years up to a maximum of 15 such additional years. Thus, the District's contribution shall not exceed 75% of the cost of the selected health benefit plan. For annuitants with 25 or more years of creditable District service or Police Officer or Firefighter annuitants who are injured in the line of duty, the District pays 75% of cost of the selected health benefit plan and the annuitant pays 25% of the cost of the selected health benefit plan. Special rules apply for Police and Firefighters who were hired before November 10, 1996.

Covered family members of Police Officer and Firefighter annuitants with at least 10 years of creditable District service but less than 25 years of creditable District service pay a percentage of their health insurance premiums and the District pays the remainder. The percentage paid by the covered family members is 75%, reduced by an additional 3.00% for each year of creditable District service over 10 years. However, the portion paid by the covered family member is never less than 40%, and the District's contribution shall not exceed 60% of the cost of the selected health benefit plan; covered family members of police officers or firefighters who were hired before November 10, 1996, pay 40% of the cost of the selected health benefit plan.

The participant pays $.0433 per thousand dollars of life insurance coverage until age 65 for the 75% reduction option, with no contributions required thereafter. Participants can also elect a 50% or 0% reduction of life insurance benefits, which require additional contributions.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Table N9-1 presents the number of OPEB plan members that were covered by the benefit terms as of September 30, 2019 and 2018.

Table N9-1
OPEB Plan Members Covered by Benefit Terms

	2019	2018
Inactive OPEB plan members currently receiving benefits	1,939	1,683

Contributions

In accordance with the provisions of D.C. Code §1-621.09, the District is required to contribute the amounts necessary to finance the OPEB plan through annual contributions at actuarially determined amounts. Fiscal years 2019 and 2018 contribution amounts were equal to amounts computed by an independent actuary which was retained by the District. **Table N9-2** presents required amounts contributed by the District to the OPEB plan for fiscal years 2019 and 2018.

Table N9-2
OPEB District Contributions ($000s)

Fiscal Year Ended	Amount
September 30, 2019	$ 46,000
September 30, 2018	44,500

Net OPEB Liability (Asset)

The District's net OPEB liability (asset) was measured as of September 30, 2019, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of September 30, 2018, rolled forward to the measurement date.

Actuarial Assumptions

The total OPEB liability was determined based on an actuarial valuation as of September 30, 2018, then updated using actuarial assumptions presented in **Table N9-3**, applied to all periods included in the measurement and rolled forward to the measurement date as of September 30, 2019.

Table N9-3
Summary of Actuarial Assumptions Used to Determine Total OPEB Liability
As of September 30, 2019

Actuarial cost method	Entry age normal
Amortization method	Level percent of pay, closed
Remaining amortization period	17 years beginning with fiscal year end 2019
Asset valuation method	Market value
Investment rate of return	6.50%
Discount rate	6.50%
Salary increase rate	3.50% (plus merit scale)
Medical inflation rate	5.40%, grading to 3.90%. Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2040.
Mortality	The RP-2014 Healthy Employee Mortality Table with the MP-2018 Improvement Scale, fully generational, was used for healthy lives both pre-retirement and post-retirement. For disabled lives, the RP-2014 Disabled Life Mortality Table was used.

The actuarial assumptions used in the September 30, 2018 valuation were based on the results of the most recent experience study executed in fiscal years 2017 and 2018.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and including inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. **Table N9-4** presents target allocation and best estimates of arithmetic real rates of return for each major asset class as of September 30, 2019.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Table N9-4
OPEB: Summary of Target Allocation and Long-Term Expected Real Rate of Return by Asset Class

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equity	45.00%	6.60%
International equity	9.00%	6.90%
Emerging market equity	4.00%	8.90%
Core fixed income	24.00%	3.40%
Developed markets fixed income	10.00%	2.40%
Emerging market debt	3.00%	5.70%
Commodities	5.00%	4.70%
Cash	0.00%	2.70%
Total	**100.00%**	

Discount Rate

The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in Net OPEB Liability (Asset)

Table N9-5 presents changes in the District's net OPEB liability (asset) for the year ended September 30, 2019.

Table N9-5
Changes in Net OPEB Liability (Asset) ($000s)

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (a)-(b)
Balances at September 30, 2018	$ 1,391,001	$ 1,462,030	$ (71,029)
Changes for the year			
Service cost	50,106	-	50,106
Interest	89,812	-	89,812
Difference between expected and actual experience	1,627	-	1,627
Changes in assumptions	(49,000)	-	(49,000)
Insurance carrier premiums net of retiree contributions	(18,844)	-	(18,844)
Contributions - employer and annuitants	-	46,834	(46,834)
Net investment income	-	20,647	(20,647)
Benefit payments, including refunds of employee contributions	-	(19,678)	19,678
Administrative expenses	-	(730)	730
Net changes	73,701	47,073	26,628
Balances at September 30, 2019	**$ 1,464,702**	**$ 1,509,103**	**$ (44,401)**

Note:
Changes in assumptions which decreased the total OPEB liability by $49,000 resulted from: changes in healthcare costs and trends; and actuarial and demographic changes due to the experience study.

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Sensitivity of the Net OPEB Liability (Asset) to the Changes in the Discount Rate

Table N9-6 presents the net OPEB liability (asset) of the District of Columbia, as well as what the District's net OPEB liability (asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current discount rate.

Table N9-6
Sensitivity of the Net OPEB Liability (Asset) to Changes in the Discount Rate ($000s)

	1% Decrease (5.50%)	Discount Rate (6.50%)	1% Increase (7.50%)
Net OPEB liability (asset)	$ 193,569	$ (44,401)	$ (235,252)

Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates

Table N9-7 presents the net OPEB liability (asset) of the District of Columbia, as well as what the District's net OPEB liability (asset) would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (4.40% decreasing to 2.90%) or 1-percentage-point higher (6.40% decreasing to 4.90%) than the current healthcare cost trend rate.

Table N9-7
Sensitivity of the Net OPEB Liability (Asset) to Changes in the Healthcare Cost Trend Rates ($000s)

	1% Decrease (4.40% decreasing to 2.90%)	Healthcare Cost Trend Rates (5.40% decreasing to 3.90%)	1% Increase (6.40% decreasing to 4.90%)
Net OPEB liability (asset)	$ (262,151)	$ (44,401)	$ 235,421

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued OPEB financial statements and required supplementary information issued by the OPEB plan's administrators.

OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB

For the year ended September 30, 2019, the District recognized OPEB expense of $63,792. **Table N9-8** presents deferred outflows of resources and deferred inflows of resources related to OPEB as of September 30, 2019.

Table N9-8
OPEB: Deferred Outflows of Resources and Deferred Inflows of Resources ($000s)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 1,394	$ 546
Changes of assumptions	38,205	42,000
Net difference between projected and actual earnings on plan investments	73,583	-
Total	**$ 113,182**	**$ 42,546**

NOTE 9. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

Table N9-9 presents deferred outflows of resources and deferred inflows of resources that will be recognized in OPEB's expenses in future periods.

Table N9-9
OPEB: Schedule of Amortization of Deferred Outflows (Deferred Inflows) of Resources ($000s)

Year ended September 30	Deferred Outflows
2020	$ 19,021
2021	19,021
2022	19,021
2023	14,555
2024	(491)
Thereafter	(491)

Payable to the OPEB Plan

The District's contributions for fiscal years 2019, 2018, and 2017 were equal to the OPEB plan's independent actuary recommendation; therefore, there were no outstanding amounts due to the OPEB plan as of September 30, 2019.

NOTE 10. FUND BALANCE / NET POSITION

A. FUND BALANCE

Table N10-1 presents the District's fund balances as of September 30, 2019.

Table N10-1
Schedule of Fund Balances ($000s)

	General Fund	Federal & Private Resources	Housing Production Trust	General Capital Improvements	Nonmajor Governmental Funds	Total Governmental Funds
FUND BALANCES						
Nonspendable						
Inventory	$ 10,303	$ -	$ -	$ -	$ -	$ 10,303
Total nonspendable fund balance	10,303	-	-	-	-	10,303
Restricted for:						
Emergency and contingency cash reserves	447,787	-	-	-	-	447,787
Debt service - bond escrow	530,117	-	-	-	-	530,117
Budget reserves	208	-	-	-	-	208
Purpose restrictions	121,466	150,240	-	-	-	271,706
Payment-in-lieu of taxes	-	-	-	-	87,035	87,035
Tobacco settlement	-	-	-	-	79,797	79,797
Tax increment financing program	33,052	-	-	-	65,953	99,005
Housing production trust	-	-	142,940	-	-	142,940
Highway projects	-	-	-	-	43,540	43,540
Baseball project	-	-	-	-	64,631	64,631
Universal paid leave	-	-	-	-	70,613	70,613
Total restricted fund balance	1,132,630	150,240	142,940	-	411,569	1,837,379
Committed to:						
Fiscal stabilization reserve	212,729	-	-	-	-	212,729
Cash flow reserve	773,598	-	-	-	-	773,598
Budget support act	99,773	-	-	-	-	99,773
Soccer stadium	10,398	-	-	-	-	10,398
Dedicated taxes	19,747	-	-	-	-	19,747
Housing production trust fund	161,825	-	-	-	-	161,825
Pay-as-you-go capital projects	161,825	-	-	-	-	161,825
Subsequent years' expenditures	388,734	-	-	-	-	388,734
Other special purposes	212,504	-	-	-	-	212,504
Total committed fund balance	2,041,133	-	-	-	-	2,041,133
Assigned to:						
Subsequent years' expenditures	69,250	-	-	-	-	69,250
Total assigned fund balance	69,250	-	-	-	-	69,250
Unassigned fund balance	-	-	-	(378,421)	-	(378,421)
Total fund balances	**$ 3,253,316**	**$ 150,240**	**$ 142,940**	**$ (378,421)**	**$ 411,569**	**$ 3,579,644**

B. NET POSITION OF THE PROPRIETARY AND FIDUCIARY FUNDS

Table N10-2 presents the net position of the proprietary and fiduciary funds as of September 30, 2019.

Table N10-2
Schedule of Net Position of the Proprietary and Fiduciary Funds ($000s)

NET POSITION	Office of Lottery and Gaming	Unemployment Compensation Fund	Not-for-Profit Hospital Corporation	Fiduciary Funds
Net investment in capital assets	$ 595	$ -	$ 68,254	$ -
Restricted	-	489,395	14,036	10,721,882
Unrestricted	4,100	-	9,611	-
Total net position	**$ 4,695**	**$ 489,395**	**$ 91,901**	**$ 10,721,882**

NOTE 11. TAX ABATEMENTS

TAX ABATEMENT PROGRAMS

GASB Statement No. 77, *Tax Abatement Disclosures*, defines tax abatement as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which: (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

GASB Statement No. 77 identified three features that, in combination, set tax abatements apart from tax expenditures in general: 1) the purpose of the tax abatements; 2) the type of revenue they reduce; and 3) the existence of an agreement with a specific individual or entity as the basis for the abatement. The agreement must precede the reduction of taxes and the fulfillment of the promise to act by the individual or entity.

Many tax expenditure programs exhibit the features of tax abatements. For instance, they reduce taxes, encourage beneficial actions by individuals or entities, and may be based on agreements. However, most of the District's tax expenditure programs require individuals or entities to perform certain activities and subsequently apply for the tax reduction, which is either approved or denied by the District. Such tax expenditure programs are excluded from the scope of GASB Statement No. 77 because the related commitment is made after the individual or entity has already performed the required activity associated with the requested tax reduction. Such programs, even with the existence of an agreement, are not classified as tax abatement programs in accordance with GASB Statement No. 77.

The District of Columbia provides tax abatements through its Special Tax Incentives Program. This program is established under the D.C. Code, Title 2, Government Administration; Chapter 12, Business and Economic Development, and D.C. Code, Title 47, Taxation, Licensing, Permits, Assessments, and Fees; Chapter 10, Property Exempt from Taxation, and Chapter 46, Special Tax Incentives. The program provides real property tax abatements and possessory interest tax abatements which are both administered by the Office of the Deputy Mayor for Planning and Economic Development (DMPED) in coordination with the OCFO's Office of Tax and Revenue (OTR).

Real Property Tax Abatements

The real property tax abatements are designed to encourage construction, improvement, and development of housing units, including affordable housing units, commercial and retail centers in the District. The real property tax abatements also encourage developers to enter into First Source Agreements with the Department of Employment Services, comply with local, small, and disadvantaged business enterprise commitments, and provide additional job opportunities and job training to the District residents. The District may: (a) abate the entire real property tax for a certain number of years (for example, 10 or 20 years); (b) abate the real property tax in excess of a certain amount for a certain number of years; or (c) put a cap on the annual real property tax for a certain number of years.

Possessory Interest Tax Abatements

A taxable possessory interest is created when real estate owned by a government agency is leased, rented, or used by a private individual or entity for their own exclusive use. The possessory interest tax abatements are designed to provide support for construction, maintenance, and operating activities of major project developments in the District. The District enters into ground lease agreements that either provide abatement of the possessory interest tax for a number of years and gradually increases this tax thereafter or returns paid possessory interest tax as a grant to the developer.

For the fiscal years ended September 30, 2019 and 2018, the District abated taxes (real property taxes and possessory interest taxes) totaled $12,335 and $10,143 respectively. **Table N11-1** presents the aggregate amounts of taxes abated during fiscal years 2019 and 2018.

Table N11-1
Tax Abatement Programs ($000s)

	FY 2019	FY 2018
Special tax incentives program		
Real property tax	$ 11,327	$ 9,159
Possessory interest tax	1,008	984
Total	**$ 12,335**	**$ 10,143**

NOTE 12. JOINT VENTURE AND TRANSACTIONS WITH COMPONENT UNITS

A. WASHINGTON METROPOLITAN AREA TRANSIT AUTHORITY

The Washington Metropolitan Area Transit Authority (WMATA) was created by an Interstate Compact between Maryland, Virginia and the District of Columbia, pursuant to Public Law 89-774. The District's commitment or obligation to provide financial assistance to WMATA is established by annual appropriations, as approved by Congress. The District supports WMATA through operating, debt service, and capital grants. The District places the amounts to be provided to WMATA in an escrow account until such time when the funds are drawn down for use by WMATA. Operating grants may be in the form of operating and interest subsidies. WMATA records the District's operating grants as advanced contributions when received and as non-operating revenues when the related expenses are incurred. WMATA recognizes the District's capital grants as additions to construction in progress and investment in capital assets when the grant resources are expended for capital acquisitions. **Table N12-1** presents a summary of the grants provided to WMATA during the fiscal year ended September 30, 2019.

Table N12-1
Summary of Grants Provided to WMATA ($000s)

	Local	Capital
Operating grants	$ 395,493	$ -
School transit subsidy	30,260	-
Capital grants	-	120,329
Total	**$ 425,753**	**$ 120,329**

WMATA issues separate audited financial statements which can be requested from:

Washington Metropolitan Area Transit Authority
General Manager
600 5th Street, NW
Washington, DC 20001

Table N12-2 presents summary information that allows financial statement users to assess whether WMATA is accumulating significant financial resources or experiencing fiscal stress that may cause additional financial benefits or burden to the District and other participating governments. This information is summarized from the separately issued financial statements of WMATA.

Table N12-2
Summary of Financial Statements for WMATA as of and for the year ended June 30, 2019 ($000s)

FINANCIAL POSITION	
Total assets	$ 13,271,788
Total deferred outflows of resources	408,379
Total liabilities	(5,167,470)
Total deferred inflows of resources	(409,359)
Net position	**$ 8,103,338**
OPERATING RESULTS	
Operating revenues	$ 789,678
Operating expenses	(3,088,055)
Nonoperating revenues, net	940,847
Revenue from capital contributions	975,500
Change in net position	**$ (382,030)**
CHANGE IN NET POSITION	
Net position, beginning of year, as restated	$ 8,485,368
Change in net position	(382,030)
Net position, end of year	**$ 8,103,338**

B. SIGNIFICANT TRANSACTIONS WITH COMPONENT UNITS

During fiscal year 2019, the most significant transactions between the District and its discretely presented component units were in the form of subsidies. The amount of subsidies, including capital contributions paid by the District to its component units were as follows: Washington Convention and Sports Authority, $147,633; and the University of the District of Columbia, $104,157. The District did not provide subsidies to the Health Benefit Exchange Authority and the Housing Finance Agency.

NOTE 13. TRANSACTIONS WITH THE FEDERAL GOVERNMENT

A. FEDERAL CONTRIBUTIONS

In accordance with the National Capital Revitalization and Self-Government Improvement Act of 1997 (Public Law 105-33), the annual federal payment was repealed and replaced by a federal contribution to cover special purpose and other unusual costs imposed on the District by the federal government. Federal contributions to the District for the year ended September 30, 2019 totaled $556,431, which is comprised of $498,281 in on-behalf payments to the DC Federal Pension Fund and $58,150 in contributions to cover costs imposed by the federal government.

B. EMERGENCY PREPAREDNESS

The District, as the nation's capital, serves as the command post and the source of first response to any national threat or terrorist act against the nation. As of September 30, 2019, the District received $155,900 in federal funding for emergency preparedness. This funding was provided by the federal government to assist the District in preparing for responses to potential terrorist threats or other attacks. Since 2002, the District has expended a total of $152,262 or 98% of the federal funding received for purposes of emergency preparedness with no amounts being expended for such purposes during fiscal year 2019.

C. SUPPLEMENTAL NUTRITION ASSISTANCE PROGRAM

The District participates in the federal government's Supplemental Nutrition Assistance Program (SNAP), which is designed to increase the food purchasing power of economically disadvantaged residents. In fiscal year 2019, SNAP expenditures totaled $173,110.

D. GRANTS

In addition to SNAP, the District participates in a number of programs which are funded by the federal government through formula and project grants, direct and guaranteed loans, direct payments for specified and unrestricted use, and other pass-through grants.

The federal government also provides capital grants, which are used for the purchase or construction of capital assets. Federal grants and contributions are reported by function on the government-wide financial statements.

NOTE 14. LEASES

The accounting standards for leases classify lease agreements into: 1) capital lease, and 2) operating lease. A capital lease requires the recognition of lease asset and lease liability in the government-wide Statement of Net Position. As of September 30, 2019, The District did not have any outstanding capital leases.

Operating leases are not recorded in the Statement of Net Position. These leases contain various renewal options, the effects of which are reflected in the minimum lease payments only if the options will be exercised. Some operating leases contain escalation clauses and contingent rentals that are not included in the calculation of the future minimum lease payments. In fiscal year 2019, operating lease expenditures recorded in governmental funds totaled $171,003.

Table N14-1 presents the future minimum lease commitments for all operating leases having non-cancelable terms in excess of one year as of September 30, 2019.

Table N14-1
Schedule of Future Minimum Lease Commitments ($000s)

Year Ending September 30	Primary Government Operating Leases	
	Facilities	Equipment
2020	$ 94,152	$ 6,052
2021	86,499	2,952
2022	79,292	961
2023	79,325	134
2024	79,925	-
2025-2029	216,826	-
2030-2034	28,225	-
2035-2039	5,663	-
2040-2044	945	-
2045-2049	1,095	-
2050	39	-
Minimum lease payments	**$ 671,986**	**$ 10,099**

NOTE 15. COMMITMENTS AND CONTINGENCIES

A. RISK MANAGEMENT

The District is exposed to various risks of loss related to: torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District retains the risk of losses and pays all claim settlements and judgments from its general fund resources and reports all of its risk management activities as governmental activities in the government-wide financial statements. Claim expenses/expenditures and liabilities are reported in the government-wide financial statements when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated, and reported in the general fund when due and payable. These losses include an estimate of claims that have been incurred but not reported.

B. GRANTS AND CONTRACTS

The District has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Claims against these resources are generally conditional upon compliance with the terms and conditions of grant agreements and applicable federal regulations, including the expenditure of resources for allowable purposes. Any disallowance resulting from an audit may become a liability of the District. The audits of these federally assisted programs have not been conducted for the year ended September 30, 2019. As such, the District's compliance with applicable grant and federal requirements will be assessed and established at a future date. Based on prior experience and resolutions reached with grantor agencies, the District determined that as of September 30, 2019, probable cumulative expenditures that may be disallowed by grantor agencies totaled $11,970. Accordingly, an accrual for such expenditures has been recorded in the government-wide financial statements.

C. CONTINGENCIES RELATED TO DERIVATIVE INSTRUMENTS

All of the District's derivative instruments include provisions that require the District to post collateral in the event its credit rating falls below AA as issued by Fitch Ratings and Standard and Poor's or Aa as issued by Moody's Investors Service. The collateral posted is to be in the form of cash or U.S. Treasury securities in the amount of the fair value of hedging derivative instruments in liability positions net of the effect of applicable netting arrangements. If the District does not post collateral, the hedging derivative instrument may be terminated by the counterparty. As of September 30, 2019, the aggregate fair value of all hedging derivative instruments with these collateral posting provisions was $27,660 as indicated in **Table N2-13** on page 95. The District's general obligation credit ratings by Standard & Poor's, Moody's and Fitch is AA+/Aaa/AA+, respectively; therefore, no collateral had been posted as of September 30, 2019.

D. LITIGATION

The District is named as a party in legal proceedings and investigations that occur in the normal course of governmental operations. Although the ultimate outcome of these legal proceedings and investigations is unknown, the District is vigorously defending its position in each case. All amounts in connection with lawsuits in which a loss is probable have been included in the liability for claims and judgments as of September 30, 2019.

The accrued liability is based on estimates of payments that will be made upon legal judgment or resolution of the claims. This accrued liability is the minimum amount in the range of estimates that have the same probability of occurrence. The sum of the amount in excess of the minimum range of probable losses and the amount of the minimum range of losses that are reasonably possible which are not accrued is estimated to be $75,000.

In fiscal year 2019, there was a $14,235 net increase in the accrual related to pending or unresolved property tax appeals made by District property owners.

Table N15-1 presents a summary of the changes in accrued liability for claims and judgments reported in the government-wide financial statements.

NOTE 15. COMMITMENTS AND CONTINGENCIES

Table N15-1
Summary of Changes in Claims and Judgments Accrual ($000s)

	Fiscal Year 2019	Fiscal Year 2018
Liability at October 1	**$ 153,144**	**$ 121,825**
Claims incurred		
Lawsuits	16,216	72,009
Property tax appeals	36,579	27,768
Claims payments/adjustments		
Lawsuits	(25,475)	(25,940)
Property tax appeals	(22,344)	(42,518)
Liability at September 30	**$ 158,120**	**$ 153,144**

E. DISABILITY COMPENSATION

The District, through its Office of Risk Management, administers a disability compensation program under Title XXIII of the District of Columbia Compensation Merit Personnel Act of 1978 (CMPA). This program, which covers all District employees hired under the authority of CMPA, provides compensation for lost wages, medical expenses, and other limited rehabilitation expenses to eligible employees and/or their dependents, where a work-related injury or illness results in disability or death. The benefits are funded on a pay-as-you-go basis. The present value of projected disability compensation, using a discount rate of 1.75%, is accrued in the government-wide financial statements.

Table N15-2 presents a summary of changes in the disability compensation accrual.

Table N15-2
Summary of Changes in Disability Compensation Accrual ($000s)

	Fiscal Year 2019	Fiscal Year 2018
Liability at October 1	**$ 108,535**	**$ 121,186**
Claims/adjustments	(15,098)	3,240
Benefit payments	(18,158)	(15,891)
Liability at September 30	**$ 75,279**	**$ 108,535**

NOTE 16. SUBSEQUENT EVENTS

A. INCOME TAX SECURED REVENUE BONDS - TAX EXEMPT

In December 2019, the District issued $718,945 in tax-exempt Income Tax Secured Revenue Bonds, Series 2019A. The proceeds of the 2019A Bonds will be used to: (1) pay or reimburse the District for capital project expenditure under the District's capital improvements plan, (2) refund $205,000 General Obligation Bond Anticipation Notes, and (3) pay the cost and expenses of issuing and delivering the Series 2019A Bonds.

The Series 2019A Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% and have a final maturity date of March 1, 2044. The interest and principal on the Bonds are payable solely from the District's income and business franchise taxes pledged under the Income Tax Secured Revenue Bond Indenture (the Indenture).

B. INCOME TAX SECURED REVENUE BONDS - FEDERALLY TAXABLE

In December 2019, the District issued $60,000 federally taxable Income Tax Secured Revenue Bonds, Series 2019B. The proceeds of the Series 2019B Bonds will be used to (1) provide funds for the New Communities Initiative, (2) refund $40,000 in Income Tax Secured Bond Anticipation Notes, and (3) pay the cost and expenses of issuing and delivering the Series 2019B Bonds.

The Series 2019B Bonds bear interest at a fixed rate ranging from 1.78% to 3.20% and have a final maturity of March 1, 2039. The interest and principal on the Bonds are payable solely from the District's income and business franchise taxes pledged under the Indenture.

C. INCOME TAX SECURED REVENUE REFUNDING BONDS - TAX EXEMPT

In December 2019, the District issued $583,395 in tax-exempt Income Tax Secured Revenue Refunding Bonds, Series 2019C. The proceeds of the Series 2019C Bonds will be used to (1) refund Income Tax Secured Revenue Bonds Series 2009A, 2009B, 2009C; Deed Tax Revenue Bonds (HPTF - New Communities Project) Series 2007A; General Obligation Bonds Series 2007A and (2) pay the costs and expenses of issuing and delivering the 2019C Bonds.

The Series 2019C Bonds bear interest at a fixed rate ranging from 3.00% to 5.00% and have a final maturity date of October 1, 2036. The interest and principal on the Bonds are payable solely from the District's income and business franchise taxes pledged under the Indenture.

D. TAX INCREMENT REVENUE BONDS - THE BRYANT STREET PROJECT

In October 2019, the District issued $17,300 in tax-exempt Tax Increment Revenue Bonds, Series 2019, for the Bryant Street Project. The proceeds of the Series 2019 Bonds will be used to (1) fund public infrastructure costs associated with the Bryant Street Project, a mixed-use development project adjacent to the Rhode Island Metro station, (2) fund capitalized interest on the Bonds, and (3) pay the costs and expenses of issuing and delivering the Bonds. The Series 2019 Bonds bear fixed rate interest ranging from 4.00% to 5.00% and have a final maturity date of June 1, 2043. The interest and principal on the Bonds are payable from the incremental property and sales taxes from the Bryant Street development, and from the Downtown TIF, if there is a shortfall of incremental tax revenue.

E. PILOT REVENUE NOTE AMENDMENT - THE YARDS PROJECT

In December 2019, the District issued an amended PILOT Revenue Note, Series 2014 (The Yards Project) to amend a Continued Covenants Agreement dated December 18, 2014. The amended Series 2014 Note which increased the original Note amount of $34,800 to $62,800, was issued in accordance with the provisions of the Home Rule Act and the Payment in Lieu of Taxes Revenue Bonds Southeast Federal Center Project Approval Resolution of 2006, as modified by the Southeast Federal Center Payment in Lieu of Taxes Revision Emergency Approval Resolution of 2007. Series 2014 was issued to reimburse Forest City SEFC, LLC for certain development costs of public infrastructure within the Southeast Federal Center Project area. The amended Note matures on December 17, 2024 and bears interest at 83.00% of the LIBOR 30-day index plus 1.00% or the maximum market rate. The draw-down structure and use of proceeds terms of the Note remained unchanged.

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REQUIRED SUPPLEMENTARY INFORMATION

Required Supplementary Information presents additional information as mandated by current governmental financial reporting standards.

Exhibit RSI-1
Schedule of Employer Contributions - Teachers' Retirement Fund
Last Ten Fiscal Years ($000s)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 53,343	$ 59,046	$ 56,781	$ 44,469	$ 39,513	$ 31,636	$ 6,407	$ -	$ -	$ -
Contributions in relation to actuarially determined contribution	53,343	59,046	56,781	44,469	39,513	31,636	6,407	-	-	-
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**
Covered payroll	$ 466,792	$ 470,749	$ 447,762	$ 438,079	$ 417,090	$ 378,926	$ 369,071	$ 381,235	$ 384,455	$ 337,516
Contributions as a percentage of covered payroll	11.43%	12.54%	12.68%	10.15%	9.47%	8.35%	1.74%	0.00%	0.00%	0.00%

Note:
Valuation Date: Actual contributions are based on valuations as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates for fiscal year 2019:
Actuarial cost method: Entry age normal
Amortization method: Level dollar, closed
Remaining amortization period: Ranges from 12 to 20 years
Asset valuation method: 5-year smoothed market
Inflation: 3.50%
Salary increases: 5.50% to 8.63%, including wage inflation of 4.25%
Investment rate of return: 6.50%, net of pension plan investment expense
Mortality: Pre-retirement and post-retirement mortality rates were based on the RPH 2014 Blue Collar Mortality Table projected generationally with Scale BB, set back 1 year for males. Post-disability mortality rates were based on the RPH-2014 Disabled Mortality Table set back 6 years for males and set forward 7 years for females.
Cost of living adjustments: 3.50% for those hired before 11/1/1996; limited to 3.00% for those hired on or after 11/1/1996

Exhibit RSI-2
Schedule of Employer Contributions - Police Officers and Fire Fighters' Retirement Fund
Last Ten Fiscal Years ($000s)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 91,284	$ 105,596	$ 145,631	$ 136,115	$ 103,430	$ 110,766	$ 96,314	$ 116,700	$ 127,200	$ 132,300
Contributions in relation to actuarially determined contribution	91,284	105,596	145,631	136,115	103,430	110,766	96,314	116,700	127,200	132,300
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 460,686	$ 454,209	$ 441,904	$ 438,114	$ 446,201	$ 426,135	$ 413,380	$ 414,877	$ 421,221	$ 423,854
Contributions as a percentage of covered payroll	19.81%	23.25%	32.96%	31.07%	23.18%	25.99%	23.30%	28.13%	30.20%	31.21%

Note:
Valuation Date: Actual contributions are based on valuations as of October 1, two years prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates for fiscal year 2019:
Actuarial cost method: Entry age normal
Amortization method: Level dollar, closed
Remaining amortization period: Ranges from 12 to 20 years
Asset valuation method: 5-year smoothed market
Inflation: 3.50%
Salary increases: 4.25% to 6.34%, including wage inflation of 4.25%
Investment rate of return: 6.50%, net of pension plan investment expense
Mortality: Pre-retirement and post-retirement mortality rates were based on the RPH 2014 Blue Collar Mortality Table projected generationally with Scale BB, set back 1 year for males. Post-disability mortality rates were based on the RPH-2014 Disabled Mortality Table set back 6 years for males and set forward 7 years for females.
Cost of living adjustments: 3.50% for those hired before 11/1/1996; limited to 3.00% for those hired on or after 11/1/1996

Exhibit RSI-3
Schedule of Changes in Net Pension Liability and Related Ratios - Teachers' Retirement Fund
Last Six Fiscal Years ($000s)

	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	$ 72,429	$ 67,877	$ 65,911	$ 61,599	$ 53,297	$ 50,409
Interest	144,165	137,704	131,657	124,370	118,378	112,204
Differences between expected and actual experience	103,719	(19,505)	(37,230)	2,656	(7,246)	-
Changes in assumptions	-	-	14,106	-	-	-
Benefit payments, including refunds of employee contributions	(87,889)	(84,556)	(78,235)	(75,298)	(69,652)	(65,622)
Net change in total pension liability	232,424	101,520	96,209	113,327	94,777	96,991
Total pension liability-beginning	2,261,867	2,160,347	2,064,138	1,950,811	1,856,034	1,759,043
Total pension liability-ending (a)	**$ 2,494,291**	**$ 2,261,867**	**$ 2,160,347**	**$ 2,064,138**	**$ 1,950,811**	**$ 1,856,034**
PLAN FIDUCIARY NET POSITION						
Contributions - employer	$ 53,343	$ 59,046	$ 56,781	$ 44,469	$ 39,513	$ 31,636
Contributions - employees	40,432	40,324	34,364	33,591	31,621	28,751
Net investment income	85,047	94,129	239,554	152,262	(72,647)	132,086
Benefit payments including refunds of employee contributions	(87,889)	(84,556)	(78,235)	(75,298)	(69,652)	(65,622)
Administrative expenses	(3,440)	(4,474)	(4,721)	(4,746)	(4,543)	(3,787)
Other	883	1,038	907	1,033	385	522
Net change in plan fiduciary net position	88,376	105,507	248,650	151,311	(75,323)	123,586
Plan fiduciary net position-beginning	2,176,106	2,070,599	1,821,949	1,670,638	1,745,961	1,622,375
Plan fiduciary net position-ending (b)	**$ 2,264,482**	**$ 2,176,106**	**$ 2,070,599**	**$ 1,821,949**	**$ 1,670,638**	**$ 1,745,961**
District's net pension liability-ending (a)-(b)	**$ 229,809**	**$ 85,761**	**$ 89,748**	**$ 242,189**	**$ 280,173**	**$ 110,073**
Plan fiduciary net position as a percentage of total pension liability (b)/(a)	90.79%	96.21%	95.85%	88.27%	85.64%	94.07%
Covered payroll	$ 466,792	$ 470,749	$ 447,762	$ 438,079	$ 417,090	$ 378,926
Net pension liability as a percentage of covered payroll	49.23%	18.22%	20.04%	55.28%	67.17%	29.05%

Note:
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Exhibit RSI-4
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios - Police Officers and Fire Fighters' Retirement Fund
Last Six Fiscal Years ($000s)

	2019	2018	2017	2016	2015	2014
TOTAL PENSION LIABILITY						
Service cost	$ 180,928	$ 182,641	$ 196,629	$ 198,020	$ 192,114	$ 176,102
Interest	338,288	318,719	300,626	282,285	257,943	235,097
Differences between expected and actual experience	(57,642)	(84,452)	(188,549)	(106,840)	(2,477)	-
Changes in assumptions	-	-	67,256	-	-	-
Benefit payments, including refunds of employee contributions	(122,875)	(108,374)	(94,184)	(81,316)	(65,030)	(54,421)
Net change in total pension liability	338,699	308,534	281,778	292,149	382,550	356,778
Total pension liability-beginning	5,265,874	4,957,340	4,675,562	4,383,413	4,000,863	3,644,085
Total pension liability-ending (a)	**$ 5,604,573**	**$ 5,265,874**	**$ 4,957,340**	**$ 4,675,562**	**$ 4,383,413**	**$ 4,000,863**
PLAN FIDUCIARY NET POSITION						
Contributions - employer	$ 91,284	$ 105,596	$ 145,631	$ 136,115	$ 103,430	$ 110,766
Contributions - employees	38,243	34,478	33,424	32,785	33,679	32,821
Net investment income	232,987	316,842	655,310	415,157	(187,283)	338,894
Benefit payments including refunds of employee contributions	(122,875)	(108,374)	(94,184)	(81,316)	(65,030)	(54,421)
Administrative expenses	(9,481)	(11,570)	(12,838)	(12,918)	(11,939)	(9,730)
Other	2,435	2,356	2,468	2,810	1,012	1,342
Net change in plan fiduciary net position	232,593	339,328	729,811	492,633	(126,131)	419,672
Plan fiduciary net position-beginning	6,023,770	5,684,442	4,954,631	4,461,998	4,588,129	4,168,457
Plan fiduciary net position-ending (b)	**$ 6,256,363**	**$ 6,023,770**	**$ 5,684,442**	**$ 4,954,631**	**$ 4,461,998**	**$ 4,588,129**
District's net pension liability (asset)-ending (a)-(b)	**$ (651,790)**	**$ (757,896)**	**$ (727,102)**	**$ (279,069)**	**$ (78,585)**	**$ (587,266)**
Plan fiduciary net position as a percentage of total pension liability (b)/(a)	111.63 %	114.39 %	114.67 %	105.97 %	101.79 %	114.68 %
Covered payroll	$ 460,686	$ 454,209	$ 441,904	$ 438,114	$ 446,201	426,135
Net pension liability (asset) as a percentage of covered payroll	(141.48)%	(166.86)%	(164.54)%	(63.70)%	(17.61)%	(137.81)%

Note:
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

Exhibit RSI-5
Schedule of Employer Contributions - OPEB
Last Ten Fiscal Years ($000s)

	2019	2018	2017	2016	2015	2014	2013	2012	2011	2010
Actuarially determined contribution	$ 46,000	$ 44,500	$ 31,000	$ 29,000	$ 91,400	$ 86,600	$ 85,200	$ 95,500	$ 94,200	$ 92,200
Contributions in relation to actuarially determined contribution	46,000	44,500	31,000	29,000	91,400	86,600	107,778	109,825	94,200	90,725
Contribution deficiency (excess)	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ (22,578)**	**$ (14,325)**	**$ -**	**$ 1,475**
Covered payroll	$ 2,038,767	$ 1,940,801	$ 1,820,046	$ 1,771,335	$ 1,608,000	$ 1,484,300	$ 1,441,100	$ 1,399,100	$ 1,559,800	$ 1,544,500
Contributions as a percentage of covered payroll	2.26%	2.29%	1.70%	1.64%	5.68%	5.83%	5.91%	6.83%	6.04%	5.97%

Note:
Valuation Date: Actual contributions are based on valuations as of September 30, 2018, one year prior to the end of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:
Actuarial Cost Method: Entry Age Normal
Amortization Method: Level Percent of Pay, Closed
Remaining Amortization Period: 17 years beginning with fiscal year end 2019
Asset Valuation Method: Market Value
Investment rate of return: 6.50%
Discount Rate: 6.50%
Salary Increase Rate: 3.50% (plus merit scale)
Medical Inflation Rate: 5.40%, grading to 3.90%. Assumption utilizes the Society of Actuaries Getzen Medical Trend Model, and reaches the ultimate medical inflation rate in 2040.
Mortality: The RP-2014 Healthy Employee Mortality Table with the MP-2018 Improvement Scale, fully generational, was used for healthy lives both pre-retirement and post-retirement. For disabled lives, the RP-2014 Disabled Life Mortality Table was used.

Exhibit RSI-6
Schedule of Changes in Net OPEB Liability (Asset) and Related Ratios
Last Three Fiscal Years ($000s)

	2019	2018	2017
TOTAL OPEB LIABILITY			
Service cost	$ 50,106	$ 52,835	$ 49,610
Interest	89,812	79,095	72,123
Differences between expected and actual experience	1,627	(729)	(539)
Changes in assumptions	(49,000)	50,940	-
Insurance carrier premiums net of retiree contributions	(18,844)	(15,740)	(12,370)
Net change in total OPEB liability	73,701	166,401	108,824
Total OPEB liability-beginning	1,391,001	1,224,600	1,115,776
Total OPEB liability-ending (a)	**$ 1,464,702**	**$ 1,391,001**	**$ 1,224,600**
OPEB PLAN FIDUCIARY NET POSITION			
Contributions - employer and annuitants	$ 46,834	$ 45,206	$ 31,522
Net investment income	20,647	67,386	150,515
Insurance carrier premiums (benefits payments)	(19,678)	(16,447)	(12,892)
Administrative expenses	(730)	(397)	(304)
Net change in plan fiduciary net position	47,073	95,748	168,841
Plan fiduciary net position-beginning	1,462,030	1,366,282	1,197,441
Plan fiduciary net position-ending (b)	**$ 1,509,103**	**$ 1,462,030**	**$ 1,366,282**
District's net OPEB liability (asset)-ending (a)-(b)	**$ (44,401)**	**$ (71,029)**	**$ (141,682)**
Plan fiduciary net position as a percentage of total OPEB liability (b)/(a)	103.03 %	105.11 %	111.57 %
Covered payroll	$ 2,038,767	$ 1,940,801	$ 1,820,046
Net OPEB liability (asset) as a percentage of covered payroll	(2.18)%	(3.66)%	(7.78)%

Notes to Schedule:
Changes in assumptions which decreased the total OPEB liability by $49,000 in 2019 resulted from: changes in healthcare costs and trends; and actuarial and demographic changes due to the experience study.
Schedule is intended to show information for 10 years. Additional years will be displayed as they become available.

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OTHER SUPPLEMENTARY INFORMATION

This subsection includes the combining and individual fund statements and schedules for the following:

General Fund

Nonmajor Governmental Funds

Fiduciary Funds

Supporting Schedules

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GENERAL FUND

The General Fund is used to account for all financial resources that are not required to be accounted for in another fund.

Exhibit A-1

DISTRICT OF COLUMBIA
BALANCE SHEET
General Fund
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	2019	2018
ASSETS		
Cash and cash equivalents	$ 2,237,664	$ 1,574,313
Receivables (net of allowances for doubtful accounts):		
Intergovernmental	53	350
Taxes	496,453	459,640
Accounts	373,241	251,255
Due from component units	3,399	2,222
Interfund	468,830	634,245
Inventories	10,303	8,270
Other current assets	10,967	7,890
Cash and cash equivalents (restricted)	991,582	954,486
Investments (restricted)	41,758	65,294
Total current assets	4,634,250	3,957,965
Long-term assets	102,036	100,091
Total assets	**$ 4,736,286**	**$ 4,058,056**
LIABILITIES		
Accounts payable	$ 491,432	$ 427,848
Compensation payable:		
Salaries and wages	161,148	168,233
Employee benefits	5,286	2,022
Payroll taxes	1,356	781
Other deductions	4,397	4,641
Interfund	35,157	18,828
Due to component units	19,188	15,339
Unearned revenue	71,067	72,898
Other	45,157	42,379
Accrued liabilities:		
Medicaid	193,861	223,715
Tax refunds	64,727	56,406
Other current liabilities	8,021	8,876
Total liabilities	1,100,797	1,041,966
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenues:		
Property taxes	145,607	132,539
Others	236,566	107,168
Total deferred inflows of resources	382,173	239,707
FUND BALANCE		
Nonspendable	10,303	8,270
Restricted	1,132,630	1,105,718
Committed	2,041,133	1,635,148
Assigned	69,250	27,247
Total fund balance	3,253,316	2,776,383
Total liabilities, deferred inflows of resources and fund balance	**$ 4,736,286**	**$ 4,058,056**

See accompanying Report of Independent Public Accountants.

Exhibit A-2

DISTRICT OF COLUMBIA
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
General Fund
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	2019	2018
REVENUES		
Taxes	$ 8,262,219	$ 7,611,638
Fines and forfeitures	202,194	168,486
Licenses and permits	172,493	133,938
Charges for services:		
Public	301,858	295,963
Intergovernmental	1,044	665
Miscellaneous:		
Public	499,555	419,346
Investment income	44,734	30,014
Total revenues	9,484,097	8,660,050
EXPENDITURES		
Current:		
Governmental direction and support	1,031,085	984,073
Economic development and regulation	493,879	450,329
Public safety and justice	1,236,656	1,222,117
Public education system	2,357,340	2,284,664
Human support services	2,148,238	2,049,211
Public works	433,141	389,778
Public transportation	425,753	419,198
Debt service:		
Principal	319,351	304,964
Interest	407,168	399,439
Fiscal charges	6,368	7,322
Total expenditures	8,858,979	8,511,095
EXCESS OF REVENUES OVER EXPENDITURES	625,118	148,955
OTHER FINANCING SOURCES (USES):		
Debt issuance	4,820	4,214
Refunding debt issuance	290,000	401,095
Premium on sale of bonds	-	45,334
Payment to refunded bond escrow agent	(290,000)	(444,960)
Transfers in	97,554	114,620
Transfers out	(251,390)	(190,405)
Sale of capital assets	831	21,239
Total other financing uses	(148,185)	(48,863)
Excess of revenues and other sources over expenditures and other uses	476,933	100,092
Fund Balance as of October 1	2,776,383	2,676,291
Fund Balance as of September 30	**$ 3,253,316**	**$ 2,776,383**

See accompanying Report of Independent Public Accountants.

Exhibit A-3

DISTRICT OF COLUMBIA
SCHEDULE OF EXPENDITURES AND NET FINANCING (SOURCES) USES
General Fund
Function and Object - GAAP Basis
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

Function and Subfunction	Personnel Services	Contractual Services	Supplies	Occupancy	Miscellaneous	Totals 2019	Totals 2018
Governmental direction and support							
Legislative	$ 27,350	$ 3,456	$ 104	$ 620	$ 6,271	$ 37,801	$ 31,298
Executive	94,766	44,903	781	4,929	2,112	147,491	135,076
Finance	110,341	45,196	336	-	177,564	333,437	321,246
Personnel	14,329	549	19	27	159	15,083	14,374
Administrative	126,559	105,754	2,992	244,306	3,234	482,845	470,337
Elections	8,460	4,377	224	4	1,363	14,428	11,742
Total	381,805	204,235	4,456	249,886	190,703	1,031,085	984,073
Economic development and regulation							
Community development	35,787	40,872	253	665	176,406	253,983	222,255
Economic regulation	91,338	29,950	650	5,520	12,016	139,474	128,339
Employment services	41,728	22,756	378	2,706	32,854	100,422	99,735
Total	168,853	93,578	1,281	8,891	221,276	493,879	450,329
Public safety and justice							
Police	563,108	68,592	5,709	1,573	104,978	743,960	700,010
Fire	234,686	27,778	4,454	9	34,800	301,727	333,322
Corrections	123,308	36,303	8,530	34	1,443	169,618	168,041
Protection	8,765	2,743	199	35	356	12,098	12,202
Law	8,460	569	85	2	128	9,244	8,535
Judicial	9	-	-	-	-	9	7
Total	938,336	135,985	18,977	1,653	141,705	1,236,656	1,222,117
Public education system							
Schools	723,092	94,044	9,324	33,920	974,747	1,835,127	1,799,612
Culture	180,259	34,692	693	9,389	297,180	522,213	485,052
Total	903,351	128,736	10,017	43,309	1,271,927	2,357,340	2,284,664
Human support services							
Health and welfare	399,186	144,791	5,458	56,688	1,369,097	1,975,220	1,877,024
Human relations	9,848	5,938	238	46	32,261	48,331	45,538
Employment benefits	72,492	(3,540)	-	-	46	68,998	74,232
Recreation	46,185	7,056	1,211	4	1,233	55,689	52,417
Total	527,711	154,245	6,907	56,738	1,402,637	2,148,238	2,049,211
Public works	203,199	168,656	4,243	6,794	50,249	433,141	389,778
Public transportation	-	-	-	-	425,753	425,753	419,198
Debt service	-	-	-	-	732,887	732,887	711,725
Net financing uses	-	-	-	-	148,185	148,185	48,863
Total expenditures and net uses	**$ 3,123,255**	**$ 885,435**	**$ 45,881**	**$ 367,271**	**$ 4,585,322**	**$ 9,007,164**	**$ 8,559,958**

See accompanying Report of Independent Public Accountants.

Note:

The miscellaneous column includes transfers, subsidies and other payments, the major components of which are listed below.

Transfers to:

Public Charter Schools [$887,463], Mass Transit Subsidies [$425,753], Convention Center Transfer [$151,398], Pay Go - Capital [$150,284], Housing Authority Subsidy [$96,610], UDC (Subsidy) [$89,004], Housing Production Trust Fund (Subsidy) [$36,151], Highway Transportation Fund - Transfers [$30,695].

Payments for:

Department of Health Care Finance [$798,948], Repayment of Loans and Interest [$703,795], Refunding Bonds [$290,000], Department of Human Services [$280,152], State Superintendent of Education (OSSE) [$117,428], Department on Disability Services [$108,848], District of Columbia Public Schools [$74,145], Child and Family Services Agency [$69,057], Metropolitan Police Department [$68,221], Department of Behavioral Health [$63,558], Office for Non-Public Tuition [$59,828], Department of Energy and Environment [$39,577], Fire and Emergency Medical Services [$34,809], Not-for-Profit Hospital Corp. Subsidy [$34,261], Office of Victim Services and Justice Grants [$33,328], Department of Employment Services [$32,955], Department of Aging and Community Living [$29,978], Business Improvement District's Transfer [$27,694], Department of Youth Rehabilitation Svcs [$26,611], Commission on Arts & Humanities - Creative Econ [$26,017], Department of Health [$23,907], Department of Housing and Community Development [$23,461], Deputy Mayor for Planning and Econ Dev [$22,753], Deputy Mayor for Education [$13,112], Section 103 Judgements-Gov Dir & Support [$12,914], Equipment Lease - Operating [$11,844].

Exhibit A-4

DISTRICT OF COLUMBIA
SCHEDULE OF LOCAL SOURCE REVENUES
Budget and Actual (Budgetary Basis)
General Fund
Year Ended September 30, 2019
($000s)

Source	Budget Original	Budget Revised	Actual	Variance
Taxes:				
Property:				
Real	$ 2,663,669	$ 2,645,401	$ 2,657,438	$ 12,037
Personal	62,820	77,590	78,997	1,407
Public space rental	34,579	37,843	38,680	837
Total	2,761,068	2,760,834	2,775,115	14,281
Sales and use:				
General	1,505,284	1,500,481	1,536,504	36,023
Alcoholic beverages	6,827	6,675	7,042	367
Cigarette	33,438	29,630	28,546	(1,084)
Motor vehicles	45,698	44,540	45,973	1,433
Motor fuel tax	25,426	26,184	27,935	1,751
Total	1,616,673	1,607,510	1,646,000	38,490
Income and franchise:				
Individual income	2,152,601	2,231,117	2,299,326	68,209
Corporation franchise	337,401	457,934	507,911	49,977
Unincorporated business	162,858	130,345	134,745	4,400
Total	2,652,860	2,819,396	2,941,982	122,586
Gross receipts:				
Public utility	129,260	132,698	148,094	15,396
Toll telecommunication	48,904	43,835	39,562	(4,273)
Insurance companies	66,110	71,517	71,229	(288)
Health care providers	36,555	33,849	32,999	(850)
Health care related incomes	46,323	47,573	47,573	-
Total	327,152	329,472	339,457	9,985
Other:				
Deed recordation	227,428	234,180	258,814	24,634
Deed transfers	168,597	179,319	199,505	20,186
Inheritance and estate	18,919	22,952	22,311	(641)
Economic interests	16,852	34,862	28,425	(6,437)
Total	431,796	471,313	509,055	37,742
Total taxes	7,789,549	7,988,525	8,211,609	223,084
Licenses and permits:				
Business licenses	89,909	100,542	110,675	10,133
Nonbusiness permits	43,002	36,305	36,280	(25)
Total	132,911	136,847	146,955	10,108
Fines and forfeitures	152,469	179,441	195,392	15,951
Charges for services	77,443	77,562	77,487	(75)
Miscellaneous:				
Interest	5,411	38,742	37,331	(1,411)
Other	98,349	128,379	162,076	33,697
Total	103,760	167,121	199,407	32,286
Total local revenues	8,256,132	8,549,496	8,830,850	281,354
Other sources:				
General obligation bonds	8,000	8,000	4,820	(3,180)
Fund balance released from restrictions	119,939	252,601	-	(252,601)
Interfund transfer	60,447	79,240	87,362	8,122
Total other sources	188,386	339,841	92,182	(247,659)
Total local revenues and other sources	**$ 8,444,518**	**$ 8,889,337**	**$ 8,923,032**	**$ 33,695**

See accompanying Report of Independent Public Accountants.

Exhibit A-5

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES BY SOURCE OF FUNDS
General Fund
Year Ended September 30, 2019
($000s)

	Local Source				Other Source				Totals			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
REVENUES AND OTHER SOURCES												
Taxes												
Property taxes	$ 2,761,068	$ 2,760,834	$ 2,775,115	$ 14,281	$ -	$ -	$ -	$ -	$ 2,761,068	$ 2,760,834	$ 2,775,115	$ 14,281
Sales and use taxes	1,616,673	1,607,510	1,646,000	38,490	-	-	-	-	1,616,673	1,607,510	1,646,000	38,490
Income and franchise taxes	2,652,860	2,819,396	2,941,982	122,586	-	-	-	-	2,652,860	2,819,396	2,941,982	122,586
Gross receipts and other taxes	758,948	800,785	848,512	47,727	-	-	-	-	758,948	800,785	848,512	47,727
Total taxes	7,789,549	7,988,525	8,211,609	223,084	-	-	-	-	7,789,549	7,988,525	8,211,609	223,084
Licenses and permits	132,911	136,847	146,955	10,108	-	-	-	-	132,911	136,847	146,955	10,108
Fines and forfeitures	152,469	179,441	195,392	15,951	-	-	-	-	152,469	179,441	195,392	15,951
Charges for services	77,443	77,562	77,487	(75)	-	-	-	-	77,443	77,562	77,487	(75)
Miscellaneous	103,760	167,121	199,407	32,286	-	-	-	-	103,760	167,121	199,407	32,286
Other sources	-	-	-	-	704,366	716,627	644,828	(71,799)	704,366	716,627	644,828	(71,799)
Bond proceeds	8,000	8,000	4,820	(3,180)	-	-	-	-	8,000	8,000	4,820	(3,180)
Fund balance released from restrictions	119,939	252,601	-	(252,601)	-	-	-	-	119,939	252,601	-	(252,601)
Interfund transfer-from office of lottery and gaming	45,000	44,710	45,050	340	-	-	-	-	45,000	44,710	45,050	340
Interfund transfer-others	15,447	34,530	42,312	7,782	-	-	-	-	15,447	34,530	42,312	7,782
Total revenues and other sources	8,444,518	8,889,337	8,923,032	33,695	704,366	716,627	644,828	(71,799)	9,148,884	9,605,964	9,567,860	(38,104)
EXPENDITURES AND OTHER USES												
Governmental direction and support	754,747	825,559	805,309	20,250	81,021	58,014	47,881	10,133	835,768	883,573	853,190	30,383
Economic development and regulation	365,238	385,750	366,178	19,572	230,643	236,217	172,290	63,927	595,881	621,967	538,468	83,499
Public safety and justice	1,143,355	1,199,093	1,192,738	6,355	47,410	50,899	45,111	5,788	1,190,765	1,249,992	1,237,849	12,143
Public education system	2,283,908	1,986,149	1,981,022	5,127	21,114	21,995	21,281	714	2,305,022	2,008,144	2,002,303	5,841
Public education AY20 expenditure	-	325,049	325,049	-	-	-	-	-	-	325,049	325,049	-
Human support services	2,105,080	2,102,089	2,091,645	10,444	46,647	50,030	40,568	9,462	2,151,727	2,152,119	2,132,213	19,906
Public works	681,938	690,279	681,626	8,653	179,345	205,121	174,984	30,137	861,283	895,400	856,610	38,790
Repayment of loans and interest	735,610	698,043	698,043	-	5,753	5,753	5,753	-	741,363	703,796	703,796	-
Debt service - issuance costs	8,000	8,000	5,209	2,791	-	-	-	-	8,000	8,000	5,209	2,791
Commercial paper program	10,000	6,779	6,779	-	-	-	-	-	10,000	6,779	6,779	-
Settlements and judgments fund	21,825	21,825	21,825	-	-	-	-	-	21,825	21,825	21,825	-
Wilson building	4,726	4,726	4,256	470	-	-	-	-	4,726	4,726	4,256	470
D.C. retiree health contribution	46,000	46,000	46,000	-	-	-	-	-	46,000	46,000	46,000	-
Repayment of revenue bonds	7,839	7,829	7,829	-	-	-	-	-	7,839	7,829	7,829	-
Convention center transfer	155,543	147,983	147,983	-	3,415	3,415	3,415	-	158,958	151,398	151,398	-
Highway transportation fund	25,426	27,935	27,935	-	2,750	2,758	2,758	-	28,176	30,693	30,693	-
Emergency planning and security fund	-	5,400	5,400	-	-	-	-	-	-	5,400	5,400	-
Workforce investment council	51,767	447	-	447	-	-	-	-	51,767	447	-	447
Operating lease-equipment	11,844	11,844	11,844	-	-	-	-	-	11,844	11,844	11,844	-
Emergency and contingency reserve funds	-	1,252	-	1,252	-	-	-	-	-	1,252	-	1,252
Pay-as-you-go capital fund	4,421	68,238	68,238	-	82,046	82,046	82,046	-	86,467	150,284	150,284	-
Non-departmental	2,050	-	-	-	4,222	379	-	379	6,272	379	-	379
Total expenditures and other uses	8,419,317	8,570,269	8,494,908	75,361	704,366	716,627	596,087	120,540	9,123,683	9,286,896	9,090,995	195,901
Excess of revenues and other sources over expenditures and other uses	**$ 25,201**	**$ 319,068**	**$ 428,124**	**$ 109,056**	**$ -**	**$ -**	**$ 48,741**	**$ 48,741**	**$ 25,201**	**$ 319,068**	**$ 476,865**	**$ 157,797**

See accompanying Report of Independent Public Accountants.

Exhibit A-6

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS REVENUES AND EXPENDITURES
General Fund
Year Ended September 30, 2019
($000s)

	Original Budget	Revisions	Revised Budget	Actual	Variance (Actual To Original Budget)
REVENUES AND OTHER SOURCES					
Taxes:					
Property taxes	$ 2,761,068	$ (234)	$ 2,760,834	$ 2,775,115	$ 14,047
Sales and use taxes	1,616,673	(9,163)	1,607,510	1,646,000	29,327
Income and franchise taxes	2,652,860	166,536	2,819,396	2,941,982	289,122
Gross receipts and other taxes	758,948	41,837	800,785	848,512	89,564
Total taxes	7,789,549	198,976	7,988,525	8,211,609	422,060
Licenses and permits	132,911	3,936	136,847	146,955	14,044
Fines and forfeitures	152,469	26,972	179,441	195,392	42,923
Charges for services	77,443	119	77,562	77,487	44
Miscellaneous	103,760	63,361	167,121	199,407	95,647
Other sources	704,366	12,261	716,627	644,828	(59,538)
Bond proceeds	8,000	-	8,000	4,820	(3,180)
Fund balance released from restrictions	119,939	132,662	252,601	-	(119,939)
Interfund transfer-from office of lottery and gaming	45,000	(290)	44,710	45,050	50
Interfund transfer-others	15,447	19,083	34,530	42,312	26,865
Total revenues and other sources	9,148,884	457,080	9,605,964	9,567,860	418,976
EXPENDITURES AND OTHER USES					
Governmental direction and support	835,768	47,805	883,573	853,190	(17,422)
Economic development and regulation	595,881	26,086	621,967	538,468	57,413
Public safety and justice	1,190,765	59,227	1,249,992	1,237,849	(47,084)
Public education system	2,305,022	(296,878)	2,008,144	2,002,303	302,719
Public education AY20 expenditure	-	325,049	325,049	325,049	(325,049)
Human support services	2,151,727	392	2,152,119	2,132,213	19,514
Public works	861,283	34,117	895,400	856,610	4,673
Repayment of loans and interest	741,363	(37,567)	703,796	703,796	37,567
Debt service - issuance costs	8,000	-	8,000	5,209	2,791
Commercial paper program	10,000	(3,221)	6,779	6,779	3,221
Settlements and judgments fund	21,825	-	21,825	21,825	-
Wilson building	4,726	-	4,726	4,256	470
D.C. retiree health contribution	46,000	-	46,000	46,000	-
Repayment of revenue bonds	7,839	(10)	7,829	7,829	10
Convention center transfer	158,958	(7,560)	151,398	151,398	7,560
Highway transportation fund	28,176	2,517	30,693	30,693	(2,517)
Emergency planning and security fund	-	5,400	5,400	5,400	(5,400)
Workforce investment council	51,767	(51,320)	447	-	51,767
Operating lease-equipment	11,844	-	11,844	11,844	-
Emergency and contingency reserve funds	-	1,252	1,252	-	-
Pay-as-you-go capital fund	86,467	63,817	150,284	150,284	(63,817)
Non-departmental	6,272	(5,893)	379	-	6,272
Total expenditures and other uses	9,123,683	163,213	9,286,896	9,090,995	32,688
Excess of revenues and other sources over expenditures and other uses	**$ 25,201**	**$ 293,867**	**$ 319,068**	**$ 476,865**	**$ 451,664**

See accompanying Report of Independent Public Accountants.

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NONMAJOR GOVERNMENTAL FUNDS

(Combining Statements)

Special Revenue Funds

The **Tax Increment Financing (TIF) Program Fund** is used to account for activities relating to various TIF development initiatives. These activities support new economic development projects.

The District of Columbia **Tobacco Settlement Financing Corporation (TSFC) Fund**, a blended component unit, is used to account for the tobacco litigation settlement activities of the District of Columbia.

The **PILOT Special Revenue Fund** is used to account for the proceeds of PILOT revenue to finance the development costs associated with various District development projects.

The **Baseball Project Special Revenue Fund** is used to account for the proceeds of baseball-related revenue sources that are legally restricted to expenditures for baseball project purposes.

The **Universal Paid Leave Fund** is used to account for activities related to the Paid Family Leave program. These activities include the collection of employer contributions and payment of benefits to covered employees.

Debt Service Fund

The **Debt Service Fund** is used to account for the payment of ballpark revenue bonds.

Capital Projects Fund

The **Highway Trust Fund** is used to account for the motor vehicle fuel taxes and other fees collected and used by the District for highway projects.

Exhibit B-1

DISTRICT OF COLUMBIA
COMBINING BALANCE SHEET
Nonmajor Governmental Funds
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	Special Revenue Funds						Capital Project Fund	Totals	
	Tax Increment Financing Program	Tobacco Settlement Financing Corporation	PILOT	Universal Paid Leave	Baseball Project	Debt Service Fund	Highway Trust	2019	2018
ASSETS									
Current assets:									
Receivables (net of allowances for doubtful accounts):									
Taxes	$ -	$ -	$ -	$ -	$ 2,220	$ -	$ 1,752	$ 3,972	$ 3,122
Accounts	17	27,966	361	3,393	-	-	1,344	33,081	36,826
Due from component units	1,000	-	-	-	665	-	-	1,665	1,665
Due from other funds	7,864	-	4,120	-	1,684	-	-	13,668	6,740
Other current assets	-	18	-	-	-	-	-	18	16
Restricted cash and cash equivalents	62,960	10,613	71,404	70,600	62,838	-	48,059	326,474	253,206
Restricted investments	-	41,205	11,155	-	-	-	-	52,360	52,174
Total assets	**$ 71,841**	**$ 79,802**	**$ 87,040**	**$ 73,993**	**$ 67,407**	**$ -**	**$ 51,155**	**$ 431,238**	**$ 353,749**
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE									
Current liabilities:									
Accounts payable	$ -	$ -	$ -	$ -	$ -	$ -	$ 6,803	$ 6,803	$ 1,568
Compensation payable	-	-	-	-	-	-	131	131	97
Due to other funds	1,000	-	-	-	-	-	-	1,000	7,083
Due to component units	4,888	-	-	-	-	-	-	4,888	1,054
Other current liabilities	-	-	5	1,347	2	-	656	2,010	2,944
Accrued liabilities	-	5	-	-	656	-	25	686	67
Total liabilities	5,888	5	5	1,347	658	-	7,615	15,518	12,813
DEFERRED INFLOWS OF RESOURCES:									
Unavailable revenues	-	-	-	2,033	2,118	-	-	4,151	1,666
FUND BALANCES									
Restricted	65,953	79,797	87,035	70,613	64,631	-	43,540	411,569	339,270
Total fund balances	65,953	79,797	87,035	70,613	64,631	-	43,540	411,569	339,270
Total liabilities, deferred inflows of resources and fund balances	**$ 71,841**	**$ 79,802**	**$ 87,040**	**$ 73,993**	**$ 67,407**	**$ -**	**$ 51,155**	**$ 431,238**	**$ 353,749**

See accompanying Report of Independent Public Accountants.

Exhibit B-2

DISTRICT OF COLUMBIA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
Nonmajor Governmental Funds
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Special Revenue Funds							Totals	
	Tax Increment Financing Program	Tobacco Settlement Financing Corporation	PILOT	Universal Paid Leave	Baseball Project	Debt Service Fund	Capital Project Fund Highway Trust	2019	2018
REVENUES									
Property taxes	$ 17,944	$ -	$ 34,698	$ -	$ -	$ -	$ -	$ 52,642	$ 44,644
Sales and use taxes	30,732	-	14,340	-	16,150	-	-	61,222	60,561
Gross receipts taxes	-	-	-	-	55,612	-	-	55,612	46,645
Charge for services	-	-	-	70,452	-	-	-	70,452	-
Interest	1,045	2,458	1,755	161	248	-	15	5,682	4,017
Tobacco settlement revenue	-	37,798	-	-	-	-	-	37,798	46,852
Other	-	-	-	-	6,130	-	-	6,130	6,021
Total revenues	49,721	40,256	50,793	70,613	78,140	-	15	289,538	208,740
EXPENDITURES									
Governmental direction and support	24,170	212	12,280	-	1,824	-	-	38,486	66,898
Capital outlay	-	-	-	-	-	-	43,803	43,803	23,352
Bond principal payment	4,284	22,475	31,650	-	-	55,315	-	113,724	90,018
Interest	7,629	20,804	9,031	-	-	15,161	-	52,625	56,020
Total expenditures	36,083	43,491	52,961	-	1,824	70,476	43,803	248,638	236,288
Excess (deficiency) of revenues over (under) expenditures	13,638	(3,235)	(2,168)	70,613	76,316	(70,476)	(43,788)	40,900	(27,548)
OTHER FINANCING SOURCES (USES)									
Bond issuance	-	-	10,630	-	-	-	-	10,630	46,405
Transfers in	-	-	-	-	-	70,476	30,685	101,161	92,587
Transfers out	(9,469)	-	(447)	-	(70,476)	-	-	(80,392)	(77,882)
Total other financing sources (uses)	(9,469)	-	10,183	-	(70,476)	70,476	30,685	31,399	61,110
Excess (Deficiency) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	4,169	(3,235)	8,015	70,613	5,840	-	(13,103)	72,299	33,562
Fund Balances as of October 1	61,784	83,032	79,020	-	58,791	-	56,643	339,270	305,708
Fund Balances as of September 30	**$ 65,953**	**$ 79,797**	**$ 87,035**	**$ 70,613**	**$ 64,631**	**$ -**	**$ 43,540**	**$ 411,569**	**$ 339,270**

See accompanying Report of Independent Public Accountants.

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FIDUCIARY FUNDS

(Combining Statements)

The Fiduciary Funds are used to account for assets held by the District in a trustee or agency capacity. These assets cannot be used to support the District's programs.

The **Pension Trust Funds** are used to account for the accumulation of resources to be used for retirement annuity payments at appropriate amounts and times in the future for police officers, firefighters and public school teachers of the District. Resources are contributed by employees and by the District and federal government at amounts determined by an annual actuarial study. The funds are administered by a thirteen-member Retirement Board. Three of these members are appointed by the Mayor and three by the Council. Six board members include one active and one retired representatives each, from the police officers, firefighters, and teachers. The District's Chief Financial Officer or his designee serves as a non-voting, ex-officio member. The administrative costs of the board are accounted for in the funds.

The District of Columbia **Other Postemployment Benefits (OPEB) Fund** is used to account for the receipt of monies for postemployment healthcare and life insurance benefits provided under the OPEB plan. Annual District contributions are actuarially determined and paid accordingly. No employee contributions are required prior to retirement to fund the OPEB plan; however, retirees make contributions as required by the associated substantive plan.

The **Agency Funds** are used to account for refundable deposits required of various licensees, monies held in escrow as an agent for individuals, private organizations or other governments.

Exhibit C-1

DISTRICT OF COLUMBIA
COMBINING STATEMENT OF FIDUCIARY NET POSITION
Pension Trust Funds
September 30, 2019
(With Comparative Totals at September 30, 2018)
($000s)

	Retirement Funds		Other Postemployment Benefits (OPEB)	Totals	
	Police & Fire Fighters	Teachers	Fund	2019	2018
ASSETS					
Current Assets:					
Cash and cash equivalents	$ 56,136	$ 20,298	$ 111,234	$ 187,668	$ 124,252
Investments	6,208,612	2,244,990	1,404,404	9,858,006	9,544,982
Receivables:					
Due from federal government	1,161	437	-	1,598	1,622
Contributions	2,840	3,227	-	6,067	6,003
Other current assets	811	295	5,090	6,196	5,549
Total assets	6,269,560	2,269,247	1,520,728	10,059,535	9,682,408
LIABILITIES					
Current Liabilities:					
Accounts payable	5,129	1,848	11,625	18,602	16,125
Other current liabilities	8,068	2,917	-	10,985	4,377
Total liabilities	13,197	4,765	11,625	29,587	20,502
NET POSITION					
Restricted for pensions/OPEB	**$ 6,256,363**	**$ 2,264,482**	**$ 1,509,103**	**$ 10,029,948**	**$ 9,661,906**

See accompanying Report of Independent Public Accountants.

Exhibit C-2

DISTRICT OF COLUMBIA
COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
Pension Trust Funds
For the Year Ended September 30, 2019
(With Comparative Totals for the Year Ended September 30, 2018)
($000s)

	Retirement Funds		Other Postemployment Benefits (OPEB)	Totals	
	Police & Fire Fighters	Teachers	Fund	2019	2018
ADDITIONS					
Contributions:					
Employer	$ 91,284	$ 53,343	$ 46,000	$ 190,627	$ 209,142
Plan members	38,243	40,432	834	79,509	75,508
Investment income:					
From investment activities					
Net increase in fair value of investments	204,976	74,878	1,922	281,776	424,220
Other income (loss)	-	-	280	280	198
Interest and dividends	41,072	14,908	22,578	78,558	72,384
Less: investment expenses	(13,061)	(4,739)	(4,133)	(21,933)	(18,445)
Net gain from investing activities	232,987	85,047	20,647	338,681	478,357
Other Income	2,435	883	-	3,318	3,394
Total additions	364,949	179,705	67,481	612,135	766,401
DEDUCTIONS					
Benefit payments including refunds to employees	122,875	87,889	19,678	230,442	209,377
Administrative expenses	9,481	3,440	730	13,651	16,441
Total deductions	132,356	91,329	20,408	244,093	225,818
Change in net position	232,593	88,376	47,073	368,042	540,583
Net position held in trust for pension and OPEB benefits:					
October 1	6,023,770	2,176,106	1,462,030	9,661,906	9,121,323
September 30	**$ 6,256,363**	**$ 2,264,482**	**$ 1,509,103**	**$ 10,029,948**	**$ 9,661,906**

See accompanying Report of Independent Public Accountants.

Exhibit C-3

DISTRICT OF COLUMBIA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
Agency Funds
For the Year Ended September 30, 2019
($000s)

	Balance October 1, 2018	Additions	Deductions	Balance September 30, 2019
ASSETS				
Cash and cash equivalents	$ 99,258	$ 118,728	$ 141,985	$ 76,001
Other receivables	8,820	33,064	744	41,140
Total assets	**$ 108,078**	**$ 151,792**	**$ 142,729**	**$ 117,141**
LIABILITIES				
Accounts payable	$ 512	$ 829	$ 260	$ 1,081
Other current liabilities	107,566	142,619	134,125	116,060
Total liabilities	**$ 108,078**	**$ 143,448**	**$ 134,385**	**$ 117,141**

See accompanying Report of Independent Public Accountants.

SUPPORTING SCHEDULES

Supporting schedules are financial presentations used to aggregate and present in greater detail information contained in the financial statements and to present additional information not disclosed in the basic financial statements.

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Exhibit D-1

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS EXPENDITURES
For the Year Ended September 30, 2019
($000s)

	Budget			
	Original	Revised	Actual	Variance
Governmental direction and support				
Council of the District of Columbia	$ 26,879	$ 25,766	$ 25,766	$ -
Office of the D.C. auditor	6,229	5,829	5,415	414
Statehood initiative agency	242	303	303	-
Advisory neighborhood commissions	1,146	1,176	976	200
Office of the mayor	15,450	16,243	16,083	160
Mayor's office of legal counsel	1,634	1,404	1,346	58
Office of senior advisor	3,219	3,846	3,533	313
Office of the secretary	4,157	4,346	4,256	90
Office of the inspector general	18,763	16,459	15,559	900
Captive insurance agency	2,306	3,627	3,401	226
City administrator	10,029	9,941	9,829	112
D.C. department of human resources	9,427	11,881	11,822	59
Office of finance & resource management	27,595	27,262	26,705	557
Department of general services	318,529	373,482	357,287	16,195
Office of contracting and procurement	24,945	25,099	24,790	309
Contract appeals board	1,556	1,556	1,550	6
Office of the chief financial officer	179,758	156,079	154,222	1,857
Office of the attorney general for the District of Columbia	104,113	101,827	93,169	8,658
Office of risk management	4,102	4,042	3,971	71
Office of disability rights	1,771	1,785	1,768	17
Uniform law commission	60	60	52	8
Office of the chief technology officer	80,130	82,375	81,790	585
Board of elections	10,666	11,660	11,615	45
Office of campaign finance	4,101	4,001	3,536	465
Public employee relations board	1,509	1,226	1,160	66
Office of employee appeals	2,178	2,153	2,101	52
Metropolitan washington council of governments	542	542	542	-
Deputy mayor for greater economic opportunity	5,513	4,763	4,231	532
D.C. board of ethics and government accountability	2,451	2,451	2,308	143
Section 103 judgments - governmental direction and support	-	12,914	12,914	-
Total governmental direction and support	869,000	914,098	882,000	32,098
Economic development and regulation				
Deputy mayor for planning & economic development	42,602	62,869	45,084	17,785
Department of small and local business development	15,089	16,680	16,569	111
Office of planning	10,988	11,794	11,206	588
Office of zoning	3,117	3,217	2,882	335
Department of housing and community development	90,756	74,238	67,552	6,686
Office of film, television and entertainment	14,678	14,967	14,951	16
Department of employment services	139,647	138,815	126,702	12,113
Real property tax appeals commission	1,763	1,763	1,763	-
Department of consumer & regulatory affairs	60,729	66,382	59,452	6,930
Alcoholic beverage regulation administration	9,299	9,177	7,945	1,232
Commission on arts & humanities	31,199	31,021	30,590	431
Housing authority subsidy	111,489	118,710	103,777	14,933
Business improvement districts transfer	55,000	55,000	27,694	27,306
Housing production trust fund subsidy	39,335	36,151	36,151	-
Office of the tenant advocate	4,254	5,480	5,237	243
Public service commission	15,751	14,811	14,764	47
Department of insurance, securities and banking	28,565	22,374	20,994	1,380
Office of people's counsel	9,746	9,715	9,646	69
Section 103 - economic development & regulation	-	14	14	-
Total economic development and regulation	684,007	693,178	602,973	90,205

Exhibit D-1

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS EXPENDITURES
For the Year Ended September 30, 2019
($000s)

	Budget			
	Original	Revised	Actual	Variance
Public safety and justice				
Metropolitan police department	522,187	555,093	552,728	2,365
Fire and emergency medical services	258,243	282,011	279,045	2,966
Police officers' & firefighters' retirement system	92,322	92,322	91,083	1,239
Office of administrative hearings	10,285	9,574	9,489	85
Criminal justice coordinating council	3,955	3,591	3,540	51
Corrections information council	744	680	627	53
Department of corrections	164,937	167,697	165,952	1,745
Office of the chief medical examiner	12,352	12,193	12,035	158
D.C. national guard	14,424	14,332	13,627	705
Homeland security and emergency management agency	142,222	64,336	63,456	880
Commission on judicial disabilities and tenure	295	299	299	-
Judicial nomination commission	270	294	286	8
Office of police complaints	2,538	2,463	2,461	2
Office of unified communications	48,310	49,641	46,714	2,927
Office of justice grant administration	48,110	46,725	44,530	2,195
D.C. sentencing and criminal code revision commission	1,186	1,180	1,178	2
Office of the deputy mayor for public safety and justice	1,596	1,396	1,320	76
Department of forensic sciences	26,561	26,849	26,674	175
Criminal code reform commission	724	702	687	15
Neighborhood safety and engagement	5,431	5,734	5,719	15
Total public safety and justice	1,356,692	1,337,112	1,321,450	15,662
Public education system				
District of Columbia public schools	892,185	892,430	892,100	330
AY20 public school advance appropriations	-	10,507	10,507	-
Public charter schools	889,379	573,107	572,921	186
AY20 public charter school advance appropriations	-	314,542	314,542	-
Teachers' retirement fund	53,343	53,343	53,099	244
University of the District of Columbia subsidy	87,353	89,003	89,003	-
Office of the state superintendent of education	489,757	464,706	397,474	67,232
D.C. state athletics commission	1,289	1,289	1,275	14
D.C. state board of education	1,850	1,808	1,738	70
D.C. public library	64,302	64,544	61,906	2,638
D.C. public charter school board	8,525	9,330	9,330	-
Special education transportation	90,039	100,061	100,010	51
Non-public tuition	63,500	62,261	61,813	448
Office of the deputy mayor for education	17,441	17,498	17,182	316
Section 103 - public education system	-	1,035	1,035	-
Total public education system	2,658,963	2,655,464	2,583,935	71,529
Human support services				
Department of human services	554,833	583,442	563,141	20,301
Department of health	250,662	246,473	225,718	20,755
Department of parks and recreation	53,423	57,672	55,704	1,968
D.C. office on aging	48,186	50,555	49,945	610
Unemployment compensation fund	6,680	4,966	4,955	11
Employees' compensation fund	24,132	24,132	18,042	6,090
Office of human rights	5,366	5,251	5,251	-
Office on latino affairs	3,404	3,404	3,376	28
Child and family services agency	222,485	208,373	208,056	317
Department of behavioral health	269,689	285,584	285,284	300
Office on asian and pacific islander affairs	872	872	870	2
Office of veterans affairs	622	622	608	14
Department of youth rehabilitation services	94,968	86,147	85,767	380
Department on disability services	172,959	181,009	179,073	1,936
Department of health care finance	3,240,650	3,287,873	3,121,377	166,496
Deputy mayor for health and human services	1,782	1,781	1,763	18
Not-for-profit hospital corporation subsidy	10,000	34,261	34,261	-
Total human support services	4,960,713	5,062,417	4,843,191	219,226

Exhibit D-1

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS EXPENDITURES
For the Year Ended September 30, 2019
($000s)

	Budget			
	Original	Revised	Actual	Variance
Public works				
Department of public works	147,564	149,754	148,031	1,723
Department of transportation	142,590	131,021	130,346	675
Department of for-hire vehicles	17,599	16,007	15,837	170
Department of motor vehicles	40,453	38,765	37,114	1,651
Washington metro area transit commission	151	151	151	-
Mass transit subsidies	412,175	427,003	425,753	1,250
Department of energy and environment	140,836	161,980	127,650	34,330
Total public works	901,368	924,681	884,882	39,799
Other				
Repayment of loans and interest	758,888	721,321	721,321	-
Debt service - issuance costs	8,000	8,000	5,209	2,791
Commercial paper program	10,000	6,779	6,779	-
Settlements and judgments fund	21,825	21,825	21,825	-
Wilson building	4,726	4,726	4,256	470
D.C. retiree health contribution	46,000	46,000	46,000	-
Repayment of revenue bonds	7,839	7,829	7,829	-
Convention center transfer	158,958	151,398	151,398	-
Highway transportation fund	28,176	30,693	30,693	-
Emergency planning and security fund	12,000	19,426	19,426	-
Workforce investment council	51,767	447	-	447
Operating lease-equipment	11,844	11,844	11,844	-
Emergency and contingency reserve funds	-	1,252	-	1,252
Pay-as-you-go capital fund	86,467	150,284	150,284	-
Non-departmental	6,272	379	-	379
Total other	1,212,762	1,182,203	1,176,864	5,339
Total	**$ 12,643,505**	**$ 12,769,153**	**$ 12,295,295**	**$ 473,858**

See accompanying Report of Independent Public Accountants

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Local Source				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Governmental direction and support								
Council of the District of Columbia	$ 26,879	$ 25,766	$ 25,766	$ -	$ -	$ -	$ -	$ -
Office of the D.C. auditor	6,229	5,829	5,415	414	-	-	-	-
Statehood initiative agency	242	244	244	-	-	-	-	-
Advisory neighborhood commissions	1,146	1,176	976	200	-	-	-	-
Office of the mayor	11,367	12,562	12,417	145	4,083	3,681	3,666	15
Mayor's office of legal counsel	1,634	1,384	1,326	58	-	-	-	-
Office of the senior advisor	3,219	3,846	3,533	313	-	-	-	-
Office of the secretary	3,057	3,248	3,231	17	-	-	-	-
Office of the inspector general	15,943	14,284	13,384	900	2,820	2,175	2,175	-
Captive insurance agency	2,095	3,416	3,401	15	-	-	-	-
City administrator	8,669	9,218	9,115	103	-	-	-	-
D.C. department of human resources	8,866	11,257	11,201	56	-	-	-	-
Office of finance & resource management	27,123	27,037	26,480	557	-	-	-	-
Department of general services	310,152	365,343	349,932	15,411	-	-	-	-
Office of contracting and procurement	23,393	23,393	23,252	141	-	-	-	-
Contract appeals board	1,556	1,556	1,550	6	-	-	-	-
Office of the chief financial officer	133,877	135,393	135,246	147	450	660	649	11
Office of the attorney general for the District of Columbia	67,163	67,163	66,740	423	23,583	19,297	19,245	52
Office of risk management	4,102	4,042	3,971	71	-	-	-	-
Office of disability rights	1,133	1,153	1,143	10	638	621	614	7
Uniform law commission	60	60	52	8	-	-	-	-
Office of the chief technology officer	70,035	69,355	69,303	52	-	-	-	-
Board of elections	10,666	10,937	10,892	45	-	723	723	-
Office of campaign finance	4,101	4,001	3,536	465	-	-	-	-
Public employee relations board	1,509	1,226	1,160	66	-	-	-	-
Office of employee appeals	2,178	2,153	2,101	52	-	-	-	-
Metropolitan washington council of governments	542	542	542	-	-	-	-	-
Deputy mayor for greater economic opportunity	5,513	4,763	4,231	532	-	-	-	-
D.C. board of ethics and government accountability	2,298	2,298	2,255	43	-	-	-	-
Section 103 judgments - governmental direction and support	-	12,914	12,914	-	-	-	-	-
Total governmental direction and support	754,747	825,559	805,309	20,250	31,574	27,157	27,072	85
Economic development and regulation								
Deputy mayor for planning & economic development	21,783	34,138	34,078	60	-	27	-	27
Department of small and local business development	14,621	15,431	15,348	83	468	419	419	-
Office of planning	10,231	10,948	10,428	520	547	599	591	8
Office of zoning	3,117	3,217	2,882	335	-	-	-	-
Department of housing and community development	31,772	31,640	30,696	944	55,830	38,749	33,686	5,063
Office of film, television and entertainment	1,690	1,998	1,982	16	-	-	-	-
Department of employment services	69,423	69,650	67,635	2,015	29,876	28,179	26,648	1,531
Real property tax appeals commission	1,763	1,763	1,763	-	-	-	-	-
Department of consumer & regulatory affairs	23,202	24,955	24,821	134	-	-	-	-
Alcoholic beverage regulation administration	1,292	1,170	1,146	24	-	-	-	-
Commission on arts & humanities	31,000	30,314	29,883	431	-	707	707	-
Housing authority subsidy	111,489	118,710	103,777	14,933	-	-	-	-
Business improvement districts transfer	-	-	-	-	-	-	-	-
Housing production trust fund subsidy	39,335	36,151	36,151	-	-	-	-	-
Office of the tenant advocate	3,745	4,971	4,963	8	-	-	-	-
Public service commission	-	-	-	-	566	523	485	38
Department of insurance, securities and banking	-	-	-	-	-	452	452	-
Office of people's counsel	775	680	611	69	-	-	-	-
Section 103 - economic development & regulation	-	14	14	-	-	-	-	-
Total economic development and regulation	365,238	385,750	366,178	19,572	87,287	69,655	62,988	6,667

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Private Grants				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Governmental direction and support								
Council of the District of Columbia	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Office of the D.C. auditor	-	-	-	-	-	-	-	-
Statehood initiative agency	-	59	59	-	-	-	-	-
Advisory neighborhood commissions	-	-	-	-	-	-	-	-
Office of the mayor	-	-	-	-	-	-	-	-
Mayor's office of legal counsel	-	20	20	-	-	-	-	-
Office of the senior advisor	-	-	-	-	-	-	-	-
Office of the secretary	-	-	-	-	1,100	1,098	1,025	73
Office of the inspector general	-	-	-	-	-	-	-	-
Captive insurance agency	-	-	-	-	211	211	-	211
City administrator	1,110	713	713	-	250	10	1	9
D.C. department of human resources	-	-	-	-	561	624	621	3
Office of finance & resource management	-	-	-	-	472	225	225	-
Department of general services	-	-	-	-	8,377	8,139	7,355	784
Office of contracting and procurement	-	17	5	12	1,552	1,689	1,533	156
Contract appeals board	-	-	-	-	-	-	-	-
Office of the chief financial officer	-	-	-	-	45,431	20,026	18,327	1,699
Office of the attorney general for the District of Columbia	548	2,548	930	1,618	12,819	12,819	6,254	6,565
Office of risk management	-	-	-	-	-	-	-	-
Office of disability rights	-	11	11	-	-	-	-	-
Uniform law commission	-	-	-	-	-	-	-	-
Office of the chief technology officer	-	-	-	-	10,095	13,020	12,487	533
Board of elections	-	-	-	-	-	-	-	-
Office of campaign finance	-	-	-	-	-	-	-	-
Public employee relations board	-	-	-	-	-	-	-	-
Office of employee appeals	-	-	-	-	-	-	-	-
Metropolitan washington council of governments	-	-	-	-	-	-	-	-
Deputy mayor for greater economic opportunity	-	-	-	-	-	-	-	-
D.C. board of ethics and government accountability	-	-	-	-	153	153	53	100
Section 103 judgments - governmental direction and support	-	-	-	-	-	-	-	-
Total governmental direction and support	1,658	3,368	1,738	1,630	81,021	58,014	47,881	10,133
Economic development and regulation								
Deputy mayor for planning & economic development	-	-	-	-	20,819	28,704	11,006	17,698
Department of small and local business development	-	-	-	-	-	830	802	28
Office of planning	10	34	24	10	200	213	163	50
Office of zoning	-	-	-	-	-	-	-	-
Department of housing and community development	20	20	-	20	3,134	3,829	3,170	659
Office of film, television and entertainment	-	-	-	-	12,988	12,969	12,969	-
Department of employment services	787	1,425	1,425	-	39,561	39,561	30,994	8,567
Real property tax appeals commission	-	-	-	-	-	-	-	-
Department of consumer & regulatory affairs	-	-	-	-	37,527	41,427	34,631	6,796
Alcoholic beverage regulation administration	-	-	-	-	8,007	8,007	6,799	1,208
Commission on arts & humanities	-	-	-	-	199	-	-	-
Housing authority subsidy	-	-	-	-	-	-	-	-
Business improvement districts transfer	-	-	-	-	55,000	55,000	27,694	27,306
Housing production trust fund subsidy	-	-	-	-	-	-	-	-
Office of the tenant advocate	-	-	-	-	509	509	274	235
Public service commission	22	22	13	9	15,163	14,266	14,266	-
Department of insurance, securities and banking	-	45	45	-	28,565	21,877	20,497	1,380
Office of people's counsel	-	10	10	-	8,971	9,025	9,025	-
Section 103 - economic development & regulation	-	-	-	-	-	-	-	-
Total economic development and regulation	839	1,556	1,517	39	230,643	236,217	172,290	63,927

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Local Source				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Public safety and justice								
Metropolitan police department	510,080	545,588	543,350	2,238	3,907	2,778	2,778	-
Fire and emergency medical services	256,481	278,452	278,332	120	-	1,796	286	1,510
Police officers' & firefighters' retirement system	92,322	92,322	91,083	1,239	-	-	-	-
Office of administrative hearings	10,135	9,329	9,244	85	150	245	245	-
Criminal justice coordinating council	1,655	1,615	1,573	42	2,300	1,974	1,965	9
Corrections information council	744	680	627	53	-	-	-	-
Department of corrections	143,917	144,068	142,985	1,083	-	223	223	-
Office of the chief medical examiner	12,352	12,171	12,016	155	-	-	-	-
D.C. national guard	4,810	4,704	4,586	118	9,614	9,628	9,041	587
Homeland security and emergency management agency	5,153	5,103	5,050	53	137,069	59,233	58,406	827
Commission on judicial disabilities and tenure	-	9	9	-	295	290	290	-
Judicial nomination commission	-	-	-	-	270	294	286	8
Office of police complaints	2,538	2,463	2,461	2	-	-	-	-
Office of unified communications	34,113	33,281	33,281	-	-	-	-	-
Office of justice grant administration	34,017	33,916	33,032	884	11,862	10,021	9,447	574
D.C. sentencing and criminal code revision commission	1,186	1,180	1,178	2	-	-	-	-
Office of the deputy mayor for public safety and justice	1,596	1,396	1,320	76	-	-	-	-
Department of forensic sciences	26,101	26,380	26,205	175	460	469	469	-
Criminal code reform commission	724	702	687	15	-	-	-	-
Neighborhood safety and engagement	5,431	5,734	5,719	15	-	-	-	-
Total public safety and justice	1,143,355	1,199,093	1,192,738	6,355	165,927	86,951	83,436	3,515
Public education system								
District of Columbia public schools	847,736	847,044	846,928	116	33,673	31,930	31,894	36
AY20 public school advance appropriations	-	10,507	10,507	-	-	-	-	-
Public charter schools	889,379	573,107	572,921	186	-	-	-	-
AY20 public charter school advance appropriations	-	314,542	314,542	-	-	-	-	-
Teachers' retirement fund	53,343	53,343	53,099	244	-	-	-	-
University of the District of Columbia subsidy	87,353	89,003	89,003	-	-	-	-	-
Office of the state superintendent of education	170,337	177,817	176,658	1,159	318,419	285,240	219,716	65,524
D.C. state athletics commission	1,189	1,189	1,189	-	-	-	-	-
D.C. state board of education	1,850	1,808	1,738	70	-	-	-	-
D.C. public library	61,816	62,265	59,661	2,604	1,113	1,030	1,030	-
D.C. public charter school board	-	-	-	-	-	-	-	-
Special education transportation	90,039	100,061	100,010	51	-	-	-	-
Non-public tuition	63,500	62,261	61,813	448	-	-	-	-
Office of the deputy mayor for education	17,366	17,216	16,967	249	-	-	-	-
Section 103 - public education system	-	1,035	1,035	-	-	-	-	-
Total public education system	2,283,908	2,311,198	2,306,071	5,127	353,205	318,200	252,640	65,560
Human support services								
Department of human services	383,496	375,581	375,404	177	170,305	206,913	186,794	20,119
Department of health	84,168	84,590	84,397	193	138,965	135,138	121,352	13,786
Department of parks and recreation	50,624	53,988	53,369	619	-	-	-	-
D.C. office on aging	38,391	40,291	39,979	312	9,795	10,264	9,966	298
Unemployment compensation fund	6,680	4,966	4,955	11	-	-	-	-
Employees' compensation fund	24,132	24,132	18,042	6,090	-	-	-	-
Office of human rights	5,000	4,975	4,975	-	339	243	243	-
Office on latino affairs	3,404	3,404	3,376	28	-	-	-	-
Child and family services agency	161,239	157,055	156,747	308	60,223	50,291	50,282	9
Department of behavioral health	249,752	248,653	248,557	96	16,854	34,195	34,005	190
Office on asian and pacific islander affairs	872	872	870	2	-	-	-	-
Office of veterans affairs	617	617	607	10	-	-	-	-
Department of youth rehabilitation services	94,968	86,147	85,767	380	-	-	-	-
Department on disability services	121,992	124,310	123,037	1,273	41,851	44,133	43,532	601
Department of health care finance	867,963	856,466	855,539	927	2,369,731	2,428,539	2,264,227	164,312
Deputy mayor for health and human services	1,782	1,781	1,763	18	-	-	-	-
Not-for-profit hospital corporation subsidy	10,000	34,261	34,261	-	-	-	-	-
Total human support services	2,105,080	2,102,089	2,091,645	10,444	2,808,063	2,909,716	2,710,401	199,315

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Private Grants				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Public safety and justice								
Metropolitan police department	-	144	144	-	8,200	6,583	6,456	127
Fire and emergency medical services	-	1	-	1	1,762	1,762	427	1,335
Police officers' & firefighters' retirement system	-	-	-	-	-	-	-	-
Office of administrative hearings	-	-	-	-	-	-	-	-
Criminal justice coordinating council	-	2	2	-	-	-	-	-
Corrections information council	-	-	-	-	-	-	-	-
Department of corrections	-	-	-	-	21,020	23,406	22,744	662
Office of the chief medical examiner	-	22	19	3	-	-	-	-
D.C. national guard	-	-	-	-	-	-	-	-
Homeland security and emergency management agency	-	-	-	-	-	-	-	-
Commission on judicial disabilities and tenure	-	-	-	-	-	-	-	-
Judicial nomination commission	-	-	-	-	-	-	-	-
Office of police complaints	-	-	-	-	-	-	-	-
Office of unified communications	-	-	-	-	14,197	16,360	13,433	2,927
Office of justice grant administration	-	-	-	-	2,231	2,788	2,051	737
D.C. sentencing and criminal code revision commission	-	-	-	-	-	-	-	-
Office of the deputy mayor for public safety and justice	-	-	-	-	-	-	-	-
Department of forensic sciences	-	-	-	-	-	-	-	-
Criminal code reform commission	-	-	-	-	-	-	-	-
Neighborhood safety and engagement	-	-	-	-	-	-	-	-
Total public safety and justice	-	169	165	4	47,410	50,899	45,111	5,788
Public education system								
District of Columbia public schools	644	3,607	3,585	22	10,132	9,849	9,693	156
AY20 public school advance appropriations	-	-	-	-	-	-	-	-
Public charter schools	-	-	-	-	-	-	-	-
AY20 public charter school advance appropriations	-	-	-	-	-	-	-	-
Teachers' retirement fund	-	-	-	-	-	-	-	-
University of the District of Columbia subsidy	-	-	-	-	-	-	-	-
Office of the state superintendent of education	-	157	140	17	1,001	1,492	960	532
D.C. state athletics commission	-	-	-	-	100	100	86	14
D.C. state board of education	-	-	-	-	-	-	-	-
D.C. public library	17	25	3	22	1,356	1,224	1,212	12
D.C. public charter school board	-	-	-	-	8,525	9,330	9,330	-
Special education transportation	-	-	-	-	-	-	-	-
Non-public tuition	-	-	-	-	-	-	-	-
Office of the deputy mayor for education	75	282	215	67	-	-	-	-
Section 103 - public education system	-	-	-	-	-	-	-	-
Total public education system	736	4,071	3,943	128	21,114	21,995	21,281	714
Human support services								
Department of human services	-	-	-	-	1,032	948	943	5
Department of health	142	9	4	5	27,387	26,736	19,965	6,771
Department of parks and recreation	-	13	13	-	2,799	3,671	2,322	1,349
D.C. office on aging	-	-	-	-	-	-	-	-
Unemployment compensation fund	-	-	-	-	-	-	-	-
Employees' compensation fund	-	-	-	-	-	-	-	-
Office of human rights	27	33	33	-	-	-	-	-
Office on latino affairs	-	-	-	-	-	-	-	-
Child and family services agency	23	94	94	-	1,000	933	933	-
Department of behavioral health	731	433	433	-	2,352	2,303	2,289	14
Office on asian and pacific islander affairs	-	-	-	-	-	-	-	-
Office of veterans affairs	-	-	-	-	5	5	1	4
Department of youth rehabilitation services	-	-	-	-	-	-	-	-
Department on disability services	-	-	-	-	9,116	12,566	12,504	62
Department of health care finance	-	-	-	-	2,956	2,868	1,611	1,257
Deputy mayor for health and human services	-	-	-	-	-	-	-	-
Not-for-profit hospital corporation subsidy	-	-	-	-	-	-	-	-
Total human support services	923	582	577	5	46,647	50,030	40,568	9,462

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Local Source				Federal Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Public works								
Department of public works	139,781	138,098	137,950	148	-	-	-	-
Department of transportation	107,583	106,154	105,971	183	11,474	4,072	4,029	43
Department of for-hire vehicles	5,924	5,924	5,792	132	-	-	-	-
Department of motor vehicles	30,373	28,685	28,683	2	-	-	-	-
Washington metro area transit commission	151	151	151	-	-	-	-	-
Mass transit subsidies	369,175	382,753	381,503	1,250	-	-	-	-
Department of energy and environment	28,951	28,514	21,576	6,938	28,520	25,083	24,117	966
Total public works	681,938	690,279	681,626	8,653	39,994	29,155	28,146	1,009
Other								
Repayment of loans and interest	735,610	698,043	698,043	-	17,525	17,525	17,525	-
Debt service - issuance costs	8,000	8,000	5,209	2,791	-	-	-	-
Commercial paper program	10,000	6,779	6,779	-	-	-	-	-
Settlements and judgments fund	21,825	21,825	21,825	-	-	-	-	-
Wilson building	4,726	4,726	4,256	470	-	-	-	-
D.C. retiree health contribution	46,000	46,000	46,000	-	-	-	-	-
Repayment of revenue bonds	7,839	7,829	7,829	-	-	-	-	-
Convention center transfer	155,543	147,983	147,983	-	-	-	-	-
Highway transportation fund	25,426	27,935	27,935	-	-	-	-	-
Emergency planning and security fund	-	5,400	5,400	-	12,000	14,026	14,026	-
Workforce investment council	51,767	447	-	447	-	-	-	-
Operating lease-equipment	11,844	11,844	11,844	-	-	-	-	-
Emergency and contingency reserve funds	-	1,252	-	1,252	-	-	-	-
Pay-as-you-go capital fund	4,421	68,238	68,238	-	-	-	-	-
Non-departmental	2,050	-	-	-	-	-	-	-
Total other	1,085,051	1,056,301	1,051,341	4,960	29,525	31,551	31,551	-
Total	**$ 8,419,317**	**$ 8,570,269**	**$ 8,494,908**	**$ 75,361**	**$ 3,515,575**	**$ 3,472,385**	**$ 3,196,234**	**$ 276,151**

Exhibit D-2

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGETARY BASIS OPERATIONS BY SOURCE OF FUNDS
Year Ended September 30, 2019
($000s)

	Private Grants				Other Source			
	Original Budget	Revised Budget	Actual	Variance	Original Budget	Revised Budget	Actual	Variance
Public works								
Department of public works	-	-	-	-	7,783	11,656	10,081	1,575
Department of transportation	-	-	-	-	23,533	20,795	20,346	449
Department of for-hire vehicles	-	-	-	-	11,675	10,083	10,045	38
Department of motor vehicles	-	-	-	-	10,080	10,080	8,431	1,649
Washington metro area transit commission	-	-	-	-	-	-	-	-
Mass transit subsidies	-	-	-	-	43,000	44,250	44,250	-
Department of energy and environment	91	126	126	-	83,274	108,257	81,831	26,426
Total public works	91	126	126	-	179,345	205,121	174,984	30,137
Other								
Repayment of loans and interest	-	-	-	-	5,753	5,753	5,753	-
Debt service - issuance costs	-	-	-	-	-	-	-	-
Commercial paper program	-	-	-	-	-	-	-	-
Settlements and judgments fund	-	-	-	-	-	-	-	-
Wilson building	-	-	-	-	-	-	-	-
D.C. retiree health contribution	-	-	-	-	-	-	-	-
Repayment of revenue bonds	-	-	-	-	-	-	-	-
Convention center transfer	-	-	-	-	3,415	3,415	3,415	-
Highway transportation fund	-	-	-	-	2,750	2,758	2,758	-
Emergency planning and security fund	-	-	-	-	-	-	-	-
Workforce investment council	-	-	-	-	-	-	-	-
Operating lease-equipment	-	-	-	-	-	-	-	-
Emergency and contingency reserve funds	-	-	-	-	-	-	-	-
Pay-as-you-go capital fund	-	-	-	-	82,046	82,046	82,046	-
Non-departmental	-	-	-	-	4,222	379	-	379
Total other	-	-	-	-	98,186	94,351	93,972	379
Total	**$ 4,247**	**$ 9,872**	**$ 8,066**	**$ 1,806**	**$ 704,366**	**$ 716,627**	**$ 596,087**	**$ 120,540**

See accompanying Report of Independent Public Accountants

Exhibit D-3

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGET REVISIONS
Year Ended September 30, 2019
($000s)

	Local Source			Federal Resources		
	Original Budget	Revisions	Revised Budget	Original Budget	Revisions	Revised Budget
REVENUES AND OTHER SOURCES						
Taxes:						
Property taxes	$ 2,761,068	$ (234)	$ 2,760,834	$ -	$ -	$ -
Sales and use taxes	1,616,673	(9,163)	1,607,510	-	-	-
Income and franchise taxes	2,652,860	166,536	2,819,396	-	-	-
Gross receipts and other taxes	758,948	41,837	800,785	-	-	-
Total taxes	7,789,549	198,976	7,988,525	-	-	-
Licenses and permits	132,911	3,936	136,847	-	-	-
Fines and forfeitures	152,469	26,972	179,441	-	-	-
Charges for services	77,443	119	77,562	-	-	-
Miscellaneous	103,760	63,361	167,121	-	-	-
Other sources	-	-	-	-	-	-
Federal contributions	-	-	-	93,150	(33,001)	60,149
Operating grants	-	-	-	3,422,425	(10,189)	3,412,236
Bond proceeds	8,000	-	8,000	-	-	-
Fund balance released from restrictions	119,939	132,662	252,601	-	-	-
Interfund transfer-from office of lottery and gaming	45,000	(290)	44,710	-	-	-
Interfund transfer-others	15,447	19,083	34,530	-	-	-
Total revenues and other sources	8,444,518	444,819	8,889,337	3,515,575	(43,190)	3,472,385
EXPENDITURES AND OTHER USES						
Governmental direction and support	754,747	70,812	825,559	31,574	(4,417)	27,157
Economic development and regulation	365,238	20,512	385,750	87,287	(17,632)	69,655
Public safety and justice	1,143,355	55,738	1,199,093	165,927	(78,976)	86,951
Public education system	2,283,908	(297,759)	1,986,149	353,205	(35,005)	318,200
Public education AY20 expenditure	-	325,049	325,049	-	-	-
Human support services	2,105,080	(2,991)	2,102,089	2,808,063	101,653	2,909,716
Public works	681,938	8,341	690,279	39,994	(10,839)	29,155
Repayment of loans and interest	735,610	(37,567)	698,043	17,525	-	17,525
Debt service - issuance costs	8,000	-	8,000	-	-	-
Commercial paper program	10,000	(3,221)	6,779	-	-	-
Settlements and judgments fund	21,825	-	21,825	-	-	-
Wilson building	4,726	-	4,726	-	-	-
D.C. retiree health contribution	46,000	-	46,000	-	-	-
Repayment of revenue bonds	7,839	(10)	7,829	-	-	-
Convention center transfer	155,543	(7,560)	147,983	-	-	-
Highway transportation fund	25,426	2,509	27,935	-	-	-
Emergency planning and security fund	-	5,400	5,400	12,000	2,026	14,026
Workforce investment council	51,767	(51,320)	447	-	-	-
Operating lease-equipment	11,844	-	11,844	-	-	-
Emergency and contingency reserve funds	-	1,252	1,252	-	-	-
Pay-as-you-go capital fund	4,421	63,817	68,238	-	-	-
Non-departmental	2,050	(2,050)	-	-	-	-
Total expenditures and other uses	8,419,317	150,952	8,570,269	3,515,575	(43,190)	3,472,385
Excess of revenues and other sources over expenditures and other uses - budgetary basis	**$ 25,201**	**$ 293,867**	**$ 319,068**	**$ -**	**$ -**	**$ -**

Exhibit D-3

DISTRICT OF COLUMBIA
SCHEDULE OF BUDGET REVISIONS
Year Ended September 30, 2019
($000s)

	Private Grant and Contributions			Other Sources		
	Original Budget	Revisions	Revised Budget	Original Budget	Revisions	Revised Budget
REVENUES AND OTHER SOURCES						
Taxes:						
Property taxes	$ -	$ -	$ -	$ -	$ -	$ -
Sales and use taxes	-	-	-	-	-	-
Income and franchise taxes	-	-	-	-	-	-
Gross receipts and other taxes	-	-	-	-	-	-
Total taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-
Other sources	-	-	-	704,366	12,261	716,627
Federal contributions	-	-	-	-	-	-
Operating grants	4,247	5,625	9,872	-	-	-
Bond proceeds	-	-	-	-	-	-
Fund balance released from restrictions	-	-	-	-	-	-
Interfund transfer-from office of lottery and gaming	-	-	-	-	-	-
Interfund transfer-others	-	-	-	-	-	-
Total revenues and other sources	4,247	5,625	9,872	704,366	12,261	716,627
EXPENDITURES AND OTHER USES						
Governmental direction and support	1,658	1,710	3,368	81,021	(23,007)	58,014
Economic development and regulation	839	717	1,556	230,643	5,574	236,217
Public safety and justice	-	169	169	47,410	3,489	50,899
Public education system	736	3,335	4,071	21,114	881	21,995
Public education AY20 expenditure	-	-	-	-	-	-
Human support services	923	(341)	582	46,647	3,383	50,030
Public works	91	35	126	179,345	25,776	205,121
Repayment of loans and interest	-	-	-	5,753	-	5,753
Debt service - issuance costs	-	-	-	-	-	-
Commercial paper program	-	-	-	-	-	-
Settlements and judgments fund	-	-	-	-	-	-
Wilson building	-	-	-	-	-	-
D.C. retiree health contribution	-	-	-	-	-	-
Repayment of revenue bonds	-	-	-	-	-	-
Convention center transfer	-	-	-	3,415	-	3,415
Highway transportation fund	-	-	-	2,750	8	2,758
Emergency planning and security fund	-	-	-	-	-	-
Workforce investment council	-	-	-	-	-	-
Operating lease-equipment	-	-	-	-	-	-
Emergency and contingency reserve funds	-	-	-	-	-	-
Pay-as-you-go capital fund	-	-	-	82,046	-	82,046
Non-departmental	-	-	-	4,222	(3,843)	379
Total expenditures and other uses	4,247	5,625	9,872	704,366	12,261	716,627
Excess of revenues and other sources over expenditures and other uses - budgetary basis	$ -	$ -	$ -	$ -	$ -	$ -

See accompanying Report of Independent Public Accountants

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CAFR

STATISTICAL SECTION

District of Champions

MURIEL BOWSER
MAYOR

JEFFREY S. DEWITT
CHIEF FINANCIAL OFFICER

GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE CHIEF FINANCIAL OFFICER

YEAR ENDED SEPTEMBER 30, 2019

STATISTICAL SECTION

STATISTICAL SECTION

(Unaudited)

This section contains statistical tables that reflect information on financial trends, revenue capacity, debt capacity, demographics and the economy, and other data regarding the District's operations. These tables differ from the financial statements because they usually cover more than two fiscal years and may present non-accounting data.

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INDEX

FINANCIAL TRENDS 191
REVENUE CAPACITY 199
DEBT CAPACITY 205
DEMOGRAPHIC AND ECONOMIC INFORMATION 211
OPERATING INFORMATION 213

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FINANCIAL TRENDS

These schedules provide trend information, which may be used to better understand how the District's financial performance and well-being have changed over time.

Exhibit S-1A
Net Position by Component - Last Ten Fiscal Years
Accrual Basis of Accounting ($000s)

NET POSITION	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	$ 2,437,385	$ 2,534,538	$ 2,872,272	$ 2,849,043	$ 2,830,199	$ 2,639,069	$ 2,835,463	$ 3,204,028	$ 3,467,965	$ 3,571,065
Restricted	1,117,560	963,694	1,057,582	1,264,682	1,195,364	1,594,809	1,440,889	1,538,687	1,727,770	1,803,748
Unrestricted	(739,720)	(527,647)	(601,284)	(632,045)	(456,827)	(134,430)	170,315	132,888	(44,334)	698,133
Total governmental activities net position	2,815,225	2,970,585	3,328,570	3,481,680	3,568,736	4,099,448	4,446,667	4,875,603	5,151,401	6,072,946
Business-type activities										
Net investment in capital assets	4,827	478	480	427	270	169	330	79,700	72,469	68,849
Restricted	233,296	226,229	229,930	241,952	260,645	312,483	364,237	416,373	459,203	503,431
Unrestricted	8,628	3,501	3,607	3,911	4,012	4,271	4,184	11,185	4,240	13,711
Total business-type activities net position	246,751	230,208	234,017	246,290	264,927	316,923	368,751	507,258	535,912	585,991
Primary government										
Net investment in capital assets	2,442,212	2,535,016	2,872,752	2,849,470	2,830,469	2,639,238	2,835,793	3,283,728	3,540,434	3,639,914
Restricted	1,350,856	1,189,923	1,287,512	1,506,634	1,456,009	1,907,292	1,805,126	1,955,060	2,186,973	2,307,179
Unrestricted	(731,092)	(524,146)	(597,677)	(628,134)	(452,815)	(130,159)	174,499	144,073	(40,094)	711,844
Total primary government net position	**$ 3,061,976**	**$ 3,200,793**	**$ 3,562,587**	**$ 3,727,970**	**$ 3,833,663**	**$ 4,416,371**	**$ 4,815,418**	**$ 5,382,861**	**$ 5,687,313**	**$ 6,658,937**

Notes:
FY 2010 amounts were adjusted due to the District's policy change in the recognition of personal property tax revenues.

Source: Information for each fiscal year was extracted from Exhibit 1-a, Statement of Net Position.

Exhibit S-1B
Changes in Net Position - Last Ten Fiscal Years
Accrual Basis of Accounting ($000s)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES										
Expenses										
Governmental direction and support	$ 871,240	$ 783,557	$ 987,978	$ 993,774	$ 929,313	$ 1,144,379	$ 1,228,553	$ 1,085,592	$ 1,164,181	$ 1,157,810
Economic development and regulation	374,149	370,592	353,618	460,082	416,670	474,493	548,314	591,861	724,404	700,346
Public safety and justice	1,563,505	1,521,863	1,490,423	1,497,016	1,568,899	1,715,161	1,799,670	1,594,081	1,623,766	1,673,214
Public education system	1,989,518	2,086,722	2,113,955	2,224,946	2,221,519	2,326,963	2,271,561	2,602,658	2,834,186	2,949,935
Human support services	3,677,405	3,889,812	3,925,613	4,086,722	4,336,730	4,484,943	4,507,123	4,863,087	4,799,268	5,148,903
Public works	497,027	489,304	587,002	603,423	651,221	705,766	701,559	758,431	812,726	860,918
Public transportation	243,668	257,703	221,339	284,851	309,436	335,703	359,097	368,014	419,198	425,753
Interest on long-term debt	324,319	356,164	397,216	382,530	396,754	404,130	392,638	446,621	435,006	425,812
Total governmental activities expenses	9,540,831	9,755,717	10,077,144	10,533,344	10,830,542	11,591,538	11,808,515	12,310,345	12,812,735	13,342,691
Program revenues										
Charges for services, fees, fines & forfeitures:										
Economic development and regulation	112,074	126,407	134,410	136,436	146,067	167,841	172,898	180,307	181,857	268,190
Public works	219,005	228,287	191,960	170,810	189,566	165,931	183,592	185,842	191,000	229,398
Others	118,943	135,407	211,033	223,969	165,753	205,189	242,257	228,173	235,193	372,156
Operating grants & contributions	3,321,671	3,343,747	3,190,038	3,277,118	3,368,565	3,464,746	3,577,091	3,832,821	3,674,019	3,916,440
Capital grants & contributions	259,277	172,964	261,411	270,813	178,218	224,891	167,948	219,751	261,450	258,500
Total governmental activities program revenues	4,030,970	4,006,812	3,988,852	4,079,146	4,048,169	4,228,598	4,343,786	4,646,894	4,543,519	5,044,684
Net expenses	(5,509,861)	(5,748,905)	(6,088,292)	(6,454,198)	(6,782,373)	(7,362,940)	(7,464,729)	(7,663,451)	(8,269,216)	(8,298,007)
General revenues										
Taxes:										
Property taxes	1,881,733	1,803,691	1,945,071	2,012,788	2,118,198	2,315,693	2,504,617	2,651,688	2,713,310	2,888,245
Sales and use taxes	1,081,005	1,121,257	1,218,576	1,247,374	1,282,573	1,425,525	1,451,441	1,527,120	1,597,940	1,707,745
Income and franchise taxes	1,434,131	1,656,283	1,956,590	2,094,179	2,094,754	2,316,727	2,417,206	2,479,847	2,666,690	2,969,289
Gross receipts taxes	295,531	279,002	319,036	345,852	389,539	361,293	365,305	364,791	368,446	397,684
Other taxes	264,959	403,199	404,066	400,308	423,354	528,866	498,161	502,117	508,151	583,429
Investment earnings	19,156	6,122	21,944	6,071	6,810	5,855	11,601	9,288	36,273	53,941
Miscellaneous	447,368	563,400	514,590	580,097	499,235	406,914	510,330	527,920	500,442	610,479
Special items	266,942	-	-	-	-	-	-	-	-	-
Transfers	96,624	71,311	66,404	68,314	54,966	55,586	53,287	29,616	12,080	8,740
Total governmental activities general revenues and transfers	5,787,449	5,904,265	6,446,277	6,754,983	6,869,429	7,416,459	7,811,948	8,092,387	8,403,332	9,219,552
Change in net position - governmental activities	**$ 277,588**	**$ 155,360**	**$ 357,985**	**$ 300,785**	**$ 87,056**	**$ 53,519**	**$ 347,219**	**$ 428,936**	**$ 134,116**	**$ 921,545**

(Continued)

Exhibit S-1B
Changes in Net Position - Last Ten Fiscal Years
Accrual Basis of Accounting ($000s)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
BUSINESS-TYPE ACTIVITIES										
Expenses										
Office of lottery and gaming	$ 163,393	$ 169,526	$ 183,185	$ 173,927	$ 161,144	$ 156,762	$ 174,882	$ 173,241	$ 161,397	$ 168,454
Unemployment compensation	480,976	408,997	344,913	255,645	160,403	119,267	114,633	143,942	131,764	120,010
Not-for-profit hospital corporation	-	-	-	-	-	-	-	134,104	149,194	149,736
Nursing home services	18,817	4,555	-	-	-	-	-	-	-	-
Total business-type activities expenses	663,186	583,078	528,098	429,572	321,547	276,029	289,515	451,287	442,355	438,200
Program revenues										
Charges for services, fees, fines & forfeitures:										
Office of lottery and gaming	230,159	231,749	249,675	242,460	216,040	212,495	228,183	218,732	210,264	213,072
Not-for-profit hospital	-	-	-	-	-	-	-	123,679	96,925	110,335
Nursing home services	19,991	4,135	-	-	-	-	-	-	-	-
Operating grants & contributions	36,998	34,968	27,945	32,790	9,766	14,561	12,028	25,217	20,789	18,319
Total business-type activities program revenues	287,148	270,852	277,620	275,250	225,806	227,056	240,211	367,628	327,978	341,726
Net expenses	(376,038)	(312,226)	(250,478)	(154,322)	(95,741)	(48,973)	(49,304)	(83,659)	(114,377)	(96,474)
General revenues										
Other taxes	129,471	128,875	133,618	131,025	141,760	148,889	145,887	143,728	144,068	142,877
Investment earnings	13,584	11,764	8,517	7,723	7,340	7,666	8,532	9,645	11,043	12,416
Miscellaneous	229,709	226,355	178,556	96,161	20,244	-	-	-	-	-
Transfers	(96,624)	(71,311)	(66,404)	(68,314)	(54,966)	(55,586)	(53,287)	(29,616)	(12,080)	(8,740)
Total business-type activities general revenues and transfers	276,140	295,683	254,287	166,595	114,378	100,969	101,132	123,757	143,031	146,553
Change in net position - business-type activities	**$ (99,898)**	**$ (16,543)**	**$ 3,809**	**$ 12,273**	**$ 18,637**	**$ 51,996**	**$ 51,828**	**$ 40,098**	**$ 28,654**	**$ 50,079**
PRIMARY GOVERNMENT										
Expenses	$ 10,204,017	$ 10,338,795	$ 10,605,242	$ 10,962,916	$ 11,152,089	$ 11,867,567	$ 12,098,030	$ 12,761,632	$ 13,255,090	$ 13,780,891
Program revenues	4,318,118	4,277,664	4,266,472	4,354,396	4,273,975	4,455,654	4,583,997	5,014,522	4,871,497	5,386,410
Net expenses	(5,885,899)	(6,061,131)	(6,338,770)	(6,608,520)	(6,878,114)	(7,411,913)	(7,514,033)	(7,747,110)	(8,383,593)	(8,394,481)
General revenues	6,063,589	6,199,948	6,700,564	6,921,578	6,983,807	7,517,428	7,913,080	8,216,144	8,546,363	9,366,105
Change in net position - primary government	**$ 177,690**	**$ 138,817**	**$ 361,794**	**$ 313,058**	**$ 105,693**	**$ 105,515**	**$ 399,047**	**$ 469,034**	**$ 162,770**	**$ 971,624**

Note:
FY 2010 amounts were adjusted due to the District's policy change in the recognition of personal property tax revenues.

Source: Information for each fiscal year was extracted from Exhibit 1-b, Statement of Activities.

Exhibit S-1C
Fund Balances - Governmental Funds - Last Ten Fiscal Years
Modified Accrual Basis of Accounting ($000s)

	2010
General Fund	
Reserved	$ 836,181
Unreserved	94,588
Total general fund	**$ 930,769**
All other governmental funds	
Reserved, reported in:	
Special revenue funds	$ 555,476
Capital projects funds	137,922
Total all other governmental funds	**$ 693,398**

	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund									
Nonspendable	$ 18,465	$ 20,357	$ 16,015	$ 25,668	$ 12,734	$ 11,631	$ 14,969	$ 8,270	$ 10,303
Restricted	756,650	856,277	976,071	983,011	1,026,396	1,030,895	1,120,068	1,105,718	1,132,630
Committed	256,287	595,008	659,567	744,649	1,047,105	1,325,895	1,541,254	1,635,148	2,041,133
Assigned	73,492	34,879	97,275	120,331	80,827	20,668	-	27,247	69,250
Total general fund	**$ 1,104,894**	**$ 1,506,521**	**$ 1,748,928**	**$ 1,873,659**	**$ 2,167,062**	**$ 2,389,089**	**$ 2,676,291**	**$ 2,776,383**	**$ 3,253,316**
All other governmental funds									
Nonspendable	$ -	$ -	$ -	$ 9,736	$ 3,752	$ 2	$ -	$ -	$ -
Restricted	621,740	541,642	717,664	639,604	821,872	754,029	675,825	639,734	704,749
Unassigned	-	(116,269)	-	(114,248)	-	(228,870)	(642,032)	(522,345)	(378,421)
Total all other governmental funds	**$ 621,740**	**$ 425,373**	**$ 717,664**	**$ 535,092**	**$ 825,624**	**$ 525,161**	**$ 33,793**	**$ 117,389**	**$ 326,328**

Note:
FY 2010 amounts were adjusted due to the District's policy change in the recognition of personal property tax revenues.

Source: Information for each fiscal year was extracted from Exhibit 2-a, Balance Sheet - Governmental Funds.

Exhibit S-1D
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years
Modified Accrual Basis of Accounting ($000s)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUES										
Taxes	$ 4,956,910	$ 5,260,486	$ 5,833,054	$ 6,128,210	$ 6,325,257	$ 6,988,738	$ 7,283,128	$ 7,523,653	$ 7,824,560	$ 8,506,017
Fines and forfeitures	128,473	129,448	185,771	178,708	143,124	129,283	202,314	176,351	168,486	202,194
Licenses and permits	86,951	102,769	99,300	105,081	102,242	119,658	123,029	127,546	133,938	172,493
Charges for services	234,598	257,884	252,332	247,426	256,020	290,020	273,404	290,425	305,626	377,699
Investment earnings	19,156	5,789	21,728	6,608	6,810	5,855	11,601	14,039	36,273	53,944
Miscellaneous	447,365	549,006	514,694	511,582	552,455	414,500	457,163	470,392	514,926	591,665
Federal contributions	670,186	617,845	554,979	555,038	519,846	554,342	521,828	535,131	528,300	556,431
Operating grants	2,910,762	2,898,866	2,896,470	2,992,893	3,026,937	3,135,295	3,223,211	3,517,441	3,407,169	3,594,143
Total revenues	9,454,401	9,822,093	10,358,328	10,725,546	10,932,691	11,637,691	12,095,678	12,654,978	12,919,278	14,054,586
EXPENDITURES										
Governmental direction and support	657,935	698,117	787,331	810,803	920,513	1,027,473	1,068,253	1,070,683	1,095,013	1,111,281
Economic development and regulation	388,424	351,814	318,266	383,143	411,812	448,244	560,365	578,242	665,315	708,236
Public safety and justice	1,546,473	1,517,640	1,469,727	1,513,469	1,515,470	1,521,196	1,671,804	1,596,144	1,621,278	1,649,122
Public education system	1,904,023	1,943,438	1,980,384	2,084,613	2,128,137	2,246,209	2,309,778	2,500,267	2,735,135	2,789,110
Human support services	3,669,367	3,823,317	3,881,043	4,042,204	4,261,400	4,438,448	4,514,647	4,814,189	4,758,686	5,089,527
Public works	318,590	265,750	342,215	287,598	329,355	354,686	365,437	390,741	418,694	461,413
Public transportation	243,668	257,703	221,339	284,851	309,436	335,703	359,097	368,014	419,198	425,753
Debt service:										
Principal	209,746	211,696	217,645	254,312	306,498	301,001	361,375	333,305	402,532	440,980
Interest	300,123	333,872	375,461	410,020	422,450	421,549	449,347	470,307	477,632	481,189
Fiscal charges	64,532	14,296	15,447	8,640	4,895	8,311	3,732	7,849	7,322	6,368
Total debt service	574,401	559,864	608,553	672,972	733,843	730,861	814,454	811,461	887,486	928,537
Subtotal expenditures	9,302,881	9,417,643	9,608,858	10,079,653	10,609,966	11,102,820	11,663,835	12,129,741	12,600,805	13,162,979
Capital outlay	1,359,488	1,189,356	1,152,943	1,208,481	1,123,073	1,196,394	1,107,239	1,233,004	1,445,192	1,420,756
Total expenditures	10,662,369	10,606,999	10,761,801	11,288,134	11,733,039	12,299,214	12,771,074	13,362,745	14,045,997	14,583,735
Deficiency of revenues under expenditures	(1,207,968)	(784,906)	(403,473)	(562,588)	(800,348)	(661,523)	(675,396)	(707,767)	(1,126,719)	(529,149)
OTHER FINANCING SOURCES (USES)										
Debt issuance	750,298	745,025	439,370	833,286	597,230	1,034,252	431,815	398,911	1,157,635	1,048,405
Refunding debt issuance	835,010	63,860	608,210	25,005	475,305	231,255	95,575	1,168,615	401,095	290,000
Premium on sale of bonds	89,505	24,711	124,679	154,681	85,679	155,540	84,235	177,402	163,318	157,045
Payment to refunded bond escrow agent	(855,011)	(63,335)	(679,843)	(28,929)	(503,439)	(256,765)	(95,120)	(1,287,378)	(444,960)	(290,000)
Equipment financing program	34,162	45,801	49,463	41,016	31,716	25,590	11,368	-	-	-
Transfers in	429,033	302,059	353,087	364,563	331,676	358,736	460,462	358,002	342,751	385,159
Transfers out	(332,409)	(230,748)	(286,683)	(296,249)	(276,710)	(303,150)	(407,175)	(312,402)	(330,671)	(376,419)
Sale of capital assets	-	-	450	3,913	1,050	-	15,800	451	21,239	831
Total other financing sources	950,588	887,373	608,733	1,097,286	742,507	1,245,458	596,960	503,601	1,310,407	1,215,021
Net change in fund balances	**$ (257,380)**	**$ 102,467**	**$ 205,260**	**$ 534,698**	**$ (57,841)**	**$ 583,935**	**$ (78,436)**	**$ (204,166)**	**$ 183,688**	**$ 685,872**
Total capitalized expenditures	1,455,655	936,823	999,605	925,053	893,504	905,635	936,960	1,031,265	1,197,775	1,235,887
Debt service as a percentage of noncapital expenditures	5.54%	5.64%	6.08%	6.41%	6.72%	6.34%	6.85%	6.52%	6.85%	6.91%

Note:
FY 2010 amounts were adjusted due to the District's policy change in the recognition of personal property tax revenues.

Source: Information for each fiscal year was extracted from Exhibit 2-b, Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

Exhibit S-1E
Tax Revenues by Source - Governmental Funds - Last Ten Fiscal Years
Modified Accrual Basis of Accounting ($000s)

	Property Tax								
Fiscal Year	Real	Personal	Rental	Total	Sales and Use	Income and Franchise	Gross Receipts	Other Taxes	Total
2010	$ 1,790,519	$ 56,501	$ 34,264	$ 1,881,284	$ 1,081,005	$ 1,434,131	$ 295,531	$ 264,959	$ 4,956,910
2011	1,715,069	52,696	32,980	1,800,745	1,121,257	1,656,283	279,002	403,199	5,260,486
2012	1,843,918	55,734	35,134	1,934,786	1,218,576	1,956,590	319,036	404,066	5,833,054
2013	1,940,169	54,878	45,450	2,040,497	1,247,374	2,094,179	345,852	400,308	6,128,210
2014	2,037,905	55,413	41,719	2,135,037	1,282,573	2,094,754	389,539	423,354	6,325,257
2015	2,219,859	57,225	79,243	2,356,327	1,425,525	2,316,727	361,293	528,866	6,988,738
2016	2,386,010	59,101	58,780	2,503,891	1,451,441	2,464,330	365,305	498,161	7,283,128
2017	2,500,732	63,305	53,066	2,617,103	1,527,120	2,512,522	364,791	502,117	7,523,653
2018	2,579,542	72,268	56,628	2,708,438	1,597,939	2,641,586	368,446	508,151	7,824,560
2019	2,725,774	92,065	57,338	2,875,177	1,707,745	2,941,982	397,684	583,429	8,506,017

Notes:
FY 2010 amounts were adjusted due to the District's policy change in the recognition of personal property tax revenues.
FY 2010 amounts for Property Tax - Rental were corrected to reflect proper classification.

Source: Information for each fiscal year was extracted from Exhibit 2-b, Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.

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REVENUE CAPACITY

These schedules provide information regarding the District's most significant local revenue sources: property, income and franchise, and sales and use taxes.

Exhibit S-2A
Estimated Value of Taxable Property
Last Ten Fiscal Years ($000s)

Fiscal Year	Estimated Value: Commercial Property	Estimated Value: Residential Property	Total Taxable	Tax Exempt	Total Value	Total Direct Tax Rate	Tax Exempt as a % of Total Value
2010	$ 68,254,862	$ 81,862,427	$ 150,117,289	$ 82,113,504	$ 232,230,793	1.30	35.36%
2011	59,224,100	80,063,402	139,287,502	81,528,158	220,815,660	1.25	36.92%
2012	65,903,077	80,598,880	146,501,957	83,399,263	229,901,220	1.26	36.28%
2013	70,337,945	81,406,777	151,744,722	84,690,034	236,434,756	1.23	35.82%
2014	74,834,806	85,465,264	160,300,070	87,287,954	247,588,024	1.24	35.26%
2015	82,287,797	94,623,356	176,911,153	90,854,809	267,765,962	1.32	33.93%
2016	86,644,638	102,457,968	189,102,606	91,429,157	280,531,763	1.32	32.59%
2017	89,970,074	111,600,290	201,570,364	96,439,565	298,009,929	1.22	32.36%
2018	91,138,075	120,243,383	211,381,458	99,987,708	311,369,166	1.28	32.11%
2019	94,454,918	125,671,114	220,126,032	102,087,904	322,213,936	1.28	31.68%

Notes:
Assessed value is 100% of estimated value.
Residential Property: After Homestead Deductions and other credits applied against tax for 2010-2019; Does not reflect the 2010 - 2019 Cap Assessment of 10% for Class 01 with Homestead Deductions.
Total Direct Tax Rate: This is the weighted rate of all taxable real property, obtained by multiplying the weighted rate by the percentage of the total value of real property for each class.

Source: Office of Tax and Revenue

Exhibit S-2B
Direct Property Tax Rates
Last Ten Fiscal Years (Per $100 Assessed Valuation)

	Direct Property Tax Rate		
Fiscal Year	Basic Rate	General Obligation Debt Service	Total Direct
2010	1.02	0.28	1.30
2011	0.97	0.28	1.25
2012	1.12	0.14	1.26
2013	1.12	0.11	1.23
2014	1.13	0.11	1.24
2015	1.18	0.14	1.32
2016	1.16	0.16	1.32
2017	1.08	0.14	1.22
2018	1.14	0.14	1.28
2019	1.13	0.15	1.28

Note:
Total Direct Tax Rate: This is the weighted rate of all taxable real property, obtained by multiplying the weighted rate by the percentage of the total value of real property for each class.

Source: Office of Tax and Revenue

Exhibit S-2C
Major Tax Rates
Last Ten Fiscal Years

	Property (per $100 of assessed value)						
	Residential			Commercial			Personal
Fiscal Year	Owner occupied	Tenant occupied	Unimproved	Hotels	Improved	Unimproved	
2010	0.85	0.85	0.85	1.65/1.85	1.65/1.85	10.00	3.40
2011	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2012	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2013	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2014	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2015	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2016	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2017	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2018	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.85/5.00/10.00	1.65/1.85/5.00/10.00	1.65/1.85	3.40
2019	0.85/5.00/10.00	0.85/5.00/10.00	0.85	1.65/1.77/1.89/5.00/10.00	1.65/1.77/1.89/5.00/10.00	1.65/1.77/1.89	3.40

	Sales and Use			Income and Franchise		Gross Receipts	
						Public Utility	
Fiscal Year	General	Cigarette	Motor Fuel	Individual	Business	Commercial	Residential
2010	0.0600	2.00/2.50	0.24	0.04-0.09	0.10	0.11	0.10
2011	0.0600	2.50/3.13	0.24	0.04-0.09	0.10	0.11	0.10
2012	0.0600	2.86/3.57	0.24	0.04-0.09	0.10	0.11	0.10
2013	0.0600	2.86/3.57	0.24	0.04-0.09	0.10	0.11	0.10
2014	0.0575	2.86/3.57	0.24	0.04-0.09	0.10	0.11	0.10
2015	0.0575	2.90/3.62	0.24	0.04-0.09	0.09	0.11	0.10
2016	0.0575	2.91/3.63	0.24	0.04-0.09	0.09	0.11	0.10
2017	0.0575	2.94	0.24	0.04-0.09	0.09	0.11	0.10
2018	0.0575	2.94	0.24	0.04-0.09	0.08	0.11	0.10
2019	0.0600	4.94	0.24	0.04-0.09	0.08	0.11	0.10

Notes:

Property (per $100 of assessed value):

Residential: FY 2010 $0.85 per $100 of assessed value.

Residential: FY 2011 - FY 2019 properties are subject to Class 3 (now Vacant) at $5 per $100 of assessed value and Class 4 (now Blighted) rates and $10 per $100 of assessed value.

Commercial Hotels and Improved: FY 2010 $1.65 per $100 of assessed value up to $3 million; $1.85 for all residuals above $3 million.

Commercial Hotels and Improved: FY 2011 - FY 2019 properties are subject to Class 3 (now Vacant) at $5 per $100 of assessed value and Class 4 (now Blighted) rates at $10 per $100 of assessed value.

Commercial Hotels and Improved: FY 2019, $1.65 per $100 of assessed value less than or equal to $5 million; $1.77 for properties assessed above $5 million but less than or equal to $10 million; $1.89 for properties value above $10 million.

Commercial Unimproved: For FY 2010 only, property reverted to its native Class and rate. A new 'Blighted' category was assigned Class 3 and taxed at the $10 rate.

Commercial Unimproved: For FY 2011 - FY 2018 properties reverted to its native Class and rate.

Sales and Use Tax:

General: Of sales value

Cigarette: FY 2017 - FY 2019, 20 packs only; Prior to FY 2017, 20 and 25 packs

Motor Fuel: Per gallon

Income and Franchise:

Individual: Of taxable income

Business: Of net income

Gross Receipts:

Public Utility: Of gross charges (gas, lighting, telephone)

Source: Office of Tax and Revenue

Exhibit S-2D
Principal Property Taxpayers
Current Year and Nine Years Ago ($000s)

	2019			2010		
	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value	Taxable Assessed Value	Rank	% of Total Taxable Assessed Value
CC Owner, LLC	$ 775,951	1	0.35%	$ 446,002	3	0.30%
JBG/Federal Center, LLC	699,356	2	0.32%	599,321	1	0.40%
Carr CRHP Properties, LLC	646,000	3	0.29%	393,639	6	0.26%
Washington Square Limited Partnership	599,500	4	0.27%	412,957	5	0.28%
1100 15th Street, LLC	586,120	5	0.27%	***	***	***
United Brotherhood CRPT JNR AM NATL H S FD	544,932	6	0.25%	379,262	9	0.25%
555 12th Reit, LLC	530,397	7	0.24%	***	***	***
13th & F Associates LP & WMATA	492,190	8	0.22%	425,749	4	0.28%
MAPS 1801 K Street, LLC	476,203	9	0.22%	***	***	***
Warner Investments, LP	462,681	10	0.21%	390,000	7	0.26%

Note:
**** Property square and lot were not active in 2010*

Source: Office of Tax and Revenue

Exhibit S-2E
Ten Highest Assessed Values for Tax Exempt Properties
Current Year ($000s)

	Value
Inter-American Development Bank	$ 707,798
International Finance Corporation	706,415
International Bank for Reconstruction & Development	570,978
Protestant Episcopal Cathedral Foundation DC	459,529
International Monetary Fund	410,963
Catholic University of America	393,787
Howard University	388,569
President and Directors of Georgetown University	375,720
International Monetary Fund	351,297
The Freedom Forum, Inc.	296,365

Note:
Duplicate property listings result from owners with multiple properties.

Source: Office of Tax and Revenue

Exhibit S-2F
Property Tax Levies and Collections
Last Ten Fiscal Years ($000s)

	Current Levy			Prior Years			Total		
Fiscal Year	Levy	Collections	Percent Collected	Outstanding Balances Billed	Collections	Percent Collected	Billed	Collections	Percent Collected
2010	$ 1,792,100	$ 1,735,602	96.85%	$ 144,883	$ 94,683	65.35%	$ 1,936,983	$ 1,830,285	94.49%
2011	1,639,902	1,610,533	98.21%	226,333	111,465	49.25%	1,866,235	1,721,998	92.27%
2012	1,814,958	1,784,196	98.31%	152,954	78,989	51.64%	1,967,912	1,863,185	94.68%
2013	1,909,967	1,872,534	98.04%	145,546	82,977	57.01%	2,055,513	1,955,511	95.13%
2014	2,000,814	1,969,905	98.46%	139,400	80,076	57.44%	2,140,214	2,049,981	95.78%
2015	2,220,771	2,180,283	98.18%	119,381	68,945	57.75%	2,340,152	2,249,228	96.11%
2016	2,357,764	2,317,713	98.30%	94,796	76,119	80.30%	2,452,560	2,393,832	97.61%
2017	2,517,747	2,423,501	96.26%	98,206	77,186	78.60%	2,615,953	2,500,687	95.59%
2018	2,499,134	2,451,269	98.08%	135,611	89,575	66.05%	2,634,745	2,540,844	96.44%
2019	2,712,296	2,681,270	98.86%	145,863	97,073	66.55%	2,858,159	2,778,343	97.21%

Notes:
FY2010: Table reflects a modification to the tax levy data previously reported, which included new billings of prior year tax, penalty and interest amounts due. Data has been reformatted to specifically identify prior year amounts included in the annual amounts billed.
FY 2010 Collections: Previously reported collections for 2010 included tax overpayments for both the current levy and prior years' balances of $10,940 and $2,361, respectively.

Source: Office of Tax and Revenue

Exhibit S-2G
Personal Income Tax Rates
Last Ten Fiscal Years

Fiscal Year	Top Rate	Top Income Tax Rate is Applied to Taxable Income in Excess of Listed Amounts			Average Effective Rate
		Single	Married Filing Jointly	Head of Household	
2010	8.50%	$ 40,000	$ 40,000	$ 40,000	5.36%
2011	8.50%	40,000	40,000	40,000	5.32%
2012	8.95%	350,000	350,000	350,000	5.48%
2013	8.95%	350,000	350,000	350,000	5.60%
2014	8.95%	350,000	350,000	350,000	6.33%
2015	8.95%	350,000	350,000	350,000	6.66%
2016	8.95%	1,000,000	1,000,000	1,000,000	6.28%
2017	8.95%	1,000,000	1,000,000	1,000,000	6.12%
2018	8.95%	1,000,000	1,000,000	1,000,000	6.19%
2019	8.95%	1,000,000	1,000,000	1,000,000	N/A

Notes:
Average Effective Rate: Fiscal year personal income tax collections divided by the prior year's personal income.
FY 2012: Numbers reflect tax law changes.
N/A: Not Available
Amounts not expressed in thousands

Source: Office of Tax and Revenue

Exhibit S-2H
Personal Income Tax Filers and Liability by Income Level
Current Year and Nine Years Ago

	2019				2010			
	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total	Number of Filers	Percentage of Total	Personal Income Tax Liability	Percentage of Total
$100,001 and higher	87,759	24.73%	$ 1,632,355,952	80.04%	41,949	13.65%	$ 590,978,417	59.86%
$75,001 - $100,000	35,068	9.88%	152,847,911	7.49%	22,237	7.24%	104,135,049	10.55%
$50,001 - $75,000	56,462	15.91%	147,499,571	7.24%	41,051	13.36%	120,105,761	12.17%
$25,001 - $50,000	81,760	23.04%	93,100,823	4.57%	77,417	25.19%	108,528,441	10.99%
$10,001 - $25,000	56,748	15.99%	12,919,572	0.63%	63,152	20.55%	26,610,644	2.70%
$10,000 and lower	37,104	10.45%	686,665	0.03%	61,518	20.01%	36,829,815	3.73%
Total	**354,901**	**100.00%**	**$ 2,039,410,494**	**100.00%**	**307,324**	**100.00%**	**$ 987,188,127**	**100.00%**

Note:
Amounts not expressed in thousands

Source: Office of Tax and Revenue

DEBT CAPACITY

These schedules present information about the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Exhibit S-3A
Ratios of General Obligation Bonds Outstanding
Last Ten Fiscal Years ($000s, Except Per Capita)

Fiscal Year	General Obligation (GO) Bonds	Net Unamortized Premiums (discounts)	Outstanding GO Bonds, Net of Related Premiums and Discounts	Actual Value of Taxable Property	GO Bonds as a Percentage of Actual Value of Taxable Property	GO Debt Per Capita
2010	$ 2,781,053	$ 30,524	$ 2,811,577	$ 150,117,289	1.87%	$ 4,632
2011	2,829,598	27,781	2,857,379	139,287,502	2.05%	4,597
2012	2,295,225	16,247	2,311,472	146,501,957	1.58%	3,630
2013	2,245,185	46,952	2,292,137	151,744,722	1.51%	3,515
2014	2,790,935	89,232	2,880,167	160,300,070	1.80%	4,336
2015	3,530,770	229,585	3,760,355	176,911,153	2.13%	5,556
2016	3,829,305	287,639	4,116,944	189,102,606	2.18%	5,986
2017	4,078,160	430,941	4,509,101	201,570,364	2.24%	6,473
2018	4,827,105	542,610	5,369,715	211,381,458	2.54%	7,634
2019	5,611,815	649,007	6,260,822	220,126,032	2.84%	8,817

Note:
Outstanding General Obligation (GO) Bonds were updated to show amounts net of related premiums and discounts.
Prior years' debt per capita amounts were updated to reflect the U.S. Bureau of Economic Analysis (BEA) population estimates as of September of each year.

Exhibit S-3B
Pledged-Revenue Coverage
Last Ten Fiscal Years ($000s)

	Tax Increment Financing Debts					Income Tax Secured Revenue Bonds				
			Debt Service					Debt Service		
Fiscal Year	Sales Tax Increment	Real Property Tax Increment	Principal	Interest	Coverage	Individual Income Tax	Business Franchise Tax	Principal	Interest	Coverage
2010	$ 7,529	$ 4,431	$ 4,390	$ 5,320	123.17%	$ 1,110,444	$ 323,687	$ -	$ 59,710	2401.83%
2011	10,904	3,750	4,323	5,385	150.95%	1,296,598	359,684	23,160	136,175	1039.50%
2012	9,747	9,711	8,034	6,452	134.32%	1,490,694	465,896	90,755	134,090	870.20%
2013	11,238	7,119	4,203	6,496	171.58%	1,640,899	453,280	117,740	193,898	671.99%
2014	7,178	10,324	3,973	6,719	163.69%	1,679,173	415,581	148,120	205,724	592.00%
2015	9,133	12,328	3,914	6,785	200.59%	1,868,037	447,805	138,580	204,933	674.16%
2016	8,203	10,132	4,073	6,839	168.03%	1,907,862	556,468	88,155	179,702	920.02%
2017	10,686	8,953	4,136	6,852	178.73%	1,958,277	554,245	119,300	200,542	785.55%
2018	10,630	7,678	7,180	6,860	130.40%	2,066,842	574,745	154,505	193,535	758.99%
2019	9,865	11,072	4,284	7,629	175.75%	2,299,326	642,656	159,030	186,052	852.55%

Note:
FY 2010: The District revised the presentation of this Exhibit by removing sales tax and real property tax increments that were dedicated to debt service associated with tax increment financing (other than the Gallery Place TIF Bonds and the Mandarin Hotel TIF Bonds) for which the principal and interest components of debt service were dedicated.

Source: Details regarding the District's outstanding debt can be found in the Notes to the Basic Financial Statements (Note 7 presented on pages 113 through 125).

Exhibit S-3C
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years ($000s, Except Per Capita)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities										
General obligation bonds	$ 2,811,577	$ 2,857,379	$ 2,311,472	$ 2,292,137	$ 2,880,167	$ 3,760,355	$ 4,116,944	$ 4,509,101	$ 5,369,715	$ 6,260,822
Income tax secured bonds	2,591,244	2,994,209	3,840,474	4,682,049	4,697,201	4,578,445	4,399,700	4,124,380	3,836,706	3,664,404
TIF bonds	85,737	82,042	115,567	113,945	109,488	105,108	100,443	95,885	108,702	104,037
Qualified zone academy bonds	9,097	8,573	7,351	6,682	5,736	4,791	3,845	3,155	2,466	2,012
Certificates of participation	243,903	232,687	220,967	211,586	-	-	-	-	-	-
Bond anticipation notes	-	-	-	-	-	-	-	-	275,000	375,000
Capital leases	36,108	27,433	18,972	11,024	8,162	5,105	1,837	-	-	-
Ballpark bonds	512,542	507,637	504,000	507,916	479,704	472,273	374,514	336,406	287,022	230,864
HPTF bonds	85,278	83,970	82,453	123,044	120,476	117,814	114,994	112,109	109,104	105,965
PILOT revenue bonds	156,753	142,746	128,594	82,207	70,030	215,647	214,213	205,696	219,698	198,678
GARVEE bonds	-	87,783	83,475	130,112	122,144	114,001	104,634	96,201	87,560	78,661
Tobacco bonds	688,195	679,532	673,099	643,803	628,074	613,600	598,710	581,533	559,559	537,395
Total Debt	**$ 7,220,434**	**$ 7,703,991**	**$ 7,986,424**	**$ 8,804,505**	**$ 9,121,182**	**$ 9,987,139**	**$ 10,029,834**	**$ 10,064,466**	**$ 10,855,532**	**$ 11,557,838**
Personal income	$ 38,751,600	$ 42,090,600	$ 43,020,100	$ 44,238,700	$ 47,676,400	$ 51,279,400	$ 53,316,300	$ 55,164,800	$ 58,068,200	$ 60,001,300
Total debt percentage of personal income	18.63%	18.30%	18.56%	19.90%	19.13%	19.48%	18.81%	18.24%	18.69%	19.26%
Total debt per capita	$ 11,895	$ 12,394	$ 12,541	$ 13,504	$ 13,732	$ 14,757	$ 14,582	$ 14,448	$ 15,434	$ 16,277
Total “tax supported debt” per capita	$ 10,761	$ 11,160	$ 11,353	$ 12,317	$ 12,602	$ 13,682	$ 13,560	$ 13,475	$ 14,514	$ 15,410

Notes:
Outstanding debt was updated to show amounts net of related premiums and discounts, and resources restricted for the repayment of the principal of the Income Tax Secured Revenue Bonds debt.
There was no outstanding debt for business-type activities.
Convention Center bonds are not included in this table.

HPTF bonds: HPTF - Housing Production Trust Fund
PILOT revenue bonds: PILOT - Payment in Lieu of Taxes
GARVEE bonds: Federal Highway Grant Anticipation Revenue Bonds

Personal income: The prior years’ personal income amounts were updated to reflect current methodology and further enhance the presentation of the data.
Prior years’ debt per capita amounts were updated to reflect the U.S. Bureau of Economic Analysis (BEA) population estimates as of the third quarter of each calendar year.
Tobacco and GARVEE bonds are not supported by general tax revenues and are not included in the Total “tax supported debt” per capita calculation.

Exhibit S-3D
Legal Debt Margin Information
Last Ten Fiscal Years ($000s)

Debt Service Cost Margin Calculation for Fiscal Year 2019:

General fund revenue		$ 9,484,097
Debt service cost limitation (17% of general fund revenue)		$ 1,612,296
Debt expenditure applicable to limit:		
Principal	$ 319,351	
Interest	407,168	
Subtotal for current year	726,519	
Highest debt service cost	726,519	
Total debt service cost subject to the limitation		726,519
Debt service cost margin		**$ 885,777**

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt service cost limitation	$ 977,459	$ 1,019,192	$ 1,119,360	$ 1,165,281	$ 1,206,218	$ 1,302,425	$ 1,372,556	$ 1,412,132	$ 1,472,209	$ 1,612,296
Highest debt service cost	408,555	456,152	464,994	513,639	576,273	596,468	591,653	644,703	704,403	726,519
Debt service cost margin	568,904	563,040	654,366	651,642	629,945	705,957	780,903	767,429	767,806	885,777
Total debt service cost subject to the limit as a percentage of debt service cost limit	41.8%	44.8%	41.5%	44.1%	47.8%	45.8%	43.1%	45.7%	47.8%	45.1%
Debt limit ratio	7.1%	7.6%	7.1%	7.5%	8.1%	7.8%	7.3%	7.8%	8.1%	7.7%

Note:
Under the District of Columbia Self-Government and Governmental Reorganization Act, no long-term general obligation debt (other than refunding debt) may be issued during any fiscal year in an amount which would cause the amount of the principal and interest paid in any fiscal year on all long-term debt to exceed 17% of the revenues of the fiscal year in which the debt is issued. The debt limit ratio is calculated using the highest fiscal year debt service divided by the total revenues. The District issued more income tax revenue bonds to refund general obligation debt because the income tax revenue bonds have a higher rating, which resulted in a lower interest cost.

Exhibit S-3E
Limitation on Borrowing ($000s)

General fund expenditures (1):	$ 8,858,979	
General fund transfers out (1):	251,390	
Adjustment for transfer to component unit (UDC) (1):	40,198	
Adjustment for TIF and PILOT bonds and notes debt service transfers (1):	78,576	
Adjustment for ballpark revenue bond debt service transfers (1):	70,476	
Adjustment for convention center hotel debt service transfers (1):	9,359	
Total (a)	$ 9,308,978	
Limitation on borrowing (12%):		$ 1,117,077
FY 2019 debt service cost (b):		948,009
Margin on limitation:		**$ 169,068**
FY 2019 debt service percentage (b/a):		10.18%

Debt Service Expenditures by Fiscal Year

	2019			2020			2021			2022		
Long-Term Debt	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**	**Principal**	**Interest**	**Total**
General obligation bonds (2)	$ 153,065	$ 222,194	$ 375,259	$ 193,865	$ 274,692	$ 468,557	$ 194,120	$ 258,122	$ 452,242	$ 203,585	$ 248,332	$ 451,917
Bond anticipation notes	-	6,147	6,147	-	10,000	10,000	-	11,000	11,000	-	12,000	12,000
Income tax secured revenue bonds (2)	159,030	186,052	345,082	145,470	178,888	324,358	170,485	171,509	341,994	197,410	162,733	360,143
TIF bonds (3)	4,284	7,629	11,913	4,398	7,919	12,317	6,099	6,582	12,681	8,332	5,087	13,419
TIF notes (4), (5)	16,068	9,087	25,155	9,634	8,470	18,104	6,471	8,056	14,527	6,161	7,766	13,927
QZAB	454	-	454	454	-	454	454	-	454	276	-	276
Ballpark revenue bonds	55,315	15,161	70,476	3,055	13,074	16,129	3,510	12,873	16,383	3,995	12,642	16,637
Equipment financing program	11,614	230	11,844	4,438	48	4,486	-	-	-	-	-	-
HPTF revenue bonds	2,990	4,839	7,829	3,140	4,689	7,829	3,275	4,551	7,826	3,440	4,387	7,827
PILOT bonds (6)	31,650	9,031	40,681	31,121	8,169	39,290	14,035	7,492	21,527	14,605	6,812	21,417
PILOT notes (7)	413	414	827	437	361	798	461	323	784	487	284	771
225 Virginia Avenue lease	3,813	5,461	9,274	4,078	5,195	9,273	4,362	4,911	9,273	4,666	4,608	9,274
Washington convention and sports authority	18,105	24,963	43,068	24,380	24,069	48,449	25,600	22,840	48,440	27,590	21,531	49,121
Total	**$ 456,801**	**$ 491,208**	**$ 948,009**	**$ 424,470**	**$ 535,574**	**$ 960,044**	**$ 428,872**	**$ 508,259**	**$ 937,131**	**$ 470,547**	**$ 486,182**	**$ 956,729**

Notes:
(1) Adjustments are made to General Fund Expenditures and Transfers to reflect Component Units and Debt Service Expenditures not already included.
(2) Interest rate for unhedged variable rate bonds calculated at 3.00%.
(3) TIF Bonds include the issues for Gallery Place, Mandarin Oriental Hotel, City Market at O Street, and the Skyland Town Center Project. It also includes Bryant Street, which issued in FY 2020. The District plans to issue additional bonds which have been approved and included in future years' debt service.
(4) TIF Notes include the issues for Forever 21, Georgia Avenue CVS, Howard Theatre, Verizon Center and the Convention Center Hotel.
(5) Adjustments are made to TIF Notes to reflect actual principal prepayment.
(6) PILOT Bonds include Anacostia Waterfront Corporation, the Yards, and the Wharf projects. The debt service schedule for the Yards does not require principal payments until maturity in fiscal year 2020 at which point it is assumed to be refinanced. Debt service payments shown for the Yards and Wharf PILOT Bonds are actual or anticipated, and at the District's discretion.
(7) PILOT Notes include Rhode Island Place and Foundry Lofts Project. Adjustments are made to PILOT Notes to reflect actual principal prepayment.

The purpose of this exhibit is to comply with the debt limitation requirement.

Source: Office of Finance and Treasury

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules provide demographic and economic data to help explain the environment within which the District's financial activities take place. This information also facilitates comparisons of financial statements over time and among governments.

Exhibit S-4A
Demographic and Economic Statistics
Last Ten Fiscal Years

Fiscal Year	Population	Personal Income	Per Capita Income	Median Age	Employment	Unemployment Rate	Claims Accepted	Claims Rejected
2010	607,006	$ 38,751,600	$ 63,841	33.8	$ 709,075	10.2%	30,170	11,873
2011	621,581	42,090,600	67,715	33.7	723,233	10.2%	28,513	12,171
2012	636,826	43,020,100	67,554	33.6	730,033	9.3%	27,570	10,001
2013	652,013	44,238,700	67,849	33.8	733,317	8.6%	28,727	10,347
2014	664,232	47,676,400	71,777	33.8	757,500	7.8%	28,995	9,921
2015	676,756	51,279,400	75,772	33.8	764,700	6.7%	23,903	6,570
2016	687,801	53,316,300	77,517	33.9	780,400	6.1%	24,320	3,265
2017	696,599	55,164,800	79,192	34.0	789,500	6.5%	25,132	3,455
2018	703,373	58,068,200	82,557	34.0	794,800	5.7%	23,981	2,996
2019	710,051	60,001,300	84,503	N/A	796,300	5.5%	24,941	3,624

Notes:

For some measures in Exhibit S-4A, updates are made each year to prior year numbers. Therefore, prior year numbers may not match the numbers in CAFR tables from previous years.

N/A: Not available

Population: Source: U.S. Bureau of Economic Analysis (BEA). Presentation of prior years' data has been revised to reflect totals as of the third quarter of calendar year 2019. This differs from prior years' data which was as of July 1st. Quarterly estimates for 2010-2019 reflect unpublished monthly population estimates available as of February 2019.

Personal Income: Source: U.S. Bureau of Economic Analysis. Presentation of prior years' data has been revised to reflect totals as of the third quarter of calendar year 2019. Quarterly estimates for 2010-2019 reflect unpublished monthly population estimates available as of February 2019. Personal Income amounts are presented in thousands.

Per Capita Income: Source: U.S. Bureau of Economic Analysis. Presentation of prior years' data has been revised to reflect totals as of the third quarter of calendar year 2019. Per capita personal income is total personal income divided by total population estimates. Quarterly estimates for 2010-2019 reflect unpublished monthly population estimates available as of February 2019. Per capita income amounts are not presented in thousands.

Median Age: U.S. Census Bureau. Median ages are updated each May.

Employment: Source: U.S. Bureau of Labor Statistics. Current Employment Statistics (CES), seasonally adjusted.

Unemployment Rate: Source: U.S. Bureau of Labor Statistics. Local Area Unemployment Statistics (LAUS), Average unemployment rate for the fiscal year, seasonally adjusted.

Claims Accepted: Source: U.S. Department of Labor, Employment and Training Administration (ETA) 218 Report Section A: Monetary Determinations. Claims Accepted represent Unemployment Insurance (UI) determinations with sufficient wage credits.

Claims Rejected: Source: U.S. Department of Labor, Employment and Training Administration 218 Report Section A: Monetary Determinations. Claims Rejected represent Unemployment Insurance determinations with insufficient wage credits.

Source: Data was compiled by D.C Department of Employment Services, Office of Economic Research, Performance and Data Analytics.

Exhibit S-4B
Principal Employers
Current Year and Ten Years Ago

	2019			2009		
	Employees	Rank	% of Total Employment	Employees	Rank	% of Total Employment
Georgetown University	*	1	*	*	1	*
Children's National Medical Center	*	2	*	*	2	*
Washington Hospital Center	*	3	*	*	4	*
George Washington University	*	4	*	*	3	*
American University	*	5	*	*	7	*
Georgetown University Hospital	*	6	*	*	6	*
Booz Allen & Hamilton, Inc.	*	7	*	*	54	*
Fannie Mae	*	8	*	*	8	*
George Washington University Hospital	*	9	*	*	13	*
Howard University	*	10	*	*	5	*
Red Coats	*	11	*	*	173	*
Sibley Memorial Hospital	*	12	*	*	12	*
Universal Protection Service, LLC	*	13	*	*	N/A	*
Deloitte Consulting LLP	*	14	*	*	52	*
Catholic University of America	*	15	*	*	10	*
Total	**56,951**		**10.5%**	**43,070**		**9.6%**

Note:

N/A - Data not available. The firm's record was not in existence.

** This data is produced through the Quarterly Covered Employment and Wage (QCEW) Program, a Bureau of Labor Statistics federal/state cooperative statistical program. Release of data under this program is subject to the Confidential Information Protection and Statistical Efficiency Act of 2002. The District cannot release company specific employment information without the written consent of each of the companies that are included in the release of such data. As a result, we are only presenting rank and total employment information for the top fifteen principal employers.*

Source: Data was compiled by D.C. Department of Employment Services, Office of Economic Research, Performance & Data Analytics.

OPERATING INFORMATION

These schedules contain service and infrastructure data to better understand how the information in the District's financial reports relate to the services the District provides and the activities it performs.

Exhibit S-5A
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
GOVERNMENTAL DIRECTION AND SUPPORT (1)										
General obligation bonds										
Bond rating by Standard & Poor's Global Ratings	A+	A+	A+	AA-	AA	AA	AA	AA	AA+	AA+
Bond rating by Moody's Investors Service	Aa2	Aa2	Aa2	Aa2	Aa2	Aa1	Aa1	Aa1	Aaa	Aaa
Bond rating by Fitch Ratings	AA-	AA-	AA-	AA-	AA	AA	AA	AA	AA+	AA+
Income tax secured revenue bonds										
Bond rating by Standard & Poor's Global Ratings	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA	AAA
Bond rating by Moody's Investors Service	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1	Aa1
Bond rating by Fitch Ratings	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+	AA+
ECONOMIC DEVELOPMENT AND REGULATION (2)										
Taxable retail sales ($ millions)	$ 11,191	$ 11,697	$ 12,610	$ 13,083	$ 13,717	$ 14,659	$ 15,270	$ 16,654	$ 17,190	$ 18,231
Commercial construction units	138	124	117	96	327	97	125	179	222	197
Commercial construction value	$ 1,518,394	$ 941,963	$ 649,872	$ 954,718	$ 2,542,032	$ 1,902,211	$ 1,701,364	$ 2,448,918	$ 2,649,201	$ 3,240,162
Residential construction units	850	899	855	1,199	1,369	1,121	1,304	1,227	1,183	1,539
Residential construction value	$ 214,187	$ 235,996	$ 261,314	$ 382,192	$ 425,194	$ 391,467	$ 433,979	$ 445,223	$ 404,858	$ 449,587
HOUSING FINANCE AGENCY (3)										
Number of single-family units financed	15	53	16	2	192	236	205	199	106	69
Amount of single-family financing provided ($000s)	$ 2,704	$ 9,897	$ 3,604	$ 619	$ 53,068	$ 65,183	$ 62,902	$ 52,538	$ 34,662	$ 22,444
Number of multi-family units financed	1,307	729	1,608	939	1,008	1,325	2,090	899	1,653	1,635
Amount of multi-family financing provided ($000s)	$ 137,000	$ 78,512	$ 183,002	$ 139,347	$ 194,600	$ 171,401	$ 294,735	$ 168,960	$ 325,440	$ 301,210
Total number of housing units financed	1,322	782	1,624	941	1,200	1,561	2,295	1,098	1,759	1,704
Total amount of housing financing provided ($000s)	$ 139,704	$ 88,409	$ 186,606	$ 139,966	$ 247,668	$ 236,584	$ 357,637	$ 221,498	$ 360,102	$ 323,654
PUBLIC SAFETY AND JUSTICE (4)										
Police										
Crime index offenses	30,872	31,772	36,154	35,752	37,662	37,471	35,714	34,774	33,031	33,902
Number of police officers	3,960	3,801	3,907	4,010	3,971	3,839	3,737	3,821	3,855	3,810
Fire & EMS										
Number of operational personnel	1,946	1,941	1,874	1,998	1,877	1,864	1,875	1,892	1,927	1,939
Total number of incidents	162,440	161,795	167,939	167,335	179,319	197,092	205,988	201,404	207,492	212,459
Total number of fire/rescue incidents	31,562	31,527	30,296	29,823	32,313	34,924	34,840	35,712	39,390	39,454
Number of medical incidents	130,878	130,268	137,643	137,512	147,006	162,168	171,148	165,692	168,102	173,005
Total number of transports	94,039	97,689	101,208	102,987	109,044	115,262	92,695	55,078	53,322	54,725
Inspections	24,862	14,231	11,470	12,482	13,159	10,148	11,814	12,181	10,931	10,579
PUBLIC LIBRARY (5)										
Number of volumes	2,242,514	1,601,581	1,466,010	1,491,914	1,536,820	1,376,418	1,304,305	1,055,037	1,023,079	965,471

Exhibit S-5A
Operating Indicators by Function/Program
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
PUBLIC EDUCATION SYSTEM										
D.C. Public School System (6)										
Number of school teachers	3,758	3,850	3,775	3,392	3,585	3,684	3,999	3,996	4,121	4,320
Number of school students	45,772	48,737	45,191	45,557	46,393	47,548	48,757	48,555	48,144	49,056
Number of high school graduates	2,790	2,954	2,919	2,864	2,702	2,784	2,764	2,844	2,273	2,170
University of the District of Columbia (7)										
Number of teachers	231	222	260	250	223	230	237	235	232	230
Number of students	5,855	5,286	5,490	5,352	5,118	5,118	4,604	4,527	4,500	4,270
Number of graduates	602	641	705	832	866	795	852	817	702	782
PUBLIC WORKS/PUBLIC TRANSPORTATION (8)										
Street resurfaced (miles)	13	14	17	19	27	42	30	33	40	84
Potholes repaired	5,580	6,863	26,233	24,718	65,332	72,719	75,417	15,799	31,570	62,509
Refuse collected (tons per day)	390	393	382	361	354	340	386	328	369	363
Recyclables collected (tons per day)	110	107	133	145	130	116	96	115	102	102
Tons of bulk trash removed	3,611	3,536	2,944	2,594	2,558	2,597	3,612	2,977	2,603	2,130
Tons of leaves removed	8,050	6,914	5,659	5,920	6,054	5,798	7,221	6,110	5,803	7,497
Tons of snow removed	5,298,905	850,000	105,487	218,005	2,250,383	1,265,841	1,962,054	N/A	N/A	N/A
DEPARTMENT OF MOTOR VEHICLES (9)										
Number of motor vehicle registrations (1/1 - 12/31)	276,585	278,915	284,674	289,028	296,210	303,039	309,332	310,031	310,334	307,479
Number of operator licenses issued (1/1 - 12/31)	109,630	111,354	120,372	119,303	81,656	80,459	125,901	139,587	134,504	148,270
Number of operator licenses outstanding (1/1 - 12/31)	348,036	357,228	370,805	411,356	416,289	448,304	466,293	475,834	482,808	487,293
CONVENTION CENTER (10)										
Conferences held	214	231	201	209	204	233	217	184	167	151
Attendees	1,015,324	1,017,638	1,159,480	1,089,116	1,280,256	1,120,398	1,465,820	1,163,753	1,563,622	1,066,175

Notes:
Street resurfaced (miles): Includes reconstruction, regular cover, and pavement restorations
Tons of snow removed: N/A - Information not available for fiscal years 2017 through 2019
FY2018 number of graduates updated from previous CAFR to reflect number of graduates reported in the Adjusted Cohort Graduation Rate (ACGR) report.

(1) Source: Office of Finance and Treasury
(2) Source: Office of Tax and Revenue
(3) Source: District of Columbia Housing Finance Agency
(4) Source: Metropolitan Police Department and Fire and Emergency Medical Services Department
(5) Source: District of Columbia Public Library
(6) Source: District of Columbia Public Schools
(7) Source: University of the District of Columbia
(8) Source: District Department of Transportation and Department of Public Works
(9) Source: Department of Motor Vehicles
(10) Source: Washington Convention and Sports Authority

Exhibit S-5B
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Police (1)										
Police stations including satellites	11	11	11	11	11	11	11	11	10	10
Number of patrol cars	1,183	1,195	1,196	1,197	1,224	1,259	1,240	1,245	1,240	1,250
Fire (2)										
Number of fire and EMS stations	34	34	34	34	34	34	34	34	34	34
Number of front-line emergency vehicles	126	123	123	123	124	94	114	168	168	168
EMS (2)										
Number of ambulances	78	89	73	110	98	86	88	96	100	100
D.C. Public School System (3)										
Number of schools	122	123	122	122	112	112	115	115	116	116
Number of school buses	753	802	838	880	799	601	626	808	743	639
Public Library (4)										
Number of main and branch buildings	25	25	26	26	26	26	26	26	26	26
Parks and Recreation (5)										
Acreage	836	883	883	931	931	931	931	931	931	931
Number of recreation and community centers	79	78	78	74	73	73	74	73	74	74
Number of day camps	76	91	88	96	96	82	84	119	113	130
Number of outdoor swimming pools	23	23	24	22	22	22	23	21	22	22
Number of indoor swimming pools	10	8	8	8	11	11	15	11	11	11
Public Works/Public Transportation (6)										
Number of refuse collection trucks	71	70	64	64	69	68	74	81	102	102
Primary street miles	126	126	126	135	134	134	134	134	134	135
Secondary street miles	1,007	1,007	1,007	1,007	1,009	1,117	1,117	1,117	1,018	1,018
Number of street lights	68,000	68,000	69,350	70,182	70,828	70,809	69,708	74,188	75,703	75,875
Number of signalized intersections	1,700	1,603	1,603	1,645	1,652	1,524	1,403	1,528	1,535	1,685
Number of trees	146,920	144,000	148,980	147,276	147,376	153,990	150,288	148,726	156,763	164,878
D.C. Water & Sewer Authority (7)										
Miles of water mains	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,350	1,350	1,350
Miles of sewer mains	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,800	1,900	1,900

(1) Source: Metropolitan Police Department
(2) Source: Fire and Emergency Medical Services Department
(3) Source: District of Columbia Public Schools
(4) Source: District of Columbia Public Library
(5) Source: Department of Parks and Recreation
(6) Source: District Department of Transportation and Department of Public Works
(7) Source: District of Columbia Water and Sewer Authority

Exhibit S-5C
Budgeted Full-Time Equivalent District Government Employees by Function General Operating Funds
Last Ten Fiscal Years

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental direction and support	2,440	2,648	2,994	3,014	3,069	3,178	3,191	3,252	3,369	3,447
Economic development and regulation	1,128	1,040	1,041	1,181	1,282	1,305	1,363	1,493	1,596	1,709
Public safety and justice	8,586	8,505	8,313	8,230	8,192	8,247	8,308	8,653	8,935	9,095
Public education system	7,651	9,253	9,028	8,959	8,701	9,558	9,499	9,530	9,943	9,894
Human support services	3,946	3,782	3,687	3,822	3,992	4,141	4,208	4,498	4,456	4,788
Public works	2,106	2,007	2,146	2,196	2,324	2,397	2,414	2,437	2,530	2,490
Total	**25,857**	**27,235**	**27,209**	**27,402**	**27,560**	**28,826**	**28,983**	**29,863**	**30,829**	**31,423**

Source: Office of Budget and Planning

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